ASX Announcement
25 August 2021

2021 Half Year Financial Results

Dalrymple Bay Infrastructure Limited (ASX:DBI) ('DBI' or 'the Company') is pleased to announce its results for the period ended 30 June 2021 (1H-21).

Highlights

- A 2Q-21 distribution of 4.5 cents per security to be declared and paid during 3Q-21
- The Company provides guidance that it intends to deliver a 2H-21 distribution of 9 cents per security, taking total distributions over CY-21 to 18 cents per security
- The on-market buy back launched in March 2021 has purchased 3.08 million stapled securities in the Company as at 30 June 2021 for a total consideration of $6.7 million
- The move to a light-handed regulation model was approved by the Queensland Competition Authority (QCA) on 1 July 2021
- The Company is currently in commercial price negotiations with customers. Adjustments to Access Charges payable by Users arising from this process will be backdated to an effective date of 1 July 2021
- DBI remains optimistic it will reach pricing agreements with all or a majority of its customers but does not intend to comment on customer negotiations until they are concluded
- On 24 August 2021, the Queensland Competition Authority (QCA) published a Draft Ruling[1] determining that pricing for the 8X expansion is to be socialised, consistent with the DBI's views on the appropriate pricing method detailed in the Prospectus[2].

1H-21 Results

- Total Revenue of $219.7 million, with Terminal Infrastructure Charge (TIC) Revenue of $100.9 million
- Operator's[3] costs and handling revenue of $118.8 million – a pass through in DBI's accounts
- Net profit after tax of $113.2 million[4] compared to Prospectus forecast of $14.3 million
- Reported Borrowings of $2,002.2m with non-statutory net debt of $1,769.7 million at 30 June 2021[5] delivering gearing of 75% of asset base[6]
- Investment grade balance sheet was maintained

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[1] Please refer to DBI's ASX Announcement: *"Queensland Competition Authority Draft Ruling for 8X Expansion"* released to the Australian Securities Exchange (ASX) on 25 August 2021.
[2] Prospectus means DBI Prospectus on listing on ASX, as released to the ASX on 8 December 2020.
[3] The 'Operator' is Dalrymple Bay Coal Terminal Pty Limited, a third-party company owned by DBI's four largest customers
[4] Includes the reversal of $94m in Transaction Costs that had been preliminary estimates at the time of Prospectus and for which cash to meet such costs had been provided by the Selling Entities (Selling Entities has the same meaning as 'Existing Securityholders' defined in the Prospectus). As the costs are not going to be expended, the funds have been returned to the Selling Entities.
[5] Non-statutory drawn debt is calculated by converting USD denominated debt to AUD at the swap rate contained in CCIRS, as all foreign currency is 100% hedged at the time of issue. Net debt is equal to non-statutory drawn debt net of cash at bank and restricted deposits
[6] Excludes amounts spent on NECAP projects and Expansion Studies, not yet added to asset base, which amounted to $64.6 million at 30 June 2021

Operational Performance

- The Dalrymple Bay Terminal (DBT) shipped 25.3Mt of coal in 1H-21 of which 82.5% was metallurgical coal
- DBT operated with zero harm during the period.
- On 17 August 2021, a Memorandum of Understanding was signed with Brookfield, Itochu and North Queensland Bulk Ports Corporation to study the potential for a green hydrogen production, storage and export facility located within the vicinity of the Dalrymple Bay Terminal.

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

"The Dalrymple Bay Terminal remains a critical link in the global steel making supply chain and a key asset in the Queensland and Australian economies. During the half we shipped 25.3Mt of coal, with the vast majority (82.5%) being metallurgical coal, to 23 countries.

The key highlight was the QCA's approval of a light-handed regulatory regime, effective from 1 July 2021 for five years. Like all other Australian coal export terminals, we are now free to negotiate access tariffs directly with customers and this process is well underway. Going forward we expect access charges to better reflect the value that customers in the central Bowen Basis place on DBT's services.

As we renegotiate pricing, Access Agreements remain in place, including being 100% contracted on a take or pay basis. These terms have underpinned the investment grade balance sheet with stable revenue, earnings and FFO delivered in 1H-21. DBI's financial performance remains unaffected by variations in daily volume or commodity price movements.

With an access queue of 25Mt, we continue to progress plans for our 8X expansion to increase capacity up to 99.1Mt pa. During the half we commenced the FEL3 feasibility study, which has been fully underwritten by access seekers.

With strong and stable funds from operations (FFO) and an investment grade balance sheet, the Board has announced a 4.5 cents per security distribution for 2Q-21 and provides guidance for a total distribution of 18 cents per security for CY-21. We remain committed to delivering 1-2% pa distribution growth for the foreseeable future.

I would like to thank all of our securityholders for their continuing support and I look forward to updating you on the outcomes of our tariff negotiations."

Distribution and On-market Buyback

The Company has announced a 2Q-21 distribution of 4.5 cents per security, taking the total announced distributions for 1H-21 to 9 cents per security. The 2Q-21 distribution will have a record date of 31 August 2021 and a payment date of 16 September 2021.

1H-21 distributions total 9 cents per security, in line with Prospectus guidance.

The Company announces guidance for the 2H-21 distribution to total 9 cents per security, comprised of two equal quarterly instalments. The commitment to pay a 2H-21 distribution of 9 cents per security, will take full year distributions to 18 cents per security, representing a yield of 8.5%[7].

The Company remains committed to previous guidance of growing distributions per security by 1-2% per annum.

[7] Based on a security price of $2.10 at 30 June 2021.

The Company announced an on-market buyback as part of the 31 December 2020 results with the commitment to purchase up to 5 million stapled securities. The buyback commenced on 31 March 2021 and as at 30 June 2021 a total of 3.078 million securities had been purchased for a total consideration of $6.7 million. Under the initial buy back terms, 1.922 million stapled securities remain available for the on-market buyback. The Company reserves the right to vary, suspend or terminate the buy-back at any time and buy back more or less than the 5 million stapled securities stated.

Operational Review

Key 1H-21 operating highlights include:

- Total coal exports for 1H-21 totalled 25.3Mt of coal (versus 55Mt in CY-20)[8]
- DBI's coal export capacity remains under long term take or pay contracts ensuring that DBI has no volume or commodity price risk
- Coal exports during 1H-21 were approximately 82.5% metallurgical coal and 17.5% thermal coal
- Key export destinations were Japan, South Korea, India, Taiwan and Europe, accounting for approximately 77% of total exports
- Exports to China continue to be impacted by the Chinese government ban on Australian coal
- Operations at two large underground mines serviced by DBT were interrupted for substantial parts of the year, however as a result of the relevant Users' take or pay contracts, this has no financial impact on DBI. Both mines are expected to be operating this year.

Financial Review

During the reporting period, DBI made a net operating profit after income tax of $113.2 million.

$ million	1H-21 Statutory Results[9] (1 January to 30 June 2021)	Prospectus Forecast 1H-21 (1 January to 30 June 2021) [10]
TIC Revenue	100.9	100.9
Handling Revenue	118.8	129.3
Total Revenue	**219.7**	**230.2**
Terminal operator's handling costs	(118.8)	(129.3)
G&A Expenses (excluding IPO Transaction Costs) [8]	(7.2)	(8.4)
G&A Expenses reversal (IPO Transaction Costs)[8]	94.0	-
EBITDA (non-statutory)[11]	**187.7**	**92.5**
Net finance costs[12]	(39.4)	(49.4)

[8] DBI was incorporated on 7 August 2020 and the DBI Group (comprising DBI and its wholly owned subsidiaries) was formed on 8 December 2020 following the Restructure (as that term is defined in the Prospectus) at which time DBI acquired Dalrymple Bay Infrastructure Management Pty Ltd (DBIM) and DBT Trust (which are the main entities conducting the business of DBI in respect of DBT as set out in the Prospectus).

[9] 1H-21 is the half year reporting period from 1 January to 30 June 2021.

[10] IPO is Initial Public Offering and Prospectus Forecast is the forecast provided in DBI's Prospectus. "G&A Expenses means general and administrative expenses" and IPO Transaction Costs are detailed in Note 30 to DBI's Financial Report for the period ended 31 December 2020 released to the ASX on 26 February 2021 and described in the Prospectus as "Transaction Costs".

[11] Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA has been included to enable comparisons to the Prospectus.

[12] Includes Interest expense and fair value adjustments on Stapled Loan Notes. This is net of interest received shown in the financial statements as other income.

Depreciation and Amortisation	(19.5)	(19.4)
Profit before Tax	128.9	23.7
Income tax expense	(15.7)	(9.4)
Net profit after tax	**113.2**	**14.3**

When comparing statutory results for the period to the 1H-21 forecast provided in DBI's listing prospectus released to the ASX on 8 December 2020 (Prospectus):

- Terminal Infrastructure Charge (TIC) Revenue was per Prospectus Forecast
- Handing Revenue as charged to Users and DBT's operator's handling costs paid by DBI, being a pass through in DBI's accounts, has no impact on DBI's EBITDA. This revenue and cost was 8% below forecast reflecting lower spend by DBT's operator than budgeted due to lower than forecast throughput
- Underlying G&A expenses of $7.2 million were 14% favourable to Prospectus of $8.4 million primarily due to a delay in new staff appointments and lower than forecast insurance costs
- A reversal of IPO Transaction Costs of $94 million was recorded during the period following finalisation of various items for which preliminary estimates were provided for in the Prospectus at the time of listing.[13] Of the original $132 million provided by subsidiaries of Brookfield and co-investors (the 'Selling Entities[14]'), $34m had been finalised and settled at reporting date
- Net finance costs of $39.4 million comprises interest on DBI's external bank facilities and issued bonds, as well as non-cash fair value adjustments on the non- interest-bearing loan notes stapled to each share issued to DBI Securityholders
- External interest expense and financing costs of $41.3 million was within 0.5% of Prospectus forecast of $41.1 million
- The interest and fair value adjustments through the profit or loss on loan notes attributable to Securityholders was $13.6 million during the period compared to Prospectus forecast of $8.1 million. This variance arose as a result of the early principal repayment made by the 1Q-2021 distribution. This variance has been offset by the $9.7 million unwind of the fair value adjustment on debt and the $5.9 million unrealised gain on hedging, neither of which was included in the Prospectus.

Balance Sheet

The Company maintains an investment grade balance sheet.

Liquidity as at 30 June 2021 comprised $233.0 million in undrawn bank facilities (which includes $60 million undrawn on the liquidity facility) and $38.2 million in Cash and Cash Equivalents (approximately $4 million of which was earmarked to meet IPO Transaction Costs). DBI also had $33.0 million held in a debt service reserve account.

The DBI Group's debt book comprises bank debt and fixed and floating rate bonds, with a weighted average tenor of 5.24 years at reporting date. Subsidiaries of DBI refinanced $260 million of facilities subsequent to 30 June 2021, well in advance of their 2022 maturities. As at 30 June 2021, total

[13] Refer Note 30 of the annual Financial Report for DBI for the financial year ended 31 December 2021 released to the ASX on 26 February 2021.

14 Selling Entities means the Exiting Securityholders as defined in the Prospectus

reported statutory borrowings were $2,002.2 million (at 30 June 2021, non-statutory drawn debt was $1,840.9 million).[15]

The DBI Group's Treasury Policy requires that at least 75% of core floating debt is fixed with interest rate swaps to align with the regulatory regime. During May 2021, one of the Company's subsidiaries, DB Finance, entered into $1,450 million of interest rate swaps to fix the base rate of a proportion of its debt book. These swaps had various forward start dates during June 2021 and will expire on various dates during June 2026. The average swap rate transacted was 1.173% lower than the average rate of the $1,600 million of interest rate swaps that expired in June 2021.

	Statutory	**Non-statutory[16]**	**Statutory**	**Non-statutory[14]**
$ million	**30 June 2021**	**30 June 2021**	**31 December 2020**	**31 December 2020**
Short Term Debt				
Bank Facilities	27.0	27.0	33.0	33.0
Note Facilities	-	-	-	-
Long Term Debt				
Bank Facilities	297.9	300.0	310.5	313.0
Note Facilities	1,677.3	1,513.9	1,696.0	1,513.9
Total Borrowings[17]	**2,002.2**	**1,840.9**	**2,039.5**	**1,859.9**
Restricted Cash[18]	33.0	33.0	36.0	36.0
Unrestricted Cash	38.2	38.2	139.1	139.1
Total net debt	**1,931.0**	**1,769.7**	**1,864.4**	**1,684.8**

Furthermore, 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. CCIRS have the effect of hedging currency exposure on the debt principal and converting the fixed USD interest rates to the equivalent AUD floating rate. These CCIRS are hedged for the life of the foreign currency borrowings, removing sensitivity to foreign exchange movements for both interest and principal.

Regulatory Environment

Under the regulatory regime applying to DBT and administered by the Queensland Competition Authority ('QCA'), Dalrymple Bay Infrastructure Management Pty Limited ('DBIM') is required to submit a draft access undertaking to the QCA for approval every 5 years. DBIM submitted a draft access undertaking (2019 DAU) to the QCA for assessment on 1 July 2019 proposing a transition to a lighter-handed regulatory framework in the form of a 'negotiate-arbitrate' pricing regime. On 1 July 2021, the QCA approved the amended 2019 Draft Access Undertaking in the form submitted to the QCA by DBIM on 12 May 2021, following the QCA's Final Decision on 30 March 2021 which endorsed the application of a lighter-handed regulatory framework.

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15 Non-statutory debt uses the foreign currency exchange rate per the CCIR swaps to translate USD denominated debt to AUD. Drawn debt includes $27million drawn on a Revolving Bank Facility due to mature on 6 June 2022 which was refinanced subsequent to reporting date.
16 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. Fair value adjustments required to reflect current benchmark interest rates on historical debt of subsidiaries assumed as part of IPO acquisition (will be amortized over the life of the debt).
17 Total borrowings exclude $1 million of loan establishment costs
18 Restricted cash is the debt service reserve account, which represents 6 months debt service.

Commercial negotiations with customers are currently underway and DBI will update the market once outcomes are reached. When agreements are reached with customers or any disputes are determined by an arbitrator, the price as agreed or determined will be backdated to an effective date of 1 July 2021 and a retrospective payment adjustment will be made.

Up until a time where a new pricing agreement is reached, DBI will continue under the current pricing agreement that has facilitated the Company's ability to pay a 1H-21 distribution of 9 cents per security.

8X Expansion

DBT retains significant expansion optionality to accommodate the expected growth in metallurgical coal exports from the Bowen Basin. The 8X expansion presents a well-defined technical and commercial pathway to expand capacity in 4 phases. The 8X expansion 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.

In December 2020, DBI completed the technical aspects of the 8X FEL2 Study (pre-feasibility) which was fully underwritten by access seekers. The study revealed that the 8X expansion can expand the system capacity to 99.1Mtpa at a cost of $1,276 million.

Following full underwriting for the next stage of studies, DBI commenced the FEL3 (full feasibility study) in April 2021. The FEL3 study and associated economic assessments are expected to complete late 2022.

On 24 August 2021, the QCA published a draft ruling in relation to the application for a pricing ruling submitted by Dalrymple Bay infrastructure Management Pty Ltd (DBIM) [19] determining that pricing for the 8X expansion is to be socialised[20] . The QCA's draft is consistent with the DBI's views on the appropriate pricing method for the 8X expansion, as discussed in its Prospectus.

Development of a Hydrogen Strategy

On 17 August 2021, Dalrymple Bay Infrastructure (DBI), Brookfield, international trading company Itochu and the North Queensland Bulk Ports Corporation (NQBP) signed a memorandum of understanding (MoU) to jointly study the potential for a green hydrogen production, storage and export facility located within the vicinity of the Dalrymple Bay Terminal.

DBI's evolving hydrogen strategy will complement DBI's current metallurgical coal export position and in time may see the terminal play an even bigger role in the export of key resources to satisfy the world's demand for steel and low carbon energy sources.

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, proximity to Asian consumers and location within one of Queensland's defined Renewable Energy Zones.

DBI will update the market on key developments as studies progress.

[19] On 16 March 2021, Dalrymple Bay Infrastructure Management Pty Ltd, a wholly owned subsidiary of DBI, as manager of DBT made an application for a ruling on the pricing method applicable to the 8X expansion pursuant to s 150D of the. *Queensland Competition Authority Act 1997* (QCA Act), seeking a ruling pursuant to section 5.12(a)(2)(A) of the 2017 access undertaking that the applicable pricing method for 8X is socialised. Refer DBI's "Corporate Presentation" previously released to the ASX on 7 April 2021.

[20] Socialisation in respect of the 8X Expansion means the 8X expansion will be treated as forming part of the existing terminal for the purpose of determining access charges.

ESG Performance

The Company operates under industry leading Environment, Social and Governance (ESG) and sustainability principles. DBI and the operator of the DBT ('Operator') recognise that DBT's location within the Great Barrier Reef World Heritage Area and its proximity to residential communities brings responsibility to ensure operations continue to have no detrimental impact on people or the unique ecosystem. Together, DBI and the Operator are committed to protecting and enhancing the environment through leading environmental management practices and strong partnerships with environmental groups.

During 2020, DBI, in collaboration with the Operator, launched the DBT Sustainability Strategy 2020 which sets the framework for the management of ESG risks and to build on the sustainability programs and initiatives already in place. DBI will report on its sustainability performance and progress against the Strategy in its inaugural Sustainability Report in September 2021.

Outlook

The Directors have maintained distribution guidance of 9 cents per security for 1H-21 with a 2Q-21 quarterly distribution to be declared on 25 August 2021 to be paid in September 2021. The Directors have provided further distribution guidance of 9 cents per security for 2H-21 to be paid across two quarterly distributions. The 1H-21 distribution payments will provide an FFO payout ratio which, as noted in the Prospectus, will be above DBI's longer term target payout ratio of 60-80% of FFO. The Company will continue to focus on its core investment drivers and target to grow distributions per security by 1%-2% per annum for the foreseeable future.

These investment drivers include:

- Delivering on DBI's whole-of-terminal commitment to ESG and sustainability
- Continuing price negotiations with customers under the lighter-handed regulatory framework
- Maintaining stable, predictable cash flows, with high margins, via our long-term take-or-pay contracts
- Continuing the longstanding relationships with customers and strong alignment through the value chain
- Progressing the opportunities to capture long-term growth in Bowen Basin metallurgical coal production via growth options such as the 8X expansion
- Growing the asset base through continued investment in sustaining capital expenditure; and
- Maintaining an investment grade balance sheet.

-ENDS-

Authorised for release by the Board of Dalrymple Bay Infrastructure Limited.

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About Dalrymple Bay Infrastructure

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

Forward Looking Statements

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