

December 2022

### Tax Information – Q3 2022 Distribution

This information has been provided to assist Australian resident Securityholders when preparing their income tax returns.

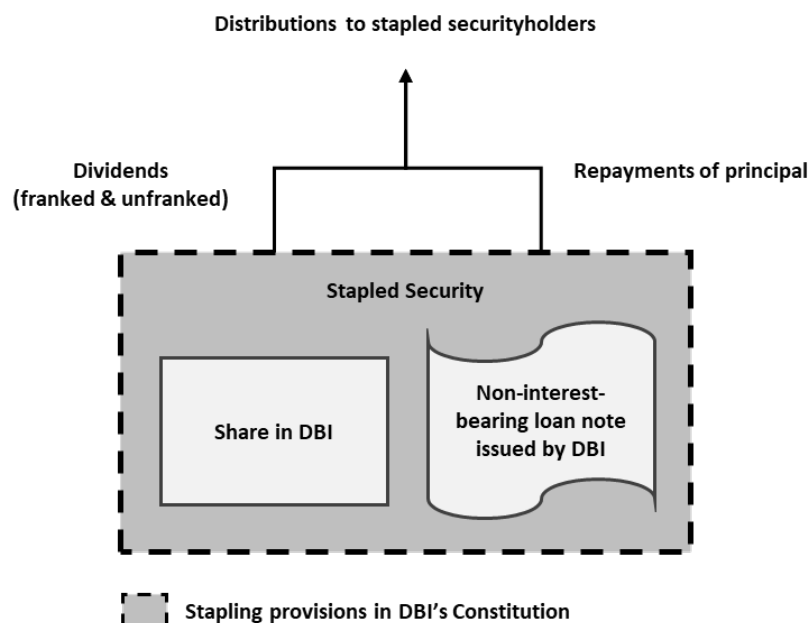
Custodians should refer to our website for information relating to the components of distributions which may assist in determining Australian withholding tax obligations.

This information has been prepared in good faith based on information believed to be accurate at the date of issue, but to the maximum extent permitted by law, no warranty of accuracy or reliability is given and no responsibility arising in any other way including by reason of negligence for errors or omissions in the following information is accepted by Dalrymple Bay Infrastructure Limited ABN 76 643 302 032 (**DBI**) or any other member of the Dalrymple Bay Infrastructure Group (**the Group**).

This information is not financial product advice and does not constitute tax advice. Securityholders should obtain their own professional advice, as necessary, in connection with the completion of their tax returns and to meet their own financial situation and needs.

### Australian income tax treatment – Q3 2022 Distribution

An investment in DBI comprises an ordinary share in DBI (**Share**) and a non-interest-bearing loan note (**Loan Note**) issued by DBI and stapled together under DBI's Constitution on a one-to-one basis (**DBI Stapled Security**).



Notwithstanding that the Shares and Loan Notes are stapled to one another on a 1:1 basis and traded as a single security, for Australian income tax purposes, Securityholders should be viewed as holding a Share and a

Loan Note. Each Share and each Loan Note should be treated each as a separate capital gains tax (CGT) asset for Australian income tax purposes.

The Q3 2022 distribution (**Distribution**) of 5.025 cents per Stapled Security has been paid to Securityholders as:

	Per Security (cents)
Partial repayment on Loan Notes	4.1082
Unfranked dividend	0.9168
<b>Total distribution</b>	<b>5.0250</b>

### Tax treatment of partial repayment on Loan Notes

Loan Notes should be considered a “traditional security” for Australian income tax purposes. Accordingly, any taxable gain or loss that may arise on repayment (either partial or in full) should be determined under section 26BB and 70B of the Income Tax Assessment Act 1936 and treated as a gain or loss on revenue account.

The extent to which a taxable gain or loss arises on repayment of Loan Note principal should be determined by reference to each Securityholder’s personal circumstances and the acquisition cost they allocated to their Loan Notes at the time of acquisition.

Where an Australian resident Securityholder has determined that the acquisition cost of each of their Loan Notes acquired on-market is equal to the face value of each Loan Note at the time the relevant Stapled Security was acquired, no taxable gain or loss should arise in respect of Distributions which relate to Loan Notes.

Where an Australian resident Securityholder determines that the acquisition cost of a Loan Note they hold is less than the face value of the relevant Loan Note at the time of acquisition, distributions paid as a repayment of principal referable to the Loan Note may give rise to a taxable gain (refer to example below).

### How do I work out the acquisition cost allocated to my Loan Notes?

Securityholders who were issued Loan Notes as part of the Initial Public Offering (IPO) of DBI’s Stapled Securities acquired their Loan Notes for their initial face value of 80 cents per Loan Note. The remaining balance of the issue price of \$2.57, (i.e., \$1.77) should be allocated to their Shares.

Securityholders who acquired their Stapled Securities on-market are required to work out the cost base attributable to their Loan Notes and Shares on a reasonable basis for Australian income tax purposes.

Whilst it is for Securityholders to decide how to allocate the purchase price of their Stapled Securities between their Shares and Loan Notes, Securityholders who acquired Stapled Securities post IPO (i.e., on-market) may wish to allocate their purchase price on the following basis:

Loan Note	The face value of the Loan Note at the time the relevant Stapled Security was acquired
Share	Remainder of the purchase price of the relevant Stapled Security, after allocation to the Loan Note

A summary of the historical face value of each Loan Note since IPO is available on our Distributions page at <https://investors.dbinfrastructure.com.au/investor-centre/?page=distributions><sup>1</sup>.

<sup>1</sup> Securityholders who acquire Stapled Securities between the Record Date and payment date of a distribution may wish to allocate cost to their Loan Notes by reference to the face value of the Loan notes after the payment date to account for Loan Note principal paid to the previous holder.

### **Tax treatment of dividends**

Dividends paid to Australian resident individuals constitute assessable income and should be included assessable income in the year of receipt, along with any franking credit attached. Accordingly, Australian resident Securityholders should include the amount of the Distribution referable to dividends paid on DBI's shares in their assessable income for the 2022 income year (i.e., 0.9168 cents per Stapled Security in respect of the Q3 2022 Distribution).

### Example – Securityholder determines that the acquisition cost of their Loan Notes is less than their face value at the time of acquisition

This example sets out the potential income tax implications associated with Australian resident Securityholders allocating an acquisition cost to their Loans Notes which is *less than* the face value of their Loans Notes at the time of acquisition. This example is not applicable to Australian resident Securityholders who have determined that the acquisition cost of each of their Loan Notes is equal to the face value of each Loan Note at the time the relevant Stapled Security was acquired as no taxable gain should arise in respect of repayments of Loan Note principal for these Securityholders.

#### Q3 2022 Distribution

Prior to the Record Date of the Distribution of 7 December 2022, a Securityholder acquired DBI Stapled Securities on-market for \$2.45 per Stapled Security. At the time of acquisition, the amount payable to the Securityholder on the maturity date of the Loan Notes was 57.9112 cents per Loan Note.

The Securityholder determined that the acquisition cost for each of their Loan Notes and Shares comprising their DBI Stapled Securities was as follows:

	Per Security \$
Loan Note	0.4054
Share	2.0446
<b>Total cost of Stapled Security</b>	<b>2.4500</b>

The Securityholder continues to hold their Stapled Securities on the Record Date of the Distribution and on the Payment Date receives the Distribution of 5.025 cents per Stapled Security. The Distribution is paid as a partial repayment of principal on the Loan Notes which are part of the Stapled Securities of 4.1082 cents per Stapled Security and an unfranked dividend of 0.9168 cents per Stapled Security.

The Securityholder determines that partial repayment of the Loan Notes are redemptions of traditional securities on the basis that the repayment discharges DBI's liability to pay an amount of the Loan Note face value equal to the repayment.

The Securityholder calculates their taxable gain on receipt of the Distribution on the following basis:

	Per Security (cents)
Distribution referable to Loan Note principal	4.1082
Less Cost attributable to Loan Note Principal received	(2.8760)
<b>Taxable gain</b>	<b>1.2322</b>

The Securityholder works out the cost attributable to Loan Note principal being repaid as follows:

$$\text{Proportion of Loan Note principal repaid} * \text{Acquisition cost of Loan Notes} = \text{Cost attributable to Loan Principal received}$$

$$7.094\% * 40.54 \text{ cents} = 2.8760 \text{ cents}$$

Where the proportion of Loan Note principal repaid is calculated as:

$$\frac{\text{Repayment of Loan Note principal received}}{\text{Outstanding Loan Note principal just before repayment}} = \text{Proportion of Loan Note principal repaid}$$

$$\frac{4.1082 \text{ cents}}{57.9112 \text{ cents}} = 7.094\%$$

The Securityholder includes the gain of 1.2322 cents per Stapled Security in their tax return as Other Income and an unfranked dividend income of 0.9168 cents per Stapled Security for the income year in which they received the Distribution.