

ASX Announcement
28 August 2023

Appendix 4D and Half Year Financial Report

Dalrymple Bay Infrastructure Limited (ASX:DBI) (“DBI” or “the Company”) releases today the following in accordance with ASX Listing Rule 4.2A:

1. Appendix 4D;
2. Interim Financial Report for the half year ended 30 June 2023.

Investor Call Details

As previously advised, DBI will hold an Investor Call at 11.00am (AEST) today, 28 August 2023.

Call details: To register use the link:

<https://s1.c-conf.com/diamondpass/10032266-whdu7.html>

Please note that registered participants will receive their dial in number upon registration

-ENDS-

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

More information

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About Dalrymple Bay Infrastructure

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

Forward Looking Statements

This announcement (including the Appendix 4D and the Financial Statements attached) 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.

Appendix 4D

HALF YEAR FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2023

REPORTING PERIOD: 1 January 2023 to 30 June 2023
 PREVIOUS CORRESPONDING PERIOD: 1 January 2022 to 30 June 2022

RESULTS FOR ANNOUNCEMENTS TO THE MARKET

This report comprises the half-year financial information given to the Australian Securities Exchange (ASX) under Listing Rule 4.2A. This report is based upon the consolidated interim financial statements for Dalrymple Bay Infrastructure Limited ("DBI" or "the Company") for the half year ended 30 June 2023.

	Current Reporting Period \$'m	Previous Corresponding Period \$'m	Change %
Revenue from ordinary activities	305.9	255.7	19.6
Profit after tax from ordinary activities attributable to members	34.0	6.6	415.2
Net profit for the period attributable to members	34.0	6.6	415.2

DISTRIBUTIONS

	Paid or Payable On	Amount per security (cents)	Franked Amount per security (cents)
Interim Quarterly Distribution for the Quarter ended 31 December 2022 The record date for determining entitlements to the interim distribution was 3 March 2023	21 March 2023	5.025	NIL
Interim Quarterly Distribution for the Quarter ended 31 March 2023 The record date for determining entitlements to the interim distribution was 30 May 2023	15 June 2023	5.025	NIL
Interim Quarterly Distribution for the Quarter ended 30 June 2023 ¹ The record date for determining entitlements to the interim distribution is 1 September 2023	18 September 2023	5.025	1.937

¹ Approved by the Board of DBI on 28 August 2023.

NET TANGIBLE ASSETS PER SECURITY

	Current Reporting Period	Previous Corresponding Period
Net tangible asset backing per ordinary security ²	\$2.70	\$2.65

AUDIT

This report is based upon consolidated financial statements which have been reviewed by Deloitte Touche Tohmatsu. For additional information supporting the Appendix 4D disclosure requirements, refer to the Directors' Report and the consolidated financial statements for the half year ended 30 June 2023 which accompany this Appendix 4D.

² Net Tangible Assets used as the basis for this calculation include the service concession arrangement granted to subsidiaries of DBI by the State of Queensland over the Dalrymple Bay Terminal. Assets of this type are characterised as Intangible Assets under Australian Accounting Standards.



Dalrymple Bay Infrastructure
Interim Financial Report
for the half year ended 30 June 2023

ACN 643 302 032

Table of contents

Directors' Report	1
Auditor's Independence Declaration	10
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Condensed Consolidated Statement of Financial Position	12
Condensed Consolidated Statement of Changes in Equity	13
Condensed Consolidated Statement of Cash Flows	14
Notes to the Condensed Consolidated Financial Statements	15
Directors' Declaration	25
Independent Auditor's Review Report	26

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and any public announcements made by Dalrymple Bay Infrastructure Limited during the interim reporting period in accordance with the requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Dalrymple Bay Infrastructure Limited is a public company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

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

Dalrymple Bay Infrastructure Limited's securities are traded on the Australian Securities Exchange (ASX).

DIRECTORS' REPORT

The Directors of Dalrymple Bay Infrastructure Limited (the Company or DBI) present their report together with the Condensed Consolidated Financial Statements for DBI and its controlled entities for the period ended 30 June 2023.

The Dalrymple Bay Infrastructure Limited consolidated group (the Group) comprises the Company, and

- 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 (as Trustee for the DBT Trust) (DBIS)
- DBT Trust
- BPIRE Pty Ltd (as Trustee for the BPI Trust, the Brookfield Infrastructure Australia Trust and the Brookfield DP 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).

In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows.

Directors

The Directors who held office during the reporting period and up to the date of this report were:

Directors	Position
Hon Dr David Hamill AM	Chairman, Independent Non-Executive Director
Mr Anthony Timbrell	Chief Executive Officer (CEO) and Executive Director
Mr Bahir Manios	Non-Executive Director (resigned 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. Bahir Manios resigned as a non-executive director of the Company and Mr. Ray Neill was appointed by DBI as a non-executive director. Mr. Manios' resignation and Mr Neill's appointment were with effect from 5.00pm AEST on 27 February 2023. Mr. Jonathon Sellar also ceased to be appointed as alternate director for Mr. Manios and has been appointed as alternate director for Mr. Ray Neill effective on and from his appointment.

Principal activities

The Group's principal activity during the period 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 paid the Q4-2022 distribution of \$0.05025 per security on 21 March 2023 and the Q1-2023 distribution of \$0.05025 per security on 15 June 2023. On 28 August 2023, the Company announced a Q2-2023 distribution of \$0.05025 per security. This distribution will have a record date of 1 September 2023 and a payment date of 18 September 2023. The distribution will be paid as a partially franked dividend (38.5% franked).

Operating and financial review

DBT is a predominantly metallurgical coal terminal that operates 24 hours a day. DBT exported more than 60 different grades of metallurgical coal to 25 countries in the 12 month period to 30 June 2023. Key H1-2023 operating highlights for DBT include:

- total coal exports for the six months of H1-2023 totalled 29.8mt of coal (24.9mt in H1-2022) of which 72% was metallurgical coal (77% in H1-2022).
- exports from DBT to India were 53% higher in H1-2023 than in H1-2022.
- key export destinations were Japan, South Korea, India, Taiwan and Europe, accounting for approximately 76% of total exports (84% in H1-2022); and
- the informal ban on Australian coal imports to China appears to have been lifted, with DBI exporting more than 2mt of coal to China between 1 February and 30 June 2023.

Operating and financial review (continued)

Financial Review

During the reporting period, the Group made a net operating profit after income tax of \$34.0m (H1-2022 \$6.6m).

\$ million	H1-2023 Statutory Results	H1-2022 Statutory Results
	(1 Jan to 30 Jun 2023)	(1 Jan to 30 Jun 2022)
TIC revenue	133.8	102.0
Handling revenue	153.9	132.3
Revenue from capital works performed	18.3	21.4
Total revenue	306.0	255.7
Terminal operator's handling costs	(153.9)	(132.3)
G&A expenses (excluding IPO Transaction Costs) ¹	(8.1)	(8.1)
Capital work costs	(18.3)	(21.4)
G&A expenses (IPO Transaction Costs) ¹	-	3.6
EBITDA (non-statutory)²	125.7	97.5
Net finance costs ³	(54.4)	(61.9)
Depreciation and amortisation	(19.7)	(19.6)
Profit before tax	51.6	16.0
Income tax (expense)/benefit	(17.6)	(9.4)
Net profit after tax	34.0	6.6

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".

²Earnings Before Interest, Tax, Depreciation and Amortisation

³Includes Interest expense and fair value adjustments on Stapled Loan Notes. This is net of interest received shown in the financial statements as other income

When comparing statutory results for the period to the comparative period H1-2022:

- A terminal infrastructure charge (TIC) of \$2.46 per tonne originally applied for H1-2022 and is reflected in the prior period comparative TIC revenue figure above compared to a TIC of \$3.18 per tonne for H1-2023. 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. Under the revised user agreements, a TIC of \$3.02 per tonne applied for H1-2022, and a TIC of \$3.18 per tonne applied for H2-2022. In H2-2022 adjustments totalling \$22.9m were paid by Users in respect of the period from 1 January 2022 to 30 June 2022. Increased TIC revenue attributable to the higher TY22-23¹ TIC applicable of \$3.18 per tonne has also contributed to a higher income tax expense for H1-2023 compared to H1-2022.
- Net finance costs include interest on DBI's external borrowing, net of interest revenue plus non-cash interest on stapled loan notes, non-cash amortisation of fair value adjustments to debt and unrealised gains or losses on hedging (refer to note 7 of the Financial Statements). The interest on external borrowings net of interest revenue increased by \$5.0m and the non-cash finance costs decreased by \$12.5m. The lower non-cash finance costs are as a result of a decrease in interest accrued to the Loan Notes and a decrease in the amortisation of the fair value adjustment to debt at IPO as a result of the early repayment of debt in H1-2022 partly offset by an increase in unrealised losses on financial instruments.

¹TY is the TIC year commencing on 1 July and ending on 30 June (i.e. TY-22-23 is 1 July 2022 to 30 June 2023).

Operating and financial review (continued)

Balance Sheet

Liquidity in the Group as at 30 June 2023 comprised \$323m in undrawn bank facilities (31 December 2022: \$480m) and \$44.2m unrestricted cash at bank (31 December 2022: \$168.3m).

The Group's debt book comprises bank debt and fixed rate bonds, with a weighted average tenor of 6.74 years (31 December 2022: 6.39 years). As at 30 June 2023, total reported borrowings were \$1,715.7m (excluding the loan notes attributable to securityholders and adding back capitalised borrowing costs of \$10.7m) and non-statutory drawn debt was 1,786.2m (31 December 2022 reported borrowings: \$1,966.3m and non-statutory drawn debt: \$1,928.2m).¹

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.

\$ million	Statutory 30 June 2023	Non-statutory ¹ 30 June 2023	Statutory 31 December 2022	Non-statutory ¹ 31 December 2022
<i>Short Term Debt</i>				
Bank Facilities	16.0	16.0	-	-
Note Facilities	-	-	439.3	298.9
<i>Long Term Debt</i>				
Bank Facilities	141.0	141.0	-	-
Note Facilities	1,558.7	1,629.2	1,527.0	1,629.2
Total Borrowings²	1,715.7	1,786.2	1,966.3	1,928.1
Unrestricted Cash at Bank	44.3	44.3	168.3	168.3
Total net debt³	1,671.4	1,741.9	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 \$10.7 million for 30 June 2023 (31 December 2022: \$7.3 million).

³ Total net debt is total borrowings less unrestricted cash at bank.

ESG Performance

DBI takes a direct approach to reporting Environment, Social and Governance (ESG) disclosures to stakeholders with the publication of its annual Sustainability Report in November 2022, which is available on DBI's website. Together, DBI and the independent DBT Operator (the Operator) remain committed to leading environmental management practices, a low carbon future and strong partnerships and engagement with local communities.

In the 2023 DBI Sustainability Report, DBI will disclose the results of its recent Sustainability Strategy refresh, with a focus on DBT's progress against the material topics identified in the materiality assessment conducted in 2022. While the four pillars of the sustainability strategy remain the same, DBT's consolidated focus areas reflect the maturity of the terminal's sustainability programs over the last three years. DBT reported zero reportable environmental non-compliances and zero fatalities, with an All Injury Frequency Rate (AIFR) of 3.64 for 12 months ending June 2023.²

¹ Non-statutory debt uses the foreign currency exchange rate per the CCIRS to translate USD denominated debt to AUD.

² Includes the Operator's employees and contractors.

Operating and financial review (continued)

ESG Performance (continued)

Environmental impacts on the business, particularly those related to climate change, remain a key focus for 2023. Through our decarbonisation roadmap, DBI and the DBT Operator have targeted to achieve net zero Scope 1 and 2 emissions at DBT by 2050. DBT is not a designated large facility for the purposes of the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (the Safeguard Mechanism) which applies to large emitters who are required to manage their scope 1 emissions below an emissions baseline. As a result, neither DBI nor the DBT Operator are expected to have any direct obligations under the Safeguard Mechanism.

From 1 January 2023, DBT commenced procuring its electricity requirements under its new electricity sale arrangements with Cleanco Queensland Limited with 100% renewable benefits in the form of renewable energy large scale generation certificates (LGCs) for 100% of its electricity requirements.

DBI has undertaken a comprehensive physical risk assessment to identify potential climate-related physical risks at DBT. This physical risk assessment assessed asset exposure and asset sensitivity to relevant climate hazards, and considered what adaptations, if any, may be required into the future to mitigate any climate related physical risks identified. The assessment confirmed that climate-related physical risks to DBT are low (on an overall basis) to 2100 and that no immediate adaptation measures are required.

Climate-related transition risks are emerging as a result of the transition to a low-carbon economy, arising from changes to policy and regulation in Australia and internationally, technology development and changing market dynamics. These changes may affect demand for the products handled by DBT, which may differ between thermal and metallurgical coal value chains. DBI actively monitors climate-related transition risks and potential impacts on DBI's business strategy through regular periodic review of a range of key market and other strategic factors affecting DBT.

Social impact and investing will continue to remain an important element in DBI's ESG program. Alongside supporting local communities through community programs and partnerships, DBI and the Operator developed a voluntary Cultural Heritage Management Plan (CHMP) with the Yuwibara people - the registered native title holders of the land and waters where DBT is situated. The CHMP provides a framework to inform business-as-usual operational activities together with specific arrangements for the 8X Project, and encourages partners (and stakeholders) to develop their own appropriate Indigenous Engagement Strategies (IES) including local Indigenous employment opportunities.

In DBI's 2023 Sustainability Report, DBI will continue to align its climate change reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). DBI is working towards alignment with the International Sustainability Standards Board (ISSB) disclosure recommendations in future reporting periods.

Regulatory environment

Services at DBT are declared under the Queensland Competition Act 1997 and are subject to a third party access regime administered by the Queensland Competition Authority 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 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, which will remain in effect to 30 June 2026.

Operating and financial review (continued)

Regulatory environment (continued)

In late 2022, DBIM¹ reached agreement on pricing and commercial terms under revised user agreements for a ten year period from 1 July 2021 to 30 June 2031 with all of its existing customers (Users) at DBT under the 2021 AU's light-handed regulatory framework. Under the revised user agreements, the base TIC will be indexed annually for inflation while other key commercial terms will remain substantially the same, including 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.²

Organic Growth in Non-Expansionary Capital (NECAP) Expenditure

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

On 19 April 2023, DBI announced that its wholly-owned subsidiary, DBIM, will proceed with \$280m in major NECAP projects over the next few years as it continues to invest in sustaining capital to meet capacity commitments to its customers.³ DBIM is proceeding with the design and construction of a new Shiploader (SL1A) and a new reclaimer (RL4) to replace existing machinery, following receipt of unanimous User approvals under the 2021 Access Undertaking.⁴ 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 \$116m.

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

- a return on the cumulative capital investment in commissioned NECAP at the prevailing 10 Year Australian Government Bond rate plus a fixed margin;
- a return of the capital investment in commissioned NECAP in the form of a depreciation allowance, which ensures the relevant capital deployed by the Company is recovered over time; and
- a return on and a return of the interest during construction (IDC).⁵

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

¹DBIM 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.

²Socialisation of charges on User default or contract expiries or termination is retained on largely similar terms for the Pricing Period. Socialisation has been a feature of DBT's regulatory regime administered by the QCA since it commenced, previously under the heavy-handed pricing regime applicable to 2021, and currently under the negotiated agreement with customers from 2021 to 2031. Refer footnote 2 to DBI's ASX Announcement dated 28 August 2023: "Investor Presentation - 2023 Half Year Financial Results"

³Refer previous announcements: DBI to proceed with \$280m in Major NECAP Projects dated 19 April 2023

⁴NECAP 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.

⁵IDC 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.

Operating and financial review (continued)

Outlook

The Terminal Infrastructure Charge (TIC) applicable for the TIC year commencing 1 July 2023 (TY-23/24) is \$3.44 per tonne.¹ 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, reflecting a 7.0% increase over the TY-22/23 distribution guidance provided in October 2022.

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

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

Changes in state of affairs

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

Environmental regulation

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.

¹On 18 May 2023, DBI announced its forecast TIC for TY-23/24 of \$3.45 per tonne. The \$3.45/t TIC forecast was subject to change due to the final calculation of the risk-free rate for the NECAP Charge component and final confirmation by the Queensland Competition Authority of the QCA levy. The final TIC for TY-23/24 of \$3.44 reflects a lower QCA levy component than was included in the 18 May 2023 forecast. Refer previous ASX Release: TY-23/24 Forecast Terminal Infrastructure Charge dated 18 May 2023.

Subsequent events

The new USPP note issue priced on 31 March 2023 was funded on 6 July 2023. On 23 August 2023, amendment letters were executed to extend the Debt Service Reserve Facility and Liquidity Facility's maturity dates by 12 months (maturity dates have been extended to August and September 2026 respectively). Both facilities were undrawn at the date of extension.

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

Future developments

DBT retains significant expansion optionality to accommodate metallurgical coal exports from the Bowen Basin. The 8X Project presents a well-defined technical and commercial pathway to expand capacity 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 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 expected to be approximately \$1,369m.¹ Associated economic assessments to understand the commercial viability of the 8X Project are ongoing.

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. An updated 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, the project consortium continues to undertake feasibility studies aimed at understanding the potential for development of a regional hydrogen hub within the vicinity of existing terminal infrastructure.

¹ FEL3 Capital cost estimate is the estimate at completion with a P95 Confidence level inclusive of escalation and based on an assumed commencement date of 1 April 2024. Excludes feasibility study costs and interest during construction.

Indemnification of officers and auditors

During the reporting period, the Company paid premiums to insure certain officers of the Company (as named above), and the Executive Officers of the Company and its 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 period, 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.

Auditor's independence declaration

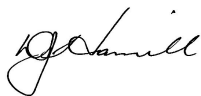
The auditor's independence declaration is included on page 10 of the interim financial report.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/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.306(3) of the Corporations Act 2001.

On behalf of the Directors.



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

Brisbane, 28 August 2023

28 August 2023

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 Board of Directors of Dalrymple Bay Infrastructure Limited.

As lead audit partner for the review of the half-year financial report of Dalrymple Bay Infrastructure Limited for the half-year ended 30 June 2023, I declare that to the best of our knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Stephen Tarling
Partner
Chartered Accountants

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

	Note	Consolidated	
		Jun 2023 \$'000	Jun 2022 \$'000
Revenue from contracts with terminal customers	3	287,661	234,315
Revenue from capital works performed	3	18,271	21,385
Other income		1,789	501
Total income		307,721	256,201
Depreciation and amortisation expense		(19,735)	(19,558)
Finance costs	7	(56,245)	(62,430)
Operating and management (handling) charges	3	(153,860)	(132,293)
Capital works costs	3	(18,271)	(21,385)
Reversal of IPO Transaction Costs		-	3,612
Other expenses		(8,058)	(8,116)
Total expenses		(256,169)	(240,170)
Profit before income tax		51,552	16,031
Income tax expense	5	(17,567)	(9,395)
Profit for the period		33,985	6,636
OTHER COMPREHENSIVE INCOME			
(Loss)/gain on cash flow hedges taken to equity		(16,305)	70,135
Profit on cash flow hedges transferred to profit or loss		27,079	25,171
Income tax expense relating to components of other comprehensive income		(3,232)	(28,592)
Other comprehensive income for the period		7,542	66,714
Total comprehensive profit for the period		41,527	73,350
Total comprehensive income for the period is attributable to:			
Owners of Dalrymple Bay Infrastructure Limited		41,527	73,350
Total comprehensive profit for the period		41,527	73,350
		\$	\$
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per security		0.07	0.01

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the half year ended 30 June 2023

		Consolidated	
	Note	Jun 2023 \$'000	Dec 2022 \$'000
CURRENT ASSETS			
Cash and cash equivalents	6	72,168	192,505
Trade and other receivables		46,513	59,959
Prepayments		1,339	36
Other financial assets	8	-	140,658
Total current assets		120,020	393,158
NON-CURRENT ASSETS			
Other financial assets	8	250,554	249,597
Intangible assets	11	3,126,600	3,127,813
Right-of-use assets		932	1,140
Property, plant and equipment		428	505
Total non-current assets		3,378,514	3,379,055
Total assets		3,498,534	3,772,213
CURRENT LIABILITIES			
Trade and other payables	10	66,534	62,683
Borrowings	12	16,000	439,307
Contract liabilities		2,089	6,268
Lease liabilities		368	383
Other financial liabilities	9	27,868	24,179
Employee provisions		2,126	2,854
Current tax liabilities		11,861	4,443
Total current liabilities		126,846	540,117
NON-CURRENT LIABILITIES			
Borrowings	12	1,688,976	1,519,728
Loan note attributable to securityholders		190,542	186,196
Lease liabilities		627	810
Other financial liabilities	9	204,122	239,016
Deferred tax liabilities		135,027	126,177
Employee provisions		2,637	2,116
Total non-current liabilities		2,221,931	2,074,043
Total liabilities		2,348,777	2,614,160
Net assets		1,149,757	1,158,053
EQUITY			
Share capital		978,108	978,108
General reserve		34,820	34,820
Hedge reserve		97,385	89,843
Retained earnings		39,444	55,282
Total equity		1,149,757	1,158,053

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

Consolidated	Note	Issued capital \$'000	Hedge reserve \$'000	Capital contribution \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000
Balance at 1 January 2022		978,108	27,907	34,282	15,869	1,056,166
Profit for the period		-	-	-	6,636	6,636
Amounts recognised in the current period		-	95,306	-	-	95,306
Income tax expense relating to components of other comprehensive income		-	(28,593)	-	-	(28,593)
Total comprehensive income for the period		-	66,713	-	6,636	73,349
Transactions with owners in their capacity as owners:						
Payment of dividends		-	-	-	(25,016)	(25,016)
Total equity at 30 June 2022		978,108	94,620	34,282	(2,511)	1,104,499

Consolidated	Note	Issued capital \$'000	Hedge Reserve \$'000	Capital contribution \$'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 period		-	-	-	33,985	33,985
Amounts recognised in the current period		-	10,774	-	-	10,774
Income tax expense relating to components of other comprehensive income		-	(3,232)	-	-	(3,232)
Total comprehensive income for the period		-	7,542	-	33,985	41,527
Transactions with owners in their capacity as owners:						
Payment of dividends	13	-	-	-	(49,823)	(49,823)
Total equity at 30 June 2023		978,108	97,385	34,820	39,444	1,149,757

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

	Note	Consolidated	
		Period	
		Jun 2023	Jun 2022
		\$'000	Restated ¹
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		330,579	265,523
Payments to suppliers and employees		(188,302)	(152,151)
Interest received		1,976	501
Interest and other costs of finance paid		(45,139)	(38,254)
Income taxes paid		(4,532)	-
Net cash inflow from operating activities		94,582	75,619
Cash flows from investing activities			
Payments for property, plant and equipment		(19)	(25)
Payment for additions to intangibles		(19,335)	(24,725)
Net cash outflow from investing activities		(19,354)	(24,750)
Cash flows from financing activities			
Proceeds from borrowings	12	206,000	514,311
Repayment of borrowings	12	(347,924)	(457,000)
Distribution through part repayment of the stapled loan notes	13	-	(19,936)
Dividends paid to company's shareholders	13	(49,823)	(25,017)
Principal element of lease payments		(215)	(206)
Loan establishment costs paid		(3,603)	(5,002)
Cash deposited into debt service reserve		-	(7,036)
Net cash (outflow)/inflow from financing activities		(195,565)	114
Net (decrease)/increase in cash and cash equivalents		(120,337)	50,983
Cash and cash equivalents at the beginning of the period		192,505	62,827
Cash and cash equivalents at end of the period		72,168	113,810

¹ Restated to include restricted deposits (refer to note 1)

1 Summary of Accounting Policies

Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting* (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This interim financial report for the half year ended 30 June 2023, does not include all the notes of the type normally included in an annual report financial report. Accordingly, it is recommended that this report be read in conjunction with the Annual Financial Report for the year ended 31 December 2022, together with any public announcements made by the Company during the interim reporting period in accordance with the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for financial instruments, which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those applied in the Company's annual report for the year ended 31 December 2022. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

The 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.

At 30 June 2023, DBI had Current Assets of \$120.0 million and Current Liabilities of \$126.8 million i.e. a Net Current Liability of \$6.8 million as a result of the \$16 million draw on the liquidity facility being classified as current borrowings. At 30 June 2023 there was sufficient headroom in the non-current revolver facilities of \$299 million from which to repay this deficit. These facilities are available for general corporate purposes and comprise a \$240 million facility maturing in 2027 and \$200 million facility which has two tranches, \$30 million maturing in 2025 and the remaining \$170 million maturing in 2026 (which had \$141 million drawn at 30 June 2023). The 2023 USPP notes funded on 6 July 2023 and the drawn balance on revolvers (\$141 million) and the liquidity facility (\$16 million) at 30 June 2023 were repaid as of 10 and 16 July 2023 respectively with the balance of funds placed on term deposits of varying terms.

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

1 Summary of Accounting Policies (continued)

Update to accounting policies

DBI holds security from certain customers in respect of their obligations under the User Agreements, including in the form of cash deposits ("security deposits"). As a result of the clarification published in the IFRIC Update in March 2022, DBI reviewed and updated the accounting policy for User security deposits held as cash and cash equivalents in the 2022 Annual Report including retrospectively accounting for this change in accounting policy and applying this new presentation within the comparative period. These cash deposits, corresponding liability and corresponding movements were not previously reported in the Statement of Financial Position or the Statement of Cash Flows. In accordance with the clarification, the User security deposits held as cash and cash equivalents were presented as Cash and Cash Equivalents in the Statement of Financial Position and movement in these deposits included in the Operating Cashflows in the Statement of Cash Flows. The corresponding liability to refund the cash in accordance with the terms of the applicable agreements was presented as a current Other Financial Liability on the Statement of Financial Position. Cash deposits held as security are contractually restricted from use by DBI and can only be used to meet the liabilities of the relevant User under their User Agreement and only in accordance with the terms of the applicable agreement with the relevant User regarding security. They have therefore been presented as Restricted Cash within Note 6 Cash and cash equivalents.

Therefore, DBI has retrospectively accounted for this change in accounting policy and applied this new presentation within the comparative period for the 30 June 2023 Interim Financial Report. Cash and cash equivalents at the beginning of the period has increased by \$20.8 million, Receipts from Customers has increased by \$3.1 million and Cash and cash equivalents at the end of the period has increased by \$23.9 million in the Statement of Cash Flows for the period ending 30 June 2022. There is no impact on any of the other items in the Financial Statements.

Critical accounting estimates and judgements

The preparation of the interim financial report requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions of assets, liabilities, income and expenses.

The areas involving a higher degree of judgement or complexity and the estimates and assumptions applied are consistent with those disclosed in the annual report for the year ended 31 December 2022.

DBT is not a designated large facility for the purposes of the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (the Safeguard Mechanism) which applies to large emitters who are required to manage their scope 1 emissions below an emissions baseline. As a result, neither DBI nor the DBT Operator are expected to have any direct obligations under Safeguard Mechanism. DBI will continue to monitor the implementation of the recent amendments to the Safeguard Mechanism which took effect on 1 July 2023 to understand the future impacts of the Safeguard Mechanism on DBT customers.

Rounding off of amounts

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

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

2 Adoption of New and Revised Australian Accounting Standards

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

There are no new Standards and Interpretations adopted in these financial statements that have had an impact on the amounts reported.

AASB 2021-2 amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. As this is an Interim Financial Report it is condensed it refers back to the 2022 Annual Financial Report for details of significant accounting policies and the level of disclosure is significantly reduced. Therefore, AASB 2021-2 will not have an impact until the 2023 Annual Financial Report.

(b) Standards and Interpretations in issue 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

3 Revenue and Operating Costs

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

	Consolidated	
	Jun 2023 \$'000	Jun 2022 \$'000
Revenue from contracts with customers:		
Revenue from contracts with terminal customers - terminal infrastructure charge	133,801	102,022
Revenue from contracts with terminal customers - handling charges	153,860	132,293
	<u>287,661</u>	<u>234,315</u>
Other revenue:		
Revenue from capital works performed	18,271	21,385
	<u>305,932</u>	<u>255,700</u>
Operating costs:		
Operating and management (handling) charges	(153,860)	(132,293)
Capital works costs	(18,271)	(21,385)
	<u>(172,131)</u>	<u>(153,678)</u>

4 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 revenue from contracts with terminal customers:

	Consolidated	
	Jun 2023 % of revenue	Jun 2022 % of revenue
Customer 1	29.75	30.25
Customer 2	29.10	29.59
Customer 3	11.10	5.70

5 Income Taxes

Income tax recognised in profit or loss

	Consolidated	
	Jun 2023 \$'000	Jun 2022 \$'000
Tax expense comprises:		
Current tax expense	(12,108)	-
Deferred tax expense from current period	-	4,408
Adjustments to current tax expense of prior periods	159	-
Deferred tax expense relating to the origination and reversal of temporary differences	(5,759)	(13,937)
Adjustment to deferred tax expense of prior periods	141	134
Total tax expense	(17,567)	(9,395)
Income tax on pre-tax accounting profit reconciles to tax expense as follows:		
Profit for the period	51,552	16,031
Income tax expense calculated at 30.0%	(15,466)	(4,809)
Non-assessable income and other permanent differences	149	(2,315)
Difference in depreciation rates between tax and accounting	(2,551)	(2,405)
	(17,868)	(9,529)
Over provision of income tax in previous period	301	134
Income tax expense recognised in profit or loss	(17,567)	(9,395)

6 Cash and cash equivalents

	Consolidated	
	Jun 2023 \$'000	Dec 2022 \$'000
Cash at bank	44,300	168,326
Restricted deposits ¹	27,868	24,179
	72,168	192,505

¹ Restricted deposits represents cash held as security deposits for customers refer note 9 for corresponding liability.

7 Finance Costs

	Consolidated	
	Jun 2023 \$'000	Jun 2022 \$'000
Finance costs		
Profit for the year has been arrived at after charging the following finance costs:		
Interest on borrowings	43,448	37,455
Other finance costs	1,674	1,224
Interest accrued and fair value adjustments to the Loan Notes attributable to securityholders	4,298	11,356
Amortisation of the fair value adjustment to debt ¹	(7,365)	2,205
	42,055	52,240
Hedging Costs		
Hedging ineffectiveness	14,190	10,190
	56,245	62,430

¹ Includes fair value adjustments made to the borrowings as a result of the asset acquisition

8 Other Financial Assets

	Consolidated	
	Jun 2023 \$'000	Dec 2022 \$'000
Derivatives		
Current:		
Cross currency interest rate swaps	-	140,658
	-	140,658
Non-current:		
Cross currency interest rate swaps	112,313	100,921
Interest rate swaps	137,739	148,183
	250,052	249,104
Other financial assets		
Non-current:		
Other secure deposits	502	493
	502	493

9 Other financial liabilities

	Consolidated	
	Jun 2023 \$'000	Dec 2022 \$'000
Current:		
Restricted security deposits	27,868	24,179
	27,868	24,179
Non-Current:		
Cross currency interest rate swaps - designated and effective hedging instruments	107,999	149,316
Interest rate swaps - designated and effective hedging instruments	96,123	89,700
	204,122	239,016

10 Trade and other payables

	Consolidated	
	Jun 2023 \$'000	Dec 2022 \$'000
Current liabilities		
Trade payables ¹	61,374	56,925
Interest payable	3,523	4,012
GST payable	1,637	1,746
	66,534	62,683

¹The 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.

11 Intangible assets

	Consolidated	
	Jun 2023 \$'000	Dec 2022 \$'000
Intangible assets	3,226,656	3,208,384
Accumulated amortisation expense	(100,056)	(80,571)
Net book value as at end of reporting period	3,126,600	3,127,813

12 Borrowings

The USD300 million USPP notes matured on 15 March 2023 (hedged via Cross Currency Interest Rate Swaps (CCIRS)) and were repaid via a combination of cash and a draw on the revolver facilities. The notes had a carrying value of \$439.3 million as at 31 December 2022.

A new USPP note issue was successfully priced and committed on 31 March 2023. A total of AUD530 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 funded on 6 July 2023. Currency and interest rate 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.

	Note	Consolidated					
		Jun 2023				Dec 2022	
		Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Secured - at amortised cost							
Bank loans		16,000	141,000	157,000	-	-	-
USPP Fixed Rate Notes		-	1,558,651	1,558,651	439,307	1,527,033	1,966,340
Capitalised loan establishment costs		-	(10,675)	(10,675)	-	(7,305)	(7,305)
Total secured borrowings		16,000	1,688,976	1,704,976	439,307	1,519,728	1,959,035

13 Distributions paid

Consolidated	Cents per Security	Total \$'000
Distributions paid in 2022:		
Interim distribution paid on 23 March 2022:		
Unfranked dividend	3.1	15,517
Partial repayment of principal on Loan Note	1.4	6,792
Interim distribution paid on 16 June 2022:		
Unfranked dividend	1.9	9,500
Partial repayment of principal on Loan Note	2.7	13,144

Consolidated	Cents per Security	Total \$'000
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

The Company paid the Q4-2022 distribution of \$0.05025 per security on 21 March 2023. The distribution was paid as an unfranked dividend.

The Company paid the Q1-2023 distribution of \$0.05025 per security on 15 June 2023. The distribution was paid as an unfranked dividend.

On 28 August 2023, the directors announced a distribution for Q2-2023 of \$0.05025 per security to be paid to securityholders in September 2023. The distribution will be paid as a partially franked dividend (38.5% franked). The total estimated distribution to be paid is \$24.9 million. This has not been reflected in the financial results as at 30 June 2023.

14 Related party transactions

Related parties include:

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

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.

14 Related party transactions (continued)

All amounts were based on commercial terms.

	Consolidated	
	Jun 2023 \$	Jun 2022 \$
Brookfield Infrastructure Partners LP and its related entities:		
Reimbursement to Brookfield of other costs paid on behalf of DBI	1,279	-
Reimbursements from Brookfield under the Hydrogen study funding agreement	6,875	-

15 Fair value measurements of financial instruments

The fair value of financial instruments is determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve derived from quoted interest rates, adjusted for credit risk of the Group and various counterparties, for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The fair value of forward exchange contracts is determined using quoted forward exchange market rates and yield curves derived from quoted interest rates matching maturities of the contract, adjusted for credit risk.

DBI's risk mitigation strategy involves utilising a combination of cross currency interest rate swaps (CCIRS) and interest rate swaps (IRS) in order to mitigate interest rate risk and currency risk within the business. Through this combination of instruments, DBI is able to reduce its exposure to variable interest rate fluctuations and to their currency exposure on the USD-denominated USPP notes. The IRS portfolio decrease in the net fair value is mainly due to the increase in the AUD swap rates against the average hedged rate over 6 months ended 30 June 2023. The CCIRS portfolio decrease in the net fair value is mainly due to the settlement of cross currency interest rate swaps in conjunction with the USPP notes in March 2023 (which had a favourable swapped rate) together with the USD strengthening against the AUD on the remaining swaps.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2023 and 31 December 2022 on a recurring basis:

Consolidated - At 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivative financial assets	-	250,052	-	250,052
Total financial assets	-	250,052	-	250,052
Financial Liabilities				
Derivative financial liabilities	-	204,122	-	204,122
Total financial liabilities	-	204,122	-	204,122

15 Fair value measurements of financial instruments (continued)

Fair value hierarchy (continued)

Consolidated - At 31 December 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets at FVPL				
Derivative financial assets	-	389,762	-	389,762
Total financial assets	-	389,762	-	389,762
Financial Liabilities				
Derivative financial liabilities	-	239,016	-	239,016
Total financial liabilities	-	239,016	-	239,016

Consolidated	At 30 June 2023		At 31 December 2022	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets at amortised cost				
Bank Facilities	157,000	157,000	-	-
Notes	1,547,976	1,565,888	1,959,035	1,943,690

16 Subsequent Events

The new USPP note issue priced on 31 March 2023 was funded on 6 July 2023.

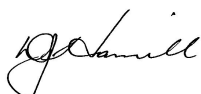
On 23 August 2023 amendment letters were executed to extend the Debt Service Reserve Facility and Liquidity Facility's maturity dates by 12 months (maturity dates have been extended to August and September 2026 respectively). Both facilities were undrawn at the date of extension.

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

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that Dalrymple Bay Infrastructure Limited will be able to pay its debts as and when they become due and payable; and
- (b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2023 and performance of the consolidated entity for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.



On behalf of the Directors

Hon Dr David Hamill AM
Chairman

Brisbane
28 August 2023

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

Conclusion

We have reviewed the half-year financial report of Dalrymple Bay Infrastructure Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2023, and the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 11 to 25.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year 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 and 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 annual 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 review report.

Directors' Responsibilities for the Half-year Financial Report

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

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the

Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Stephen Tarling
Partner
Chartered Accountants
Brisbane, 28 August 2023