

ASX Announcement

19 April 2023

DBI to proceed with \$280m in Major NECAP Projects

Dalrymple Bay Infrastructure Limited (ASX:DBI) (**DBI** or the **Company**) today announces that its wholly owned subsidiary, Dalrymple Bay Infrastructure Management Pty Ltd (**DBIM**) will proceed with the design and construction of a new Shiploader (**SL1A**) and a new reclaimer (**RL4**) to replace existing machinery, under its Non-Expansionary Capital expenditure (**NECAP**) program at Dalrymple Bay Terminal (**DBT**), following the receipt of unanimous User approvals under the 2021 Access Undertaking.¹

Both SL1A and RL4 are expected to commence in 2023 and take approximately three to four years to complete. SL1A is expected to cost approximately \$165m, with RL4 expected to cost approximately \$116m. Consistent with DBI's historical approach to NECAP funding, the projects are planned to be funded through a combination of existing debt capacity and internal funds from operations.

Under the terms of the recent 10-year pricing agreements with DBT Users,² DBIM is entitled to levy a NECAP Charge by which NECAP³ will earn:

- a return on the capital investment in commissioned NECAP at the prevailing 10 Year Australian Government Bond rate plus a fixed margin;
- a return of the capital investment in commissioned NECAP in the form of a depreciation allowance, which ensures the relevant capital deployed by the Company is recovered over time; and
- a return on and a return of the interest during construction (**IDC**).⁴

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

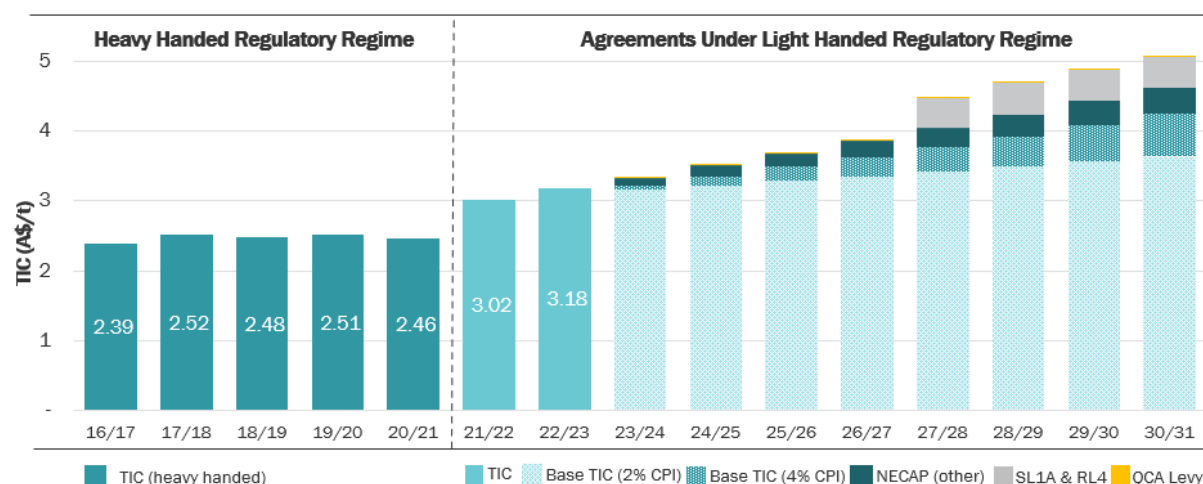
¹ NECAP Projects are subject to the prudency procedures under the 2021 Access Undertaking (AU) which require DBIM to seek Access Holder approval or alternatively a NECAP Prudency Ruling from the QCA in order to be included in the NECAP Charge. DBIM has secured unanimous User approvals under section 12.10(b)(Presumed prudency of NECAP) of the AU in respect of SL1A and RL4.

² DBIM provides the services at Dalrymple Bay Terminal. DBIM reached commercial agreement with all of its existing customers under the light-handed regulatory framework in October 2022 for the period 1 July 2021 to 30 June 2031. For further detail, refer previous ASX announcement: *DBI Announces 10 Year Pricing Agreements and Significant Increase in Distribution Guidance* dated 11 October 2022.

³ Refer Note 1

⁴ IDC is calculated from the commencement of capital spend until the completion and handover 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.

An indicative example of the potential impact of SL1A and RL4 on the Terminal Infrastructure Charge (TIC) is illustrated below.⁵



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

“To ensure that the Dalrymple Bay Terminal continues to accommodate metallurgical coal exports from the Bowen Basin for use in steel production that will enable the world’s transition to a low carbon future, DBI will focus on its investment in the pipeline of NECAP projects required at DBT over the coming years. Our NECAP program will continue to ensure that terminal capacity remains available to meet the needs of our customers while delivering meaningful organic growth for security holders.”

-ENDS-

Authorised for release by the Disclosure Committee of Dalrymple Bay Infrastructure Limited

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⁵ Figures represent TIC Year, being the period from each 1 July to the following 30 June in each year. TIC labels represent the access charge per contract tonne. DBT is fully contracted at 84.2Mtpa from 1 July 2022 to 30 June 2028 with evergreen renewal options. 2023/24-2030/31: Illustrative scenarios are indicative only and do not represent a forecast or future outlook. Scenarios assume inflation of 2% p.a. (light shading) and 4% p.a. (darker shading); 10yr Australian Government bond rate of 4% across the period; Capital expenditure of \$165m (SL1A) and \$116m (RL4) excluding IDC; other annual NECAP spend of \$30m p.a.; QCA fees of \$1m p.a.; No 8X Project impacts included.

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.