Dalrymple Bay Infrastructure

ANNUAL REPORT 2023

About Us

Dalrymple Bay Infrastructure Limited (DBI)[1] 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 for metallurgical coal, DBI intends to deliver value to securityholders through stable cashflows and ongoing investment to support distributions and growth.

dbinfrastructure.com.au

1. Dalrymple Bay Infrastructure Limited (ACN 643 302 032) and where appropriate, includes and refers to related bodies corporate in the DBI Group.

Contents

Chairperson's Statement

"With the resilience of DBI's business model underpinned by the strategic nature of the DBT asset and our long-term take or pay arrangements with customers, securityholders can continue to take comfort in the predictability of DBI's cashflows which underpin both distributions and growth."

Dear Securityholder,

It is a pleasure to present the Dalrymple Bay Infrastructure (DBI) annual report for the financial year ended 31 December 2023 (FY-23). FY-23 represented our first full financial year since we completed the successful negotiations with customers of the 10-year pricing agreements under the light-handed regulatory framework. The new commercial terms delivered a pricing framework to 30 June 2031 where our Terminal Infrastructure Charge (TIC) is indexed annually in line with inflation, providing a robust pricing regime.

DBI's 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

A total of 20.8 cents per security (cps) was paid in distributions in respect of the FY-23 year, reflecting an 8.4% increase on FY-22. In May 2023, DBI announced distribution guidance for the TIC year commencing 1 July 2023 (TY-23/24)[2] totalling 21.5 cps to be paid in quarterly distributions, reflecting an 8.4% TIC uplift for TY-23/24 on the prior TIC Year. Our TY-23/24 guidance remained in line with our distribution policy established on listing, of targeting to distribute between 60-80% of FFO.[3]

Organic Growth in Non-Expansionary Capital (NECAP) Expenditure

To ensure that the Dalrymple Bay Terminal (DBT) continues to accommodate metallurgical coal exports from the Bowen Basin for use in steel production, DBI remains focused on its investment in its pipeline of Non-Expansionary Capital (NECAP) projects at DBT over the coming years.

DBI expects to invest in excess of $500 million in NECAP projects over the decade to 2031 which will continue to ensure that terminal capacity remains available to meet the needs of our customers.

2. TIC Year (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).
3. Funds from Operations (FFO) means EBITDA less net interest expense and less any cash tax payable.

Longer term, DBT retains expansion optionality to accommodate metallurgical coal exports from the Bowen Basin via the 8X Project to expand capacity at DBT to 99.1Mtpa which is currently expected to be well supported by access seekers. All of the phases of the 8X Project are focused on terminal optimisation by maximising storage volume as well as increasing inloading and outloading capabilities within the existing footprint of DBT and its marine facilities. Our economic assessments of the commercial viability of the 8X Project are ongoing in FY-24, as part of the FEL3 Studies.

Expansion of DBT for Non-Coal Purposes

Our exploration of non-coal product opportunities for DBT continues, focused on the potential for hydrogen-related exports.

In FY-23, DBI and its three consortium parties (North Queensland Bulk Ports Corporation Limited, Brookfield Infrastructure Group (Australia) Pty Ltd and Itochu Corporation) jointly funded high-level engineering studies to understand the potential of the existing DBT infrastructure to store, handle and load liquid ammonia products as a carrier for hydrogen. DBI envisions a future where DBT could become a multi-user multi-product terminal, shipping both coal and other products from a range of producers through upgraded infrastructure.

Outlook and CEO Transition

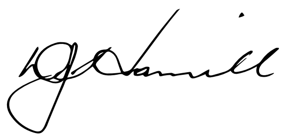
DBT is well positioned as the world's largest metallurgical coal export facility with demand expected to remain resilient over the longer term under a range of climate scenarios. Through further investment in our major NECAP projects which commenced in FY-23 and the potential for diversification of our business in line with our Transition Strategy, DBI intends to continue to deliver value to securityholders through distributions and growth.

On behalf of the Board, I would like to thank our talented team at DBI for their tremendous contribution during the year. I would further like to acknowledge the contribution made by our former CEO and Managing Director Anthony Timbrell who left the business in January 2024.[4] Anthony provided outstanding leadership during his fifteen years with the company and as DBI's inaugural Managing Director, he has built a solid platform for growth. I would like to sincerely thank Anthony for his contribution to DBI.

I am delighted to welcome Michael Riches who joined DBI as Chief Executive Officer on 4 March 2024. Michael is an experienced executive with extensive infrastructure, regulatory and operational experience across multiple industries throughout Australia. Michael brings a unique skill set to DBI and I look forward to working with Michael and the senior executive team to continue to drive long term value creation for our securityholders.

Finally, I would like to thank our securityholders for your continued support of DBI. With this support DBI is able to continue to pursue opportunities to deliver long term value.

Yours sincerely



The Hon. Dr David Hamill AM
Chairperson, Dalrymple Bay Infrastructure Limited

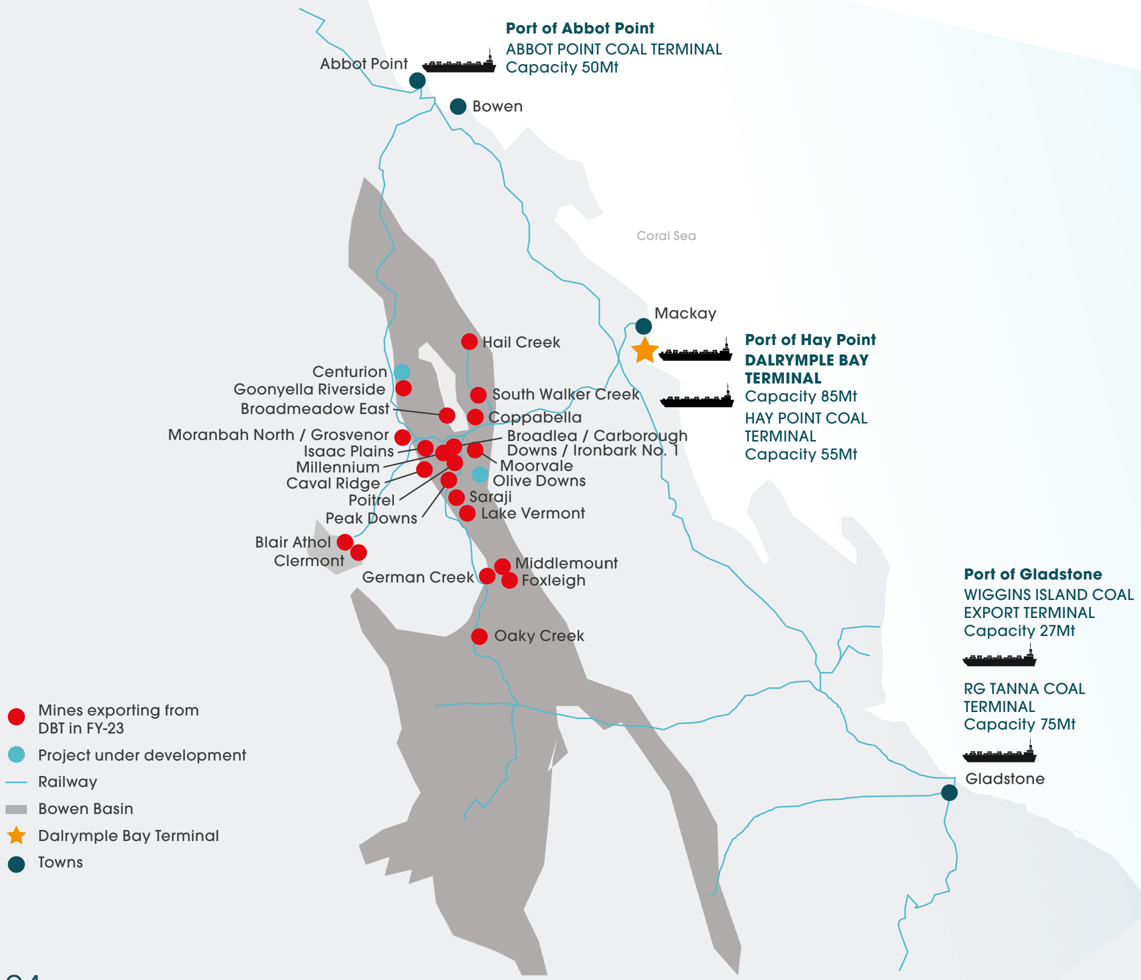
4. Refer ASX announcement: Michael Riches appointed as DBI CEO dated 25 January 2024.

Review of Operations

DBT services mines in the Bowen Basin in central Queensland. Metallurgical coal is used to produce steel, an essential product in the world's industrialised economy, making DBT a vital link in the global steelmaking supply chain.

61.1Mt
Coal exported in FY-23

23
Countries serviced by exports through DBT coal terminal

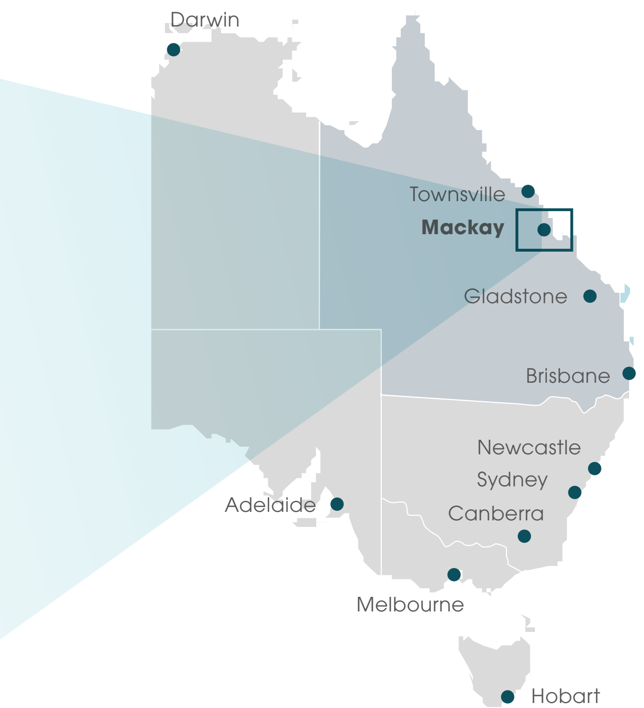


Operational Performance

During FY-23, Dalrymple Bay Terminal (DBT) exported 61.1Mt of coal with metallurgical coal exports representing 71% of DBT's exports during the year.

The terminal is fully contracted at a capacity of 84.2Mtpa until June 2028 on a 100% take-or-pay basis with evergreen renewal options for DBT customers. DBT's User portfolio includes some of the world's largest mining companies, with DBT exporting coal from 21 mines in the Bowen Basin in FY-23.

Coal handled by DBT was exported to 23 countries in FY-23 with key destinations of Japan, South Korea, India, South-East Asia and Europe, accounting for 77% of exports, including increased volumes shipped to China and Vietnam. While the contract capacity utilisation rate in 2023 was lower than historical levels, lower utilisation rates have no impact on revenue generated given the nature of the take-or-pay Access Agreements.



Commercial Terms with Customers

Services at DBT are declared under the *Queensland Competition Act* 1997 and subject to a third-party access regime administered by the Queensland Competition Authority (QCA) which provides a framework, set out in the 2021 Access Undertaking (2021 AU), for the terms and conditions upon which access to DBT is provided.

Under the 2021 AU light-handed regulatory framework, DBIM[5] and all of its existing customers at DBT agreed to pricing and commercial terms that will apply for the Pricing Period[6] to 30 June 2031. Under the revised user agreements, the base component of the Terminal Infrastructure Charge (TIC) is indexed annually for inflation and in addition DBIM receives a return on, and return of, its investments in NECAP projects. Other key commercial terms include 100% take-or-pay terms, 100% pass through of operating costs and 100% of DBT's capacity remaining fully contracted to June 2028 with evergreen renewal options for customers as well as socialisation of charges on User defaults or contract expiries.[7]

A TIC of $3.44 per tonne applies for TY-23/24[8], representing an 8.4% increase on TY-22/23.

On 22 February 2024, the QCA approved a draft amending access undertaking for the extension of the term of the 2021 AU. As a result, the 2021 AU will remain in effect until 1 July 2031, aligned with the Pricing Period.

5. Dalrymple Bay Infrastructure Management Pty Ltd (DBIM) provides the access services at Dalrymple Bay Terminal.
6. The Pricing Period commenced on 1 July 2021 and ends on 30 June 2031.
7. Revenue for uncontracted capacity will not be socialised through increased charges for remaining DBT Users in three limited circumstances: (1) if DBIM elects to voluntarily resume capacity not being utilised by a User without a reasonable expectation of recontracting to another access seeker, (2) in respect of uncontracted capacity created by an expansion until such capacity is unconditionally contracted for a term of at least 10 years, as required by the 2021 Access Undertaking, with appropriate credit security and for a mine that has achieved first coal at DBT, or (3) if DBIM fails to maintain DBT to be available to operate to its rated design capacity, or enters any agreements with non-coal customers in the future, either of which reduces available capacity, to the extent that available capacity is reduced. DBIM currently has no agreements with non-coal customers at DBT.
8. 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).

Review of Operations
Continued

20.8cps
FY-23 Distributions

$261.3m
EBITDA

Growth
$280m
of NECAP projects commenced in FY-23

Financial Performance

Total Income[9] for the year was $654.8 million which flowed through to statutory net profit after tax of $73.9 million. Distributions were paid in line with guidance and within the 60-80% of FFO policy set by the Board. Reported borrowings as at 31 December 2023 were $2,096.7 million (non-statutory drawn debt of $2,159.3 million) and our investment grade balance sheet was maintained which provides significant flexibility for our future growth options. During the year, we priced A$540 million of long-dated fixed rate senior secured notes in the US Private Placement market.[10] The placement of the notes extended DBI's overall weighted average debt maturity to 7.7 years as at 31 December 2023.

9. Includes Interest Income.
10. Refer ASX announcement: Dalrymple Bay Infrastructure prices AUD$530 million US Private Placement dated 31 March 2023.

NECAP

Over the 10 years to 2031, DBI expects to invest over $500 million in the NECAP program.

During FY-23, DBI approved $280 million in major NECAP projects and is proceeding with the design and construction of a new Shiploader (SL1A) and a new Reclaimer (RL4) to replace existing machinery, following unanimous User approval of these projects.[11]

Work on both SL1A and RL4 commenced in 2023 with an anticipated construction timeframe of approximately three to four years. SL1A is expected to cost approximately $165 million, with RL4 expected to cost approximately $116 million. Consistent with DBI's historical approach to NECAP, 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 customers, DBI is entitled to levy a NECAP Charge comprising:

- a return on the capital investment in commissioned NECAP at the prevailing 10 Year Australian Government Bond rate, plus a fixed margin; and
- 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
- a return on and a return of the interest during construction (IDC).

Accordingly, while NECAP is sustaining capital, it also provides an opportunity to grow revenue organically over time. All NECAP works completed and handed over into operation at DBT since the inception of the NECAP program over ten years ago, have earned a return on and a return of the relevant capital expenditure. The NECAP program also includes smaller sustaining capital projects which ensure DBT remains able to meet capacity commitments to our customers.

11. Refer ASX announcement: DBI to proceed with $280m in Major NECAP Projects dated 19 April 2023.

Review of Operations
Continued

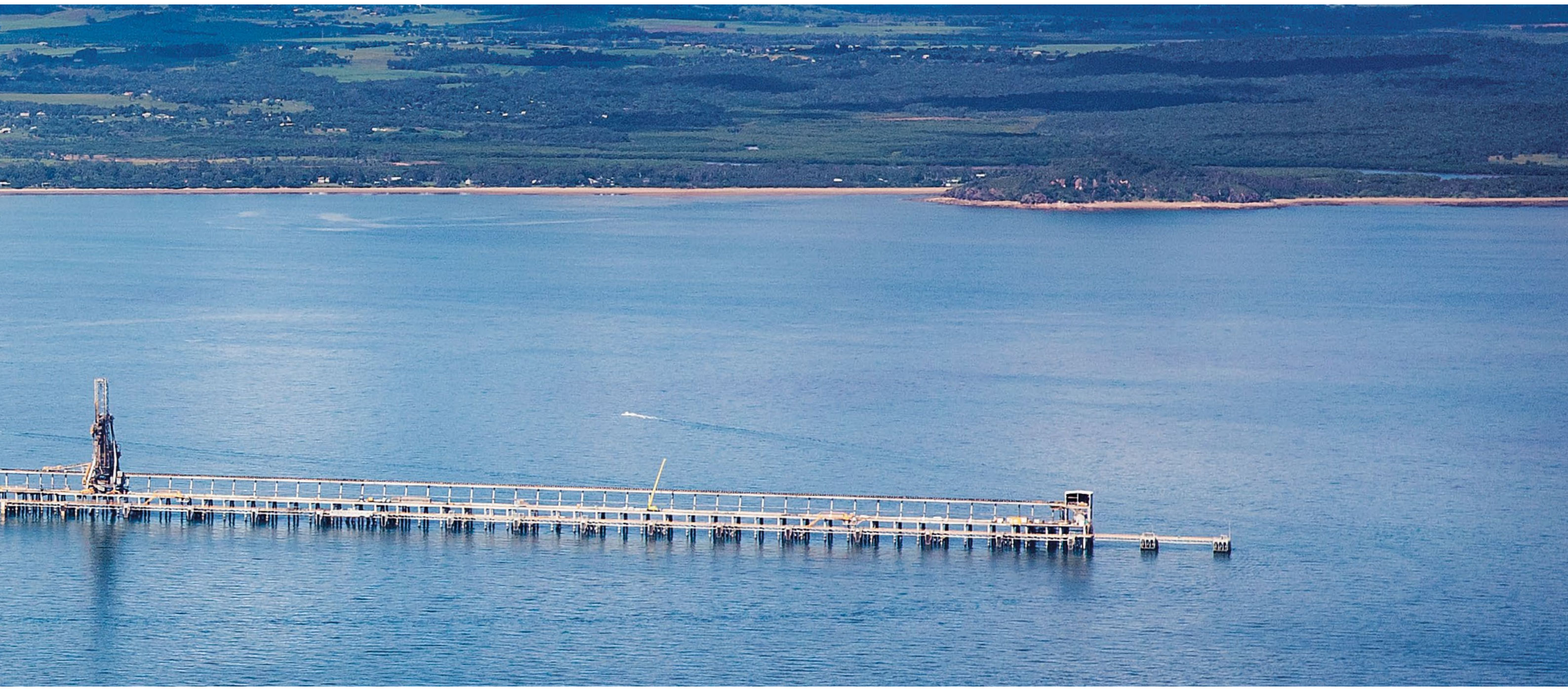
8X Project

DBI has secured all principal environmental approvals to increase the capacity of DBT to 99.1Mtpa, including amendments to the Operator's Environmental Authority for DBT. The technical aspects of the 8X FEL3 Study (feasibility), which is fully underwritten by access seekers, were completed in Q1-23 with the total estimated cost of the 8X Project expected to be approximately $1,369 million.[12] Associated economic assessments to understand the commercial viability of the 8X Project are ongoing as part of the FEL3 Studies. DBI retains optionality around how many phases of the 8X Project (if any) it undertakes, and the 8X Project remains subject to a number of factors, including the ongoing commercial access pricing negotiations with Access Seekers under the 8X Conditional Access Agreements, formal commitment by Access Seekers to 8X capacity[13] and a final investment decision by DBI.

Expansion of DBT for Non-Coal Purposes

A funding agreement to complete hydrogen feasibility studies agreed between DBI and three other consortium partners was signed on 23 February 2022. In FY-23, DBI and its consortium parties jointly funded high-level engineering studies. The studies are preliminary, but work to date suggests DBT's deep water berths and extensive offshore infrastructure would be suitable for the loading of ammonia carriers in parallel with DBT's existing coal operations. More detailed engineering and commercial assessments will be timed to align with broader developments in the market for hydrogen and green energy products.

12. FEL3 Capital cost is an estimate with a P95 Confidence level inclusive of escalation and is based upon an assumed commencement date of 1 April 2024. The estimate is subject to further escalation depending on commencement timeframes for the 8X Project. The estimate excludes feasibility study costs and interest during construction.
13. At FEL3 (Feasibility), the ILC (Independent Expert for 2021 AU) confirmed that System Capacity at completion of the 8X Project would be 99.1Mtpa. The Coal Network Capacity Company Pty Ltd (Independent Expert engaged pursuant to Aurizon's UT5 access undertaking) has identified a capacity deficit currently exists in Goonyella Rail System Capacity. Access seekers are required to secure additional rail access to match the expanded capacity which will become available from the 8X Project.



Transition strategy

DBI developed its Transition Strategy in FY-22 which is is detailed in DBI's 2023 Sustainability Report.

While DBI remains confident of the continued viability of DBT beyond 2050 under various climate scenarios, to build resilience and grow value, DBI considers it prudent to identify and assess opportunities that provide scope for the use of DBT for products other than coal and diversify the DBI business. The forecast long-term global demand for metallurgical coal in the steel production process provides significant time for DBI to create value and build resilience through the process of diversification. In addition to the global seaborne metallurgical demand forecasts, DBI notes that factors supporting the long-term utilisation of DBT as a terminal facility, whether for coal or other products, include:

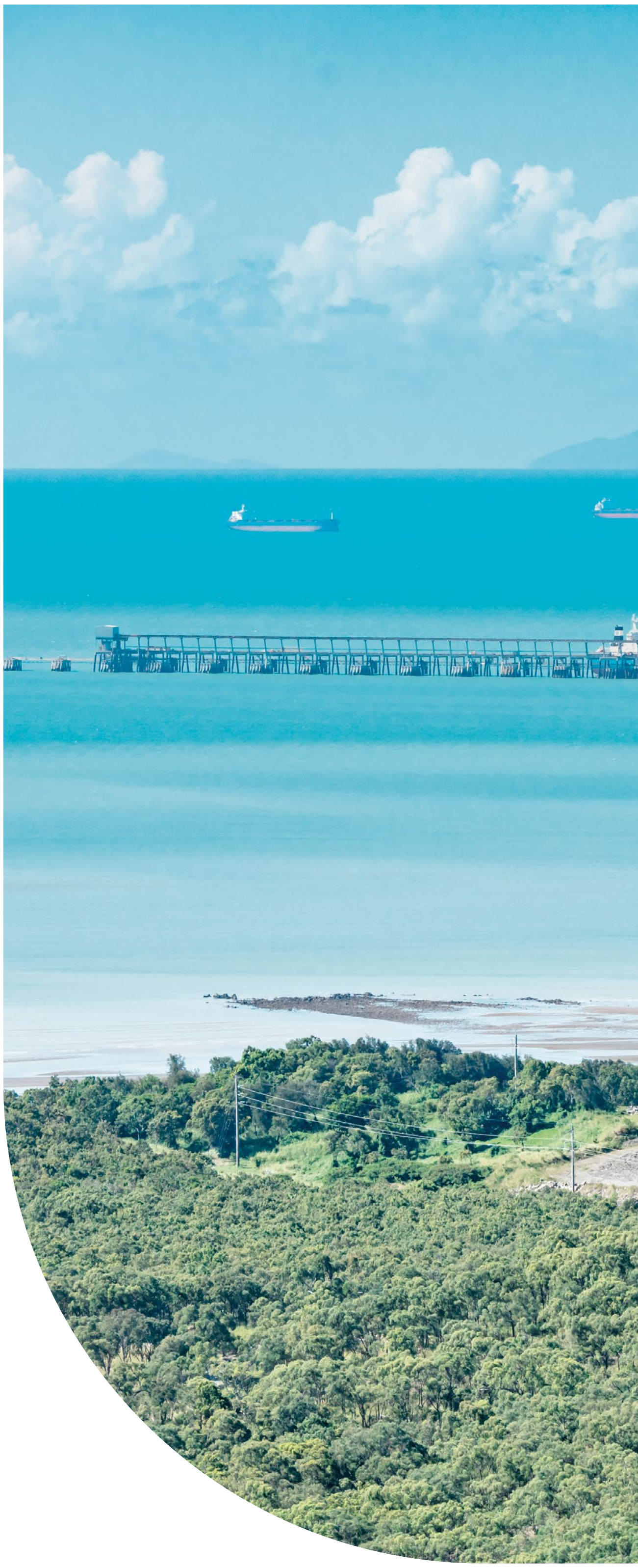
- deep-water berths at a declared Priority Port on Strategic Port Land under the *Sustainable Ports Development Act 2015* (Qld);
- supporting rail corridors servicing the terminal;
- vacant surrounding land to support future expansion or industrialisation; and
- proximity to the economic growth regions of Asia.

While DBI remains focused on existing organic growth opportunities through the DBT NECAP program and potential 8X Project, DBI intends to identify and assess opportunities for diversification by:

- investigating options for the expansion of the existing infrastructure at DBT for non-coal purposes. DBI's feasibility studies into the potential for hydrogen and alternative energy exports through DBT are an example of this approach; and
- proactively reviewing opportunities to develop or acquire other infrastructure assets.

The exploration of these opportunities will be undertaken with a focus on delivering long term value for our securityholders through continued strong distributions and growth.

Environmental, Social and Governance



DBI and the independent Operator[14] of DBT are two distinct organisations, united by a shared commitment to address the current and future social, environmental and economic challenges facing our businesses through a robust, balanced and evidence-based joint sustainability strategy for DBT.

The DBT Sustainability Strategy in practice means both organisations are committed to, and consider, our people, the environment, our community and partnerships, as well as our business performance, in daily operations and in planning for the future.

For the year ending 31 December 2023, DBT reported zero reportable environmental incidents and exceedances, zero fatalities and an All Injury Frequency Rate (AIFR) of 5.89.[15]

DBI recognises that although the steel industry carries a substantial carbon footprint, it plays a pivotal role in facilitating the shift towards a lower carbon economy, particularly as steel is a primary material in the construction of renewable energy generation and distribution infrastructure. DBI is committed to its target of net zero Scope 1 and Scope 2 greenhouse gas emissions from DBT operations by 2050.

As part of the DBT Decarbonisation Roadmap, a power purchase agreement securing arrangements for 100% of DBT's electricity requirements to be matched with 100% renewable benefits in the form of large-scale generation certificates (LGCs) commenced on 1 January 2023.[16]

14. Dalrymple Bay Coal Terminal Pty Ltd (ACN 010 268 167) (the Operator) is owned by a majority of DBT's customers (by contracted tonnage) and is responsible for the day-to-day operation and maintenance of DBT under a renewable Operations and Maintenance Contract (OMC).
15. Includes all DBI employees and contractors (including Principal Contractors) and the Operator's employees and contractors. Calculated based on 1,000,000 hours worked.
16. Refer ASX announcement: Dalrymple Bay Terminal Secures Electricity Sale Agreement with 100% Renewable Benefits from 2023 dated 17 November 2021. The Electricity Sale Agreement is in place for the period 1 January 2023 to 31 December 2030.

99%

of water utilised was captured on site and recycled[17]

74%

of waste at DBT was recycled or recovered in other operations

Zero

environmental non-compliances

17. For 12 month period ending 30 June 2023.

Environmental, Social and Governance
Continued

Zero

fatalities and
1 serious injury[18]

30.5%

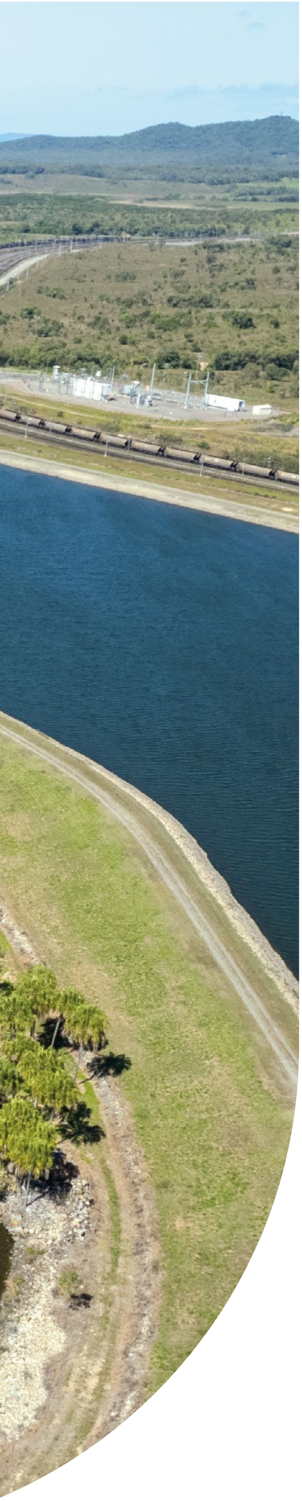
DBI female employees

DBT's new electricity arrangements with

100%

renewable benefits (in the form of LGCs) commenced on 1 January 2023[19]

18. Safety statistics reported for both DBI employees and contractors (including Principal Contractors) and the Operator's employees and contractors. This serious injury relates to a broken finger that required surgery in the 12 month period ending 30 June 2023.
19. Refer ASX announcement: Dalrymple Bay Terminal Secures Electricity Sale Agreement with 100% Renewable Benefits from 2023 dated 17 November 2021. The Electricity Sale Agreement is in place for the period 1 January 2023 to 31 December 2030.



In November 2023, DBI released its annual Sustainability Report, covering the twelve month period ending 30 June 2023. The 2023 DBI Sustainability Report is available on DBI's website and discloses a range of key sustainability matters relevant to our business and the way in which DBI manages climate-related risk.[20]

The past year has seen further policy and regulatory shifts in compliance and climate change ambitions. During the year, DBI conducted a gap analysis of its current reporting against the newly introduced International Sustainability Standards Board (ISSB) standards for sustainability-related financial disclosures. DBI is working to enhance its sustainability disclosures progressively and expects to be well placed to adhere to the Australian sustainability-related financial reporting standards upon their implementation, which is currently expected to be in place in 2024-2025.

Based on the operational control approach used in setting DBI's organisation boundary for the purposes of emissions reporting, and in accordance with the GHG Protocol guidelines, DBI developed its first emissions inventory (Scope 1, 2 and 3) for FY-21/22 (baseline year) and FY-22/23 and disclosed the results in the 2023 DBI Sustainability report.[21] For DBI emissions in FY-22/23:

- DBI Scope 1 emissions of 54 tCO_2-e are from DBI vehicles used to drive to and from DBT.[22] DBI will assess the feasibility of transitioning its site vehicles to low emission vehicles or electric vehicles over time;
- DBI Scope 2 emissions of 20 tCO_2-e are derived solely from the electricity consumption of its leased corporate office at Brisbane CBD[23]; and
- DBI Scope 3 emissions of 79,139 tCO_2-e are derived primarily from Scope 1 and Scope 2 emissions of the DBT Operator and other DBI contractors and suppliers.[24]

DBI and the Operator recognise the importance of biodiversity management and are committed to complying with applicable laws, regulations and international standards while continuously improving the environmental performance of DBT. During 2023, DBI commenced a biodiversity baseline assessment within the DBT onshore leasehold area. The goal of the assessment is to complete an initial ecological values assessment at DBT, map any planned land use changes, and identify opportunities for ecological improvements such as potential rehabilitation or habitat creation.

Further information on DBI's sustainability performance along with our Corporate Governance Statement and policies can be found on DBI's website.

20. Refer ASX announcement: 2023 Sustainability Report dated 6 November 2023.
21. Refer to note 13. 2023 Sustainability Report at pages 30-33.
22. Emissions from DBI onsite vehicle fuel and electricity usage are currently captured under the Operator's NGER reporting.
23. DBI's corporate office is located within a 5.5 NABERS Energy Base Building rating on a 6-star scale. A 5 star rating means that a building is 30% to 40% more energy and emissions efficient than average practice, and a 6 star rating is 70% to 80% more efficient (Dexus, 2018).
24. The 2023 DBI Sustainability Report is the first time DBI reported its Scope 3 emissions in accordance with the GHG protocol. The accuracy of the data DBI has collected is currently considered to be 'indicative' only, as further work is required to capture, analyse and report data more accurately.

Board of Directors

Hon Dr David Hamill AM

Chair and Independent Non-Executive Director

Member of the following Board Committees: Governance, Remuneration and Nomination Committee (Chair), Finance and Audit Committee, Compliance, Risk and Sustainability Committee

Dr Hamill was appointed as an Independent Non-Executive Director on 7 August 2020 and as Chair of the Board on 20 October 2020. He has served as a director on the boards of public and private companies, statutory authorities and not for profit and charitable organisations and his experience spans various sectors including transport, health, utilities, and education. Dr Hamill was Treasurer of Queensland (1998-2001), Minister for Education (1995-1996), Minister for Transport and Minister Assisting the Premier on Economic and Trade Development (1989-1995) and served as the Member for Ipswich in the Queensland Parliament (1983-2001). Dr Hamill is an independent director of both Brookfield Business Partners LP and Brookfield Business Corporation and is chairperson of the Queensland Bulk Water Supply Authority. He has a Bachelor of Arts degree with Honours from the University of Queensland and attended the University of Oxford as a Rhodes Scholar for his Master of Arts degree. Dr Hamill was awarded his Doctor of Philosophy from the University of Queensland.

Directorships of listed companies during the last three years: Brookfield Business Partners LP (NYSE and TSE listed) (June 2016 to date) Brookfield Business Corporation (NYSE and TSE listed) (June 2021 to date).

Dr Eileen Doyle

Independent Non-Executive Director

Member of the following Board Committees: Governance, Remuneration and Nomination Committee, Compliance, Risk and Sustainability Committee (Chair)

Dr Doyle was appointed as an Independent Non-Executive Director on 30 October 2020. Dr Doyle has more than 30 years of experience in innovation in large companies, small to medium sized enterprises and start ups. Dr Doyle was previously a director of Boral Ltd, GPT Ltd, OneSteel Ltd, Oil Search Ltd and Bradken Ltd. She is the past Chairman of Port Waratah Coal Services and Deputy Chairman of CSIRO. She is presently a director of Santos Limited, SWOOP Analytics Pty Ltd, Air Services Australia and NextDC Ltd. Dr Doyle holds a PhD in Applied Statistics from the University of Newcastle. She was Australia's first Fulbright Scholar in Business Management for which she attended Columbia University. She is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Academy of Technology and Engineering.

Directorships of listed companies held during the last three years: NEXTDC Limited (August 2020 to date), Oil Search Limited (February 2016 to December 2021), Santos Limited (December 2021 to date)

Ms Bronwyn Morris AM

Independent Non-Executive Director

Member of the following Board Committees: Governance, Remuneration and Nomination Committee, Finance and Audit Committee (Chair)

Ms Morris was appointed as an Independent Non-Executive Director on 30 October 2020. Ms Morris is a chartered accountant and a former partner of KPMG. She has over 25 years' experience on the boards of entities in the publicly listed, unlisted, government and not for profit sectors. Ms Morris has considerable experience with regulated organisations across numerous industry sectors including infrastructure, utilities and financial services. Ms Morris is currently chair of both Urban Utilities and RACQ Foundation and a director of National Intermodal Corporation. Ms Morris has a Bachelor of Commerce majoring in Accounting from the University of Queensland and is a Fellow of both the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand.

Directorships of listed companies held during the last three years: Collins Foods Limited (June 2011 to 2 September 2022)

Mr Ray Neill

Non-Executive Director

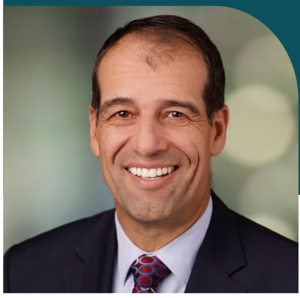
Member of the following Board Committees: Governance, Remuneration and Nomination Committee, Finance and Audit Committee, Compliance, Risk and Sustainability Committee

Mr Neill was appointed as a Non-Executive Director on 27 February 2023. Mr Neill is a Managing Director in Brookfield's Infrastructure Group, responsible for leading business development and transaction execution in Australia. Mr Neill serves as a board member on several of Brookfield's operating companies. Mr Neill joined Brookfield in 2010, following Brookfield's acquisition of the Australian-listed company, Prime Infrastructure Holdings Limited, where he worked as an investment analyst. Prior to that, Mr Neill worked for the strategy consulting firm Booz and Co. Mr Neill holds a Bachelor's Degree in Engineering from the University of Queensland and a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

Executive Team

Michael Riches

Chief Executive Officer



Appointed 4 March 2024

Mr Riches is an experienced executive with extensive infrastructure, regulatory and operational experience across multiple industries throughout Australia.

Before DBI, Mr Riches was the Chief Executive Officer at Axicom, the owner of more than 2,000 mobile phone towers across Australia, where he led a customer transformation program that secured longer term contracts with key customers, ultimately positioning the business for a successful sale to an Australian Super and Singtel owned tower company.

Prior to Axicom, Mr Riches was Group Executive, Network at Aurizon Holdings Limited for 3 years where he was the architect of, and responsible for the negotiation with customers to execute, the UT5 regulatory reform that delivered substantial benefits to the Queensland coal industry. Mr Riches' corporate life began at Alinta Energy where, over almost 6 years he held a number of senior executive roles. From 1993 to 2010 Mr Riches was a lawyer in private practice, specialising in the financing of mergers and acquisitions and major infrastructure projects, and was a partner of Minter Ellison and Clayton Utz from 2000.

Mr Riches holds a Bachelor of Laws and a Bachelor of Commerce from the University of New South Wales and is a Graduate of the Australian Institute of Company Directors.

Stephanie Commons

Chief Financial Officer

Ms Commons commenced her career in accounting at Ernst & Young and spent over eight years working in Corporate Finance and Corporate Restructuring in Ernst & Young's Brisbane and London offices. During this time, Ms Commons managed numerous due diligence, restructuring and advisory assignments for both listed and private equity clients in the UK, Europe and US. Prior to joining DBI in 2006, Ms Commons managed forensic assignments for the ATO and AFP and held consulting and management roles for both international corporates and advisory firms. Ms Commons holds a Bachelor of Science (Computing) from the University of Queensland and a Bachelor of Business – Accountancy (with Distinction) from the Queensland University of Technology. She has been a member of the Institute of Chartered Accountants (now CAANZ) since 1994 and is a Graduate of the Australian Institute of Company Directors (GAICD).

Jonathan Blakey

Chief Commercial and Sustainability Officer

Mr Blakey is an experienced financial executive, responsible for the commercial, regulatory and sustainability matters for DBI. Mr Blakey joined DBI in 2010, and during this time has supported strategic planning processes, overseen the regulatory regime governing DBT, and led customer negotiations for the company. Prior to joining DBI, Mr Blakey led the Treasury Accounting team at Suncorp Bank. During his time at the bank, he gained significant exposure to complex financial and reporting issues during the GFC. Mr Blakey holds a Bachelor of Commerce (Accountancy) and a Bachelor of Business Management (Management & Organisations) from the University of Queensland. He has been a member of CPA Australia since 2005.

Jesse Knight

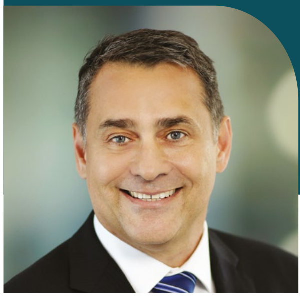
Chief Operating Officer

Having joined DBI in 2002, Mr Knight has a deep understanding of the terminal, the DBT supply chain and the DBT Access regime. Mr Knight is the face of the business for its customers and various other external stakeholders and is responsible for negotiating access agreements, delivering operational performance initiatives, overseeing cybersecurity preparedness for DBI and DBT, and driving DBT supply chain improvements. Mr Knight also plays an integral role in DBI's transition planning activities, including the assessment of inorganic growth opportunities.

Mr Knight holds a Bachelor of Information Technology from Central Queensland University and a Masters of Business Administration (Maritime and Logistics Management) from the University of Tasmania.

Peter Wotherspoon

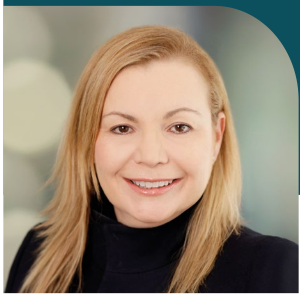
Group Projects Director



Mr Wotherspoon joined DBI in 2001. Mr Wotherspoon has more than 30 years experience managing heavy industrial/materials handling construction projects in "brownfields" environments. He has been involved with expansions of DBT since the Stage 3 Expansion in 1997 and his extensive operational knowledge has guided the future planning and optimisation of the terminal over the last 20 years. During a downturn in the coal industry from 2015 to 2017, Mr Wotherspoon focused on a diverse range of infrastructure due diligence projects in India and Australia with Brookfield, combining project management discipline with operational and asset management skills. Mr Wotherspoon holds a Bachelor of Engineering (Mechanical) and a Graduate Diploma in Administration, both from the University of Technology, Sydney.

Liesl Burman

Chief Legal and Risk Officer



Ms Burman is an experienced senior executive, lawyer and company secretary with over 20 years' experience with a broad background across the commercial, infrastructure and resources legal sectors. Prior to joining DBI in May 2021, Ms Burman was General Counsel, Australia and Assistant Company Secretary for a listed US/Australian metallurgical coal producer. Prior to that Ms Burman worked as a Senior Corporate Counsel for a major Australian mining house for 13 years. Ms Burman first practised as a Solicitor and Senior Associate for Allens Arthur Robinson (now Allens) in the commercial litigation and insolvency law areas. Ms Burman holds a Bachelor of Business (International Business)/Bachelor of Laws from the Queensland University of Technology and a Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia (now Governance Institute). Ms Burman is a graduate of the Australian Institute of Company Directors and is admitted to legal practice in Queensland, Australia. Ms Burman was appointed as Company Secretary for Dalrymple Bay Infrastructure Limited on 28 February 2022.

FINANCIAL REPORT

Contents

Directors' Report

The Directors of Dalrymple Bay Infrastructure Limited (the Company or DBI) present their consolidated financial statements for the year ended 31 December 2023.

The Dalrymple Bay Infrastructure Consolidated Group (the Group) comprises the Company,

- Dalrymple Bay Infrastructure Holdings Pty Ltd
- Dalrymple Bay Infrastructure Management Pty Ltd (DBIM)
- Dalrymple Bay Finance Pty Ltd (DB Finance)
- Dalrymple Bay Investor Services Pty Ltd (Trustee for the DBT Trust)
- DBT Trust
- BPIRE Pty Ltd (Trustee for the BPI Trust, Brookfield DP Trust and Brookfield Infrastructure Australia Trust)
- BPI Trust
- Brookfield DP Trust
- Brookfield Infrastructure Australia Trust (BIAT)
- Dudgeon Point Project Management Pty Ltd

(together the 'DBT Entities');

- DBH2 Holdings Pty Ltd (formerly DBHex Holdings Pty Ltd)
- DBH2 Management Pty Ltd (formerly DBHex Management Pty Ltd).

The Directors of the Group during the financial year and/or since the end of the financial year were:

Directors	Position
Hon Dr David Hamill AM	Chairman, Independent Non-Executive Director
Mr Anthony Timbrell	Chief Executive Officer (CEO) and Executive Director (ceased 25 January 2024)
Mr Bahir Manios	Non-Executive Director (ceased 27 February 2023)
Mr Ray Neill	Non-Executive Director (appointed 27 February 2023)
Ms Bronwyn Morris AM	Independent Non-Executive Director
Dr Eileen Doyle	Independent Non-Executive Director
Mr Jonathon Sellar	Alternate Director for Bahir Manios and Ray Neill

Mr Anthony Timbrell ceased to be employed as Chief Executive Officer and resigned as a Director of the Company with effect from 25 January 2024.

Mr Bahir Manios resigned as a Non-Executive Director of the Company and Mr Ray Neill was appointed by the Company as a Non-Executive Director with effect from 27 February 2023. Mr Jonathon Sellar also ceased to be appointed as Alternate Director for Mr Manios and was appointed as Alternate Director for Mr Neill effective on and from Mr Neill's appointment.

Directors' Report continued

Chair and Independent Non-Executive Director

Hon Dr David Hamill AM

Member of the following Board Committees:

- Governance, Remuneration and Nomination Committee (Chair)
- Finance and Audit Committee
- Compliance, Risk and Sustainability Committee

Dr Hamill was appointed as an Independent Non-Executive Director on 7 August 2020 and as Chair of the Board on 20 October 2020. He has served as a Director on the boards of public and private companies, statutory authorities and not for profit and charitable organisations and his experience spans various sectors including transport, health, utilities, and education. Dr Hamill was Treasurer of Queensland (1998-2001), Minister for Education (1995-1996), Minister for Transport and Minister Assisting the Premier on Economic and Trade Development (1989-1995) and served as the Member for Ipswich in the Queensland Parliament (1983-2001). Dr Hamill is an Independent Director of both Brookfield Business Partners LP and Brookfield Business Corporation and is Chairperson of the Queensland Bulk Water Supply Authority. He has a Bachelor of Arts degree with Honours from the University of Queensland and attended the University of Oxford as a Rhodes Scholar for his Master of Arts degree. Dr Hamill was awarded his Doctor of Philosophy from the University of Queensland.

Directorships of listed companies during the last three years:

- Brookfield Business Partners LP (NYSE and TSE listed) (June 2016 to date)
- Brookfield Business Corporation (NYSE and TSE listed) (June 2021 to date)

Outgoing Chief Executive Officer (CEO) and Executive Director

Mr Anthony Timbrell

Mr Timbrell was appointed as an Executive Director in August 2020. Mr Timbrell joined DBIM in 2008 and was appointed CEO in 2010. Mr Timbrell has 25 years of experience in the coal industry working in major Australian mining houses as well as private companies in marketing and logistics roles. Mr Timbrell ceased to be employed as CEO and resigned as a Director of the Company with effect from 25 January 2024.[25]

Directorships of listed companies during the last three years:

None

25. Refer previous ASX Announcements: Michael Riches appointed as DBI CEO dated 25 January 2024 and Dalrymple Bay Infrastructure's Managing Director and CEO to leave the Company dated 28 August 2023.

Non-Executive Directors

Mr Bahir Manios

Member of the following Board Committees:

- Governance, Remuneration and Nomination Committee
- Finance and Audit Committee
- Compliance, Risk and Sustainability Committee

Mr Manios was appointed as a Non-Executive Director on 28 September 2020 and resigned as a Non-Executive Director on 27 February 2023. Mr Manios is the Chief Financial Officer of Brookfield Asset Management. In this role, he is responsible for overseeing finance, treasury, tax, investor relations and IT functions. Mr Manios joined Brookfield in 2004 and was formerly the Chief Strategy Officer in Brookfield's Infrastructure Group and Chief Investment Officer of Brookfield Reinsurance. Prior to that, Mr Manios was the Chief Financial Officer of Brookfield Infrastructure Partners. Mr Manios is a graduate of the School of Business and Economics at Wilfrid Laurier University and is a member of the Canadian Institute of Chartered Accountants.

Directorships of listed companies held during the last three years:

None

Mr Ray Neill

Member of the following Board Committees:

- Governance, Remuneration and Nomination Committee
- Finance and Audit Committee
- Compliance, Risk and Sustainability Committee

Mr Neill was appointed as a Non-Executive Director on 27 February 2023. Mr Neill is a Managing Director in Brookfield's Infrastructure Group, responsible for leading business development and transaction execution in Australia. Mr Neill serves as a board member on several of Brookfield's operating companies. Mr Neill joined Brookfield in 2010, following Brookfield's acquisition of the Australian-listed company, Prime Infrastructure Holdings Limited, where he worked as an investment analyst. Prior to that, Mr Neill worked for the strategy consulting firm Booz and Co. Mr Neill holds a Bachelor's Degree in Engineering from the University of Queensland and a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

Directorships of listed companies held during the last three years:

None

Directors' Report continued

Independent Non-Executive Directors

Ms Bronwyn Morris AM

Member of the following Board Committees:

- Governance, Remuneration and Nomination Committee
- Finance and Audit Committee (Chair)

Ms Morris was appointed as an Independent Non-Executive Director on 30 October 2020. Ms Morris is a chartered accountant and a former partner of KPMG. She has over 25 years' experience on the boards of entities in the publicly listed, unlisted, government and not for profit sectors. Ms Morris has considerable experience with regulated organisations across numerous industry sectors including infrastructure, utilities and financial services. Ms Morris is currently Chair of both Urban Utilities and RACQ Foundation and a Director of National Intermodal Corporation. Ms Morris has a Bachelor of Commerce majoring in Accounting from the University of Queensland and is a Fellow of both the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand.

Directorships of listed companies held during the last three years:

- Collins Foods Limited (June 2011 to 2 September 2022)

Dr Eileen Doyle

Member of the following Board Committees:

- Governance, Remuneration and Nomination Committee
- Compliance, Risk and Sustainability Committee (Chair)

Dr Doyle was appointed as an Independent Non-Executive Director on 30 October 2020. Dr Doyle has more than 30 years of experience in innovation in large companies, small to medium sized enterprises and start ups. Dr Doyle was previously a Director of Boral Ltd, GPT Ltd, OneSteel Ltd, Oil Search Ltd and Bradken Ltd. She is the past Chairman of Port Waratah Coal Services and Deputy Chairman of CSIRO. She is presently a Director of Santos Limited, SWOOP Analytics Pty Ltd, Air Services Australia and NextDC Ltd. Dr Doyle holds a PhD in Applied Statistics from the University of Newcastle. She was Australia's first Fulbright Scholar in Business Management for which she attended Columbia University. She is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Academy of Technology and Engineering.

Directorships of listed companies held during the last three years:

- NEXTDC Limited (August 2020 to date)
- Oil Search Limited (February 2016 to December 2021)
- Santos Limited (December 2021 to date)

Alternate Non-Executive Director

Mr Jonathon Sellar

Mr Sellar was appointed as an Alternate Non-Executive Director for Mr Manios on 17 December 2020 and resigned on 27 February 2023. Mr Sellar was then appointed as an Alternate Non-Executive Director for Mr Neill on 27 February 2023. Mr Sellar is a Managing Director in Brookfield's Infrastructure Group and Operating Partner for Australia, responsible for the asset management function in the region. Mr Sellar joined Brookfield in 2010, following Brookfield's acquisition of the Australian listed company, Prime Infrastructure Holdings Limited, where he had served as the Chief Financial Officer since 2002.

Previously, he held senior roles at InterGen Australia and at PricewaterhouseCoopers. Mr Sellar holds a Bachelor of Business (Accountancy) from the Queensland University of Technology and has been a member of Chartered Accountants Australia and New Zealand since 1996.

Directorships of listed companies held during the last three years:

None

Company Secretary

Ms Liesl Burman

Ms Burman is an experienced senior executive, lawyer and Company Secretary with over 20 years' experience with a broad background across the commercial, infrastructure and resources legal sectors. Prior to joining the Company in May 2021, Ms Burman was General Counsel, Australia and Assistant Company Secretary for a listed US/Australian metallurgical coal producer. Prior to that Ms Burman worked as a Senior Corporate Counsel for a major Australian mining house for 13 years. Ms Burman first practised as a Solicitor and Senior Associate for Allens Arthur Robinson (now Allens) in the commercial litigation and insolvency law areas.

Ms Burman holds a Bachelor of Business (International Business)/Bachelor of Laws from the Queensland University of Technology and a Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia (now Governance Institute). Ms Burman is a graduate of the Australian Institute of Company Directors and is admitted to legal practice in Queensland, Australia.

Ms Burman is the Chief Legal and Risk Officer for the Company and was appointed as Company Secretary on 28 February 2022.

Directorships of listed companies held during the last three years:

None

Directors' Report continued

Principal Activities

The Group's principal activity during the course of the financial year was the provision of capacity to independent customers to ship coal through the Dalrymple Bay Terminal (DBT), which is located at the Port of Hay Point, south of Mackay in Queensland.

Distributions

The Company has announced a Q4-23 distribution of 5.375 cents per security, taking the total announced distributions for FY-23 to 20.80 cents per security. The Q4-23 distribution will have a record date of 1 March 2024 and a payment date of 19 March 2024. Refer Note 19 in respect of the franking information in relation to distributions for FY-23.

Operating and Financial Review

Operational Review

DBT is a predominantly metallurgical coal terminal that operates 24 hours a day, seven days per week. DBT exports over 55 different grades of metallurgical coal to more than 20 countries. Key FY-23 operating highlights for DBT include:

- total coal exports for FY-23 totalled 61.1mt of coal (53.3mt in FY-22);
- coal exports during FY-23 were approximately 71% metallurgical coal and 29% thermal coal (76% metallurgical coal and 24% thermal coal in FY-22);
- key export destinations were Japan, South Korea, India, South East Asia and Europe, accounting for approximately 77% of total exports (84% in FY-22);
- DBT exported 5.8mt of coal to China in FY-23 (0mt in FY-22) and 5.1mt of coal to Vietnam in FY-23 (2.5mt in FY-22);
- whole of site AIFR of 5.89.[26]

26. All Injury Frequency Rate (AIFR) for the 12 month period to 31 December 2023 and includes all DBI employees and contractors (including Principal Contractors) and the Operator's employees and contractors.

Financial Review

During the reporting year, the Group made a net operating profit after income tax of $73.9 million (31 December 2022: profit of $69.0 million).

$ million	FY2023 Statutory Results	FY2022 Statutory Results
TIC revenue	278.8	281.7
Handling revenue	320.9	297.4
Revenue from capital works performed	42.4	44.7
Total revenue	**642.1**	**623.8**
Terminal operator's handling costs	(320.9)	(297.4)
G&A expenses (excluding IPO Transaction Costs)[1]	(17.5)	(17.5)
Capital work costs	(42.4)	(44.7)
G&A expenses (IPO Transaction Costs)[1]	–	3.6
EBITDA (non-statutory)[2]	**261.3**	**267.8**
Net finance costs[3]	(109.9)	(116.3)
Depreciation and amortisation	(40.0)	(39.5)
Profit before tax	111.4	112.0
Income tax (expense)	(37.5)	(43.0)
Net profit after tax	**73.9**	**69.0**

1. "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 February 2021 and described in the Prospectus (as released to the ASX on 8 December 2020) as "Transaction Costs".
2. Earnings Before Interest, Tax, Depreciation and Amortisation.
3. Includes Interest expense and fair value adjustments on Stapled Loan Notes. This is net of interest income.

When comparing statutory results for the year ended 31 December 2023 to the comparative year to 31 December 2022:

- The negotiation of access charges applicable for the period from 1 July 2021 to 30 June 2031 under the light handed regulatory framework was completed on 10 October 2022. The TIC revenue for FY-22 included an adjustment payment of $22.9 million attributable to the period 1 July 2021 to 31 December 2021.
- A reversal of IPO Transaction Costs of $3.6 million was recorded during the year ended 31 December 2022 following the finalisation of various items in respect of which preliminary estimates were provided for in the Prospectus at the time of listing.
- Net finance costs included interest on DBI's external borrowings net of interest income plus non-cash items which include interest on stapled loan notes, amortisation of fair value adjustments to debt, and unrealised gains or losses on hedging (refer to Note 6). The interest on external borrowings increased by $12.6 million and the non-cash finance costs decreased by $19.0 million. The increase in interest on external borrowings was a result of the USPP funding in July 2023. The decrease in the non-cash finance costs was a result of there being no early repayments of principal on DBI stapled loan notes during 2023.

Balance Sheet

Liquidity in the Group as at 31 December 2023 comprised $480.0 million in undrawn bank facilities (31 December 2022: $480.0 million) and $422.8 million unrestricted cash at bank and term deposits (31 December 2022: $168.3 million).

Directors' Report continued

The Group's debt book comprises bank debt and fixed rate bonds, with a weighted average tenor at year end of 7.7 years (31 December 2022: 6.4 years)[27]. As at 31 December 2023, total reported borrowings were $2,096.7 million excluding the loan notes attributable to securityholders and adding back capitalised loan establishment costs of $10.3 million (31 December 2022: $7.3 million) and non-statutory drawn debt was $2,159.3 million (31 December 2022 reported borrowings: $1,966.3 million and non-statutory drawn debt: $1,928.1 million).[28]

Currency exposure on the 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.

	Statutory	Non-statutory[1]	Statutory	Non-statutory[1]
$ million	**31 December 2023**	**31 December 2023**	**31 December 2022**	**31 December 2022**
Short-Term Debt				
Bank Facilities	–	–	–	–
Note Facilities	448.0	337.6	439.3	298.9
Long-Term Debt				
Note Facilities	1,648.7	1,821.7	1,527.0	1,629.2
Total Borrowings[2]	**2,096.7**	**2,159.3**	**1,966.3**	**1,928.1**
Cash at Bank	42.8	42.8	168.3	168.3
Term Deposits	380.0	380.0	–	–
Total net debt[3]	**1,673.9**	**1,736.5**	**1,798.0**	**1,759.8**

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 $10.3 million for 31 December 2023 (31 December 2022: $7.3 million).
3. Total net debt is total borrowings less cash at bank and term deposits.

Environmental, Social and Governance (ESG) performance

DBI and the independent Operator[29] of DBT have a shared commitment to address current and future social, environmental and economic challenges through a robust, balanced and evidence-based joint Sustainability Strategy for DBT.

For the year ended 31 December 2023, DBT reported zero reportable environmental incidents and exceedances, zero fatalities and an All Injury Frequency Rate (AIFR) of 5.89.[30]

DBI continues to support the objective of finding a pathway to limit global warming to well below 2°C, in line with the Paris Agreement, and is committed to its target of achieving net zero Scope 1 and Scope 2 greenhouse gas emissions from DBT operations by 2050. As part of the DBT Decarbonisation Roadmap, a power purchase agreement, securing arrangements for 100% of DBT's electricity requirements with 100% renewable benefits in the form of large-scale generation certificates (LGCs), commenced on 1 January 2023.[31]

27. Weighted average tenor is based on drawn debt at 31 December 2023 compared to drawn debt at 31 December 2022.
28. Non-statutory debt uses the foreign currency exchange rate per the CCIR swaps to translate USD denominated debt to AUD.
29. Dalrymple Bay Coal Terminal Pty Ltd (ACN 010 268 167) (the Operator) is owned by a majority of DBT's customers (by contracted tonnage) and is responsible for the day-to-day operation and maintenance of DBT under a renewable Operations and Maintenance Contract (OMC).
30. Includes all DBI employees and contractors (including Principal Contractors) and the Operator's employees and contractors. Calculated based on 1,000,000 hours worked.
31. Refer ASX announcement: Dalrymple Bay Terminal Secures Electricity Sale Agreement with 100% Renewable Benefits from 2023 dated 17 November 2021. The Electricity Sale Agreement is in place for the period 1 January 2023 to 31 December 2030.

In November 2023, DBI released its annual Sustainability Report[32], covering the twelve month period ended 30 June 2023. The 2023 DBI Sustainability Report is available on DBI's website and discloses a range of key sustainability matters relevant to the business and the way in which DBI manages climate-related risk.[33]

Based on the operational controls approach used in setting DBI's organisation boundary for the purposes of emissions reporting, and in accordance with the GHG Protocol guidelines, DBI developed its first emissions inventory (Scope 1, 2 and 3) for FY-21/22 (baseline year) and FY-22/23 and disclosed the results in the 2023 DBI Sustainability report.[4]

DBI and the Operator recognise the importance of biodiversity management and are committed to complying with applicable laws, regulations and international standards while continuously improving the environmental performance of DBT. During 2023, DBI commenced a biodiversity baseline assessment within the DBT onshore leasehold area. The goal of the assessment is to complete an initial ecological values assessment at DBT, map any planned land use changes, and identify opportunities for ecological improvements such as potential rehabilitation or habitat creation.

Further information on DBI's sustainability performance along with its Corporate Governance Statement and policies can be found on the Company's website.

Regulatory environment

Services at DBT are declared under the *Queensland Competition Act 1997* and subject to a third party access regime administered by the Queensland Competition Authority (QCA) which provides a framework, set out in the 2021 Access Undertaking (2021 AU), for setting the terms and conditions upon which access to DBT is provided.

Under this regulatory regime, DBIM[34] is required to submit a draft access undertaking to the QCA for approval every 5 years. On 1 July 2021, the QCA approved the 2021 AU, to remain in effect to 1 July 2026. On 13 October 2023, DBIM submitted a draft amending access undertaking (DAAU) to the QCA which sought to extend the term of the current 2021 AU to 1 July 2031, in order to align with the current access pricing period. On 22 February 2024, the QCA approved the extension DAAU and, as a result, the 2021 AU will remain in effect to 1 July 2031.

Under the 2021 AU light-handed regulatory framework, DBIM and all of its existing customers (Users) at DBT have agreed to pricing and commercial terms that will apply until 30 June 2031. Under the revised user agreements, the base component of the TIC is indexed annually for inflation and in addition DBIM receives a return on and return of its investments in NECAP projects. Other key commercial terms include 100% take-or-pay terms, 100% pass through of handling charges and 100% of DBT's capacity remaining fully contracted to June 2028 with evergreen renewal options for customers.

Organic Growth in Non-Expansionary Capital (NECAP) Expenditure

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

DBI's wholly-owned subsidiary, DBIM, is proceeding with the design and construction of a new Shiploader (SL1A) and a new reclaimer (RL4) to replace existing machinery.[35] 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 $165 million, with RL4 expected to cost approximately $116 million. DBIM will continue to invest in sustaining capital at DBT to meet capacity commitments to its customers.[36]

32. See 2023 Sustainability Report at https://dbinfrastructure.com.au/sustainability/reports-documents/
33. See 2023 Sustainability Report, pp. 30-33.
34. DBIM provides the services at Dalrymple Bay Terminal. For further detail, refer previous ASX announcement: DBI Announces 10 Year Pricing Agreements and Significant Increase in Distribution Guidance dated 11 October 2022.
35. Refer previous announcement: DBI to proceed with $280 million in Major NECAP Projects dated 19 April 2023.
36. 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.

Directors' Report continued

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 pricing agreements with DBT Users[37], 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 which ensures the relevant capital deployed by the Company is recovered over time; and
- a return on and a return of the interest during construction (IDC).[38]

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

Outlook

The Terminal Infrastructure Charge (TIC) applicable for the TIC year[39] commencing July 2023 (TY-23/24) is $3.44 per tonne. On 24 May 2023, DBI announced its distribution guidance for TY-23/24 totalling 21.5 cents per security to be paid in quarterly distributions.

The Company will continue to deliver stable and predictable cashflows via its long-term take-or-pay contracts and seek to maintain an investment grade balance sheet.

The Company will continue to focus on its key strategic priorities over the next 12 months including:

- Delivering organic revenue growth through the implementation of approved NECAP Projects;
- Progressing opportunities to capture long-term Bowen Basin metallurgical coal production via our continued economic assessments of the 8X Project, as part of the FEL3 studies;
- Identifying opportunities for diversification that align with DBI's Transition Strategy;
- Delivering whole-of-terminal ESG and sustainability initiatives;
- Retaining an investment grade credit rating through optimisation of the debt capital structure – tenor, pricing and diversity of source; and
- Continuing to advance concept studies aimed at understanding the potential for development of a regional hydrogen production, storage and export facility located within the vicinity of DBT.

Risk Management

DBI has established corporate governance and risk management frameworks and procedures to ensure management of key business risks, alignment of terminal planning and operations with global best practice and reinforcement of a governance culture of acting lawfully, ethically and responsibly.

The DBI Board has approved a Risk Management Framework which implements a structured approach to identifying, evaluating and managing those current and emerging risks which have the potential to affect DBI's business and its achievement of strategic objectives. Under this framework, DBI seeks to ensure that it implements processes and procedures to consider, assess and manage the full range of risks faced by the business, including key operational, legal and regulatory, financial, health and safety and environmental risks as well as climate-related risk, and reputational and cultural risks. Fundamental to this Risk Management Framework is the detailed and regular risk reporting provided both to the Board and the Board Committees, reflecting the Board's proactive oversight of key financial, non-financial and emerging risks (including ESG risk).

Details of the Group's key risks identified by DBI under its Risk Management Framework are outlined below. Where possible, mitigation strategies are in place to reduce the likelihood of a risk occurring and to minimise the adverse consequences of the risk should it happen. However, some risks are affected by factors external to, and beyond the control of, DBI.

37. DBIM provides the services at Dalrymple Bay Terminal. DBIM reached commercial agreement with all of its existing customers under the right-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.
38. 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.
39. TIC Year (TY) runs from 1 July to 30 June. I.e. TY-23/24 is 1 July 2023 to 30 June 2024.

Further information in relation to DBI's Governance practices and Risk Management Framework are outlined in DBI's Corporate Governance Statement, which can be viewed on the Company's website.

Workplace Health and Safety

DBI employees who work on site at DBT are exposed to the risk of accidents that may give rise to personal injury, loss of life, damage to property, disruption to service and economic loss. Any failure by DBI or its third party contractors (whether caused by the Operator, DBI or otherwise) to safely conduct operations or to otherwise comply with occupational health and safety requirements, has the potential to result in death or injury to staff, contractors or members of the public, regulatory enforcement or penalties or compensation for damages as well as reputational damage to DBI.

Environment

DBI's operations, by their nature, have the potential to impact land, water resources and related ecosystems (including the Great Barrier Reef World Heritage Area (GBRWHA)), for example, arising from the discharge of contaminants, subsidence or excess water ingress. The Operator currently holds all significant and day to day environmental permits, with DBI (via DBIM) holding one environmental authority used in connection with extractive activities such as blasting and the removal of rock for the purpose of expansion. If a major environmental incident occurs (whether caused by DBI, the Operator or otherwise), DBI may be exposed to significant liability and litigation. Additionally, the Operator is required to have comprehensive terminal operational suspension plans in place should a major environmental incident occur, and such incident and suspension of operations of DBT may cause reputational damage to DBI and may impact on its revenue long term. Environmental legislation has, and may continue to, become more stringent, requiring compliance with additional standards and a heightened degree of responsibility for companies and their security holders, directors and employees. There may also be unforeseen environmental liabilities resulting from DBI's activities (either itself or in connection with the activities of the Operator), which may be costly to remedy or adversely impact DBI's operations.

Regulatory oversight as a "declared service"

The coal handling service at DBT is subject to significant regulatory oversight as it is a "declared service" under the QCA Act, with the current declaration expiring in September 2030. For so long as the handling of coal remains a "declared service", access to DBT will remain governed by the terms of an access undertaking approved by the QCA. While DBIM has agreed access pricing terms under its revised User Agreements with all existing customers which apply for the whole period from 1 January 2021 to 30 June 2031 (the Pricing Period), DBT remains subject to the access regime. DBIM's current regulatory period and Access Undertaking (2021 AU) were due to expire on 1 July 2026. On 13 October 2023, DBIM submitted a draft amending access undertaking (DAAU) to the QCA which sought to extend the term of the current 2021 AU to 1 July 2031, in order to align with the current Pricing Period. On 22 February 2024, the QCA approved the extension DAAU and, as a result, the 2021 AU will remain in effect to 1 July 2031.

Climate-related Transition and Physical Risks

Climate-related risks and opportunities are disclosed in DBI's 2023 Sustainability Report. DBI is working to enhance its sustainability disclosures progressively and expects to be well placed to adhere to the Australian sustainability-related financial reporting standards upon their implementation.

In DBI's 2023 Sustainability Report, DBI has outlined its Transition Strategy which will guide its strategic response to climate-related risks and opportunities arising from the expected transition of the global economy to a low carbon future and includes DBI's consideration of the impacts of potential climate change scenarios on the global supply and demand of seaborne metallurgical coal. DBI is also committed to limiting the impact from its operations by reducing its own GHG emissions and has committed to a target of achieving net zero Scope 1 and Scope 2 emissions at DBT by 2050. DBI's 2023 Sustainability Report can be viewed on the Company's website.

Directors' Report continued

Climate change will create transition and physical risk implications for the DBI business and the industry in which it operates. Climate change related transition risks are emerging as a result of the transition to a low-carbon economy, arising from changes to policy and regulation in both Australia and internationally, technology development and changing market dynamics. These changes are expected to affect demand for the products handled by DBT, with thermal and metallurgical coal value chains experiencing different impacts.

The key transition risks include:

- Metallurgical coal demand being affected by economic development and growth driven by demand for steel, methods of steel production including lower carbon replacement technologies, and the regulation of Greenhouse Gas (GHG) emissions including carbon pricing and regulation in Australia with the potential to affect Australian coal suppliers and by import countries and adoption of carbon capture technologies;
- Thermal coal demand being increasingly affected by energy and climate policies of import countries driven by public sentiment, energy costs, energy security factors and the regulation of GHG emissions including carbon pricing; and
- The cost and accessibility of funding and insurance, as markets respond to growing climate-related risks.

DBI may be impacted by climate-related physical risks which have the potential to cause future disruption to DBT operations as well as across as its supply chain, including arising from increased severity and/or frequency of extreme weather events (including cyclones, and rain events). In FY-21/22 DBI conducted a physical risk assessment of DBT's exposure and sensitivity to climate hazards. The results of this assessment indicated that overall the physical risk to the terminal is low. Where risks may materialise, they are localised to specific areas of the DBT site. Further information in relation to DBI's response to climate-related physical risks is outlined in DBI's 2023 Sustainability Report which can be viewed on DBI's website.

Remediation risk

At the end of its current 50-year lease term or further extension period (if the option to renew for a further 49 years is exercised), DBI may be required to remediate the land on which DBT is constructed back to its natural state if the Lessor requires DBI to do so. Additionally, DBI is required to remediate the land on which DBT is constructed back to its natural state if the DBT Leases are terminated for default by DBI or if the DBT Leases are surrendered by DBI and the Lessor requires rehabilitation as a condition of accepting the surrender. There is also a risk that the Lessor could request amendments to the remediation obligations under the DBT Leases in the future or seek greater financial assurance for any remediation obligations. If this was agreed to by DBI, this could require DBI to fund all or part of the remediation on an expedited basis. If DBI is required to remediate the land on which DBT is constructed, these costs are expected to be significant and, at the time remediation is required to be completed, may not be fully recovered from Users under the terms of access to DBT. These factors may significantly impact the cash flows and financial position of DBI.

Expansion risk

Any expansion of DBT may not occur or, if it does occur, may take longer or cost more than anticipated or may not result in the desired outcomes. If corresponding capacity is not available in the rail network managed by Aurizon Network, or Aurizon Network does not commit to build additional capacity, or the necessary approvals (including regulatory approvals) for expansion at DBT cannot be obtained by DBI or are not obtained in a timely manner or on acceptable terms to DBI, expansions may not be able to be completed.

Risks of User default

The business operations of Users may be impacted by a number of factors, including economic and political conditions and global demand and prices for coal. The Group is exposed to the risk that Users may default under their contracts, ownership of User companies may change such that payment obligations transfer to new Users that are less creditworthy or applicants in the access queue will not be able to take up any unused or expansion capacity or any uncontracted capacity. A key mitigant is the socialisation mechanism retained in the revised access agreements with all Users of DBT for the Pricing Period to 30 June 2031 under which access prices paid by other Users are increased for capacity which becomes uncontracted following another user's default, contract expiry or termination. DBIM also holds credit security under a number of its contracts in the form of cash, bank guarantees and parent company guarantees.

Reduction in metallurgical coal demand

Beyond the term of the current take-or-pay contracts (to the extent such contracts are not renewed, capacity is reduced, or such contracts are otherwise terminated) DBI is exposed to the global demand for metallurgical coal. Any long-term reduction in the global demand for metallurgical coal may negatively impact on DBT's contracted capacity and may impact on the price that Users negotiate for access to DBT, and therefore DBI's revenue and earnings outlook over time. In DBI's 2023 Sustainability Report, DBI outlined its Transition Strategy which will guide its strategic response to climate-related risks and opportunities arising from the expected transition of the global economy to a low carbon future and includes DBI's consideration of the impacts of potential climate change scenarios on the global supply and demand of seaborne metallurgical coal. DBI's 2023 Sustainability Report can be viewed on the Company's website.

Financial and funding risk

Companies in the Group have a significant amount of debt. The cost to service this debt influences the profit of DBI and the distributions that it can make to holders of the Stapled Securities. These entities are subject to various financial covenants and restrictions which, if breached, may require the loans to be repaid immediately or result in the enforcement of security or cancellation of the availability of the facilities. Debt is required to be refinanced at varying maturity dates. If acceptable terms cannot be agreed on or before maturity of these loans, then dividends, distributions and other payments by members of the Group to DBI may be diminished or delayed or cease, which could reduce the amount of cash available for distribution by DBI to securityholders.

DBI's ability to raise capital and funding and other aspects of its performance may be affected if DB Finance fails to maintain a credit rating or a credit rating is downgraded or if financiers develop ESG policy positions which inhibit their ability to offer finance to DBI.

DBT's operations may be disrupted

DBT's operations may be disrupted by a range of events beyond the control of DBI's management or its Board, including adverse weather events or natural disasters, an inability of the Operator to operate DBT due to events such as industrial disputes and labour shortages or the outbreak or continuation of a pandemic such as COVID-19; technical or information technology difficulties; major equipment failure; disruptions to third party port and rail infrastructure; terrorism, security or cyber security breaches.

While such interruptions would not necessarily give rise to a successful claim by Users under their contracts (as DBI's revenue under its current take or pay contracts is not dependent upon throughput and DBI has certain force majeure protections), DBI may suffer reputational harm which may impact its revenue and business operations long term. Repeated or prolonged interruption in certain circumstances may result in temporary or permanent loss of Users, potential for litigation and penalties for regulatory non-compliance and any losses from such events may not be recoverable under relevant insurance policies.

Changes in business regulation

DBI's business and operation are exposed to the potential effect of political or regulatory changes in Australia affecting the operation of DBT or DBI's business including those impacting on environmental matters, matters of national security and critical infrastructure, industrial matters, occupational health and safety, taxation, carbon reduction, environmental and industrial (including occupational health and safety) regulation, government policy, and approval processes.

Changes in State of Affairs

There was no significant change in the state of affairs of the Company during the year.

Directors' Report continued

Environmental Regulations

The Group's assets are subject to compliance with applicable Commonwealth and Queensland State environmental laws. The Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Group.

Subsequent Events

On 22 February 2024, the QCA approved the extension DAAU and, as a result, the 2021 AU remain in effect to 1 July 2031.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected the operations of the consolidated entities, the results of those operations, or the state of affairs of the Group in future financial years.

Future Developments

DBT retains significant expansion optionality to accommodate metallurgical coal exports from the Bowen Basin via the 8X Project to expand capacity at DBT to 99.1Mtpa. The 8X Project is focused on terminal optimisation by maximising storage volume as well as increasing inloading and outloading capabilities within the existing footprint of DBT and its marine facilities.

DBI has secured all principal environmental approvals to increase the capacity of DBT to 99.1Mtpa with the 8X Project, including amendments to the Operator's Environmental Authority for DBT. The technical aspects of the 8X FEL3 Study (feasibility), which is fully underwritten by access seekers, were completed in Q1-23 with the total estimated cost of the 8X Project expected to be approximately $1,369 million.[40] Associated economic assessments to understand the commercial viability of the 8X Project are ongoing. DBI retains optionality around how many phases of the 8X Project (if any) it undertakes and the 8X Project remains subject to a number of factors, including the ongoing commercial access pricing negotiations with Access Seekers under the 8X Conditional Access Agreements, formal commitment by Access Seekers to 8X capacity and a final investment decision by DBI.

DBIM is required to submit to DBCT Holdings Pty Limited (a wholly owned Queensland Government entity), a master plan that addresses any changes to DBT in respect to circumstances, demand, technology or other relevant matters each year, unless there is no change to the previous year's master plan. A 2023 Master Plan, incorporating the FEL3 study technical results, was issued in May 2023.

A copy of the DBIM master plan is available on DBI's website.

Dalrymple Bay is ideally positioned from an infrastructure perspective for the export of hydrogen given the Port of Hay Point's deep-water nature, abundant nearby land to support further development, geographic proximity to Asian consumers and location within one of Queensland's defined Renewable Energy Zones. Following the signing of a funding agreement with North Queensland Bulk Ports Corporation, Brookfield Infrastructure Group (Australia) Pty Ltd and ITOCHU Corporation in February 2022, a number of studies were commissioned and, based on initial engineering assessments, DBI is focusing on the potential for liquid ammonia exports (as a carrier for green hydrogen). DBI envisions a future where DBT could become a multi-user multi-product terminal, shipping both coal and green energy products from a range of producers through upgraded infrastructure.

40. FEL3 Capital cost is an estimate with a P95 Confidence level inclusive of escalation and is based upon an assumed commencement date of 1 April 2024. The estimate is subject to further escalation depending on commencement timeframes for the 8X Project. The estimate excludes feasibility study costs and interest during construction.

Indemnification of Officers and Auditors

During the reporting year, the Company paid premiums to insure certain officers of the Company (as named above), and the Executive Officers of the Company's subsidiaries, against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the reporting year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Directors' Meetings

The following table sets out the number of meetings of the Company's Board of Directors (including 1 unscheduled Board meeting) and each Board Committee held during the year ended 31 December 2023.

	Board of Directors		Finance and Audit Committee		Governance, Remuneration and Nominations Committee		Compliance, Risk and Sustainability Committee	
Directors	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
Hon Dr David Hamill AM	5	5	6	6	5	5	4	4
Mr Anthony Timbrell	5	4	6	n/a	5	n/a	4	n/a
Ms Bronwyn Morris AM	5	5	6	6	5	5	4	n/a
Dr Eileen Doyle	5	5	6	n/a	5	5	4	4
Mr Ray Neill[2]	4	4	4	3	3	3	3	3
Mr Bahir Manios[3]	1	0	2	0	2	0	1	0
Mr Jonathon Sellar[4] (alternate for Mr Bahir Manios and Mr Ray Neill)	1	1	4	4	2	2	1	1

1. Number of meetings held during the time that the Director was appointed to the Board or committee.
2. Mr Neill was appointed with effect from 27 February 2023.
3. Mr Manios resigned as a Director with effect on 27 February 2023.
4. Mr Jonathon Sellar was alternate for Mr Bahir Manios (during the period to 27 February 2023) and Mr Ray Neill (during the period from 27 February 2023) and attended as an observer when the appointed Director was present.

Remuneration Report

Letter from the Chair

Dear Securityholders

The Board is pleased to present you with Dalrymple Bay Infrastructure Limited's (DBI) Remuneration Report for the year ended 31 December 2023 (FY-23 or Reporting Period).

DBI performed well in FY-23 under 10-year User Agreements to 2031 which were successfully completed with our customers under the light-handed regulatory framework in FY-22.

The new commercial terms delivered a pricing framework to 30 June 2031 where the base component of the Terminal Infrastructure Charge (TIC) is indexed annually in line with inflation, providing significant cashflow certainty for the business which allows DBI to plan with confidence over the medium to longer term.

The Board believes that the Company has successfully implemented its business strategy and achieved critical key milestones during the year. These achievements reflect the strength and dedication of our people and the Board wishes to recognise the efforts of our staff and Executive Team.

The remuneration framework for the Company is appropriate for the listed environment and aligns with the Company's strategy. The Company's remuneration framework for the Senior Executives comprises the following 3 key components:

1. **Fixed remuneration** – comprising base salary, superannuation contributions and other benefits;
2. **Short-Term Incentive (STI)** – an 'at risk' component of remuneration where, if individual and Company-wide performance measures are met, STI awards will be delivered 50% in cash, and 50% in cash-settled Rights which are deferred for one year; and
3. **Long-Term Incentive (LTI)**[41] – an 'at risk' component of remuneration where Senior Executives are awarded cash-settled Rights, 50% of which are subject to a relative total Securityholder return (TSR) performance condition and 50% of which are subject to a distributable cash flow (DCF) condition.

DBI's FY-23 financial results were measured against the financial targets of Senior Executive's FY-23 STI eligibility criteria and the Board assessed each Senior Executive's performance against their non-financial targets relating to strategic priorities, sustainability, and people and culture, noting that strong execution and solid progress had been made during the year across each category.

During the year, the FY-21 LTI award was subject to testing, with both the TSR and DCF conditions being met during the Performance Period (ended 31 December 2023) resulting in all Rights to vest.

The Board believes that the remuneration framework is consistent with market expectations and practices, and most importantly is aligned with the long-term success of the Company and the interests of its Securityholders.

On 25 January 2024, the Company announced the appointment of Mr Michael Riches as the new Chief Executive Officer (CEO) with effect from 4 March 2024 and the cessation of employment of Mr Anthony Timbrell as outgoing Managing Director and CEO on 25 January 2024. The Board welcomes Mr Riches to the Company and again thanks Mr Timbrell for his dedication and commitment to DBI over his 15 years of service. The Board wishes Mr Timbrell all the best in his future endeavours.

On behalf of the Board, I invite you to read the Remuneration Report and welcome any feedback that you may have.

Hon Dr David Hamill AM
Governance, Remuneration and Nomination Committee Chair

41. Historical LTI awards issued for FY-21 and FY-22 are subject to a risk-adjusted TSR performance condition.

Contents

Remuneration Report continued

1. Remuneration Essentials

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

This Report sets out the remuneration arrangements for DBI's key management personnel (KMP)[42]. KMP are made up of 2 separate groups, Senior Executives and Non-Executive Directors, as illustrated in the table below.

Each of DBI's KMP named below held their position during the entire Reporting Period, unless otherwise indicated.

Non-Executive Directors

Name	Position
Hon Dr David Hamill AM	Chair and Independent Non-Executive Director
Dr Eileen Doyle	Independent Non-Executive Director
Bahir Manios[1]	Nominee Non-Executive Director (ceased 27 February 2023)
Ray Neill[1]	Nominee Non-Executive Director (appointed 27 February 2023)
Bronwyn Morris AM	Independent Non-Executive Director
Jonathon Sellar[2]	Alternate Non-Executive Director for Bahir Manios and Ray Neill

Senior Executives

Name	Position
Anthony Timbrell[3]	Chief Executive Officer (CEO) – Executive Director (ceased to be a member of KMP on 25 January 2024)
Stephanie Commons	Chief Financial Officer (CFO)

1. Mr Ray Neill is nominated to the Board by BIP Bermuda Holdings IV Limited (BIP), which holds 49.45% of the number of DBI stapled securities on issue. Previously Mr Bahir Manios was the Nominee Director of BIP.
2. Mr Bahir Manios resigned as a Non-Executive Director of the Company and Mr Ray Neill was appointed by the Company as a Non-Executive Director with effect from 27 February 2023. Mr Jonathon Sellar also ceased to be appointed as Alternate Director for Mr Manios and was appointed as Alternate Director for Mr Neill effective on and from Mr Neill's appointment, in accordance with the Relationship Agreement as described in the DBI Prospectus released to the ASX on 8 December 2020.
3. Mr Anthony Timbrell ceased to be employed as CEO and resigned as a Director of the Company with effect from 25 January 2024. Refer to ASX release dated 25 January 2024: "Michael Riches appointed as DBI CEO".

42. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entities, directly or indirectly, including any Director (whether executive or otherwise) of the consolidated entity.

Remuneration governance and framework

Role of the Board and the Governance, Remuneration and Nomination Committee

The Board is responsible for establishing, and overseeing the implementation of, the Company's remuneration policies and frameworks and ensuring that they are aligned with the long-term interests of DBI and its Securityholders.

The Governance, Remuneration and Nomination Committee has been established to assist the Board with these responsibilities. The role of the Governance, Remuneration and Nomination Committee is to review key aspects of DBI's remuneration structure and arrangements and make recommendations to the Board. In particular, the Committee reviews and recommends to the Board:

1. arrangements for the Senior Executives (including annual remuneration and participation in short-term and long-term incentive plans);
2. remuneration arrangements for Non-Executive Directors;
3. major changes and developments to the Company's employee incentive plans; and
4. whether offers are to be made under the Company's employee incentive plans in respect of a financial year and the terms of any offers.

Use of remuneration consultants

During the Reporting Period, no remuneration recommendations were received from remuneration consultants.

Remuneration policy and guiding principles

Senior executive remuneration

DBI's remuneration framework is designed to be competitive, to focus Senior Executives on executing the Group's strategy, and is aligned to achieving the business objective to increase Securityholder value.

The Board and the Governance, Remuneration and Nomination Committee are guided by the following objectives when making decisions regarding senior executive remuneration:

1. attract and retain skilled executives;
2. motivate executives to pursue the Company's long term growth and success, without rewarding conduct that is contrary to the Company's values or risk appetite;
3. demonstrate a clear relationship between the Company's overall performance and the performance of executives;
4. appropriately incentivise positive risk behaviour and improved customer outcomes, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;
5. allow for proper adjustments to be made, including where risk and compliance failures occur;
6. ensure any termination benefits are justifiable and appropriate; and
7. set key performance indicators with respect to key financial and non-financial metrics (including any key sustainability/ESG priorities for DBI within each executives' area of accountability).

Remuneration Report continued

Remuneration mix and components

The Company's Senior Executive remuneration is calculated below and the remuneration framework includes components which are structured to motivate Senior Executives to deliver sustained returns through a mix of short-term and long-term incentives.

As outlined in the FY-22 Remuneration Report, following a review in FY-22, a relative TSR performance condition was introduced in place of the risk-adjusted TSR performance condition for LTI awards with effect for the FY-23 and subsequent LTI awards.

In February 2024, the Board approved the following amendments and clarifications to both the STI and LTI Award Plans:

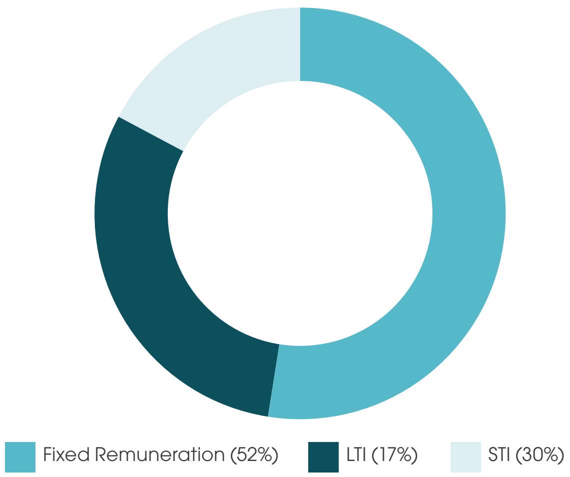
- for the purposes of calculating the value of FY-21, FY-22, FY-23 and future LTI awards and the FY-22, FY-23 and future deferred STI awards, each vested and automatically exercised LTI and STI cash-settled right is calculated with reference to the volume weighted average price (VWAP) of DBI's stapled security, measured over 10 trading days following the release of DBI's full-year results. This is instead of the participant being paid an amount determined by reference to the VWAP of DBI's stapled securities traded on the ASX on the exercise date (being the day following the date of the relevant release of the Company's financial results to the ASX). This change is intended to mitigate the risk of valuation on a single day which may be influenced by the volume traded on a single day, the nature of trading and broader ASX performance on the specific day.
- to clarify that in respect of the valuation of LTI Rights and the deferred STI Rights, the value of the distributions per stabled security will include an amount equal to the value of franking credits attaching to those distributions. This clarification is to be applied to FY-21, FY-22, FY-23 and future LTI awards and the FY22 and FY23 deferred STI awards. No franking credits were attached to the dividend component of DBI's distributions prior to the Q2-23 distribution and as result, there is no change to prior valuations of awards.

Senior Executive Remuneration Framework

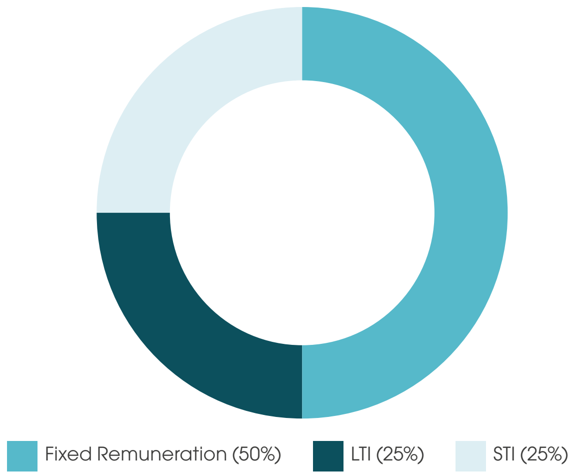
Fixed remuneration – Cash	Short-term incentive (at risk) – Cash and cash-settled Rights	Long-term incentive (at risk) – Cash-settled Rights
• Base salary plus superannuation and other benefits	• STI is subject to individual and Company performance hurdles	• Vesting is subject to a Total Securityholder Return (TSR) performance condition and a Distributable Cashflow (DCF) performance condition
• It is intended that DBI will position itself at the lower to median quartile of its peer group of companies	• Performance measured over the Company's financial year	• Performance measured over 3 years
• Base salaries are reviewed annually as part of the performance appraisal process to ensure they are still competitive	• 50% of the STI outcome is awarded in cash, and 50% in cash-settled Rights which will vest following a 12-month deferral period	
• Influenced by individual performance		
Market competitive base reward	Encourages sustainable performance in the medium to longer term, is aligned to Securityholders and provides a retention element	

The graphs below illustrate the anticipated mix of remuneration for the Senior Executives assuming maximum performance is achieved for the year ended 31 December 2023.

Forecast maximum remuneration mix for CEO, Anthony Timbrell[1]



Forecast maximum remuneration mix for CFO, Stephanie Commons



1 The above graphs reflects the calculation of the forecast maximum remuneration mix as at 31 December 2023 for each of Mr Timbrell and Ms Commons. For Mr Timbrell, this assumed a cessation of employment date of 28 August 2024. Mr Timbrell's actual FY-23 LTI Award will now be prorated to reflect his actual cessation of employment on 25 January 2024.The Board has determined that Mr Timbrell will be paid the FY-23 STI Deferred Component without any proration being applied for his cessation of employment, recognising that he was employed for the whole of the FY-23 Performance Period.

CEO transition

On 28 August 2023, DBI announced that Mr Anthony Timbrell would leave the DBI Group following an orderly transition. On 25 January 2024, DBI announced that Mr Michael Riches would be appointed as CEO effective on 4 March 2024 and that Mr Timbrell's employment ceased on 25 January 2024. In addition, Ms Commons was appointed as acting CEO until Mr Riches commences in March 2024.

Mr Timbrell received a payment in February 2024 in lieu of the remainder of his 12 month notice period up to 28 August 2024 (reflecting the period not worked) in accordance with his employment contract, together with a lump sum payment of $250,000 in recognition of the pro-ration to be applied to Mr Timbrell's unvested LTI for FY-22 and FY-23 by reason of his cessation of employment prior to the end of his contractual notice period. Mr Timbrell's other long-term incentives will be treated in accordance with the terms of the applicable incentive plans and Mr Timbrell's terms and conditions of employment. The treatment of his STI award is set out below.

Company performance and FY-23 STI outcome

The Board assessed Senior Executive performance against both financial and non-financial metrics in accordance with the STI plan with compensation awarded reflecting the results delivered. The Board determined that, with the Company having achieved a FY-23 EBITDA of $261.3 million and attributable distributions of 20.45 cents per share, the FY-23 STI Company performance hurdles were outperformed.

The Board also reviewed Senior Executive performance against a range of non-financial criteria including strategic priorities and the development of DBI's Transition Strategy, as outlined in the 2023 Sustainability Report available on DBI's website. It was determined that strong execution and solid progress had been made during the year across each category.

Remuneration Report continued

Anthony Timbrell is therefore entitled to an STI award for the performance period 1 January 2023 to 31 December 2023 of $420,000 which is 51.5% of his FY-23 fixed remuneration. Stephanie Commons is entitled to an STI award of $242,000 which is 45.4% of her FY-23 fixed remuneration.

The 50% cash component of the STI award for each of Mr Timbrell and Ms Commons for FY-23 is expected to be paid in early 2024 following release of the full-year audited results for FY-23. The remaining 50% will be delivered by a grant of cash-settled Rights which will vest following a deferral period of 12 months under DBI's Executive Incentive Plan (Deferred Component). The Board has determined that Mr Timbrell will be paid his FY-23 STI Deferred Component without any proration being applied for his cessation of employment, recognising that he was employed for the whole of the FY-23 Performance Period. Mr Timbrell will receive no STI offer in respect of FY-24.

On vesting, Rights are automatically exercised and settled in cash. For each vested and exercised Right, the Senior Executives will be paid an amount equal in value to the VWAP of DBI stapled securities traded on the ASX over 10 trading days following the release of DBI's full-year results, plus an additional amount equal in value to the distributions (including franking credits) per stapled security determined by the Board during the period from grant to vesting and exercise.

The Board assessed FY-23 performance against STI performance measures as set out below:

	Maximum Potential Award	Award Amount	% of Maximum Achieved	% of Maximum Forfeited
Anthony Timbrell	$461,861	$420,000	91%	9%
Stephanie Commons	$266,000	$242,000	91%	9%

The table below illustrates the Company's financial performance using a range of key measures during the Reporting Period. As this is the Company's third full year as a listed entity, limited comparative data for previous financial years is provided in this Report (FY-20 comparative period is 7 August 2020 to 31 December 2023).

	Security Performance ($)		Earnings Performance ($M)					Liquidity	
	Closing Security price (A$)	Distribution per Security (Cents)	EPS ($)	Revenue ($M)	EBIT ($M)	NPAT ($M)	ROE (%)	Cash flow from Operations ($M)	Debt Equity Ratio
FY-23	2.69	20.5	0.15	654.7	221.3	73.9	6.55	172.1	2.07
FY-22	2.43	18.7	0.14	626.4	228.3	69.0	6.23	189.3	1.85
FY-21[1]	2.03	13.5	0.26	505.3	241.7	129.1	13.4	109.2	2.14
FY-20[1]	2.09[2]	–	(0.23)	23.4	(120.8)	(113.2)	(13)	(3.6)	2.64

1. The earnings performance in FY-20 and FY-21 was impacted by IPO Transaction Costs. An expense of $129.3 million was included in FY-20 and a reversal of costs was included in FY-21.
2. The opening price of DBI stapled securities for FY-20 was the share price on listing, i.e. $2.57.

The cash component of the FY-22 STI award[43] was paid to Senior Executives during the Reporting Period, on 14 March 2023 ($213,500 to Anthony Timbrell and $114,500 to Stephanie Commons).

The Deferred Component of FY-22 STI award ($213,500 for Anthony Timbrell and $114,500 for Stephanie Commons) was converted to Rights (88,756 for Anthony Timbrell, and 45,455 for Stephanie Commons) and granted on 25 March 2023 using the VWAP from the 10 trading days immediately following the release of the FY-22 results. The vesting date for the conversion of the Deferred Component Rights for the FY-22 STI award to cash will be early March 2024. The Board has determined that Mr Timbrell will be paid the FY-22 STI Deferred Component without any proration being applied, recognising that he was employed for the whole of the FY-22 Performance Period and for the whole of FY-23.

The Deferred Component of the FY-21 STI award vested and were paid on 14 March 2023. The Rights (99,264 for Anthony Timbrell, and 51,888 for Stephanie Commons) were converted to cash ($269,090 for Anthony Timbrell, and $140,661 for Stephanie Commons).

Company performance and FY-21 LTI outcome

At 31 December 2023, the FY-21 LTI Award Performance Conditions were tested with both the TSR and DCF hurdles being met. The TSR hurdle result was ≥ 75th percentile and the DCF hurdle was ≥ 105%.

Therefore 100% of the FY-21 LTI Award will vest in March 2024.

On vesting, the Rights are automatically exercised and settled in cash. For each vested and exercised Right, the Senior Executives will be paid an amount equal in value to the VWAP of DBI stapled securities traded on the ASX over 10 trading days following the release of DBI's FY-23 full-year results, plus an additional amount equal in value to the distributions (including franking credits) per stapled security determined by the Board during the period from grant to vesting and exercise.

2. Senior Executive Remuneration in Detail

Details of components of Senior Executive remuneration

Fixed remuneration

The remuneration of all Senior Executives includes a fixed component comprised of base salary and employer superannuation contributions. The amounts disclosed as non-monetary benefits relate to the cost of providing income-protection insurance and an executive health assessment during the Reporting Period.

Base salary for Senior Executives was initially benchmarked before the IPO against a listed peer group of companies of comparable size, complexity and scale to DBI. Further external benchmarking exercise were undertaken ahead of each of FY-23 and FY-24. The Board positions overall remuneration at the lower to median quartile of the listed peer group of companies. Fixed remuneration is reviewed annually by the Governance, Remuneration and Nomination Committee with reference to each Senior Executive's individual performance and relevant comparative compensation in the market.

A review of the performance of each Senior Executive was conducted and used to inform recommendations for both TFR adjustments and STI awards.

43. For more details about the FY-22 STI awards, please refer to our FY-22 Remuneration Report, which is available at https://investors.dbinfrastructure.com.au/investor-centre/?page=annual-reports.

Remuneration Report continued

Short-Term Incentive

The table below provides an explanation of the terms and conditions applying to the STI plan during the Reporting Period.

<table>
<tr><td>Overview of the STI plan</td><td>The STI plan is an 'at-risk' component of Senior Executive remuneration whereby, if the applicable performance conditions are met, STI awards will be delivered 50% in cash and 50% in the form of cash-settled Rights which will vest after a further deferral of one year.</td></tr>
<tr><td>Participation</td><td>The CEO and CFO are eligible to participate in the STI plan.</td></tr>
<tr><td>Performance period</td><td>1 January 2023 to 31 December 2023.</td></tr>
<tr><td>STI opportunity</td><td>The STI opportunities of the senior executives are set out below:
<table>
<tr><th></th><th colspan="2">Level of performance</th></tr>
<tr><th></th><th>At target</th><th>Stretch</th></tr>
<tr><td>Anthony Timbrell</td><td>45.34% of Fixed Remuneration</td><td>56.67% of Fixed Remuneration</td></tr>
<tr><td>Stephanie Commons</td><td>40.0% of Fixed Remuneration</td><td>50.0% of Fixed Remuneration</td></tr>
</table></td></tr>
<tr><td>Performance conditions</td><td> If performance is assessed as below target, no STI award will be paid.
The minimum value of the STI award is nil. The maximum potential value of each of the cash component and the Deferred Component (at the date of grant) of the FY-23 STI award is $230,930 for Anthony Timbrell, and $133,000 for Stephanie Commons.
The Deferred Component of the STI will be granted to the Senior Executives in the form of cash settled Rights which will vest 12 months after the grant date. The number of Rights issued will be determined by dividing the value of the Deferred Component of the STI award by the volume weighted average price (VWAP) of stapled securities traded on the ASX during the 10 trading days following the release of DBI's FY-23 annual results.
Performance conditions for the STI award for the performance period include:
financial targets based on EBITDA and distributions (60%); and
non-financial targets relating to strategic priorities, sustainability, and people and culture (40%).
A combination of financial and non-financial performance conditions were chosen because the Board believes that there should be a balance between short term financial measures and more strategic non-financial measures which in the medium to longer term will ultimately drive future growth and returns for Securityholders.
The financial measures were chosen to provide measurable financial performance criteria strongly linked to Securityholders' value.
Non-financial individual targets are chosen to encourage the achievement of business goals consistent with the Company's overall objectives and strategic growth. </td></tr>
<tr><td>Measurement of performance conditions</td><td>Following the end of FY-23, the Governance, Remuneration and Nomination Committee will assess the performance of Senior Executives against the performance conditions set by the Board to determine individual STI awards. The Board believes this method is the most efficient and results in the most accurate outcomes.</td></tr>
</table>

Delivery of STI awards	FY-23 STI awards will be granted on or around 15 March 2024, 50% in cash to be paid in the pay run following release of full-year audited results for the financial year to which they relate, and 50% in the form of cash-settled Rights which will vest following a deferral period of 12 months.
Cash-settled Rights	Cash-settled Rights are a conditional entitlement to receive a cash payment. For each vested and automatically exercised cash-settled Right relating to the Deferred FY-23 STI Award component, the participant will be paid an amount equal in value to the VWAP of stapled securities traded on the ASX over the 10 trading days following the release of the FY-24 financial results to the ASX , plus an additional amount equal in value to the distributions (including franking credits) per stapled security determined by the Board during the period from grant to vesting and exercise. If the Senior Executive does not meet his or her minimum security holding requirement (MSR) at the time of vesting, all or some (as required) of the cash (post-tax) will be utilised to acquire DBI stapled securities on market. The CEO was required to hold 100% of his fixed remuneration and CFO was required to hold 50% of her fixed remuneration in either Deferred STI or LTI Rights or DBI stapled securities within 5 years from the date of listing. Any cash-settled Deferred Component of their STI will be used to purchase stapled securities to the extent the MSR has not been met. Based on the Company's structure, the use of cash-settled Rights is the most cost effective and appropriate incentive structure. Any cash settled Rights provided as Deferred STI are not subject to further performance based hurdles (performance hurdles do apply in working out the quantum of the award, but once calculated and Rights are granted, no further hurdles apply). The value of the Deferred STI cash settled Rights ultimately received by the senior executive on vesting is determined by multiplying the number of Deferred STI cash settled Rights that vest by the VWAP formula outlined above plus any distribution equivalent amounts as calculated above. This is designed to ensure that Senior Executives are incentivised to maximise securityholder return during the performance period. Rights are granted for nil consideration and no amount is payable on vesting.
Distribution and voting right	Rights do not carry distribution rights prior to vesting. However, each vested and exercised Right entitles the participant to a distribution equivalent payment as described above. Rights do not carry voting Rights.
Treatment of Rights on cessation of employment	Unless the Board determines otherwise: • if a participant's employment is terminated for cause or a participant resigns (or gives notice of their resignation) prior to the vesting date, all unvested Rights will lapse; or • if a participant ceases employment for any other reason prior to the vesting date, a pro rata number of their unvested Rights will remain on foot and will be vested in the ordinary course.
Change of control	The Board may determine that all or a specified number of a Senior Executive's Rights will vest where there is a change of control event in accordance with the Executive Incentive Plan (EIP) rules.
Clawback and preventing inappropriate benefits	The EIP rules provide the Board with broad clawback powers if, for example, the Senior Executive has acted fraudulently or dishonestly or there is a material financial misstatement.

Remuneration Report continued

Long-Term Incentive

Set out below is an explanation of the terms and conditions applying to the LTI awards for Senior Executives during the Reporting Period.

Overview of the LTI plan	The LTI plan is an 'at-risk' component of Senior Executive remuneration which is subject to the satisfaction of long-term performance conditions.
Participation	The CEO and CFO are eligible to participate in the LTI plan.
Instrument	Cash-settled Rights are a conditional entitlement to receive a cash payment. For each vested and automatically exercised cash-settled Right, the participant will be paid an amount equal in value to the VWAP of stapled securities traded on the ASX over the 10 trading days following the release of the financial results to the ASX following the end of the relevant Performance Period, plus an additional amount equal in value to the distributions (including franking credits) per stapled security determined by the Board during the period from grant to vesting and exercise. If a participant has not met their MSR, the net after-tax proceeds from their exercised LTI Rights will be used to acquire DBI stapled securities up to the minimum security holding requirement. The Company has received external advice that, based on the Company's structure, the use of cash-settled Rights is the most cost-effective and appropriate incentive structure. The LTI cash-settled Rights are subject to performance-based hurdles and the value of the award ultimately received by the Senior Executive on vesting is determined based on performance against these hurdles and the security price of the Company, ensuring that Senior Executives are incentivised to maximise Securityholder return over the long term. Rights are granted for nil consideration and no amount is payable on vesting.
LTI opportunity	The number of Rights that were granted to each Senior Executive for their FY-23 LTI award was determined by dividing an amount equivalent to the Senior Executive's LTI opportunity, which has been determined to be: • 56.67% of the CEO's total fixed remuneration during that period; and • 50% of the CFO's total fixed remuneration during that period; by the VWAP of fully paid ordinary stapled securities of the Company over the 10 business days immediately following the release of the FY-22 financial results. The minimum value of the FY-23 LTI Rights is nil. The value of the FY-23 LTI award that a Senior Executive will receive in cash will be determined by multiplying the number of FY-23 LTI Rights that vest (i.e. the number of FY-23 LTI Rights that meet the performance conditions over the performance period, both of which are outlined below) by the VWAP of stapled securities traded on the ASX over the 10 trading days following the release of the FY-25 financial results. On the vesting date, the Senior Executives will also receive a cash amount equal to the value of the distributions (including franking credits) per stapled security that have been declared by the Board from the grant date to the vesting date for each vested FY-23 LTI Right. If the Senior Executive does not meet his or her MSR at the time of vesting, all or some (as required) of the cash (post-tax) will be utilised to acquire DBI stapled securities on market.
Performance period	The FY-23 LTI grant will be measured from 1 January 2023 to 31 December 2025, i.e. a 3 year Performance Period.

Performance condition

Rights will be divided into two equal tranches and tested against the following performance conditions:

- Tranche 1 (50% of LTI award): relative Total Securityholder Return (TSR) performance; and
- Tranche 2 (50% of LTI award): Distributable Cash Flow (DCF), which is calculated as the net cash flow after operating activities and represents the cash flow available for distribution to Securityholders.

Vesting is assessed at the end of the Performance Period.

Tranche 1

The relative TSR performance hurdle measures DBI's TSR performance relative to the TSR performance of the companies comprising the S&P/ASX 200 index (for the performance period). The level of relative TSR growth achieved by the Company over the performance period is given a percentile ranking having regard to its performance versus companies in the peer group.

The number of Rights that vest in Tranche 1 will be determined by the Board by reference to DBI's relative ranking in accordance with the following table.

Relative ranking	% of Rights in Tranche 1 that vest
< 51st percentile	0%
51st percentile	25%
Between 51st and < 75th percentile	Pro-rata vesting on a straight-line basis from 25% to 100%
≥ 75th percentile	100% (capped at 100%)

The relative TSR performance condition has been chosen as it reflects the Company's performance versus companies in its peer group and is directly linked to Securityholder returns.

Tranche 2

The DCF performance hurdle measures the cash flow available for distribution to Securityholders. The number of Rights that vest in Tranche 2 will be determined by the Board by reference to DCF targets in accordance with the following table.

Aggregate DCF	% of Rights in Tranche 2 that vest
< 97.5% of target	0%
≥ 97.5% of target but <100% of target	Pro-rata vesting on a straight-line basis from 25% to 50%
≥ 100% of target but <105% of target	Pro-rata vesting on a straight-line basis from 50% to 100%
≥ 105% of target	100% (capped at 100%)

The DCF performance condition has been chosen as it reflects the Company's ability to provide returns to Securityholders.

Remuneration Report continued

Measurement and testing of Performance Conditions	The TSR performance hurdle (the TSR Hurdle) measures DBI's TSR performance over the Performance Period relative to the TSR performance of the companies comprising the S&P/ASX 200 index (as at the commencement of the Performance Period. Relative TSR is the return on a stapled security taking into account the growth in equity value inclusive of dividend reinvestment. The TSR of DBI is compared to the TSRs of S&P/ASX 200 index companies over the Performance Period, to determine its percentile ranking. The level of TSR growth achieved by DBI over the Performance Period is given a percentile ranking having regard to its performance versus companies in the peer group. The Board has the discretion to adjust the TSR comparator group, including to take into account acquisitions, mergers or other relevant corporate actions or delistings. This method allows for an objectively measurable assessment of the company's performance in generating returns for Securityholders. To measure the DCF performance condition, cash flow results are extracted by reference to the Company's audited financial statements. The use of audited financial statements ensures the integrity of the measure and alignment with the true financial performance of the Company. In assessing performance against the performance hurdles, the Board may make any adjustments for abnormal or unusual events that the Board considers appropriate to ensure a fair and equitable outcome. If any Rights do not vest on testing, they will immediately lapse.
Distribution and voting Rights	Rights do not carry distribution rights prior to vesting. However, each vested and exercised Right entitles the participant to a distribution equivalent payment equal to the value of the distributions per stapled security (including franking credits) that have been declared by the Board from the grant date to the vesting date for each vested and exercised Right as described above. Rights are cash-settled and do not carry voting Rights.
Treatment on cessation of employment	Unless the Board determines otherwise: • if a participant's employment is terminated for cause or a participant resigns (or gives notice of their resignation) prior to the vesting date, all their unvested Rights will lapse; and • if a participant ceases employment for any other reason prior to the vesting date, a pro rata number of their unvested Rights will remain on foot and will be tested in the ordinary course.
Change of control	The Board may determine that all or a specified number of a Senior Executive's Rights will vest where there is a change of control event in accordance with the EIP rules.
Clawback and preventing inappropriate benefits	The EIP rules provide the Board with broad clawback powers if, for example, the Senior Executive has acted fraudulently or dishonestly or there is a material financial misstatement.

Senior Executive service agreements

Both Senior Executives are party to written executive service agreements with Dalrymple Bay Infrastructure Management Pty Ltd (a subsidiary of DBI). The key terms of these agreements are set out below.

Duration	Ongoing term
Periods of notice required to terminate and termination payments	**Anthony Timbrell** Either party may terminate the contract by giving 12 months' notice where there is a fundamental change in relation to Mr Timbrell's employment, and this is not remedied within a prescribed period, Mr Timbrell can give notice and be entitled to receive 12 months fixed remuneration in lieu of notice.
	Stephanie Commons Either party may terminate the contract by giving 6 months' notice.
	The Company may terminate (either contract for Mr Timbrell or Ms Commons) immediately in certain circumstances, including where the relevant Senior Executive engages in serious or wilful misconduct. If either Senior Executive's employment terminates as a result of genuine redundancy, they are entitled to receive a severance payment of six (6) months' fixed remuneration, plus one week's total fixed remuneration per year of completed service (capped at 52 weeks), inclusive of any redundancy payments payable in accordance with legislation. They will also be entitled to receive any other payments required to be paid in accordance with legislation, including accrued leave entitlements.

Remuneration Report continued

3. Non-Executive Director Remuneration

Principles of Non-Executive Director remuneration

In remunerating Non-Executive Directors, DBI aims to ensure that it can attract and retain qualified and experienced directors having regard to:

1. the specific responsibilities and requirements for the DBI Board;
2. fees paid to Non-Executive Directors of other comparable Australian companies; and
3. the size and complexity of DBI's operations.

Current fee levels and fee pool

Board fees

The Non-Executive Director fee pool is $900,000 per annum.

DBI's annual Directors' fees for the year were $220,000 for the Chair and $110,000 for other independent Non-Executive Directors (including superannuation). The Chair does not receive any fees for being a member or Chair of a committee.

On 24 February 2023, the Governance, Remuneration and Nomination Committee recommended and the Board approved a 10% increase to the DBI Non-Executive Directors Board fees which would apply from 1 January 2023. The new fees are set out above.

DBI's annual Directors' fees for FY-24 will remain unchanged from FY-23.

Directors may be remunerated for reasonable travel and other expenses incurred in attending to DBI's affairs and any additional services outside the scope of Board and Committee duties they provide.

To maintain their independence, Non-Executive Directors do not have any at risk remuneration component. DBI does not pay benefits (other than statutory entitlements) on retirement to Non-Executive Directors.

BIP's nominee Non-Executive Director, Mr Bahir Manios and Mr Ray Neill and their alternate, Mr Jonathon Sellar, do not receive any Board or Committee fees.

Committee fees

Other than the Chair of the Board, Non-Executive Directors were also paid Committee fees of $22,000 (including superannuation) per year for each Board Committee of which they are a Chair, and $11,000 (including superannuation) per year for each Board Committee of which they are a member.

On 24 February 2023, the Governance, Remuneration and Nomination Committee recommended and the Board approved a 10% increase to the DBI Non-Executive Directors Committee fees which would apply from 1 January 2023. The new fees are set out above. DBI's Committee fees for FY-24 will remain unchanged from FY-23.

4. Statutory Remuneration Disclosures

Statutory disclosures

The following table sets out the statutory disclosures in accordance with the Accounting Standards for the year ended 31 December 2023, with comparative figures for the year ended 31 December 2022.

		Short-term employee benefits			Post-employment benefits	Cash settled security-based payments	
		Cash salary/ fees	Bonuses[1]	Non-monetary benefits[2]	Superannuation benefits	Rights[3]	Total
Hon Dr David Hamill AM	FY-23	$198,647	–	–	$21,353	–	$220,000
	FY-22	$181,407	–	–	$18,593	–	$200,000
Dr Eileen Doyle	FY-23	$129,120	–	–	$13,880	–	$143,000
	FY-22	$117,914	–	–	$12,086	–	$130,000
Bahir Manios	FY-23	–	–	–	–	–	–
	FY-22	–	–	–	–	–	–
Bronwyn Morris AM	FY-23	$129,120	–	–	$13,880	–	$143,000
	FY-22	$117,914	–	–	$12,086	–	$130,000
Jonathon Sellar	FY-23	–	–	–	–	–	–
	FY-22	–	–	–	–	–	–
Anthony Timbrell	FY-23	$788,670	$210,000	$3,742	$26,346	$992,171	$2,020,929
	FY-22	$744,585	$213,500	$6,926	$24,430	$625,627	$1,615,068
Stephanie Commons	FY-23	$505,665	$121,000	$2,495	$26,346	$526,826	$1,182,332
	FY-22	$437,579	$114,500	$2,362	$24,430	$331,035	$909,906
TOTAL	**FY-23**	**$1,751,222**	**$331,000**	**$6,237**	**$101,805**	**$1,518,997**	**$3,709,261**
	FY-22	**$1,599,399**	**$328,000**	**$9,288**	**$91,625**	**$956,662**	**$2,984,974**

1. The amounts disclosed as Bonuses represent the movement in the accruals in relation to the cash component of the Senior Executives' STI entitlements.
2. The amounts disclosed as non-monetary benefits relate to the cost of providing income-protection insurance and an executive health assessment to Senior Executive during the Reporting Period.
3. The amounts disclosed as cash settled security-based payments/Rights represent the accrual that the Company has made relating to the Senior Executive's' LTI awards and the Deferred Component of their STI awards in the relevant Reporting Periods (the proportion of fair value recognised during the period may include remeasurements of amounts recognised during previous periods). As at the date of this report, the Rights under the FY-23 STI Plan (which relate to the 50% Deferred Component of the Senior Executives' FY-23 STI award) have not been granted to the Senior Executives. The number of Rights will be determined by dividing the Deferred Component of the FY-23 STI award by the VWAP of DBI stapled securities traded on the ASX during the 10 trading days following the release of the Group's FY-23 annual results and, therefore, can only be disclosed in the FY-24 Remuneration Report. The value of Rights granted to the Senior Executives under Tranche 1 of the LTI Plan is measured using a Monte Carlo simulation model. The value of Rights granted to the Senior Executives under Tranche 2 of the LTI Plan is calculated using a discounted cash flow model.

Remuneration Report continued

Outstanding STI and LTI at 31 December 2023

The table below shows the details for the grants made under the STI and LTI plans which are yet to vest, including the number of instruments granted, the years in which they may vest, and the fair value recognised in the financial statements.

Accounting standards require the estimated valuation of the grants recognised over the Performance Period. The minimum value of the grants is nil. The maximum value is based on the estimated fair value calculated at reporting date, amortised in accordance with the accounting standard requirements.

The Deferred FY-21 STI Rights and no LTI Award Rights vested during the Reporting Period. However, the FY-21 LTI Award was eligible for testing at 31 December 2023. For the FY-21 LTI Award, both the TSR and DCF performance conditions were met. The TSR hurdle was ≥ 75th percentile and the DCF hurdle was ≥105%, therefore 100% of the FY-21 LTI Award Rights will vest in March 2024.

KMP	Grant date[1]	Number of Rights Granted	Tranche/ Performance Measure	Fair Value at 31 December 2023 $/cps	Total Expense in 2023	Vesting Date
Anthony Timbrell	25 March 2023	92,781	FY-23 LTI Tranche 1/TSR Hurdle	$1.81	$55,843	March 2026
		92,781	FY-23 LTI Tranche 2/DCF Hurdle	$2.91	$89,810	March 2026
Anthony Timbrell	25 March 2022	109,238	FY-22 LTI Tranche 1/TSR Hurdle	$3.14	$142,087	March 2025
		109,238	FY-22 LTI Tranche 2/DCF Hurdle	$3.17	$142,091	March 2025
Anthony Timbrell	7 March 2023	84,756	FY-22 Deferred STI	$2.86	$136,071	March 2024
Anthony Timbrell	10 March 2021	88,127	FY-21 LTI Tranche 1/TSR Hurdle	$3.31	$159,388	March 2024
		88,127	FY-22 LTI Tranche 2/DCF Hurdle	$3.31	$147,310	March 2024
Stephanie Commons	23 March 2022	53,435	FY-23 LTI Tranche 1/TSR Hurdle	$1.81	$32,162	March 2026
		53,435	FY-23 LTI Tranche 2/DCF Hurdle	$2.91	$51,724	March 2026
Stephanie Commons	25 March 2022	57,904	FY-22 LTI Tranche 1/TSR Hurdle	$3.10	$75,316	March 2025
		57,904	FY-22 LTI Tranche 2/DCF Hurdle	$3.17	$75,318	March 2025
Stephanie Commons	7 March 2023	45,455	FY-22 Deferred STI	$2.86	$72,975	March 2024
Stephanie Commons	10 March 2021	46,653	FY-21 LTI Tranche 1/TSR Hurdle	$3.31	$84,377	March 2024
		46,653	FY-21 LTI Tranche 1/TSR Hurdle	$3.31	$77,983	March 2024
TOTAL		1,026,485			$1,342,455	

1. The 2021 LTI award to the CEO and CFO was granted on 10 March 2021 using the IPO price on 8 December 2020 with an effective grant date of the IPO date being 8 December 2020. The terms of prior grants are disclosed in previous remuneration reports.

KMP security holdings

The following table outlines the movements in DBI stapled securities held by KMP held directly or indirectly during the Reporting Period.

	Held at 1 January 2023	Received on vesting of STI	Received on vesting of LTI	Received as remuneration	Other net change	Held at 31 December 2023	Held nominally at 31 December 2023
Non-Executive Directors							
Hon Dr David Hamill AM	39,000	–	–	–	–	39,000	–
Dr Eileen Doyle	72,000	–	–	–	–	72,000	–
Bahir Manios	–	–	–	–	–	–	–
Bronwyn Morris AM	39,000	–	–	–	–	39,000	–
Jonathon Sellar	–	–	–	–	–	–	–
Senior Executives							
Anthony Timbrell	360,000	–	–	–	–	360,000	–
Stephanie Commons	2,000	–	–	–	–	2,000	–

The following table outlines the movements in Rights held directly or indirectly by Senior Executives during the Reporting Period.

	Held at 1 January 2023	Received as remuneration	Exercised	Lapsed	Other net change	Held at 31 December 2023	Vested at 31 December 2023[1]
Anthony Timbrell	493,994	270,317	(99,264)	–	–	665,047	–
Stephanie Commons	261,001	152,325	(51,888)	–	–	361,439	–

1. Rights are automatically exercised on vesting. There are no Rights that have vested that are exercisable or that are not exercisable at 31 December 2023.

5. Transactions with KMP

Loans with Senior Executives and Non-Executive Directors

There were no loans outstanding to any Senior Executive or any Non-Executive Director or their related parties, at any time in the Reporting Period.

Other KMP transactions

Apart from the details disclosed in this Report, no Senior Executive or Non-Executive Director or their related parties have entered into a transaction with the Group since listing and there were no transactions involving those people's interests existing at year end.

Directors' Report continued

Non-audit services

The Directors are of the opinion that the services as disclosed in Note 30 to the financial statements do not compromise the external auditor's independence, based on advice received from the Finance and Audit Committee, for the following reasons:

- all non-audit services have been reviewed by the finance and audit committee to ensure that they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 53 of the financial report.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors of the Company made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Hon Dr David Hamill AM
Chairman, Independent Non-Executive Director

Brisbane, 26 February 2024

Auditor's Independence Declaration

to Dalrymple Bay Infrastructure Limited

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 23, Riverside Centre
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Australia

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www.deloitte.com.au

26 February 2024

The Board of Directors
Dalrymple Bay Infrastructure Limited
Level 15, Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Dear Board Members

Auditor's Independence Declaration to Dalrymple Bay Infrastructure Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Dalrymple Bay Infrastructure Limited**.**

As lead audit partner for the audit of the financial report of Dalrymple Bay Infrastructure Limited for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

Financial Report

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue from contracts with terminal customers	4	599,737	579,127
Interest income		12,669	2,570
Revenue from capital works performed	4	42,383	44,664
Total income		**654,789**	**626,361**
Depreciation and amortisation expense	8	(40,037)	(39,585)
Finance costs	6	(122,538)	(118,868)
Operating and management (handling) charges	4	(320,950)	(297,418)
Capital works costs	4	(42,383)	(44,664)
IPO Transaction Costs		–	3,612
Other expenses	8	(17,488)	(17,463)
Total expenses		**(543,396)**	**(514,386)**
Profit before income tax		**111,393**	**111,975**
Income tax expense	7(a)	(37,466)	(43,001)
Profit for the year		**73,927**	**68,974**
OTHER COMPREHENSIVE PROFIT/(LOSS)			
Items that may be reclassified subsequently to profit or loss:			
(Loss)/gain on cash flow hedges taken to equity	21	(122,199)	208,871
Profit/(loss) on cash flow hedges transferred to profit or loss	21	78,798	(120,389)
Income tax benefit/(expense) relating to components of other comprehensive income	7(b)	13,020	(26,545)
Other comprehensive (loss)/profit for the year		**(30,381)**	**61,937**
Total comprehensive profit for the year		**43,546**	**130,911**
Comprehensive Profit/Loss for the year is attributable to:			
Owners of Dalrymple Bay Infrastructure Limited		43,546	130,911
Total comprehensive profit for the year		**43,546**	**130,911**

	Dollars	Dollars
Profit per security from continuing operations attributable to the ordinary equity holders of the Company:		
Basic and diluted profit per security (refer Note 9)	0.15	0.14

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 December 2023 $'000	31 December 2022 $'000
CURRENT ASSETS			
Cash and cash equivalents	10	71,142	192,505
Trade and other receivables	11	67,635	59,959
Other financial assets	12	491,107	140,658
Prepayments		38	36
Total current assets		**629,922**	**393,158**
NON-CURRENT ASSETS			
Other financial assets	12	100,480	249,597
Intangible assets	13	3,130,631	3,127,813
Right-of-use assets		816	1,140
Property, plant and equipment		357	505
Total non-current assets		**3,232,284**	**3,379,055**
Total assets		**3,862,206**	**3,772,213**
CURRENT LIABILITIES			
Trade and other payables	14	87,554	62,683
Contract liabilities	15	–	6,268
Borrowings	16	447,965	439,307
Lease liabilities		385	383
Other financial liabilities	18	28,709	24,179
Current tax liabilities	7	21,582	4,443
Employee provisions		4,290	2,854
Total current liabilities		**590,485**	**540,117**
NON-CURRENT LIABILITIES			
Borrowings	16	1,638,403	1,519,728
Loan notes attributable to securityholders	17	195,061	186,196
Lease liabilities		497	810
Other financial liabilities	18	209,795	239,016
Deferred tax liabilities	7(c)	124,933	126,177
Employee provisions		2,816	2,116
Total non-current liabilities		**2,171,505**	**2,074,043**
Total liabilities		**2,761,990**	**2,614,160**
Net assets		**1,100,216**	**1,158,053**
EQUITY			
Issued capital	20	978,108	978,108
General reserve	21	34,820	34,820
Hedge reserve	21	59,462	89,843
Retained earnings	23	27,826	55,282
Total equity		**1,100,216**	**1,158,053**

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2023

	Note	2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		672,882	630,384
Payments to suppliers and employees		(398,894)	(358,585)
Interest received		6,029	2,302
Payments of IPO Transaction Costs		–	(538)
Interest and other costs of finance paid		(99,385)	(84,313)
Income taxes paid		(8,551)	–
Net cash provided by operating activities	31(a)	**172,081**	**189,250**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for additions to intangibles		(39,084)	(46,277)
Cash deposited in term deposits		(420,000)	–
Cash withdrawn from term deposits		40,000	–
Payments for property, plant and equipment		(34)	(50)
Proceeds from deposits (cash withdrawn from debt service reserve)		–	32,998
Net cash used in investing activities		**(419,118)**	**(13,329)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	16	736,061	514,311
Repayment of borrowings	16	(504,924)	(457,000)
Dividends paid to company's shareholders	19	(101,383)	(29,561)
Loan establishment costs paid		(3,899)	(6,013)
Principal element of lease payments		(181)	(420)
Distribution through part repayment of the stapled loan notes	19	–	(62,947)
Repayment of deferred capital contribution		–	(4,613)
Net cash provided by/(used in) financing activities	31(b)	**125,674**	**(46,243)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(121,363)	129,678
Cash and cash equivalents at the beginning of the financial year		**192,505**	**62,827**
Cash and cash equivalents at the end of the financial year		**71,142**	**192,505**

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2023

Consolidated	Note	Issued capital $'000	Hedge reserve $'000	General reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2022		978,108	27,906	34,282	15,869	1,056,165
Profit for the year		–	–	–	68,974	68,974
Amounts recognised in the current year	21	–	88,482	–	–	88,482
Income tax expense relating to components of other comprehensive income	7(b)	–	(26,545)	–	–	(26,545)
Total comprehensive income for the year		**978,108**	**89,843**	**34,282**	**84,843**	**1,187,076**
Transactions with owners in their capacity as owners:						
Payment of dividends		–	–	–	(29,561)	(29,561)
Capital contribution by Selling Entities		–	–	538	–	538
Total equity at 31 December 2022		**978,108**	**89,843**	**34,820**	**55,282**	**1,158,053**

Consolidated	Note	Issued capital $'000	Hedge reserve $'000	General reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2023		978,108	89,843	34,820	55,282	1,158,053
Profit for the year		–	–	–	73,927	73,927
Amounts recognised in the current year	21	–	(43,401)	–	–	(43,401)
Income tax expense relating to components of other comprehensive income	7(b)	–	13,020	–	–	13,020
Total comprehensive income for the year		**978,108**	**59,462**	**34,820**	**129,209**	**1,201,599**
Transactions with owners in their capacity as owners:						
Payment of dividends	19	–	–	–	(101,383)	(101,383)
Total equity at 31 December 2023		**978,108**	**59,462**	**34,820**	**27,826**	**1,100,216**

Notes to the Financial Report

The notes to the consolidated statements are for the year from 1 January 2023 to 31 December 2023.

1. General Information

The address of the Group's registered office and principal place of business is:

Dalrymple Bay Infrastructure Limited
Level 15, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
Australia

The Group owns the lease of, and right to operate, the Dalrymple Bay terminal under the DBT Leases (the package of leases between the Queensland Government, acting through DBCT Holdings Pty Ltd a wholly owned Queensland Government entity as Lessor, and DBT Trust, which grants DBI tenure over DBT land and over certain plant and equipment located at DBT) (the DBT Leases), the world's largest metallurgical coal export facility which is located proximate to the Bowen Basin in Queensland. The DBT Entities were acquired from subsidiaries of Brookfield and co-investors (the 'Selling Entities') on 8 December 2020. Brookfield, via a subsidiary, continues to hold 49.45% of DBI's stapled securities.

The right to use the terminal is accounted for as an intangible asset in accordance with the Australian Accounting Standards requirements for service concession accounting.

2. Basis of Preparation

This section sets out the basis upon which the Group's financial statements are prepared. Material accounting policies are provided throughout the notes to the financial statements. Critical accounting estimates and judgements are outlined in the relevant note.

Statement of Compliance

These Financial Statements are General Purpose Financial Statements which have been prepared in accordance with the *Corporations Act 2001*, and Australian Accounting Standards and Interpretations and other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the Financial Statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on 26 February 2024.

Basis of Preparation

These financial statements cover the year from 1 January 2023 to 31 December 2023 and the comparative period covers the year from 1 January 2022 to 31 December 2022.

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial assets and liabilities that are measured at fair value, as explained in the accounting policies below.

The Company is a company of the kind referred to in *Australian Securities and Investment Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016 and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

Notes to the Financial Report continued

2. Basis of Preparation (continued)

Going concern

The consolidated Financial Statements have been prepared on the basis that the Group is a going concern, able to realise its assets in the ordinary course of business and settle liabilities as and when they fall due.

The Directors are therefore of the opinion that the preparation of the financial statements as a going concern is appropriate.

Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DBI as at 31 December 2023 and the results of all subsidiaries for the year then ended.

Control of a subsidiary is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and the ability to affect those returns through its power over the subsidiary as defined by AASB 10 *Consolidated Financial Statements*.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Critical accounting estimates and judgements

Critical judgements and key assumptions that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are detailed in the notes below:

Note	Judgement/Estimation
13	Asset useful life
13	Application of service concession accounting (IFRIC 12)
26	Contingent assets and liabilities

Notes to the Financial Report

The notes are organised into the following sections.

Financial performance overview: Provides a breakdown of individual line items in the Statement of Financial Performance and other information that is considered most relevant to users of the annual report.

Balance sheet items: Provides a breakdown of individual line items in the Statement of Financial Position that are considered most relevant to users of the annual report.

Capital structure and risk management: Provides information about the capital management practices of the Group and securityholder returns for the year. This section also discusses the Group's exposure to various financial risks, explains how these might impact the Group's financial position and performance and what the Group does to manage these risks.

Group structure: Explains aspects of the Group's structure and the impact of this structure on the financial position and performance of the Group.

Other: Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements and about items that are not recognised in the financial statements but could potentially have a significant impact on the Group's financial position and performance.

3. Adoption of New and Revised Accounting Standards

In the current year, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operation and effective for the current reporting year.

Details of the Standards and Interpretations adopted in these Financial Statements that have had an impact on the amounts reported are set out in the notes.

(a) Standards and Interpretations adopted that impacted the Financial Statements

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

AASB 2021-2 amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. Policy disclosures have been reviewed and updated to disclose material accounting policy information rather than significant accounting policies. This has resulted in a reduction in the quantum of accounting policy disclosures and a focus on key decision areas and material policies only.

There are no other new Standards and interpretations adopted in these Financial Statements that have had an impact on the amounts reported.

(b) Standards and Interpretations issued not yet effective that are not expected to have any impact on the Financial Statements

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*, AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* and AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*	1 January 2024	31 December 2024
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	1 January 2024	31 December 2024

Notes to the Financial Report continued

Financial Performance Overview

4. Revenue and Operating Costs

Under the regulatory regime applying to DBT and administered by the Queensland Competition Authority (QCA), DBIM is required to submit a draft access undertaking to the QCA for approval every 5 years. On 1 July 2021, the QCA approved the 2021 Access Undertaking, which will remain in effect to 1 July 2031.

On 10 October 2022, DBIM reached agreement on pricing and commercial terms under revised user agreements for a ten year period from 1 July 2021 to 30 June 2031 (the Pricing Period) with all of its existing customers (Users) at DBT under the lighter-handed regulatory framework. A terminal infrastructure charge (TIC) of $3.18 per tonne was agreed for the period 1 July 2022 to 30 June 2023 and the TIC for 1 July 2023 to 30 June 2024 is $3.44 per tonne. Revenue for the prior reporting period includes an additional amount of $22.9 million paid by the Users in respect of access provided during the period 1 July 2021 to 31 December 2021.

An analysis of the Group's revenue and operating costs for the year is as follows:

	Consolidated	
	2023 $'000	2022 $'000
Revenue from contracts with customers:		
Revenue from rendering of services – terminal infrastructure charge	278,787	281,709
Revenue from rendering of services – handling charges	320,950	297,418
	599,737	**579,127**
Other revenue:		
Revenue from capital works performed	42,383	44,664
	642,120	**623,791**
Operating costs:		
Operating and management (handling) charges	(320,950)	(297,418)
Capital works costs	(42,383)	(44,664)
	(363,333)	**(342,082)**

Recognition and measurement – Revenue

In the concession arrangement, DBI acts as a service provider to operate and maintain the terminal over the term of the lease. This includes providing construction and capital works services through non-expansion and expansion capital projects.

The Group recognises revenue through the following revenue streams over time as services are rendered:

- Terminal Infrastructure Charges (TIC) for providing access to the terminal, is levied per tonne of contracted capacity on a take-or-pay basis at the TIC rate multiplied by the contracted tonnage. Invoices are issued to the Users monthly on 30 day terms.
- Handling charges for operating and maintaining the terminal and providing services to the Users to enable the coal to move through the terminal and be loaded onto a vessel. The Handling charges and revenues are managed by separate processes and contracts and therefore the Group is not considered to be acting as an agent for the Operator of the terminal and the revenue and the handling costs are presented as gross in the financial statements. The Group is charged handling charges by the operator on a monthly basis. The Group recognises revenue related to Handling charges as these costs are incurred. Users are invoiced monthly on 30 day terms.
- Capital works revenue is construction and/or upgrade services provided to the Queensland Government acting through its wholly-owned entity, DBCT Holdings Pty Ltd (Grantor) relating to the concession arrangement and are recognised as non-cash revenue in accordance with Interpretation 12 *Service Concession Arrangements* (Interpretation 12). The revenue is measured at fair value, calculated on the basis of the total costs incurred, primarily consisting of the costs of materials and external services and the relevant employee benefits. The deemed consideration for the provision of construction and/or upgrade services is an addition to the intangible asset deriving from concession rights. Refer to Note 13.

5. Segment Information

The Group operates in one geographical region – Australia. Its primary activity is the provision of capacity to independent Users to ship coal through DBT located at the Port of Hay Point, south of Mackay in Queensland, Australia. The Group comprises a single operating segment. All capital works revenue is attributable to the Queensland Government acting through its wholly-owned entity, DBCT Holdings Pty Ltd, as grantor of the service concession.

Below is a list of the customers that contribute 10% or more of the total:

	Consolidated	
	Dec 2023 % of revenue	Dec 2022 % of revenue
Customer 1	31.08	32.14
Customer 2	26.27	26.47
Customer 3	12.44	9.69

Notes to the Financial Report continued

6. Finance Costs

	Consolidated	
	2023 $'000	2022 $'000
Finance costs		
Profit for the year has been arrived at after charging the following finance costs:		
Interest on borrowings	103,451	81,896
Other finance costs	4,752	3,346
Amortisation of the fair value adjustment to debt (refer to Note 16)[1]	(11,838)	(9,479)
Interest accrued and fair value adjustments to the Loan Notes attributable to securityholders (refer Note 17)	8,865	29,274
	105,230	105,037
Hedging Costs		
Hedging ineffectiveness[2]	17,308	13,831
	122,538	**118,868**

1. Includes fair value adjustments made to the borrowings as a result of the asset acquisition.
2. Refer hedge accounting policy included in Note 22. $8.5 million (2022: $20.0 million) of the hedging ineffectiveness relates to the unwind of the fair value due to redesignation at IPO.

The amount of borrowing costs capitalised for the year ended 31 December 2023 was $2.922 million (2022: $1.894 million). The weighted average capitalisation rate for the year ended 31 December 2023 was 5.12% (2022: 3.05%).

7. Income Taxes

On 11 December 2020, the Group formed a Tax Consolidated Group (TCG). DBI is the head company of the TCG and it directly or indirectly owns 100% of the shares and units in the DBT Entities and DBH2 Holdings Pty Ltd and DBH2 Management Pty Ltd.

(a) Income tax recognised in profit or loss

	Consolidated	
	2023 $'000	2022 $'000
Tax expense comprises:		
Current tax expense	26,007	4,443
Adjustments to current tax expense of prior periods	(317)	–
Deferred tax expense relating to the origination and reversal of temporary differences	12,209	37,964
Adjustment to deferred tax expense of prior periods	(433)	594
Total tax expense	**37,466**	**43,001**
Income tax on pre-tax accounting profit reconciles to tax expense as follows:		
Profit for the year	**111,393**	**111,976**
Income tax expense calculated 30.0%[1]	33,418	33,593
Non-assessable income and other permanent differences	(345)	–
Non-deductible expenditure and other permanent differences	–	3,681
Difference in depreciation rates between tax and accounting	5,144	5,133
	38,217	**42,407**
Over provision of income tax in previous period	(751)	594
Income tax expense recognised in profit or loss	**37,466**	**43,001**

1. The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Notes to the Financial Report continued

7. Income Taxes (continued)

(b) Income tax recognised directly in other comprehensive Income

	Consolidated	
	2023 $'000	2022 $'000
Deferred tax arising on income and expenses recognised in other comprehensive income:		
Profit on revaluation of financial instruments treated as cash flow hedges	(13,020)	26,545
Total income tax (benefit)/expense recognised directly in other comprehensive income	**(13,020)**	**26,545**

(c) Deferred Tax

	Consolidated	
	2023 $'000	2022 $'000
Total deferred tax liabilities attributable to temporary differences		
Deferred tax asset	17,819	8,276
Deferred tax liability	(142,752)	(134,453)
Disclosed in the statements as deferred tax liability	**(124,933)**	**(126,177)**

At the reporting date, the Group has no unused tax losses (31 December 2022: nil) available for offset against future profits.

(d) Reconciliation of deferred tax balances

The following are the major deferred tax liabilities and assets recognised by the Group and movement thereon during the current year and the year ended 31 December 2022.

	Opening Balance at 1 January 2023 $'000	(Charged)/ credited to income statement $'000	(Charged)/ credited to OCI $'000	Closing balance at 31 December 2023 $'000
Intangible asset	(55,632)	(26,310)	–	(81,942)
Loan Notes attributable to security holders	(23,932)	2,651	–	(21,281)
Future tax deductions	3,865	(1,933)	–	1,932
Provisions/Accruals	1,690	684	–	2,374
Borrowings	(54,990)	15,488	–	(39,502)
Derivatives	2,841	(2,348)	13,020	13,513
Other items	(19)	(8)	–	(27)
Total	**(126,177)**	**(11,776)**	**13,020**	**(124,933)**

	Opening Balance at 1 January 2022 $'000	(Charged)/ credited to income statement $'000	(Charged)/ credited to OCI $'000	Closing balance at 31 December 2022 $'000
Tax losses	3,232	(3,232)	–	–
Intangible asset	(26,052)	(29,580)	–	(55,632)
Loan Notes attributable to security holders	(32,685)	8,753	–	(23,932)
Future tax deductions	5,963	(2,098)	–	3,865
Provisions/Accruals	2,492	(802)	–	1,690
Borrowings	(9,925)	(45,065)	–	(54,990)
Derivatives	(4,146)	33,532	(26,545)	2,841
Other items	47	(66)	–	(19)
Total	**(61,074)**	**(38,558)**	**(26,545)**	**(126,177)**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax Consolidated Group

The Company and its subsidiaries are members of a tax-consolidated group under Australian tax law. The head entity within the tax-consolidated group is Dalrymple Bay Infrastructure Limited.

Amounts payable or receivable under the tax-funding arrangement between the Company and the entities in the tax-consolidated group are determined using a 'separate taxpayer within group' approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred. The same basis is used for tax allocation within the tax-consolidated group.

Notes to the Financial Report continued

8. Profit for the Year

	Consolidated	
	2023 $'000	**2022 $'000**
Expenses		
Profit for the year has been arrived at after charging the following expenses:		
Employee benefits expense	9,705	7,329
Other operating expenses	4,425	5,672
Insurance	3,358	4,462
	17,488	**17,463**
Depreciation	472	449
Amortisation of non-current assets (Note 13)	39,565	39,136
	40,037	**39,585**

9. Earnings per Security

(a) Basic and diluted profit/(loss) per security

	2023 Dollars	2022 Dollars
From continuing operations attributable to the ordinary equity holders of the company	0.15	0.14
Total basic and diluted profit per security attributable to the ordinary equity holders of the Company	**0.15**	**0.14**

(b) Reconciliation of profit or loss used in calculating earnings per security

	$'000	$'000
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted profit per security	73,927	68,974
Total profit attributable to the ordinary equity holders of the company used in calculating basic and diluted profit per security	**73,927**	**68,974**

(c) Weighted average number of securities used as the denominator

	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per security	495,761,667	495,761,667

Balance Sheet Items

10. Cash and Cash Equivalents

	Consolidated	
	2023 $'000	2022 $'000
Cash at bank	42,773	168,326
Restricted deposits	28,369	24,179
	71,142	192,505

Recognition and measurement – Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Deposits provided by way of security by Users are disclosed as Restricted Deposits. These funds are not available for general use and cannot be used to meet the liabilities of the Group under any circumstances. The liability to refund such amounts to the relevant Users in accordance with the terms of the applicable agreements regarding security, is reflected in Other Financial Liabilities set out in Note 18.

Notes to the Financial Report continued

11. Trade and Other Receivables

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current		
Net trade receivables	59,910	53,837
Interest receivable	7,586	188
Other receivables	139	5,934
	67,635	**59,959**

The average credit period on invoices is 30 days. No interest has been charged on outstanding trade receivables.

	Consolidated 2023 $'000	Consolidated 2022 $'000
Ageing of Trade receivables:		
Current	59,818	53,786
Past due but not impaired – 0 to 30 days	–	–
Past due but not impaired – 30 to 60 days	–	41
Past due but not impaired – 60 to 90 days	92	–
Past due but not impaired – 90 to 120 days	–	10
	59,910	**53,837**

Recognition and measurement – Trade and Other Receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical credit loss experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The provision matrix is determined by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The expected credit loss (ECL) has been assessed as $nil (31 December 2022: nil). The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

12. Other Financial Assets

	Consolidated	
	2023 $'000	2022 $'000
Derivatives		
Current:		
Cross currency interest rate swaps	111,107	140,658
	111,107	**140,658**
Non-current:		
Cross currency interest rate swaps[1]	–	100,921
Interest rate swaps[1]	99,970	148,183
	99,970	**249,104**
Other financial assets		
Current:		
Cash held on term deposit (term greater than 3 months)	380,000	–
	380,000	**–**
Other financial assets		
Non-current:		
Other secure deposits	510	493
	510	**493**

1. Refer to Note 22 for further details on Financial Instruments.

Recognition, and measurement – Other Financial Assets

Detail on the recognition and measurement of derivatives is included in Note 22 – Financial Instruments.

Notes to the Financial Report continued

13. Intangible Assets

	Consolidated	
	2023 $'000	2022 $'000
Gross carrying amount:		
Concession arrangements:		
Intangibles	3,208,384	3,163,721
Additions[1]	42,383	44,663
Balance at end of year	**3,250,767**	**3,208,384**
Accumulated amortisation:		
Balance at beginning of year	80,571	41,435
Amortisation expense (Note 8)	39,565	39,136
Balance at end of year	**120,136**	**80,571**
Net book value		
As at end of year	**3,130,631**	**3,127,813**

1. The additions include $2.9 million of 8X FEL3 study costs (31 December 2022: $12.5 million). These costs are fully underwritten by the access seekers. Refer to Note 4 for details on capital works costs.

Recognition – Intangible Assets

The Group's principal asset is its lease of and right to use the Dalrymple Bay terminal. This asset is considered to be a Service Concession Arrangement which should be accounted as a service concession asset under Interpretation 12 *Service Concession Arrangements* (Interpretation 12) and not as a lease under AASB 16 *Leases*.

The intangible asset is being amortised over the total lease period available to the Group (99 years from September 2001 to September 2100). At the time DBI purchased the asset, there were 80 years remaining on the lease period. The total lease period comprises a 50-year lease with an option for a 49-year extension.

Amortisation is recognised on a straight-line basis over its estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs incurred on expansion and non-expansionary capital works are deferred to future periods to the extent that they result in rights received as consideration for construction and/or upgrade services rendered for which DBI receives additional economic benefits in the form of increased TIC. This includes the costs of studies that precede major capital works. Subsequent expenditure is carried at cost less accumulated amortisation and any accumulated impairment losses.

Critical judgements – Useful Life

The lease renewal for the terminal is at the discretion of the Group, and the Directors have determined that it is highly probable that the DBT Leases underpinning the service concession arrangement will be renewed for a further 49 years in 2051. This is on the basis that the cost of renewal is not significant when compared to the economic benefits that are expected to flow to the Group if the lease is renewed, based on consideration of both legal right to operate the terminal and a range of economic and other factors considered at the reporting date. The intangible asset recognised as a result of the service concession arrangement continues to be amortised over the remaining lease period of 77 years to 2100.

The concession arrangement providing economic benefits to 2100 is a critical judgement and necessarily requires various assumptions to be made in relation to future and forecast outcomes. In forming this view the Directors have given regard to the following factors:

Supply and Demand for Metallurgical Coal: Long-term Global Seaborne Metallurgical Coal Considerations

As the world's largest metallurgical coal export facility, servicing mines in the Bowen Basin, economic benefits derived by DBI under its service concession to operate DBT are currently primarily linked to global supply and demand for seaborne metallurgical coal. DBI has utilised the services of Wood Mackenzie, an independent industry expert who prepare publicly available country-level forecasts of potential future global seaborne metallurgical coal supply and demand, aligned to the International Energy Agency (IEA) climate scenarios, as well as a Base Case 2.5 degree Energy Transition Outlook scenario which represents Wood Mackenzie's current expectation for the most likely trajectory of global seaborne demand and supply. DBI's detailed consideration of these scenarios is included in its 2022 and 2023 Sustainability Reports available on its website. While Wood Mackenzie's seaborne coal supply and demand forecasts are global and not specific to DBT, DBI expects that significant metallurgical coal volumes will continue to be exported through DBT beyond 2050 under the potential climate scenarios considered. At the Reporting Date, DBI's current experience at DBT is more closely aligned with Wood Mackenzie's Base Case which show a positive compound annual growth rate (CAGR) in demand for seaborne exported metallurgical coal through to 2050, given the terminal remains fully contracted to 2028 and is in receipt of over 33Mtpa of additional requests for access.

For periods beyond 2050 the Directors have considered independent forecasts that indicate extensive metallurgical coal reserves in the Bowen Basin and anticipated ongoing demand for metallurgical coal throughput at east coast terminals to 2100.

The Directors acknowledge, however, that there are inherent risks and uncertainties in forecasting potential demand and supply for commodities and in respect of potential climate scenarios over such long duration timeframes.

Accordingly, the Directors have considered the following factors likely to impact demand for and supply of global seabourne metallurgical coal in their annual assessment of the useful economic life of the intangible asset recognised as a result of the service concession arrangement:

- Forecast economic development and economic growth-driven utilisation of steel, particularly in India;
- Methods of steel production, including emerging lower carbon replacement technologies;
- Environmental and industry regulation affecting approval and viability of existing and new metallurgical coal and fossil fuel projects in Australia;
- Climate change policy in import countries and introduction of subsidies for green steel production and carbon pricing mechanisms in key markets for DBT's shippers.

Notes to the Financial Report continued

13. Intangible Assets (continued)

Transition strategy and alternative uses

While DBI remains confident of the continued viability of DBT beyond 2050 under various climate scenarios, the Company considers that exploring opportunities for growth and diversification at DBT will enable DBI to build resilience to climate-related risks and grow value.

The forecast long term global demand for metallurgical coal in the steel production process provides significant time for DBI to create value and build resilience through the process of diversification of DBT. When considering this the Directors noted the following factors that support the long-term utilisation of DBT as a port facility, whether for coal or other commodity export:

- the existence of deep-water berths at a declared Priority Port on Strategic Port Land under the *Sustainable Ports Development Act 2015*;
- supporting rail corridors servicing the port;
- vacant surrounding land to support future expansion/industrialisation;
- proximity to the economic growth regions of Asia.

DBI intends to pursue diversification by investigating options for the expansion of the existing infrastructure at DBT for non-coal purposes. DBI's feasibility studies into the potential for hydrogen exports through DBT is an example of this approach.

The coming decades are expected to involve non-linear changes in government policy and international commitments to reducing carbon dioxide emissions to Net Zero[44], which will impact the economics of current and emerging markets. Government incentives and taxes may also accelerate the use of new technologies in production processes which in turn may alter the demand for commodities. However, the pathway to Net Zero involves key uncertainties driven largely by the timeline upon which emerging and future technologies will prevail in terms of technical feasibility, cost effectiveness and social acceptance. This uncertainty requires scenario-based planning to best manage climate-related transition risks for DBT. This will continue to be monitored and if required, an adjustment to the useful life assessment could be made in a future reporting period.

As an illustrative scenario, if the end of the useful economic life was to be 2076 (representing the midpoint between 2051 and 2100), the non-cash amortisation would increase by $17.3 million for FY-23.

Critical judgements – Classification as a service concession arrangement

On 1 July 2021, the QCA approved the 2021 Access Undertaking (2021 AU) which endorsed the application of a lighter-handed regulatory framework in the form of a 'negotiate-arbitrate' pricing regime. The 2021 AU will apply from 1 July 2021 to 30 June 2031.

In light of the QCA's decision, the Directors assessed whether it is appropriate to continue to classify the asset as a Service Concession Arrangement under Interpretation 12 as, under a light-handed pricing regime, the price is negotiated with Users and the QCA only acts as an arbitrator in the event of a dispute when required, and with the agreement of the parties. The price is not set by the QCA as under the previous heavy-handed regulatory framework.

However, the approval of the current access undertaking does not diminish the authority of the QCA under the QCA Act to regulate the appropriate pricing mechanism for access to the terminal at each review of the access undertaking which occurs at 5 year intervals. As a result, the Directors consider it appropriate to continue to account for the lease of the terminal as a service concession arrangement.

44. IPCC definition: Net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.

14. Trade and Other Payables

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current:		
Trade payables[1]	70,972	56,925
GST Payable	1,832	1,746
Interest payable	14,750	4,012
	87,554	**62,683**

1. The average credit period on purchases of goods and services is 30 days. No interest is incurred on trade creditors. Trade payables are measured at amortised cost.

15. Contract Liabilities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Opening balance	6,268	–
Contract liabilities	–	6,268
Revenue recognised during the year	(6,268)	–
Closing balance	**–**	**6,268**

Notes to the Financial Report continued

Capital Structure and Risk Management

16. Borrowings

USD300 million US private placement notes (USPP) matured on 15 March 2023 and were repaid via a combination of cash and a draw on the revolver facilities. The notes had a carrying value of AUD439.3 million at 31 December 2022.

During the year, the USD260 million and AUD75 million US private placement notes (USPP) due to mature in September 2024 were reclassified from non-current to current. The notes have a carrying value of $448.0 million as at 31 December 2023 (31 December 2022: $439.3 million)

A new USPP note issue was successfully priced and committed on 31 March 2023. A total of AU$530 million (AUD179 million and USD235 million) was raised across 10-year (AUD74.6 million and USD135 million), 12-year (AUD52.2 million and USD60 million), and 15-year (AUD52.2 million and USD40 million tranches) which were funded on 6 July 2023. Currency exposure on the USD denominated USPP notes is 100% hedged under fixed to fixed cross currency interest rate swaps transacted at the time of raising the debt. AUD denominated USPP notes remain fixed interest.

	Consolidated					
	2023			2022		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Secured – at amortised cost						
USPP Fixed Rate Notes	447,965	1,648,690	2,096,655	439,307	1,527,033	1,966,340
Capitalised loan establishment costs	–	(10,287)	(10,287)	–	(7,305)	(7,305)
	447,965	1,638,403	2,086,368	439,307	1,519,728	1,959,035

The Group has the following bank loans:

- AUD200 million Revolving Facility was established in June 2021 with two tranches: a AUD30 million 4-year tranche and a AUD170 million 5-year tranche. The facility was undrawn at 31 December 2023 (31 December 2022: nil).
- AUD40 million Liquidity Facility is being used to meet working capital requirements and is classified as current. The facility was undrawn as at 31 December 2023 (31 December 2022: nil) The facility matures on 20 September 2026.
- AUD240 million Revolving Bank Facility matures on 27 April 2027. The facility was undrawn at 31 December 2023 (31 December 2022: nil).
- The Debt Service Reserve Facility (DSRF) has a limit of AUD60 million and was undrawn at 31 December 2023 (31 December 2022: nil). The facility matures on 30 August 2026.

The Group repaid the following USPP Notes during the year:

- USD300 million of fixed rate notes were repaid on 15 March 2023. (31 December 2022: USD300 million).

The Group has the following fixed rate US private placement notes (USPP) on issue:

- USD260 million of fixed rate notes maturing in September 2024 (31 December 2022: USD260 million).
- AUD75 million of fixed rate notes maturing in September 2024 (31 December 2022: AUD75 million).
- USD327 million of fixed rate notes split into 3 tranches: Series A USD105 million maturing December 2027; Series B USD182 million maturing December 2030; and Series C USD40 million maturing December 2032 (31 December 2022: USD327 million).
- AUD317 million of fixed rate notes split into 3 tranches: Series D AUD35 million maturing December 2027; Series E AUD159 million fixed maturing December 2030; and Series F AUD122 maturing December 2032 (31 December 2022: AUD317 million).
- USD338 million of fixed rate notes split into 3 tranches. Series A USD118 million maturing March 2032; Series B USD135 million maturing March 2034; and Series C USD85 million maturing March 2037 (31 December 2022: USD338 million).
- AUD60 million of fixed rate notes split into 2 tranches: Series D AUD27 million maturing March 2032 and Series E AUD34 million maturing March 2034 (31 December 2022: AUD60 million).
- USD235 million of fixed rate notes split into 3 tranches: Series A USD135 million maturing July 2033, Series B USD60 million maturing July 2035, and Series C USD40 million maturing July 2038 (31 December 2022: $nil).
- AUD179 million of fixed rate notes split into 3 tranches: Series D AUD74.6 million maturing July 2033, Series E AUD52.2 million maturing July 2035, and Series E AUD52.2 million maturing July 2038 (31 December 2022: $nil).

The carrying value of the debt is adjusted for movements in the underlying currency (US dollar) and fair value movements under AASB 13 *Fair Value Measurement* as a result of the hedging relationship decreasing the carrying value by AUD244 million at 31 December 2023 (31 December 2022: decreasing the carrying value by AUD302 million) and fair value on acquisition of $6.3 million at 31 December 2023 (31 December 2022: $18.1 million).

As at 31 December 2023, the weighted average interest rate on the AUD denominated debt was 5.78% and the USD notes was 4.80%. (31 December 2022: AUD denominated debt 5.01% and USD notes 4.54%)

These secured external borrowings have the benefit of the DB Finance Common Provisions Deed Poll, and rank pari passu with all other senior secured debt of the Group. These borrowings are secured over:

- units and shares held in DBT Trust and DBIM (Guarantors);
- fixed and floating charge over all the assets of DB Finance and the Guarantors; and
- real property mortgages granted by the Guarantors.

Notes to the Financial Report continued

17. Loan Notes Attributable to Securityholders

During the year, no early partial repayments were made to securityholders (31 December 2022: 12.7 cents per loan note).

	Consolidated	
	2023 $'000	2022 $'000
Balance at beginning of the year	186,196	219,869
Fair value adjustment[1]	–	19,444
Principal repayments in the form of a distribution (refer Note 19)	–	(62,947)
Interest accrued	8,865	9,830
Balance at end of the year	**195,061**	**186,196**

1. Fair value adjustment to the note balance as result of early repayments of the principal amount.

Recognition and measurement – Loan Notes Attributable to Securityholders

DBI classifies its stapled securities issued as part of the IPO as compound financial instruments. The component parts of stapled securities issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

As the Loan Notes attributable to securityholders are non-interest bearing, at the date of issue of the stapled securities, the fair value of the liability component was estimated using the prevailing market interest rate for a similar instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method with finance costs recognised through profit and loss until extinguished upon redemption.

When a repayment is made, DBI will recalculate the amortised cost of the loan notes as the present value of the estimated future contractual cash flows that are discounted using the original effective interest rate. The adjustment in the carrying value is recorded within Finance Costs as a fair value adjustment.

18. Other Financial Liabilities

	Consolidated	
	2023 $'000	2022 $'000
Other financial liabilities		
Current:		
Restricted security deposits[1]	28,480	24,179
	28,480	**24,179**
Derivatives		
Current:		
Interest rate swaps – designated and effective hedging instruments[1]	229	–
	229	**–**
Non-current:		
Cross currency interest rate swaps – designated and effective hedging instruments[2]	124,838	149,316
Interest rate swaps – designated and effective hedging instruments[1]	84,957	89,700
	210,024	**239,016**
Reflected on the balance sheet as:		
Total current financial liabilities	28,709	24,179
Total non-current financial liabilities	209,795	239,016

1. Represents liability in relation to cash held as security deposits for customers) refer Note 10 for corresponding asset.
2. Refer to Note 22 for further details on Financial Instruments.

Recognition and measurement – Other Financial Liabilities

The Group's accounting policy for accounting for derivatives is set out in Note 22.

Notes to the Financial Report continued

19. Distributions Paid

Consolidated	Cents per Security	Total
Distributions paid in 2023:		
Interim distribution paid on 21 March 2023:		
Unfranked dividend	5.0	24,912
Interim distribution paid on 15 June 2023:		
Unfranked dividend	5.0	24,912
Interim distribution paid on 18 September 2023:		
Partially franked dividend	5.0	24,912
Interim distribution paid on 20 December 2023:		
Partially franked dividend	5.4	26,647

	2023 $'000	2022 $'000
Franking account balance at 31 December	**23.8**	**–**
Imputation credit that will arise from the payment of current tax liability	21,582.0	4,443.4
Adjusted franking account balance	**21,605.7**	**4,443.4**

The Company paid the Q4-2022 distribution of 5.025 cents per security on 21 March 2023. The distribution was paid as an unfranked dividend.

The Company paid the Q1-2023 distribution of 5.025 cents per security on 15 June 2023. The distribution was paid as an unfranked dividend.

The Company paid the Q2-2023 distribution of 5.025 cents per security on 18 September 2023. The distribution was paid as a partially franked dividend (38.5% franked).

The Company paid the Q3-2023 distribution of 5.375 cents per security on 20 December 2023. The distribution was paid as a partially franked dividend (38.6% franked).

On 26 February 2024, the Directors declared a distribution for Q4-2023 of 5.375 cents per security to be paid to securityholders in March 2024. The distribution will comprise a fully franked dividend of 3.6649 cents per security and a partial repayment of principal on loan notes attributable to securityholders' stapled securities of 1.7101 cents per security. The total distribution to be paid is $26.6 million. This has not been reflected in the financial results as at 31 December 2023.

20. Issued Capital

	2023 $'000	2022 $'000
Balance at beginning of year	978,108	978,108
	978,108	**978,108**

There were 495,761,667 fully paid stapled securities on issue at 31 December 2023 (31 December 2022: 495,761,667).

Recognition and measurement – Stapled Securities

DBI classifies its stapled securities issued as part of the IPO as compound financial instruments. The component parts of stapled securities issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. Upon repurchase and cancellation of a stapled security, the consideration paid is allocated to the liability and equity components using the same method as was used on initial recognition.

21. Reserves

	Consolidated	
	2023 $'000	2022 $'000
Hedge reserve		
Balance at the beginning of the year	89,843	27,906
(Loss)/gain on cash flow hedges taken to equity	(122,199)	208,871
Income tax related to amounts taken to equity	36,659	(62,662)
Gain/(loss) on cash flow hedges transferred to profit or loss	78,798	(120,389)
Income tax related to amounts transferred to profit or loss	(23,639)	36,117
	59,462	**89,843**

	Consolidated	
	2023 $'000	2022 $'000
Capital contribution reserve		
Balance at the beginning of the year	34,820	34,282
Capital contribution by Selling Entities	–	538
	34,820	**34,820**

Notes to the Financial Report continued

22. Financial Instruments

(a) Financial risk management

The operations of DBI expose it to a number of financial risks, including:

- capital risk;
- liquidity risk;
- interest rate risk;
- currency risk; and
- credit risk.

The Group seeks to minimise the risks associated with interest rates and currency primarily through the use of derivative financial instruments to hedge these risk exposures. These are disclosed in Notes 12 and 18.

The use of financial derivatives is governed by the Group's Treasury Policy. This policy provides written principles on the use of financial derivatives. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. They are presented as current assets or liabilities to the extent they are expected to mature within 12 months after the end of the reporting period. There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including interest rate swaps (IRS) and cross currency interest rate swaps (CCIRS). These have been classified as financial assets and financial liabilities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group includes a credit value adjustment which represents credit risk in the valuations for the current period. The resulting gain or loss is recognised in profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities of firm commitments (fair value hedges); or
- hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset, a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The acquisition of the DBT entities by DBI on IPO required new hedge accounting relationships to be established for all hedge assets and liabilities at the DBI Group level immediately post acquisition.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the Statement of Profit or Loss and Other Comprehensive Income relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of expenses or income.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the Statement of Profit or Loss as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Hedge ineffectiveness is determined at the inception of the hedge relations, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters into interest rate and cross-currency interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amounts. Ineffectiveness is caused by relationships with inception values or slight differences in critical terms.

The Group does not hedge 100% of its debt, therefore the hedged item is identified as a proportion of the outstanding debt up to the notional amount of the swaps. The ineffectiveness at 31 December 2023 was an $8.8 million loss (31 December 2022: $6.1 million gain) excluding hedging ineffectiveness that relates to the unwind of the fair value due to redesignation at IPO.

Notes to the Financial Report continued

22. Financial Instruments (continued)

(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in Note 16, offset by cash and cash equivalents, and equity attributable to equity holders of the parent, comprising contributed equity and retained earnings as disclosed in Notes 20 and 23 respectively.

Operating cash flows are used to maintain the assets, as well as to make the routine outflows of tax, debt repayments, dividends/distributions and to meet interest requirements. The Group manages its debt exposure by ensuring a diversity of funding sources as well as spreading the maturity profile to minimise refinance risk.

The Board, along with senior management, reviews the capital structure and as part of this review considers the cost of capital and the risk associated with each class of capital. The Group manages its overall capital structure through the payment of dividends/distributions, the issue of new debt or the redemption of existing debt.

Debt covenants

As disclosed within Borrowings (Note 16), the Group has various debt facilities in place. All of these facilities have debt covenants attached. These are generally in the form of interest cover ratios and gearing ratios.

The Group does not have any market capitalisation or minimum rating covenants attached to any of its borrowings.

During the year ended 31 December 2023 there were no breaches of any debt covenants within the Group.

(c) Liquidity risk management

The main objective of liquidity risk management is to ensure that the Group has sufficient funds available to meet its financial obligations, working capital and potential investment expenditure requirements in a timely manner. It is also associated with planning for unforeseen events which may impact operating cash flows and cause pressure on the Group's liquidity.

The Group manages liquidity risk by maintaining adequate cash reserves and committed credit lines in addition to continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its financial instruments. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount was derived from interest rate curves at the end of the reporting period.

	Weighted average effective interest rate %	Less than 6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	5+ years $'000	Total contra-ctual cash flows $'000
Consolidated – Dec 2023							
Non-derivative financial instruments:							
Trade and other payables	–	87,554	–	–	–	–	87,554
Interest-bearing liabilities[1]	5.75	59,670	516,271	99,840	482,292	2,164,552	3,322,625
Derivative financial instruments:							
Interest rate swaps – asset	–	(25,643)	(22,927)	(40,579)	(19,261)	–	(108,410)
Gross settled (foreign currency forwards – cash flow hedges)							
Interest rate swaps – liability	–	8,165	6,056	11,556	40,660	34,990	101,427
Cross currency interest rate swaps – pay leg[1]	–	60,747	316,909	96,433	426,039	1,550,059	2,450,187
Cross currency interest rate swaps – receive leg[1]	–	(40,717)	(422,453)	(66,948)	(349,574)	(1,484,425)	(2,364,117)
	5.75	**149,776**	**393,856**	**100,302**	**580,156**	**2,265,176**	**3,489,266**

1. USD Denominated receipts and payments have been converted to AUD based on the FX rate at balance date.

Notes to the Financial Report continued

22. Financial Instruments (continued)

	Weighted average effective interest rate %	Less than 6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	5+ years $'000	Total contra-ctual cash flows $'000
Consolidated – Dec 2022							
Non-derivative financial instruments:							
Trade and other payables	–	69,389	–	–	–	–	69,389
Interest-bearing liabilities[1]	–	492,527	40,394	461,285	335,780	1,089,526	2,419,512
Derivative financial instruments:							
Interest rate swaps – asset	4.78	(19,378)	(24,113)	(48,450)	(66,339)	(4,922)	(163,202)
Gross settled (foreign currency forwards – cash flow hedges)							
Interest rate swaps – liability	–	4,685	6,266	11,366	35,858	52,489	110,664
Cross currency interest rate swaps – pay leg[1]	–	343,828	45,378	348,557	363,138	1,102,605	2,203,506
Cross currency interest rate swaps – receive leg[1]	–	(481,083)	(28,769)	(438,354)	(281,140)	(1,018,368)	(2,247,714)
	4.78	**409,968**	**39,156**	**334,404**	**387,297**	**1,221,330**	**2,392,155**

1. USD Denominated receipts and payments have been converted to AUD based on the FX rate at balance date.

The Group expects to meet its obligations from operating cash flows, however, it also has access to unused financing facilities at the end of the reporting period as described below.

	Consolidated 2023 AUD $'000	Consolidated 2022 AUD $'000
Financing facilities available to the Group		
Secured bank facilities:		
– amount unused	540,000	540,000

(d) Interest rate risk management

The Group's primary objectives of interest rate risk management are to ensure that:

- the Group is not exposed to interest rate movements that could adversely impact on its ability to meet financial obligations;
- earnings and dividends/distributions are not adversely affected;
- volatility of debt servicing costs is managed within acceptable parameters; and
- all borrowing covenants under the terms of the various borrowing facilities, including interest cover ratios, are complied with.

Having regard to the above constraints, the Group's objective in managing interest rate risk is to minimise interest expense whilst ensuring that an appropriate level of flexibility exists to accommodate potential changes in funding requirements, ownership of assets and also movements in market interest rates.

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note (Note22(c)). For Financial Assets refer to Note 12.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period. A 50-basis point increase or decrease is used when reporting interest rate risk internally and represents management's assessment of the potential change in interest rates. A parallel shift in the yield curves by 50 basis points (bp) higher or lower at reporting date would have the following impact assuming all other variables were held constant:

	Dec 2023		Dec 2022	
Consolidated	50 bp increase $'000	50 bp decrease $'000	50 bp increase $'000	50 bp decrease $'000
Net (loss)/profit[1]	(141)	141	(1,549)	1,549
Other equity[1]	48,010	(48,010)	71,925	(71,925)

1. Amounts are stated pre-tax.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of fixed rate debt and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the applicable benchmark curve at reporting date and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts of the Group outstanding as at reporting date and their related hedged items:

Notes to the Financial Report continued

22. Financial Instruments (continued)

	Average contracted fixed interest rate Dec 2023 %	Notional principal amount Dec 2023 $'000	Fair value (FV) Dec 2023 $'000	Change in FV for calculating ineffectiveness Dec 2023 $'000
Outstanding floating for fixed IRS contracts				
Less than 1 year	–	–	–	–
1 to 2 years	–	–	–	–
2 to 5 years	1.54	1,830,000	97,219	(47,083)
5 years plus	4.36	420,000	(6,844)	(10,709)
		2,250,000	**90,375**	**(57,792)**
Outstanding fixed for floating IRS contracts				
Less than 1 year	6.34	75,000	(229)	(229)
1 to 2 years	–	–	–	231
2 to 5 years	7.58	335,246	(7,914)	(2,281)
5 years plus	4.89	342,466	(67,447)	16,383
		752,712	**(75,590)**	**14,104**
Outstanding fixed for floating cross currency contracts				
Less than 1 year	3.84	262,626	111,107	(29,551)
1 to 2 years	–	–	–	(100,921)
2 to 5 years	3.82	147,735	(12,028)	6,866
5 years plus	4.44	766,168	(95,712)	34,700
		1,176,529	**3,367**	**(88,906)**
Outstanding fixed for fixed cross currency contracts				
Less than 1 year	–	–	–	–
1 to 2 years	–	–	–	–
2 to 5 years	–	–	–	–
5 years plus	8.18	351,061	(17,098)	(17,098)
		351,061	**(17,098)**	**(17,098)**

	Average contracted fixed interest rate Dec 2022 %	Notional principal amount Dec 2022 $'000	Fair value (FV) Dec 2022 $'000	Change in FV for calculating ineffective-ness Dec 2022 $'000
Outstanding fixed for floating IRS contracts				
Less than 1 year	–	–	–	–
2 to 5 years	1.15	1,590,000	144,302	102,895
5 years plus	4.26	660,000	3,865	3,865
		2,250,000	**148,167**	**106,760**
Outstanding fixed for floating IRS contracts				
Less than 1 year	–	–	–	–
1 to 2 years	6.34	75,000	(231)	(231)
2 to 5 years	4.15	35,246	(5,633)	(11,102)
5 years plus	4.89	342,466	(83,830)	(53,496)
		452,712	**(89,694)**	**(64,829)**
Outstanding fixed for floating cross currency contracts				
Less than 1 year	5.57	298,924	140,658	140,658
1 to 2 years	3.84	262,626	100,921	(29,573)
2 to 5 years	3.82	147,735	(18,894)	(123,727)
5 years plus	4.44	766,168	(130,412)	(82,732)
		1,475,453	**92,273**	**(95,374)**

Interest rate swap contracts exchanging floating rate interest amount for fixed rate interest amounts are designated as cash flow hedges where possible in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The settlement dates coincide with the dates on which the interest is payable on the underlying debt where possible, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. Certain interest rate contracts do not qualify for hedge accounting and are not able to be treated as cashflow hedges.

Notes to the Financial Report continued

22. Financial Instruments (continued)

	31 December 2023				
Hedge Relationship Type	Fair Value Hedge		Cash Flow Hedge		
Hedging Instrument	AUD USD CCIRS[3]	AUD Rec Fixed IRS	AUD USD CCIRS9	AUD Pay Fixed IRS	
Hedged Item[1]	USD Fixed Rate Debt	AUD Fixed Rate Debt	USD Fixed Rate Debt	AUD Floating Rate Debt[2]	
Notional Amount of Hedging Instrument ('000)	USD 925,000	AUD 752,172	USD 1,160,000	AUD 1,450,000	
Carrying Amounts of Hedging Instrument					
Other Financial Assets – Current	(12,972)	–	124,079	–	111,107
Other Financial Assets – Non-Current	–	–	–	99,970	99,970
Other Financial Liabilities – Current	–	(229)	–	–	(229)
Other Financial Liabilities – Non-Current	(155,709)	(75,361)	30,870	(9,596)	(209,795)
Total by hedge relationship type	**(168,680)**	**(75,590)**	**154,949**	**90,375**	**1,053**
Cumulative fair value adjustment on hedged item[4]	172,886	71,572	Not Applicable	Not Applicable	244,458
Carrying Amount of hedged item	1,199,582	686,019	–	–	1,885,601
Balances deferred in OCI (Cash Flow Hedge Reserve) (before deferred tax)	Not Applicable	Not Applicable	6,780	(91,726)	(84,946)
Total					
During the period					
Change in fair value of outstanding hedging instruments	38,764	16,154	(138,316)	(57,793)	(141,191)
Change in value of hedged item used to determine hedge effectiveness	(39,705)	(18,090)	133,739	56,441	132,385
Changes in the value of the hedging instrument recognised in OCI[5]	Not Applicable	Not Applicable	(13,039)	56,441	43,401
Hedge ineffectiveness recognised in profit or loss[6]	941	1,937	4,577	1,352	8,806

	31 December 2022				
Hedge Relationship Type	**Fair Value Hedge**		**Cash Flow Hedge**		
Hedging Instrument	**AUD USD CCIRS[3]**	**AUD Rec Fixed IRS**	**AUD USD CCIRS[3]**	**AUD Pay Fixed IRS**	
Hedged Item[1]	**USD Fixed Rate Debt**	**AUD Fixed Rate Debt**	**USD Fixed Rate Debt**	**AUD Floating Rate Debt[2]**	
Notional Amount of Hedging Instrument ('000)	USD 1,225,000	AUD 452,712	USD 1,225,000	AUD 1,450,000	
Carrying Amounts of Hedging Instrument	CCIRS	IRS	CCIRS	IRS	Total
Other Financial Assets – Non-Current	(27,924)	–	128,845	148,183	249,104
Other Financial Liabilities – Current	–	–	–	–	–
Other Financial Liabilities – Non-Current	(175,489)	(89,694)	26,183	(16)	(239,016)
Total by hedge relationship type	**(207,468)**	**(89,694)**	**299,741**	**148,167**	**150,746**
Cumulative fair value adjustment on hedged item[4]	212,590	89,663	Not Applicable	Not Applicable	302,253
Carrying Amount of hedged item	1,597,967	368,373	–	–	1,966,340
During the period					
Change in fair value of outstanding hedging instruments	(181,628)	(62,779)	104,231	106,760	(33,416)
Change in value of hedged item used to determine hedge effectiveness	186,189	64,435	111,755	(106,760)	255,619
Changes in the value of the hedging instrument recognised in OCI[5]	Not Applicable	Not Applicable	18,277	(106,760)	(88,482)
Hedge ineffectiveness recognised in profit or loss[6]	(4,561)	(1,656)	21	–	(6,195)

1. Line item in statement of financial position which hedged item is included in Borrowings.
2. Includes DBI AUD floating rate bank debt and synthetic floating rate exposure.
3. Cross currency swaps are dual designated in both cash flow and fair value hedge relationships. The aggregated CCIRS notional is USD 887 million. At 31 December 2022 the Group has designated derivative hedging instruments in hedge accounting relationships against the fair value exposure of the Group's USD fixed rate debt associated with USD LIBOR benchmark interest rate risks. As a result of the transition away from USD LIBOR the Secured Overnight Financing Rate (SOFR) has been used for 31 December 2023.
4. Fair value adjustment excludes impact of foreign currency translation impact.
5. Pre-tax movement in fair value recognised in OCI.
6. Hedge ineffectiveness is presented as part of borrowing cost in the Statement of Profit or Loss.
7. Balance deferred include fair value impact of foreign currency basis spreads recognised as cost of hedging.

Notes to the Financial Report continued

22. Financial Instruments (continued)

(e) Foreign currency risk management

As the Group has issued notes in a foreign currency (USD), exposure to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising cross currency swaps. The currency exposure is 100% effectively hedged so the Group has no sensitivity to increases and decreases in the Australian dollar against the relevant foreign currency. The details of the cross-currency swaps are summarised in Note 22(d).

The carrying amounts of the Group's foreign currency denominated debt are as follows.

	Dec 2023		Dec 2022	
	Carrying amount		Carrying amount	
Consolidated	USD $'000	AUD $'000	USD $'000	AUD $'000
Notes issued in USD	1,160,000	1,523,252	1,225,000	1,948,228

	Notional principal amount		Fair value	Notional principal amount		Fair value
	Dec 2023 USD $'000	Dec 2023 AUD $'000	Dec 2023 AUD $'000	Dec 2022 USD $'000	Dec 2022 AUD $'000	Dec 2022 AUD $'000
Outstanding cross currency contracts	1,160,000	1,527,590	(13,732)	1,225,000	1,475,453	92,273

(f) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group only undertakes transactions with credit worthy customers and conducts active ongoing credit evaluation on the financial condition of customers and other trade receivables in order to minimise credit risk.

From a treasury perspective, counterparty credit risk is managed through the establishment of authorised counterparty credit limits which ensures the Group only deals with credit worthy counterparties and that counterparty concentration is addressed and the risk of loss is mitigated. Credit limits are sufficiently low to restrict the Group from having credit exposures concentrated with a single counterparty but rather encourages spreading such risks among several parties. The limits are set at levels reflecting the Group's scale of activity and also allow it to manage treasury business competitively.

(g) Fair value of financial instruments

Except as detailed in the following tables, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements of the Group approximate their fair values. Carrying value includes amortised deferred funding costs of $10.3 million for 31 December 2023 (31 December 2022: $7.3 million).

	Dec 2023		Dec 2022	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Notes	2,086,368	2,097,075	1,959,035	1,943,690

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Consolidated – Dec 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial assets	–	211,077	–	211,077
Derivative financial liabilities	–	210,024	–	210,024

Consolidated – Dec 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial assets	–	389,762	–	389,762
Derivative financial liabilities	–	239,016	–	239,016

There were no transfers between levels during the year ended 31 December 2023.

23. Retained Earnings

	2023 $'000	2022 $'000
Balance at the beginning of the year	55,282	15,869
Net profit for the year	73,927	68,974
Dividends paid	(101,383)	(29,561)
Balance at the end of the year	**27,826**	**55,282**

Notes to the Financial Report continued

Group structure

24. Subsidiaries

Name of entity	Country of incorporation	Ownership interest Dec 2023 %	Ownership interest Dec 2022 %
Parent entity:			
Dalrymple Bay Infrastructure Limited	Australia		
Subsidiaries and Trust Entities:			
Dalrymple Bay Infrastructure Holdings Pty Ltd	Australia	100	100
Dalrymple Bay Infrastructure Management Pty Ltd	Australia	100	100
Dalrymple Bay Finance Pty Ltd	Australia	100	100
Dalrymple Bay Investor Services Pty Ltd	Australia	100	100
DBT Trust	Australia	100	100
BPIRE Pty Ltd	Australia	100	100
BPI Trust	Australia	100	100
Brookfield Infrastructure Australia Trust	Australia	100	100
Brookfield DP Trust	Australia	100	100
Dudgeon Point Project Management Pty Ltd	Australia	100	100
DBH2 Holdings Pty Ltd (formerly DBHex Holdings Pty Ltd)	Australia	100	100
DBH2 Management Pty Ltd (formerly DBHex Management Pty Ltd)	Australia	100	100

DBIM, DB Finance and DBT Trust are the main entities conducting the business of DBI.

Other

25. Capital Expenditure Commitments

	Consolidated	
	2023 $'000	2022 $'000
Intangible assets		
Not longer than one year	39,004	33,589
Longer than one year and not longer than five years	21,506	2,600
Longer than five years	–	–
	60,510	36,189

26. Contingent Assets and Liabilities

Contingent Asset

There are no known or material contingent assets as at 31 December 2023 (31 December 2022: nil).

Contingent Liability

Critical judgements – Rehabilitation

A provision for restoration and rehabilitation would be recognised for costs expected to be incurred on cessation of the lease term with DBCT Holdings Pty Ltd, a wholly owned Queensland Government entity, only where there is an obligation under the lease agreements, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be measured reliably. The provision would reflect a present obligation at the balance sheet date, under the Group's obligations under the Port Services Agreement (PSA).

There are three triggering events under the DBT Leases which may give rise to a rehabilitation obligation. These are:

- The lessor (DBCT Holdings Pty Limited, a wholly owned Queensland Government entity) giving 5 years' notice prior to expiration of the lease term (currently expected to be 99 years as the option to extend for 49 years after the initial term is at the Group's option);
- if the DBT Leases are terminated for default by DBIM but only after the 20 year anniversary of their commencement (15 September 2021); and
- if the Group surrenders the DBT Leases and the lessor requires rehabilitation as a condition of accepting the surrender.

The likelihood of restoration and rehabilitation is assessed by management on a regular basis. Management considers the following factors:

- No triggering event requiring remediation has occurred as at 31 December 2023 or subsequent thereto. That is, the lessor has not to date notified the Group of an obligation to rehabilitate the leased area under the PSA, there has been no default and the Group has not, nor does it currently intend to, surrender the lease;
- The probability of potential remediation and rehabilitation are influenced by a range of complex factors. The Directors note the current demand for the deep-water nature of the port, which is rare and extremely expensive to build and subject to ever more stringent environmental approvals. This is coupled with the supporting rail infrastructure servicing the port, vacant surrounding land to support future expansion/ industrialisation, geographical proximity to major equatorial shipping lanes and sheltered waters;

Notes to the Financial Report continued

26. Contingent Assets and Liabilities (continued)

- Independent studies indicate extensive metallurgical coal reserves in the Bowen Basin and anticipated ongoing demand for metallurgical coal, as well as potential alternative uses for the infrastructure with DBI having developed an overarching transition strategy; and
- Although there is a risk that the lessor may notify the Group of its obligation to rehabilitate the leased area in the future, the nature of rehabilitation requirements is currently unknown. The Group's current intention is to exercise the extension option and therefore any potential rehabilitation obligation may only occur in the lead up to 2100, if at all.

The Directors have determined there is a contingent liability in respect of the Group's obligations under the PSA to rehabilitate DBT at the expiry of the long-term lease but do not currently believe that economic outflows are probable.

The cost of rehabilitation is difficult to estimate, however to the extent that a remediation allowance was to be a factor in a future pricing dispute, the Queensland Competition Authority included in section 11.4(d)(3) of the 2021 Access Undertaking a rehabilitation costs assessment for DBT of $850 million (in 2021 dollars), assuming a full rehabilitation where the land is returned to its natural state.

27. Key Management Personnel (KMP) Compensation

	Consolidated	
	2023 $	2022 $
Short-term employee benefits	2,088,459	1,936,687
Long-term post-employment benefits	101,805	91,625
Share-based payments	1,518,997	956,662
	3,709,261	**2,984,974**

Detailed remuneration disclosures are provided in the remuneration report on page 34 and onwards.

28. Share-based Payments

Cash-settled share-based payments

The Group issues to certain employees share appreciation Rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group has recorded liabilities of $2,869,724 as at 31 December 2023 (31 December 2022: $1,483,341). The SARs are payable under short-term (STI) and long-term incentive plans (LTI).

Fair value of the STI SARs is determined to be the same as the cash component payable under the STI plans (50% is payable in cash and 50% is payable in cash-settled Rights which are deferred for one year) and fair value of the LTI SARs is determined by using a Monte Carlo simulation model.

29. Related Party Transactions

(a) Equity Interests in Related Parties

Equity interests in subsidiaries

Details of the percentage of securities held in subsidiaries are disclosed in Note 24 to the financial statements.

(b) Transactions with Other Related Parties

Other related parties include:

- Brookfield Infrastructure Partners L.P. as an entity with significant influence over DBI
- subsidiaries
- other related parties
- directors or other key management personnel

Transactions and balances between the Company and its subsidiaries were eliminated in full in the preparation of consolidated financial statements of the Group.

Transactions with directors or other key management personnel

Transactions entered into during the financial year with directors and other key management personnel were within normal employee relationships and on terms and conditions no more favourable than those available to other employees or shareholders. These included:

- contracts of employment
- repayment of loan note principal
- dividends from shares

Transactions involving the entities with influence over DBI

Transactions involving Brookfield Infrastructure Partners L.P. and its subsidiaries (Brookfield) as an entity with significant influence over DBI are set out below.

The Group signed a funding agreement on 23 February 2022 to complete detailed feasibility studies aimed at understanding the potential for development of a regional hydrogen hub within the vicinity of existing terminal infrastructure, to which Brookfield infrastructure Group (Australia) Pty Ltd is a party. The feasibility studies costs will be equally shared by all four parties to the Agreement. The funding agreement follows the establishment of a Memorandum of Understanding (MOU) between the parties on 17 August 2021.

During the year, the following transactions were made with related parties. All amounts were based on commercial terms.

	2023 $	2022 $
Paid/payable to Brookfield Infrastructure Partners LP and its related entities:		
Reimbursement of other costs paid on behalf of DBI	12,178	1,431
Refund of IPO Transaction Costs	–	4,607,219
Reimbursements under the Hydrogen study funding agreement	233,750	112,693

1. IPO Transaction Costs charged to Brookfield and reimbursed by DBI after IPO.

Notes to the Financial Report continued

30. Remuneration of Auditors

	2023 $	2022 $
Audit or review of financial reports		
– Group	628,000	765,060
– Subsidiaries	85,500	95,040
	713,500	**860,100**
Statutory assurance services required by legislation to be provided by the auditor	–	–
Other services:		
Tax compliance services	–	–
Advisory services		103,500
	817,000	**860,100**

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year are included above. The Directors are of the opinion that the services disclosed above do not compromise the external auditor's independence, based on the advice received from the Finance and Audit Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the audit.
- None of the services undermine the general principles relating to auditor independence as set out in the APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the company, acting as an advocate for the company or jointly sharing economic risks and rewards.

31. Notes to the Statement of Cash Flows

(a) Reconciliation of profit for the year to net cash flows from operating activities

	Consolidated	
	2023 $'000	2022 $'000
Profit for the year	73,927	68,974
Movement in fair value through profit or loss on derivatives	17,307	13,831
Depreciation and amortisation of non-current assets	40,037	39,585
Other non-cash finance costs	(10,753)	(8,688)
Non-cash Income tax expense	32,953	43,001
Interest expense on Loan Notes	8,768	29,177
Interest capitalised to intangible	(2,922)	–
Changes in net assets and liabilities		
(Increase)/decrease in assets:		
Current trade and other receivables	(7,692)	(15,966)
Prepayments	(2)	188
Increase/(decrease) in liabilities:		
Current trade and other payables	18,291	17,970
IFRS 16 Lease interest	31	38
Current provisions	1,436	721
Non-current provisions	700	419
Net cash provided by operating activities	**172,081**	**189,250**

Notes to the Financial Report continued

31. Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of financing activities for the year ended 31 December 2023

	Opening Balance at 1 January 2023 $'000	Acquisition $'000	Financing cash flows $'000	Fair value, foreign exchange and other adjustments $'000	Closing Balance at 31 December 2023 $'000
Borrowings	1,959,035	–	227,238	(99,904)	2,086,369
Lease liabilities	1,193	55	(181)	(185)	882
Dividends paid	–	–	(101,383)	–	(101,383)
Total	**1,960,228**	**55**	**125,674**	**(100,089)**	**1,985,868**

	Opening Balance at 1 January 2022 $'000	Acquisition $'000	Financing cash flows $'000	Fair value, foreign exchange and other adjustments $'000	Closing Balance at 31 December 2022 $'000
Borrowings	2,041,055	–	51,298	(133,318)	1,959,035
Lease liabilities	1,517	96	(420)	–	1,193
Loan notes attributable to security holders[1]	219,869	–	(62,947)	29,274	186,196
Deferred capital contribution	39,432	–	(4,613)	–	34,819
Dividends paid	–	–	(29,561)	–	(29,561)
Total	**2,301,873**	**96**	**(46,243)**	**(104,044)**	**2,151,682**

1. Including issue costs associated with the Loan Notes (refer Note 17).
2. Deferred capital contribution includes amounts transferred to equity.

Recognition and measurement – Cashflow

Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term deposits with a tenure of over 3 months are classified as other financial assets.

32. Parent Entity Information

The parent entity of the Group is Dalrymple Bay Infrastructure Limited. The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

	2023 $'000	2022 $'000
Financial position:		
Assets		
Current assets	69,938	8,316
Non-current assets	1,115,714	1,115,714
Total assets	**1,185,652**	**1,124,030**
Liabilities		
Current liabilities	22,891	10,791
Non-current liabilities	217,658	168,983
Total liabilities	**240,549**	**179,774**
Net assets	**945,103**	**944,256**
Shareholders' Equity		
Issued capital	978,108	978,108
Reserves	34,820	34,820
Accumulated loss	(67,825)	(68,672)
Total equity	**945,103**	**944,256**
Profit for the year	102,230	27,625
Other comprehensive income	–	–
Total comprehensive income	**102,230**	**27,625**

Commitments for acquisition of intangibles

Please refer Note 13 for details of capital expenditure relating to the Group.

Contingent assets and liabilities

Please refer to Note 26 for details of contingent liabilities relating to the Group.

33. Subsequent Events

On 22 February 2024, the QCA approved the extension DAAU and, as a result, the 2021 AU remain in effect to 1 July 2031.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected the operations of the consolidated entities, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Report continued

34. Other Accounting Policies

(a) Employee provisions

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(b) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

(c) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ($), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Directors' Declaration

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 55 to 102 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date, and

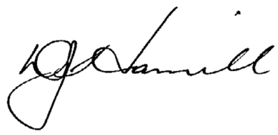
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

The Directors have been given the declarations by the acting Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

On behalf of the Directors



Hon Dr David Hamill AM
Chairman, Independent Non-Executive Director

Brisbane, 26 February 2024

Independent Auditor's Report

to the Members of Dalrymple Bay Infrastructure Limited

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Independent Auditor's Report to the Members of Dalrymple Bay Infrastructure Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dalrymple Bay Infrastructure Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Appropriateness of useful economic life of the Service Concession intangible asset (Refer Note 13) As at 31 December 2023 the intangible asset arising from the Group's Service Concession Arrangement to operate the terminal has a carrying value of $3,131 million. The Group has determined that the intangible asset should be amortised on a straight-line basis over its remaining useful economic life consistent with the remaining lease term being 77 years. This assumes the exercise of the 49-year extension option in 2051 on the basis that the cost of renewal is not significant when compared to the economic benefits that are expected to flow to the Group if the lease is renewed. The Group's assessment of the remaining useful life of the intangible asset to 2100 involves significant uncertainties and requires judgement in respect of: • The future supply of and demand for coal, in particular Australian metallurgical coal, impacting the potential demand for capacity at the terminal. • The impacts of existing and potential future changes to the regulatory environment both locally and globally. • The economic and technical feasibility of potential alternative uses for the infrastructure.	To evaluate the Group's assessment of the useful economic life of the Service Concession intangible asset, our procedures included, but were not limited to: • Understanding the process undertaken by the Group to determine the intangible asset's remaining useful economic life and evaluating the design and testing the implementation of relevant controls. • Obtaining and reviewing the Group's position papers in relation to the determination of the useful life of the intangible asset. • Inspecting the relevant lease agreement and evaluating both the ability and likelihood of the Group renewing the lease in 2051. • Obtaining and reviewing information made available by the Group, including industry forecasts, to critically evaluate conclusions reached within the financial report. • Considering and assessing publicly available information for contradictory evidence and challenging the relevance and reliability of the third-party information used by the Group in relation to the future supply of and demand for metallurgical coal. • Considering and assessing the Group's view on potential alternative uses for the infrastructure. • Evaluating the appropriateness of disclosures related to this matter in the context of climate transition in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairperson's Statement, Review of Operations, Environment, Social and Governance, and ASX Additional Information, which are expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairperson's Letter, Managing Director's Letter, Key Achievements, Review of Operations, Environment, Social and Governance, and ASX Additional Information, if we conclude that there is a material

Independent Auditor's Report continued

misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 34 to 51 of the Directors' Report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Dalrymple Bay Infrastructure Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

Brisbane, 26 February 2024

ASX Additional Information

Below we set out additional information in relation to the Company's securityholders. This includes information required under ASX Listing Rule 4.10. Unless stated otherwise, the information below is current at 1 March 2024.

Twenty Largest Securityholders as at 1 March 2024[1]

Rank	Investor	Current Balance	% Issued Capital
1	BIP BERMUDA HOLDINGS IV LIMITED	245,136,188	49.45
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	81,231,918	16.39
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	38,931,504	7.85
4	CITICORP NOMINEES PTY LIMITED	21,059,447	4.25
5	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	3,175,863	0.64
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	2,809,632	0.57
7	NATIONAL NOMINEES LIMITED	1,827,100	0.37
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,422,957	0.29
9	BNP PARIBAS NOMS PTY LTD	1,396,863	0.28
10	ASIA UNION INVESTMENTS PTY LIMITED	1,000,000	0.20
11	NATIONAL EXCHANGE PTY LTD	1,000,000	0.20
12	BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	989,834	0.20
13	GEOMAR TRADING PTY LTD	953,500	0.19
14	HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	800,000	0.16
15	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	783,856	0.16
16	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	666,024	0.13
17	JOHN SHEARER (HOLDINGS) PTY LIMITED	600,000	0.12
18	NETWEALTH INVESTMENTS LIMITED<WRAP SERVICES A/C>	511,888	0.10
19	UBS NOMINEES PTY LTD	506,062	0.10
20	MT BYRON PASTORAL COMPANY PTY LTD <MT BYRON PASTORAL S/F A/C>	500,000	0.10
Total		405,302,636	81.75
Balance of register		90,459,031	18.25
Grand total		495,761,667	100.00

1. Related but separate legal entities are not aggregated.

Substantial Holders

The following is a summary of the substantial shareholders as at 1 March 2024 pursuant to notices lodged with the ASX in accordance with section 671B of the *Corporations Act 2001* (Cth)[1].

Substantial Holder	Number of Securities	Date of Interest[1]	Issued Capital%[2]
BIP Bermuda Holdings IV Limited	245,136,188	10 December 2020	49.00%
QIC Investments No. 2 Pty Ltd as trustee for the Government Holdings Trust	49,988,871	29 April 2022	10.08%

1. As disclosed in the last notice lodged with the ASX by the substantial holder.
2. The percentage set out in the notice lodged by the substantial holder with the ASX is based on the total issued Stapled Securities of DBI at the Date of Interest.

Number of holders of each class of equity securities

5,481

Voting rights attached to each class of equity securities

Each ordinary share issued by Dalrymple Bay Infrastructure Limited carries with it 1 vote.

Distribution schedule of the number of holders in each class of equity securities

Ranges	Investors	Securities	% Issued Capital
1 to 1,000	494	240,332	0.05
1,001 to 5,000	1,349	4,539,410	0.92
5,001 to 10,000	1,351	10,731,574	2.16
10,001 to 100,000	2,174	58,357,564	11.77
100,001 and Over	113	421,892,787	85.10
Total	**5,481**	**495,761,667**	**100.00**

Number of holders holding unmarketable parcel of securities

The number of security investors holding less than a marketable parcel of 182 securities ($2.760 on 01/03/2024) is 56 and they hold 1,209 securities.

ASX Additional Information continued

Name of the entity's secretary

Ms Liesl Burman

Address and phone of Registered Office and Principal Administrative Office

Level 15
One Eagle – Waterfront Brisbane
1 Eagle Street
Brisbane QLD 4000

Ph: +61 7 3002 3100

Address and phone of where register kept

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000

Ph: +61 1300 554 474 (toll free within Australia)
Ph: +61 7 3320 2200 (Brisbane)

List of other stock exchanges listed on

Nil.

Number and class of restricted securities or securities subject to voluntary escrow that are on issue and the date that the escrow period ends

Nil restricted securities or securities subject to voluntary escrow.

Share Buy-back

There is no current buy-back program of Dalrymple Bay Infrastructure Limited's securities.

Corporate Governance Statement

DBI's Corporate Governance Statement and Appendix 4G for the period ended 31 December 2023 may be accessed via DBI's website at https://dbinfrastructure.com.au/corporate-governance/overview/#reports-documents.

Directory

Directors

Hon David Hamill AM

Ms Bronwyn Morris AM

Dr Eileen Doyle

Mr Ray Neill

Mr Anthony Timbrell
(resigned with effect from 25 January 2024)

Mr Bahir Manios
(resigned with effect from 27 February 2023)

Mr Jonathon Sellar
(Alternative Director for Ray Neill)

Company Secretary

Ms Liesl Burman

Registered Office

Dalrymple Bay Infrastructure Limited

Level 15
One Eagle – Waterfront Brisbane
1 Eagle Street
Brisbane QLD 4000
Australia

Investor Contacts

Security Register

For more information about your DBI security holding please contact:

Link Market Services

Level 21, 10 Eagle Street
Brisbane QLD 4000

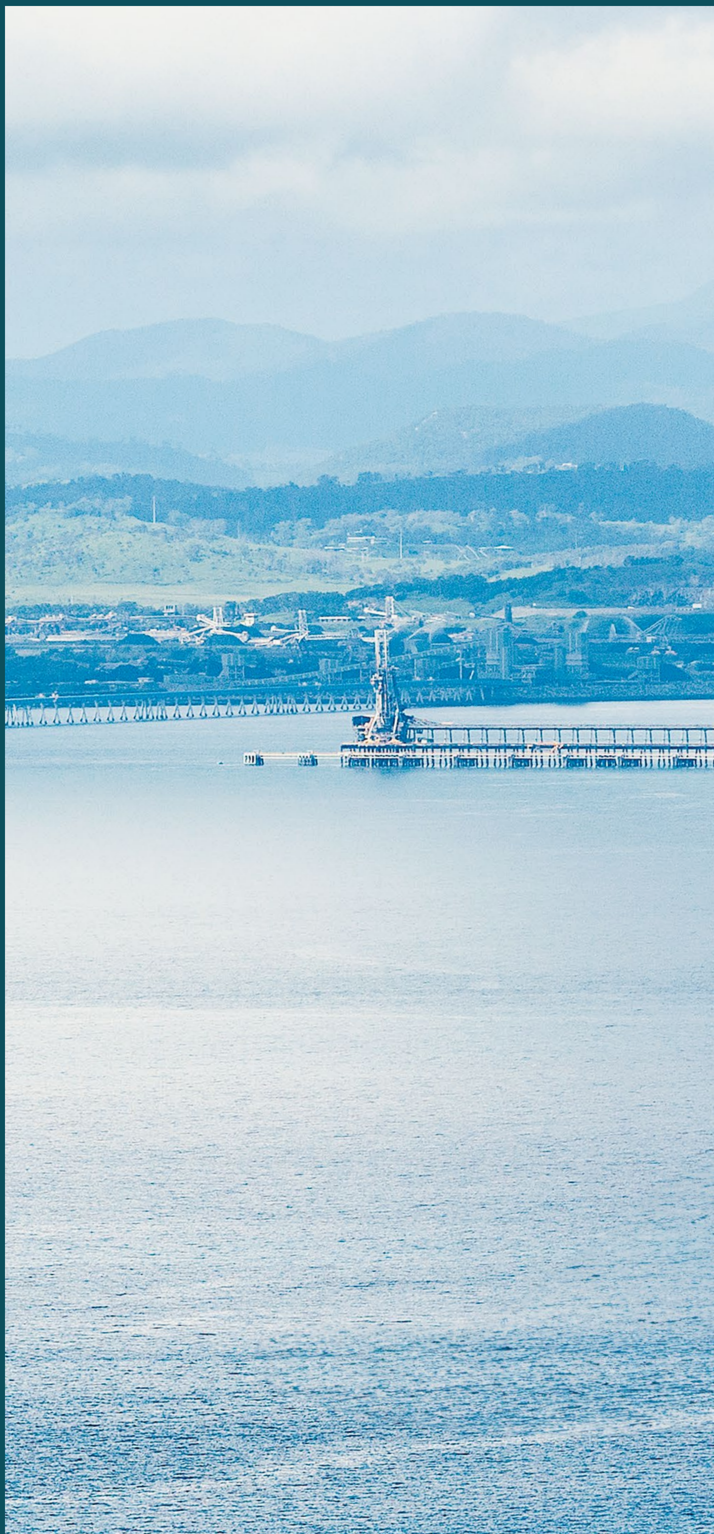
Locked bag A14
Sydney South NSW 1235

Ph: +61 1300 554 474 (toll free within Australia)

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au



Dalrymple Bay Infrastructure

dbinfrastructure.com.au