

Dexus (ASX: DXS)

ASX release



20 August 2024

2024 Annual Report

Dexus provides its 2024 Annual Report including sustainability reporting. This report should be read in conjunction with the reports in our 2024 Annual reporting suite. The report will be mailed to Security holders who have elected to receive a hard copy in late-September 2024.

Authorised by the Board of Dexus Funds Management Limited

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About Dexus

Dexus (ASX: DXS) is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$54.5 billion. The Dexus platform includes the Dexus investment portfolio and the funds management business. We directly and indirectly own \$14.8 billion of office, industrial, retail, healthcare, infrastructure and alternatives. We manage a further \$39.7 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's \$16.1 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose Unlock potential, create tomorrow. Our sustainability approach is focused on the priority areas where we believe we can make significant impact: Customer Prosperity, Climate Action and Enhancing Communities. Dexus is supported by more than 37,000 investors from 23 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors. www.dexus.com

Dexus Funds Management Limited ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS) (Dexus Property Trust ARSN 648 526 470 and Dexus Operations Trust ARSN 110 521 223)
Level 30, 50 Bridge Street, Sydney NSW 2000

Unlock potential
Create tomorrow



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Dexus is a leading Australasian fully integrated real asset group, owning and managing a quality real estate and infrastructure portfolio.

Our purpose

Our purpose reflects our unique ability to create value for our people, customers, investors and communities over the long term.

**Unlock potential
Create tomorrow**



Dexus 2024 Annual Reporting suite



Key information	Annual Report	Annual Results Presentation	Financial Statements	Corporate Governance Statement	Management Approach & Procedures	Sustainability Data Pack	Modern Slavery Statement
Strategy	•	•					
Financial performance	•	•	•			•	
Operational performance	•	•			•	•	•
Governance	•			•	•		•
Risk	•				•	•	•
People and communities	•	•			•	•	•
Environment and climate action	•	•			•	•	
Security holder information	•						

Acknowledgement of country

Dexus acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing contribution to land, waters and community.

We pay our respects to First Nations Elders past and present.



Artist

Amy Allerton, Indigico Creative, a Gumbaynggir Bundjalung and Gamilaray woman

Artwork

The Places Where We Thrive

Artwork description

The artwork tells the story of a vision for our communities, both large and small, where they are all thriving and strong as they build lives, homes and legacies for present and future generations. Every community is connected by spirit and by country, surrounded by flourishing waterways and vibrant land that is enriched and cared for by its people. Communities are empowered to unlock potential and find new ways to build and expand, as they dream and innovate to create tomorrow.

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About this Report

The 2024 report is a consolidated summary of Dexus's performance for the financial year ended 30 June 2024. It should be read in conjunction with the reports that comprise the 2024 Annual Reporting Suite available from www.dexus.com/investor-centre. In this report, unless otherwise stated, references to 'Dexus' refer to Dexus, the ASX listed entity. References to 'Dexus Platform', 'the platform', 'we', 'us' and 'our' refer to the Dexus ASX listed entity and the funds management business combined. Any reference in this report to a 'year' relates to the financial year ended 30 June 2024.

All dollar figures are expressed in Australian dollars unless otherwise stated. The Board acknowledges its responsibility for the 2024 Annual Report and has been involved in its development and direction from the beginning. The Board reviewed, considered and provided feedback during the production process and approved the Annual Report at its August 2024 board meeting. The 2024 Modern Slavery Statement will be available later in 2024.

FY24 highlights

We continued to advance as a real asset manager, focusing on sustainable value creation and positive impact.

Financial

Focus on delivering financial performance and distribution guidance.

\$516.3m

Adjusted Funds From Operations
FY23: \$555.0m

\$(1,583.8)m

Statutory net profit/(loss) after tax
FY23: \$(752.7)m

48.0 cents

AFFO and Distribution per security
FY23: 51.6 cents

32.0%

Pro forma gearing
FY23: 27.9%



Real assets

Developing, managing and transacting real assets to create a high-quality portfolio across Australasia.

\$54.5bn

Dexus Platform portfolio

\$16.1bn

Dexus Platform real estate development pipeline

94.8%

Dexus office portfolio occupancy

96.8%

Dexus industrial portfolio occupancy



People and capabilities

Attracting, retaining and developing an engaged and capable workforce, within an inclusive environment that delivers on our strategy.

61%

Employee engagement score
FY23: 70%

34.2%

Females in senior and executive management roles
FY23: 38.3%





Customers

Supporting the prosperity of our customers through the investment, design, development and management of real assets. Our products and services prioritise occupant wellbeing and drive sustainability performance.

+44

Customer Net Promoter Score
FY23: +40

5.2 stars

Average NABERS Indoor Environment rating across the platform office portfolio
FY23: 4.8 stars



Climate action

Enhancing the efficiency and resilience of our portfolio to minimise our environmental footprint and ensure it is positioned to thrive in a climate-affected future.

10.0%

Reduction in energy intensity across the platform's managed office portfolio since 2019

23.2%

Reduction in water intensity across the platform's managed office portfolio since 2019

100%

of electricity sourced from renewable sources in FY24 across the platform's managed portfolio



Communities

Helping communities around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value.

120 assets

Delivering community activations across Australasia

>\$1.78m

Community contribution value
FY23: >\$0.6m

About Dexus

Dexus is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$54.5 billion.

The Dexus Platform includes the Dexus listed portfolio and the funds management business. We directly and indirectly own \$14.8 billion of office, industrial, retail, healthcare, infrastructure, alternatives and other.

We manage a further \$39.7 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities.

The platform's \$16.1 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns.

We believe that the strength and quality of our relationships will always be central to our success. We are deeply connected to our purpose **Unlock potential, create tomorrow.**

Our sustainability approach is focused on the priority areas where we believe we can make a significant impact: Customer Prosperity, Climate Action and Enhancing Communities.

Dexus is listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 37,000 investors from 23 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors.

Dexus Platform composition



Office
\$20.3bn



Industrial
\$10.6bn

Our real asset portfolio spans key cities across Australia and New Zealand

Port Hedland

Perth

\$54.5bn

Funds under management
FY23: \$61.0 billion

\$14.8bn

Dexus
FY23: \$17.4 billion

\$39.7bn

Funds Management
FY23: \$43.6 billion

432

Assets

972

Employees

\$7.0bn

Dexus market capitalisation
at 30 June 2024

Overview

Approach

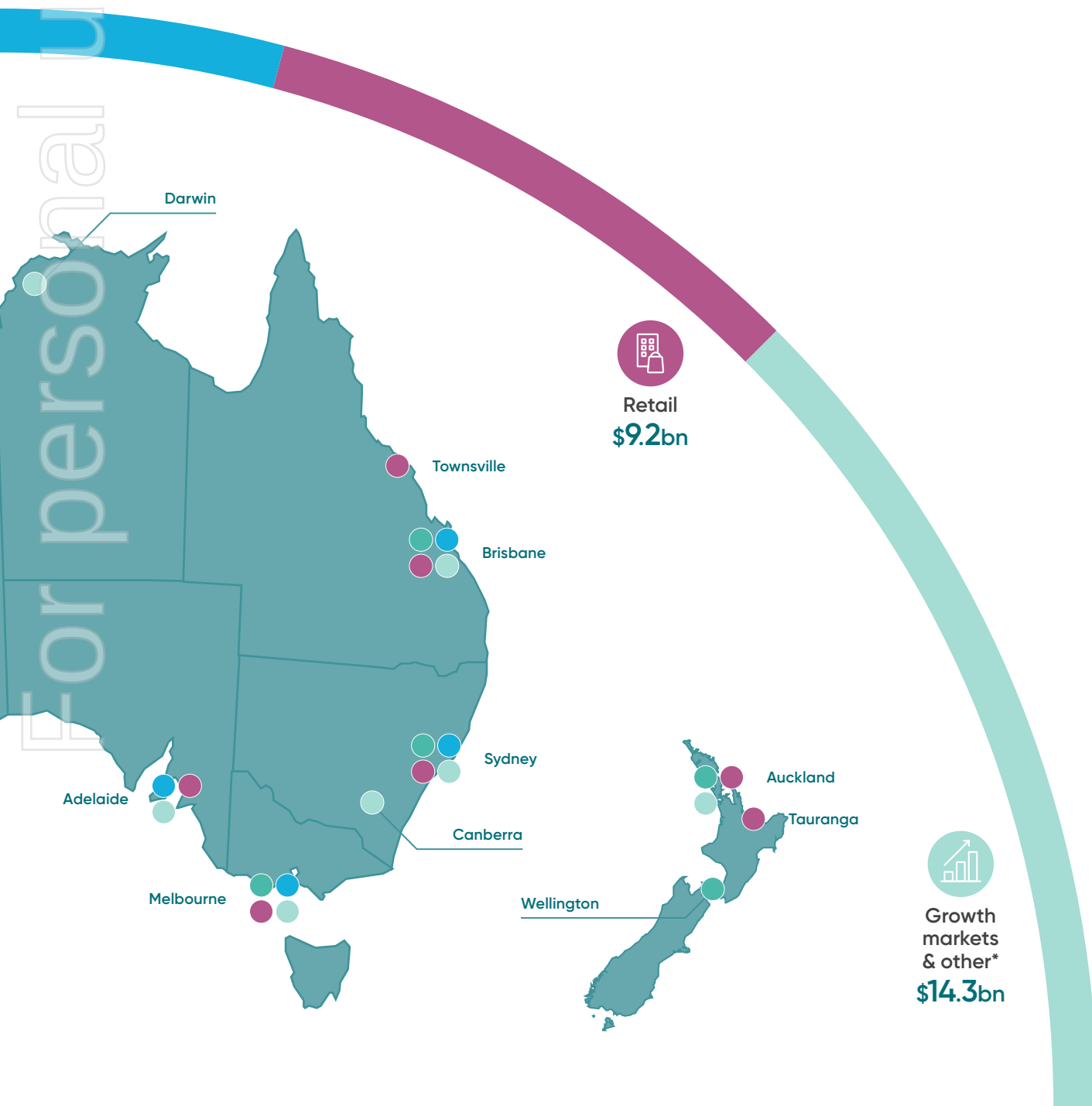
Performance

Governance

Directors' report

Financial report

Investor information



Chair & CEO review

Dexus is positioned to benefit from megatrends to generate long-term investment performance.

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Warwick Negus (Left), Chair
and Ross Du Vernet (Right),
Group Chief Executive Officer & Managing Director.

"The assets we own, manage and develop, the capabilities we build, and the relationships we forge with clients and customers continue to position us well over the long term."

Markets move in cycles, and while conditions are presently challenging, we invest for the long term. The assets we own, manage and develop, the capabilities we build, and the relationships we forge with clients and customers continue to position us well to deliver superior risk-adjusted returns for Dexus Security holders and our capital partners over the long term.

Broader business sentiment continues to be impacted by prolonged economic uncertainty, with impacts from higher interest rates, inflation and geopolitical risks being felt across the economy and business sector.

Both capital raising and transaction volumes have slowed and capitalisation rates have continued to expand, driving further declines in valuations across the real estate sector this year.

The business performed as expected delivering on distribution guidance for Security holders and maintaining operating performance in the owned and managed portfolios.

Financial and operating result

Dexus achieved AFFO and distributions of 48.0 cents per security for FY24, in line with guidance, reflecting a decline of 7.0% on FY23.

Dexus's financial result this year was impacted by lower trading profits, with AFFO excluding trading profits up 0.2% on the prior year, in line with guidance. Portfolio like-for-like income growth, an increased management operations contribution driven by the AMP Capital platform acquisition and performance fees, were offset by near-term headwinds to funds under management, together with a higher average cost of debt.

Occupancy in our office and industrial portfolios remained high at 94.8% and 96.8%, respectively, due to the quality and location of our portfolio, along with strong rent collections at 99.5%. For our office portfolio, occupancy exceeded the average Australian market occupancy of 86.4%, with average leasing incentives of 27.9%, below the market average.

Dexus's statutory net loss after tax was \$1,583.8 million, primarily driven by fair valuation losses on investment property. Real estate sector valuations have declined further this year in response to transactional evidence. The portfolio valuations (including assets held for sale and developments) have resulted in a total \$1.9 billion or circa 12.9% decrease on prior book values for the 12 months to 30 June 2024. The value of the office portfolio decreased 15.6% on prior book values driven by higher capitalisation rates and discount rates, partially offset by market rental growth. The industrial portfolio decreased by 3.3% on prior book values, with strong rental growth largely offsetting the impact of higher capitalisation rates and discount rates.

In response to rising bond yields, the S&P/ASX 200 Property Accumulation (A-REIT) Index recovered to deliver a 24.6% Total Security holder Return in FY24. Dexus underperformed the A-REIT index in FY24 with a (11.2)% Total Security holder Return, as office assets saw the highest valuation declines in the Australian real estate market during the year. Over the past 10 years, Dexus has delivered an annual compound return of 5.1%, below the A-REIT index at 8.9% over the same time period.

As a long-term investor, we have confidence in the value of our quality office portfolio through the cycle. There is ongoing demand to occupy well-located, high-quality buildings as seen in our office leasing and portfolio occupancy. Our industrial portfolio continues to benefit from sustained market rent growth across key markets with low land supply, supported by the strong customer preference to be in well-connected logistics hubs.

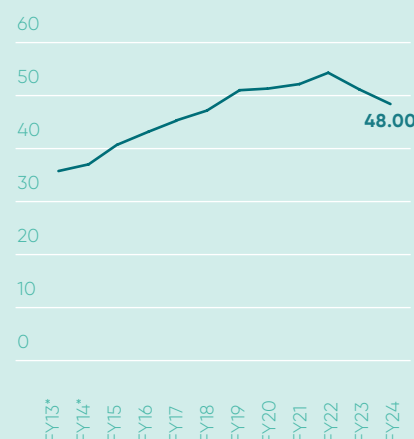
We undertook a total of \$4.9 billion¹ of transactions across the platform, including \$3.2 billion on behalf of a number of funds consisting predominantly of divestments to maintain prudent gearing levels and facilitate redemptions, an important part of our proposition as a leading fund manager. We continue to transition the Dexus portfolio, selectively divesting assets to enhance portfolio quality and balance sheet strength, while providing capacity to fund our committed developments.

Pro forma gearing (look-through) of 32.0% sits near the lower end of our target range of 30–40%. We have successfully divested \$7.4 billion of Dexus assets over the past five years. A further circa \$2 billion of Dexus assets are earmarked for divestment over the next three years which, together with the completion of committed developments, will further enhance the quality of our portfolio while maintaining a prudent level of gearing.

We actively managed our debt position, refinancing \$1.0 billion of facilities with tenors of up to 8 years, strengthening the balance sheet and reducing near-term debt maturities.

Dexus has \$2.5 billion of undrawn cash and debt facilities and was 92% hedged on average for FY24. Further details relating to our financial result can be found on pages 30–37.

1. Includes \$4.2 billion real asset transactions that exchanged or settled post 30 June 2023 and \$0.7 billion of real asset securities across multiple funds.
2. Adjusted for cash and debt in equity accounted investments, excludes Dexus's share of co-investments in pooled funds. Pro forma gearing includes committed transactions post 30 June 2024. Look-through gearing at 30 June 2024 was 32.6%. Pro forma look-through gearing including Dexus's share of equity accounted co-investments in pooled funds was 33.2% at 30 June 2024.



History of Dexus distribution per security (Cents per security)

* Adjusted for the one-for-six security consolidation completed FY15.

Chair & CEO review continued

Our funds are performing well. Of the funds with benchmarks, 84% by funds under management outperformed their benchmark.

Since transitioning to Dexu's platform, Dexu Wholesale Shopping Centre Fund continued to generate strong performance, outperforming its benchmark by over 400 basis points in FY24. Dexu Wholesale Property Fund outperformed its benchmark across all time periods.

We harnessed pockets of investor interest against a soft capital raising backdrop, successfully raising over \$300 million of equity at first close in Dexu Real Estate Partnership 2, the second fund in our opportunity series.

The projects in our \$16.1 billion real estate development pipeline are expected to deliver attractive long-term returns. They provide embedded future value by improving the quality and growth opportunities of our directly held investments and those portfolios managed on behalf of our third party capital partners. Construction progress remains on track at our city-shaping developments, Atlassian Central and stage 1 of Waterfront Brisbane, which will be completed in 2027 and 2028 respectively.

Our committed industrial pipeline is active across multiple development projects owned by Dexu and its third party capital partners, of which the majority have secured leases.

Platform initiatives

1. Integration and immediate priorities

This year we achieved Final Completion and integration of the AMP Capital systems, processes and people into Dexu's platform. The acquisition has further expanded and diversified our funds management business.

Following integration completion, we turned our focus to three immediate priorities:

- Refining our strategy
- Refreshing our capital allocation framework
- Implementing a sector-aligned operating model to drive investment outperformance in the next phase of the investment cycle

Our platform currently has a well-established presence in office, industrial and retail, with an emerging presence in the growth markets of healthcare, infrastructure and alternatives.

Each of our sector-specific business units are empowered to develop bespoke strategies across asset management, development and transactions that drive investment outperformance in their unique competitive domains, and therefore for our investors and clients. While the market backdrop has been challenging, we see different areas of opportunity in each of the sectors, which leverage our portfolios and capabilities, and ability to create value over the long term.

As we think about the next phase of the cycle, we have evolved our approach to capital allocation. Our framework establishes a clear hierarchy for how we allocate and manage our capital to protect downside, promote active management and drive improved risk-adjusted returns for Security holders over the long term.

This framework will guide our long-term decisions, and the application is particularly important in our business given the diverse opportunity set.

2. Sustainability

As we integrated the AMP Capital assets onto our platform, we implemented initiatives across the expanded portfolio, focusing on the priority areas where we believe we can make significant impact: Customer Prosperity, Climate Action and Enhancing Communities.

We continued the net zero journey for the building operations of the assets we manage across our group property portfolio. We remain committed to act to limit global warming to 1.5°C and delivering on our customers' and investors' desire for strong climate action and low carbon investments, and are excited about the opportunities presented by our city-shaping projects and industrial developments to reduce our environmental footprint.

Ensuring a consistent approach in embedding sustainability across our portfolio, we developed new Sustainable Development Standards for the office, industrial and healthcare sectors to be applied across all new developments in FY25. We also ensured that all asset plans and fund investment plans include sustainability initiatives aligned to our Sustainability Strategy and its priority areas.

Sustainability is embedded in our strategy, our business and our culture and we are globally recognised for our leadership in sustainability. Dexu has once again been included in the S&P Global Sustainability Yearbook 2024, achieving the third highest score of global REIT peers.

The Dexu Platform was recognised for its leadership by Global Real Estate Sustainability Benchmark (GRESB), with Dexu and five funds achieving 5 star GRESB ratings for 2023. We were also recognised by Climateworks as one of two assessed Australian organisations that fully met their principals for credible net zero targets and action.

Our focus on customer has seen us further strengthen our Net Promoter Score (NPS) to +44 (FY23: +40), at the high end of the NPS range of -100 to +100. Our partnership with Black Dog has contributed to enhancing communities through delivering mental health training for the employees of our customers in our office, industrial and healthcare assets.

The finalisation of the AMP Capital acquisition and integration onto the Dexu platform created an interim period of uncertainty and impacted our employee engagement score of 61%. Through this time, we continued to focus on strategic people initiatives, providing active support for internal career planning, development and learning opportunities for our people.

Our active commitment to inclusion and diversity across our workforce has delivered initiatives focused on LGBTQ+ inclusion and reconciliation with Aboriginal and Torres Strait Islander peoples. Australian Workplace Equality Index recognised our efforts towards LGBTQ+ inclusion with a Silver employer status. This year we refreshed our Reflect Reconciliation Action Plan to align with our business strategy, purpose and values.

We recognise we operate in a sector where there are still many obstacles to achieving gender equity, and it remains an ongoing challenge for both our organisation and the industry.

We reiterate our continued commitment to gender equity and are committed to addressing the gender pay gap and improving the representation of women across all areas of our business.

3. Governance

Dexu is a trusted custodian of our investors' capital with a reputation for strong corporate governance and highly regarded sustainability credentials. We have well established frameworks, processes and policies that support our strong governance and risk management practices. The Board actively seeks feedback to ensure it stays connected to the culture of the organisation and gains deeper insights into its operations.

Our Board comprises seven non-executive directors and one executive director, and we seek to maintain Board diversity across gender, skills and experience.

As part of our Board renewal process, Penny Bingham-Hall retired from the Board on 28 March 2024, and we welcomed Peeyush Gupta AM as a non-executive director.

We thank Penny for her significant contribution and leadership as Chair of the People and Remuneration Committee, and as a member of the Nomination & Governance Committee and the Board Sustainability Committee.

During the year the leadership of DexuS transitioned to Ross Du Vernet who commenced as Group Chief Executive Officer & Managing Director on 28 March 2024.

Former CEO, Darren Steinberg, was instrumental in the growth and evolution of DexuS over the past 12 years. Under his leadership, the platform's total funds under management increased to \$54.5 billion today, while at the same time portfolio quality has been enhanced and diversified into new sectors including healthcare, alternative investments and infrastructure.

The Board wishes to thank Darren for his strong leadership of DexuS and recognises his contribution in shaping DexuS as it stands today.

Further details relating to the Board and our governance practices can be found on pages 82–89, as well as in the Corporate Governance Statement available at www.dexuS.com/corporategovernance.

Our strategy

Our purpose **Unlock potential, create tomorrow** reflects our unique ability to create value for our people, customers, investors and communities over the long term.

Our vision is **to be globally recognised as Australasia's leading real asset manager**. We will achieve leadership by delivering superior risk-adjusted returns for DexuS Security holders and our capital partners from owning, managing, and developing quality real estate and infrastructure assets.

We manage a diversified real asset portfolio valued at \$54.5 billion of significant scale across each of our sectors, geographically focused in Australia and New Zealand.

Our \$14.8 billion DexuS portfolio is predominantly invested in high-quality office and industrial real estate alongside third party clients.

Our \$39.7 billion established funds management business contributes fees from third-party capital across scalable product strategies.

Our real asset portfolio is underpinned by strong demand drivers. We are positioned to benefit from sustained long-term growth from megatrends including urbanisation, growth in pension capital, and social and demographic change such as population growth and an ageing population.

The scale of the real estate and infrastructure opportunity in Australasia is significant. We aspire to be known for our deep local sector experience, our active management approach and being an investment partner of choice.

Our people are the key to our success. The way we operate on a day-to-day basis is focused on our collective talent, client mindset, sustainability impact, trusted governance and constant evolution. This approach enables our people to unlock the significant potential of the DexuS business. Further details relating to our strategy can be found on pages 14–15.

Summary and outlook

We have refined our strategy, refreshed our capital allocation framework and shifted to a sector aligned operating model to drive outperformance in the next phase of the investment cycle.

We have also identified a set of clear action items to support our medium term priorities of transitioning the balance sheet, maximising the contribution from the funds business and unlocking our deep sector expertise.

Our disciplined approach to capital management has enabled us to maintain a strong balance sheet through asset recycling.

We have successfully divested \$7.4 billion of DexuS assets over the past five years. A further \$2 billion of DexuS assets are earmarked for divestment over the next three years which, together with the completion of committed developments, will further enhance the quality of our portfolio while maintaining a prudent level of gearing.

Our well-located property portfolio continues to benefit from flight to quality, and our focus on customer centricity and sustainable outcomes.

Our diversified funds business has active client enquiry for new products and attractive investment opportunities.

As the interest rate outlook becomes more certain, we expect direct investors will gain greater confidence to deploy capital. Markets remain challenging however, we expect well-located quality assets to continue to outperform.

Consistent with our strategy, from FY25 the distribution policy has been updated to pay out 80–100% of AFFO, providing a sustainable source of capital to invest through the cycle into return-enhancing investment opportunities. With a preference to co-invest alongside capital partners, we see attractive opportunities in the industrial, infrastructure and alternative investment sectors.

Barring unforeseen circumstances, for the 12 months ending 30 June 2025¹, DexuS expects:

- AFFO of circa 44.5–45.5 cents per security
- Distributions of circa 37.0 cents per security

On behalf of the Board and management, we extend our appreciation to our people across Australia and New Zealand for their commitment and significant contribution to this year's result. We also thank our third party capital partners for entrusting us with the management of their real asset investments, and our customers for their loyalty and commitment across our real asset portfolio.

Importantly, we thank you, our investors, for your continued investment in DexuS and we look forward to continuing to deliver sustained performance.

Warwick Negus
Chair

Ross Du Vernet
Group Chief Executive Officer & Managing Director

1. Based on current expectations relating to asset sales, performance fees and trading profits, and subject to no material deterioration in conditions.

How we create value

Our value drivers

Financial

Our financial resources are the pool of funds available to us for deployment.

- Financial performance
- Capital management
- Corporate governance

Real assets

Our real estate and infrastructure assets are central to how we create value.

- Portfolio scale and occupancy
- Economic contribution
- Development pipeline
- Industry collaboration

People and capabilities

Our people's knowledge and expertise are key inputs to how we create value.

- Employee engagement
- Inclusion and diversity
- Health, safety and wellbeing

Customers

Our capacity to create value depends on strong relationships with our customers.

- Customer experience and engagement

Environment

The efficient use of natural resources and sound management of environmental risks.

- Resource efficiency
- Climate resilience
- Green buildings

Communities

Our capacity to create value depends on strong relationships with the communities around our assets, and our suppliers.

- Local community engagement
- Community contribution

Our purpose

Unlock potential
create tomorrow

Our values

Rally to achieve together
Build trust through action



We create value through our key business activities
Page 28

Our key areas of operation

Owning

Developing

Megatrends

Page 12

Megatrends shape our operating environment, generating both risks and opportunities that impact how we create value through our business model.

Urbanisation

Growth in pension capital

Our strategy

Page 14

Deliver superior risk-adjusted returns for Dexus security holders and our capital partners by owning, managing and developing quality real estate and infrastructure assets.

Infrastructure

Real estate

Managing

Our sustainability strategy

Page 16

Unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow.

Priorities:

- Customer prosperity
- Climate action
- Enhancing communities

Our sustainability strategy is underpinned by our foundational areas

Social and demographic change

Sustainability revolution

The value we create

Financial performance

Page 30

- Distribution per security
- Adjusted Funds From Operations (AFFO) per security
- Return on Contributed Equity (ROCE)

Leading cities

Page 38

- Scale: value of real assets
- Customer demand and space use: property portfolio occupancy
- Economic contribution: construction jobs supported and Gross Value Added (GVA) to the economy from development projects
- Development pipeline: value of group development pipeline

Thriving people

Page 52

- Employee engagement: Employee Engagement Score
- Gender diversity: female representation in senior and executive management roles
- Health and safety: workplace safety audit score

Customer prosperity

Page 58

- Customer experience: customer Net Promoter Score
- Initiatives that enhance occupant health and wellbeing benchmarked using the NABERS Indoor Environment performance rating

Climate action

Page 62

- Climate resilience: Greenhouse gas emissions reductions
- Resource efficiency: energy and water reductions and waste management
- Performance ratings: NABERS and Green Star ratings

Enhancing communities

Page 72

- Community engagement: number of assets delivering activations
- Community contribution: total value contributed, hours of employee volunteering

Materiality and Risk

Page 18

Identifying and understanding our material matters and risks is critical in the development and delivery of our strategy.

Overview

Approach

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Megatrends

Megatrends shape our operating environment, generating both risks and opportunities that impact how we create value through our business model.



Megatrend

Urbanisation



Growth in pension capital



Description

Sustained population growth in major Australian cities will underpin demand for infrastructure and real estate investment. Population growth and investment tends to be focused around key transport nodes, driving densification and the need for vibrant communities, creating challenges for social equity, the environment, transport systems and city planning.

Funds under management within pension funds are expected to increase as populations in developed nations continue to age. Real estate and infrastructure sectors are expected to receive a higher share of capital allocation and benefit from cross border capital flows.

Connection to key resources



Financial



Real assets



Environment



Financial



Real assets

Implications for our business model and how we are responding

Our investments in quality properties in key CBD locations benefit from the concentration of knowledge industries. In addition, we are undertaking city-shaping developments to serve vibrant communities. Our active industrial development pipeline also supports the expansion of e-commerce businesses which is driving significant growth in demand for industrial property. The infrastructure investments we manage enable us to support the requirements of the growing populations of the cities in which we operate. We work closely with our third party capital partners, public authorities, real estate consultants, technology providers and the wider community in undertaking these activities.

Dexus is a leading Australasian real asset investment manager. Our funds management business provides third party capital with exposure to quality, sector-specific and diversified real estate and infrastructure investment products. These funds have a strong track record of performance and benefit from leveraging the investment management capabilities of the overall Dexus platform. In response to the growth in pension capital fund flows, we are strengthening our funds management business by attracting new third party capital, expanding existing investment products and by launching new products where we believe a competitive advantage can be obtained.

There are various megatrends that could impact Dexus's strategy and outlook, and we actively review them as the nature and potential of these trends can change over time.



Social and demographic change



Australia's population is growing and changing, becoming more diverse by culture and age grouping. The working age population is reducing in proportion to those of retirement age and new entrants to the workforce have different expectations and experience from prior generations. These trends have significant implications for how society works, lives and plays as well as the products and services required to support these activities.



Real assets



People and capabilities



Customers



Communities

Workforce composition is increasingly diverse, and expectations for a seamless experience that enables collaboration and flexibility has never been greater. Ageing demographics will continue to underpin strong growth in healthcare spending and demand for healthcare services such as hospitals, medical centres and medical office buildings. As our customers adapt to these changes, they are increasingly adopting mobile technology and focusing on health and wellbeing. In response, our focus is on delivering 'simple and easy' experiences and developing new services that reduce pain points for customers and promote the health and wellbeing of people and communities.

Since 2019, we have aligned our Annual Report with the Integrated Reporting Framework to meet increasing market demands to demonstrate how Dexus leverages sustainability to create long-term value. The material topics from our materiality assessment (page 19) inform the 'value drivers' within the value creation framework on pages 10–11 and are aligned to the megatrends identified in the table on this page.



Sustainability revolution



A growing recognition that environmental, social and governance (ESG) factors are also economic issues driving a sustainability revolution. There are increasing opportunities for sustainability related investments and, to gain access to sustainable investment flows, businesses need to address the environmental, social and governance issues that are material to their ability to create value. Investors are also demanding better, more transparent ESG measurement and reporting.



Financial



Customers



Communities



Environment

We have welcomed the increasing interest from our investors, third party capital partners and customers about how we are managing ESG issues. The Dexus Sustainability Strategy has been integrated with the Dexus Strategy and has been designed to address emerging ESG risks and opportunities. We have integrated the reporting of our ESG performance into our Annual Report to enhance communication with our stakeholders and support the further integration of ESG into our business model. We benchmark our ESG approach using investor surveys and have established globally leading positions in these surveys.

Strategy

WHY WE EXIST

To unlock potential and create tomorrow

OUR VISION

To be globally recognised as Australasia’s leading real asset manager

HOW WE WILL ACHIEVE THIS

By delivering superior risk-adjusted returns for Dexus Security holders and our capital partners by owning, managing and developing quality real estate and infrastructure assets

WHERE WE WILL INVEST

- LARGE, GROWING MARKETS
- ABILITY TO ACHIEVE LEADERSHIP
- LEVERAGE MULTI-SECTOR SKILLSET



OFFICE INDUSTRIAL RETAIL HEALTH INFRASTRUCTURE ALTERNATIVES

WHAT WE WILL BE KNOWN FOR

- DEEP LOCAL SECTOR EXPERTISE**
Specialist sector teams with deep local knowledge and end-to-end capability
- ACTIVE MANAGEMENT APPROACH**
Access to quality opportunities and outperformance via active asset management
- INVESTMENT PARTNER OF CHOICE**
Trusted partner and aligned long-term co-investor for third party capital

HOW WE OPERATE

- 
Collective talent
- 
Client mindset
- 
Sustainability impact
- 
Trusted governance
- 
Constant evolution

KEY MEASURES OF SUCCESS

- Adjusted Funds From Operations
- Investment performance
- Capital strength & efficiency
- Employee engagement
- Customer satisfaction

In pursuing our vision, we seek to be known for our deep local sector expertise, active management approach and for being the investment partner of choice.

Our purpose to **Unlock potential, create tomorrow** reflects our unique ability to create value for our people, customers, investors and communities over the long term.

Our vision is **to be globally recognised as Australasia’s leading real asset manager**.

We will achieve leadership by delivering superior risk-adjusted returns for Dexus Security holders and our capital partners from owning, managing and developing quality real estate and infrastructure assets.

The real estate and infrastructure opportunity in Australasia is significant. Underpinned by our focus on driving performance, we seek to invest in areas with the following characteristics:

- Large, growing markets, with
- Ability to achieve leadership, which
- Leverage our multi-sector skillset

Our platform currently has a well-established presence in office, industrial and retail, with an emerging presence in healthcare, infrastructure, alternatives.

Within these markets, there are three traits that we want to be known for which will set us apart over the long term:

- Deep local sector expertise
- Active management approach
- Investment partner of choice

Building competitive advantage in these areas will enable us to deliver superior risk-adjusted returns over the long term.

Our people are the key to our success. The way we operate on a day-to-day basis, or the ‘Dexus Way’, guides how our teams deliver:

- **Collective talent** – harnessing the collective potential and diversity of our talented people
- **Client mindset** – addressing evolving needs of our clients when making decisions
- **Sustainability impact** – prioritising tangible impact aligned with commercial goals
- **Trusted governance** – operating a sound business for all our stakeholders
- **Constant evolution** – driving productivity and innovation by finding a better way

What sets Dexus apart?

1

Deep local sector expertise

Our specialist teams provide deep local market knowledge and end-to-end capability. Each sector team is focused on executing bespoke strategies to deliver investment outperformance.

2

Active management approach

We drive outperformance through-the-cycle by applying the knowledge and capabilities of our platform. We actively assess performance and recycle capital with a view to enhancing portfolio composition.

3

Investment partner of choice

We are a trusted partner and custodian for a broad range of third party investors. Dexus provides long term alignment by investing our balance sheet portfolio alongside our capital partners.

Sustainability Strategy

Dexus's strategy is underpinned by a commitment to sustainability principles and performance.

We acknowledge the impact that ESG and sustainability-related risks and opportunities can have on the value of the assets we invest in and the financial success of our business.

Corporate Australia is increasingly focusing on sustainability issues as the 'sustainability revolution' megatrend gains momentum (see page 13).

Sustainability is a key consideration for our investors, funds management clients, customers and communities. Our Sustainability Strategy prioritises the creation of value and sustainability impact.

Adapting our sustainability approach to changing expectations is important for managing risk and unlocking future value. A key guiding principle of our Sustainability Strategy is to ensure it prioritises and focuses effort on the issues that are most material to Dexus to drive greater impact in a targeted and effective way. Our Sustainability Strategy supports the achievement of Dexus's Strategy and has been informed by the results of our latest materiality review (pages 18–19).

Our Sustainability Strategy aligns with Dexus's purpose through its aspiration to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow.

The strategy identifies three Priority Areas for greater focus and investment, while also recognising the foundational sustainability activities that uphold the company's social licence to operate.



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Priority Areas

The Priority Areas that we believe will create greater sustainability impact while unlocking increased commercial value are: **Customer Prosperity, Climate Action and Enhancing Communities.** These priority areas utilise our core business activities and assets to elevate the importance of customers, climate and communities to achieve sustainability outcomes. They also provide a balance across economic, social and environmental sustainability.

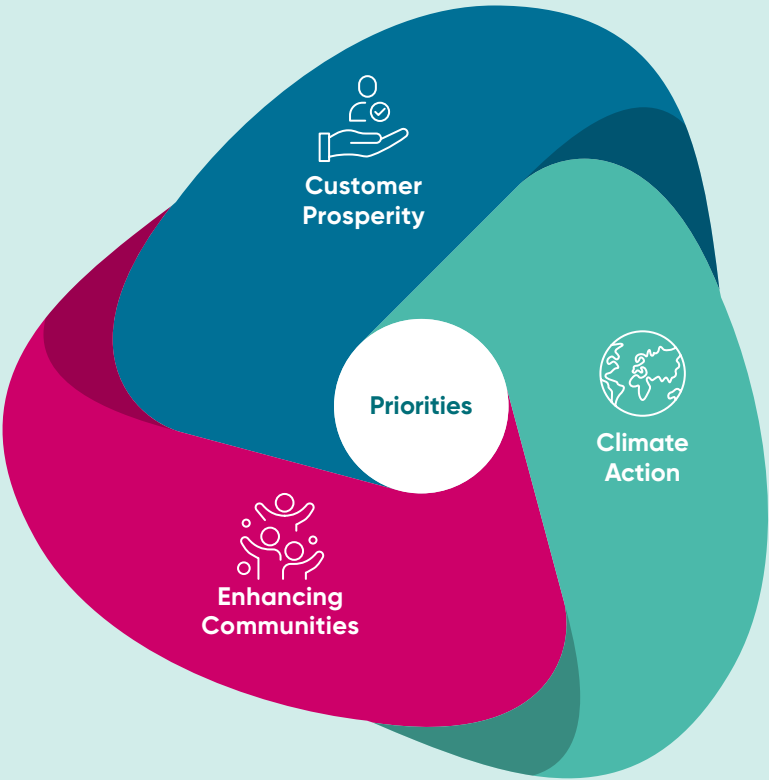
Foundations

The Foundations that underpin our Sustainability Strategy incorporate the sustainability areas that are important for our stakeholders. These include Circularity; Indigenous Engagement; Health & Wellbeing; Nature; Diversity, Equality & Inclusion; Human Rights; and Governance & Reporting. Our commitment is to meet stakeholder expectations in these foundational areas, building a platform for greater impact and value creation in the Priority Areas.

Implementing our Sustainability Strategy

A major focus in FY24 has been to embed the Sustainability Strategy across the platform. This included the development of sustainability roadmaps for each Priority Area. These have then been implemented into our fund's investment and asset plans and budgets. Each of the areas of the strategy are addressed in more detail in subsequent sections of this annual report.

Unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow



Foundations

- Circularity
- Diversity, Equity & Inclusion
- Indigenous Engagement
- Human Rights
- Health & Wellbeing
- Governance & Reporting
- Nature

Priority Areas



Customer Prosperity

Supporting the prosperity of our customers through the investment, design, development and management of real assets. Dexus's products and services aim to support occupant wellbeing and sustainability performance.



Climate Action

Focusing on climate action to accelerate the transition to a decarbonised economy, while also safeguarding and advancing our people, assets, property and financial returns.



Enhancing Communities

Helping the communities around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value.

Materiality review

The concept of materiality is central to our approach to sustainability.

Materiality provides the means to prioritise and focus on the issues of greatest importance to our business, while also helping inform our stakeholders about how material sustainability issues impact our ability to create value and mitigate risk.

Dexus has completed regular assessments and reviews of material topics and key megatrends since 2011. Comprehensive materiality assessments are typically conducted every two to three years, with the most recent being completed in FY23.

These assessments include a reset of Dexus’s approach to material topics through external stakeholder engagement and internal workshops, analysis of various inputs (such as employee surveys and external research) and external validation. This process determines the categories and definitions of material topics, which are tested each year via materiality reviews until the next materiality assessment is conducted.

This year we undertook a materiality review, with inputs from research and published reports, investor, customer and employee surveys, upcoming regulation (e.g. Australian Sustainability Reporting Standards), media analysis for relevant high-profile issues or incidents.

We also engaged directly with key internal stakeholders, including Sustainability, Investor Relations, Finance, Funds Management, Strategy, P&C and Risk teams.

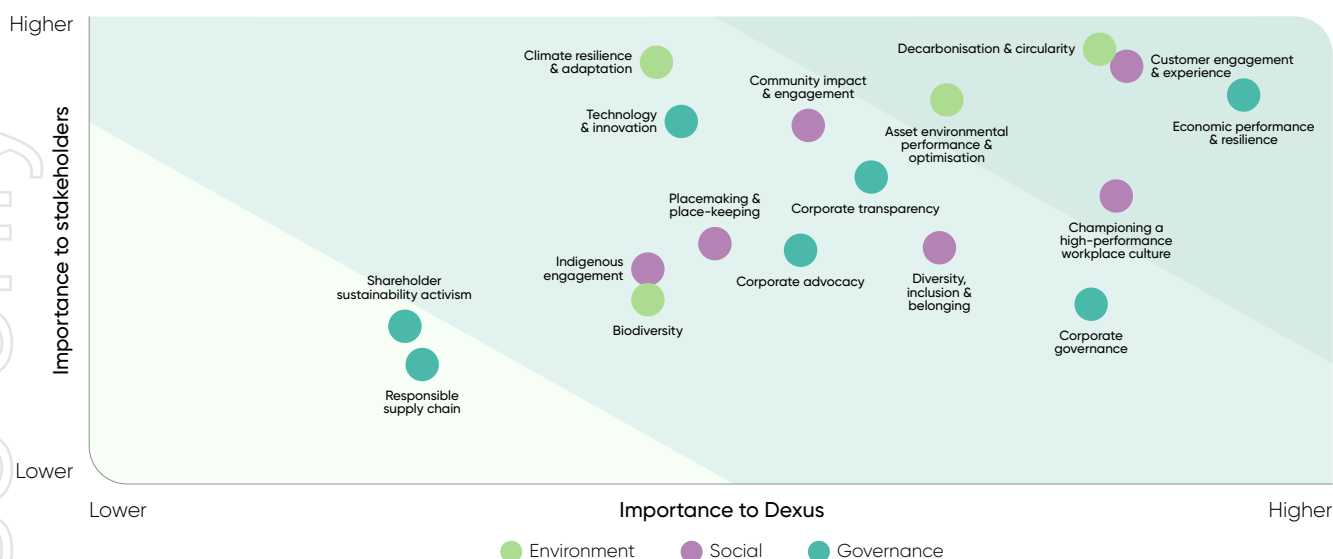
While the materiality of some topics have changed as a result of this analysis, the top five most material topics for Dexus remain unchanged. These are:

- Customer engagement and experience
- Decarbonisation and circularity
- Economic performance and resilience
- Asset environmental performance and optimisation
- Championing a high-performance workplace culture

Materiality assessment and review and process

	1	2	3	4	5
	Desktop analysis	Stakeholder engagement	Consolidation & prioritisation	Double materiality	Validation & finalisation
FY23 Materiality Assessment	Topics identified, defined and categorised in themes through a review of internal and external documentation.	Sustainability topics discussed with internal and external stakeholders to understand their relative importance.	Identified topics consolidated to discrete sustainability topics. Topics scored and ranked according to a set criteria.	Double materiality analysis applied to the sustainability topics. Topics assessed to determine the potential contribution each could make to the United Nations Sustainable Development Goals (SDGs).	List of sustainability topics validated and prioritised by Dexus management and the Board ESG Committee and represented via the materiality matrix.
FY24 Materiality Review	Research and review of key megatrends and material topics, and how they align with Dexus’s strategic risks, risk management activities, operations, and project initiatives.	Consultation with internal stakeholders to review material topics, informed by research and analysis.	Topics re-scored and rankings tested.	Consideration of any changes to double materiality of topics.	Validation with Executive Committee and the Board Sustainability Committee. Materiality matrix adjusted to reflect the newly assessed material topics. The five most material topics retained their rankings.

Dexus 2024 Materiality Matrix



Dexus's most material sustainability topics

Material topic	Sub-topics	Definition	Value drivers
Customer engagement and experience	- Customer engagement and experience - Customer attraction and retention - Customer health and wellbeing	Providing safe and healthy assets and places, while responding to changing customer needs, including focus on sustainability goals and identifying new opportunities.	- Customer experience - Occupancy rates - Health, safety & wellbeing
Decarbonisation and circularity	- Embodied carbon - Electrification - Future-fit buildings - Materials selection - Smart buildings	Supporting the transition to a low carbon economy through innovation and partnering across the value chain to accelerate decarbonisation. Incorporates deployment of renewables, exploring new opportunities for electrification, and minimisation of embodied carbon in construction. Consideration of circular principles in design and construction to build smart and 'future-fit' buildings that offer flexibility and adaptability of use and de-fit/re-fit processes.	- Resource efficiency - Attractiveness of assets - Supply chain focus
Economic performance and resilience	- Economic performance - Sustainable growth and investment - Market volatility - Responsible investment	Delivering returns for investors from high-quality real assets through the cycle and over the long term.	- Financial performance - Capital management - Corporate governance - Portfolio scale and occupancy
Asset environmental performance and optimisation	- Energy efficiency - Waste management - Water use efficiency - Indoor environment quality - Environmental management systems	Proactively managing asset performance and promoting and embracing innovation solutions to advance resource management, reduce environmental impacts and improve asset desirability.	- Green buildings - Resource efficiency - Development pipeline - Climate resilience
Championing a high-performance workplace culture	- Talent attraction, retention and engagement - Employee skills and development - Employee health, safety and wellbeing	Embracing new opportunities to attract and retain high calibre talent with a range of skills, experience and creativity. Building and empowering high performing teams through career development opportunities and flexibility in ways of working. Continuing to prioritise the safety and wellbeing of employees.	- Employee engagement - Diversity and inclusion - Health, safety and wellbeing

Dexus's material topics are incorporated into the Enterprise Risk Management processes, including the identification of Key Risks on pages 20–25 of this report. Dexus reports in accordance with the GRI Standards reporting guidelines. The 2024 GRI Index provides a comprehensive reference specifying the disclosure of material topics across our 2024 Annual Reporting Suite. More information on the 2024 GRI Index can be found within the 2024 Sustainability Data Pack.

Key risks

We recognise that effective risk management requires an understanding of risks during all phases of the investment life cycle.

Key risks ¹		Health, safety and wellbeing	
Description		The risk of not providing an environment that ensures the safety and wellbeing of employees, customers, contractors and the community at Dexus-managed assets or responding to events that have the potential to disrupt business continuity.	
Potential impacts		– Death or injury (physical or psychological) at Dexus properties – Loss of broader community confidence – Costs or sanctions associated with regulatory response, remediation and/or restoration, and criminal or civil proceedings	– Inability to sustainably perform or deliver objectives – Increased employee turnover or absenteeism – Reduction in employee wellbeing, engagement and performance – Business disruption
Link to key resources		 Real assets  People and capabilities  Customers  Communities	
How Dexus is responding		As a priority, we focus on health, safety and wellbeing to ensure safety risks arising from our business are appropriately managed. To achieve this, we have implemented an ISO 45001 certified Occupational Health and Safety Management System to ensure the effective management of health safety and wellbeing risks across the portfolio. Assisted by this system, Dexus is committed to: – Providing safe and healthy working conditions, including managing the physical and psychological health, safety and wellbeing of workers – To the extent it is within Dexus’s control, providing a safe environment for all customers and other persons entering Dexus owned and managed assets and development sites by developing, managing, monitoring, and implementing tailored risk management processes	– Ensuring compliance with legislative and regulatory obligations – Providing appropriate training, information and instruction on Dexus Health Safety and Wellbeing programs – Actively promoting and developing initiatives, objectives, and targets to improve Health Safety and Wellbeing performance We maintain a business continuity management framework to mitigate safety threats, including the adoption of plans relating to crisis management, business continuity and emergency management. Responsiveness at each Dexus-managed property is regularly tested through scenario exercises. Key performance indicators for reporting and resolution of security issues are embedded into contractor agreements at Dexus-managed assets.

Effective risk management is critical to our vision, achieving our strategy and delivering high-quality products and services to customers and maximising investor returns.

We are committed to high standards of risk management in the way we conduct business and actively identify and manage risks that may impact the realisation of our strategy.

Our key risks incorporate insights and material topics relating to ESG from our materiality review process, described on pages 18–19.

Strategic resilience

Inability to deliver the group's strategic objectives, generate value and deliver superior risk-adjusted performance.

- Sustained inflation and recessionary pressures on the economy which could impact strategic outcomes
- Change in external market conditions
- Loss of broader community confidence
- Reputational damage



Financial



Real assets



Customers



Communities

Dexus's vision is to be recognised as the leading real asset investment manager in Australia. Dexus aims to achieve this through providing superior risk adjusted returns for investors through investing Dexus balance sheet capital and managing investments on behalf of its third party capital partners.

Dexus has processes in place to monitor and manage strategic outcomes and risks. Its strategy and risk appetite are approved annually by the Board and reviewed throughout the year by management and the Board Risk Committee.

Progress against strategy is subject to regular review and reporting to the Board and regular sensitivity analysis undertaken.

Investment and financial performance

Inability to meet market guidance, achieve the group's performance objectives and mitigate factors that may adversely impact the Dexus portfolio.

- Inability to meet guidance
- Inability to sustainably perform or deliver investment objectives
- Sustained inflation and recessionary pressures on the economy which could impact financial performance
- Reduced investor sentiment (equity and debt)
- Loss of broader community confidence
- Reduced credit ratings and availability of debt financing
- Decline in asset valuations
- Reputational damage



Financial



Real assets

We have processes in place to monitor and manage performance and risks that may impact on performance. Dexus management is responsible for the consideration, approval or endorsement, subject to delegated authority, of material investment decisions.

The Dexus Executive Investment Committee includes the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and other executive representatives who are responsible for the consideration, approval or endorsement, subject to delegated authority, of material investment decisions. Detailed due diligence is undertaken for developments before approval or endorsement of each investment decision.

Detailed due diligence is undertaken for all investment and divestment proposals and major capital expenditure before approval or endorsement of each investment decision. Major capital projects are monitored by control groups to assess delivery and performance outcomes. Quarterly monitoring and review of financial results is reported to the Board.

1. While this section highlights key risks, we are unable to foresee all risks, opportunities and outcomes that will materially affect our ability to create value over the long term.

Key risks continued

Key risks¹

Capital management

Development

Description

Inability of the capital structure of the business to withstand unexpected changes in equity and debt markets.

The risk of not achieving development objectives that provide the opportunity to grow Dexus's and our third-party capital partners' portfolios and enhance future returns.

Potential impacts

- Constrained capacity to execute strategy
 - Increased cost of funding (equity and debt)
 - Fluctuations in interest rates which could impact the cost of debt
 - Fluctuations in foreign exchange rates which could impact profitability
 - Reduced investor sentiment (equity and debt)
 - Reduced credit ratings and availability of debt financing
- Fund mandates negatively impacted
 - Leasing outcomes impacting on completion valuations
 - Fluctuations in construction costs
 - Negative impacts on supply chain channels (cost and availability of resources)
 - Reputational damage

Link to key resources



Financial



Financial



Real assets

How Dexus is responding

Our prudent management of capital, including regular sensitivity analysis and periodic independent reviews of the Treasury Policy, assists in positioning Dexus's balance sheet in relation to unexpected changes in capital markets.

We maintain a strong balance sheet with diversified sources of capital. Ongoing monitoring of capital management is undertaken to ensure metrics are within risk appetite thresholds benchmarks and limits outlined within the Treasury Policy.

Further information relating to financial risk management is detailed in Note 14 of the 2024 Financial Report contained in this 2024 Annual Report.

Dexus has a strong development capability with a proven track record of delivering projects with a focus on quality, sustainability and returns that satisfy the evolving needs of our growing customer base.

We have platform-wide expertise that drives our development performance and objectives, including design and costing, leasing, risk and compliance and insurance coverage.

Institutional and retail investors

Inability to deliver on strategic objectives to meet the financial and non-financial expectations of listed and unlisted investors.

- Change in strategy and/or capacity of existing third party capital partners
- Inability to attract new third party capital partners
- Loss of confidence in governance structure and service delivery
- Loss of funds management income
- Reputational damage

Cyber and data security

Inability to access, protect and maintain systems and respond to major incidents including data loss, cyber security threats to or breaches of information systems.

- Lack of resilience in Dexus's response to cyber security threats
- Impact to Dexus's customers and/or investors
- Loss of broader community confidence
- Data integrity compromised
- Loss or damage to systems or assets

Compliance and regulatory

The risk of not meeting requirements or expectations of investors and regulators through governance and compliance practices.

- Sanctions impacting on business operations
- Reduced investor sentiment (equity and debt)
- Loss of broader community confidence
- Increased compliance costs



Financial



Real assets



Customers



Communities



Real assets



People and capabilities



Customers



Communities



People and capabilities

Our funds management model includes strong governance principles and processes designed to build and strengthen relationships with existing and prospective third party capital investors.

Our active approach to engagement across the business enables employees to understand the interests of third-party capital investors and design strategies to maintain investor satisfaction.

Our Funds Management team also undertakes a periodic client survey to understand perceptions and identify areas for improvement.

We aim to have the most efficient systems and processes, including financial accounting and operational systems. Regular reviews of policies and procedures on information security are undertaken.

We have comprehensive Business Continuity and Disaster Recovery plans in place which are tested annually.

Regular training, testing and disaster recovery activities are conducted, along with the employment of data security software, to assist in reducing the risk of threats to or breaches of data. We also educate and train our people on how to best protect their data.

Additional reviews have been undertaken in response to the increased frequency and nature of cyber-attacks experienced across the broader Australian corporate landscape. Mitigation strategies are in place to address potential cyber security threats to, or via, our assets.

Our compliance monitoring program supports our comprehensive compliance framework policies and procedures that are regularly updated to ensure the business operates in accordance with regulatory expectations.

Our employees and service providers receive training on their compliance obligations and are encouraged to raise concerns where appropriate.

We maintain grievance, complaints and whistleblower mechanisms for employees and stakeholders to safely, confidently and anonymously raise concerns. Independent industry experts are appointed to undertake reviews where appropriate.

Key risks continued

Environmental and social sustainability		Organisational culture
Key risks ¹		
Description	The risk of not responding to the impacts of climate change or mitigating negative social impacts in the communities in which Dexus operates.	Inability to maintain a respectful, open and transparent culture which supports diversity of opinion and values acting honestly, ethically and with integrity.
Potential impacts	– Increased costs associated with global and domestic energy market fluctuations – Increased challenges and climate transition impacts in leasing assets due to heightened customer demand for sustainability and climate change performance in real assets – Increased costs associated with physical risks (e.g. asset damage from extreme weather) – Increased costs associated with transition risks (e.g. carbon regulation, requirements for building efficiency) – Inability to maintain access to capital due to reputational damage – Increased reputational risk for not supporting the community and social causes	– Decreased business performance – Inappropriate conduct leading to reputational damage or financial loss – Reduced investor sentiment (equity and debt) – Inability to attract and retain talent due to a perception of poor corporate culture
Link to key resources	 Customers  Communities  Environment	 People and capabilities  Customers  Communities
How Dexus is responding	Dexus implements an ISO 14001 accredited Environment Management System including an environment risk assessment and audit program to identify and assess risks associated with DXS owned assets and operations, and to monitor that controls are effectively implemented. We use scenario analysis to understand the broad range of climate-related issues that may impact our business and focus on enhancing the resilience of our properties while implementing energy efficiency initiatives and renewable energy projects. Dexus's approach to climate change risk management is disclosed in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures across the 2024 Annual Reporting Suite. We are committed to ensuring our operations provide quality jobs with the right conditions and collaborate with our suppliers to understand how we can contribute to upholding human rights across our supply chain, including addressing modern slavery.	We foster a culture and employee experience that aligns and continually reinforces the group's purpose statement, including our aspirations, values and behaviours. Our employee listening strategy enables employees to provide anecdotal and anonymous feedback via pulse surveys throughout the year. Insights gained are used to understand our culture and employee experience, to identify strengths and areas of opportunity that require additional focus. Our employee reference groups are empowered to implement organisational initiatives to build an inclusive workplace, such as our LGBTQ+ employee network and the Reconciliation Action Plan Working Group. We also invest in our employees' development and reward their achievement of sustainable business outcomes that add value to our stakeholders.

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Talent and capability

Inability to attract and retain the best talent to deliver business results.

- Decreased business performance
- Negative impact to customer relationships
- Decline in workforce productivity
- Increased workforce costs
- Loss of corporate knowledge and experience
- Poor employer brand leading to inability to attract talent
- Unplanned employee turnover and associated increased costs and time to resource

Third party supplier management

Adverse impact from an external party including suppliers, vendors, contractors, or service providers with whom Dexus has outsourced a service or function.

- Lack of resilience in Dexus's third-party supplier's response to cyber security threats
- Impact to Dexus's customers and/or investors
- Business or operational disruption
- Reputational damage
- Adverse regulatory outcomes
- Modern slavery/Human rights infringements



People and capabilities

We aim to attract, develop and retain an engaged and capable workforce that can deliver our business results both today and in the future. Professional development is undertaken across the organisation to drive continuous learning and engagement of our employees.

Talent reviews are conducted at regular intervals to monitor and respond to emerging talent risks and opportunities and to inform succession plans for key talent and critical roles. External talent mapping is undertaken for critical roles.

As a part of the employment value proposition, our people are offered the opportunity to have an ownership interest in Dexus and in doing so, promote a tangible link between the interests of employees, Dexus and its investors. All eligible employees are allocated a number of DXS securities with an aggregate equivalent cash value of \$1,000 each year.



Financial



Real assets



Customers



Communities

Dexus acknowledges our responsibility to ensure that standards relating to people, the environment and the communities in which we operate are maintained and continuously improved throughout our supply chain. Dexus is committed to working with contractors and service providers who maintain the highest ethical, safety and quality standards.

We are committed to ensuring our operations provide quality jobs with the right conditions and collaborate with our suppliers to understand how we can contribute to upholding human rights across our supply chain, including addressing modern slavery.

To support the delivery of our environmental, social and governance commitments and objectives, we request that all suppliers engaging with Dexus agree to abide by the Supplier Code of Conduct.

Key resources

We rely on our key resources and relationships to create value now and into the future.

Our key resources and how they are linked to value creation



Financial

Our financial resources are the pool of funds available to us for deployment, which includes debt and equity capital, as well as profits retained from our investments, funds management, development and trading activities. This also includes the financial capital from our third party capital partners which we invest on their behalf.

Our prudent management of financial capital underpins the delivery of returns to Dexus investors.



Real assets

Our real estate and infrastructure assets are central to how we create value. We actively manage our portfolio to enhance its potential, while unlocking value through development to further enhance quality or for higher and better uses.

Our real asset portfolio is concentrated in Australia and New Zealand's major cities, which we contribute to shaping as leading destinations to live, work and play.



People and capabilities

Our people's knowledge and expertise are key inputs to how we create value.

We are a passionate and agile team who want to make a difference. We focus on sustaining a high-performing workforce supported by an inclusive and diverse culture.

Our intellectual capital enables us to instil strong corporate governance, sound risk management and maintain a focus on health, safety and wellbeing at all levels of our business.



Customers

Our capacity to create value depends on strong relationships with our customers.

We support the prosperity of our customers through the investment, design, development and management of real assets. Dexus's products and services support occupant wellbeing and sustainability performance.



Environment

The efficient use of natural resources and sound management of environmental risks and opportunities supports our creation of value through delivering cost efficiencies and operational resilience.

We understand, monitor and manage our environmental impact, setting short-term and long-term measurable environmental performance targets.

We prepare for the physical impacts of climate change, while harnessing opportunities that support the transition to a low carbon economy.



Communities

Our capacity to create value depends on strong relationships with the communities around our assets.

We support communities around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value.

The value that is created

How we measure value

Financial performance

Page 30

Superior long-term performance for our investors and third party capital partners, supported by integration of ESG issues into our business model.

- Distribution per security
- Adjusted Funds From Operations (AFFO) per security
- Return on Contributed Equity (ROCE)

Leading cities

Page 38

A high-quality portfolio that contributes to economic prosperity and supports sustainable urban development across Australasia's key cities.

- Scale: value of real assets
- Customer demand and space use: property portfolio occupancy
- Economic contribution: construction jobs supported and Gross Value Added (GVA) to the economy from development projects
- Development pipeline: value of group development pipeline

Thriving people

Page 52

An engaged, capable and inclusive workforce, adopting high-performance ways of working to deliver on our strategy.

- Employee engagement: Employee Engagement Score
- Gender diversity: female representation in senior and executive management roles
- Health and safety: workplace safety audit score

Customer prosperity

Page 58

Productive and satisfied customers supported by high-performing real assets that enhance the wellbeing of the individuals and communities who work in and visit our places.

- Customer experience: customer Net Promoter Score
- Initiatives that enhance occupant health and wellbeing benchmarked using the NABERS Indoor Environment performance rating

Climate action

Page 62

Accelerating the transition to a decarbonised economy, while also safeguarding and advancing our people, assets, property and financial returns.

- Resource efficiency: energy and water reductions and waste management
- Climate resilience: Greenhouse gas emissions reductions
- Performance ratings: NABERS and Green Star ratings

Enhancing communities

Page 72

Engaged local communities in and around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value.

- Community engagement: number of assets delivering activations
- Community contribution: total value contributed, hours of employee volunteering

Key business activities

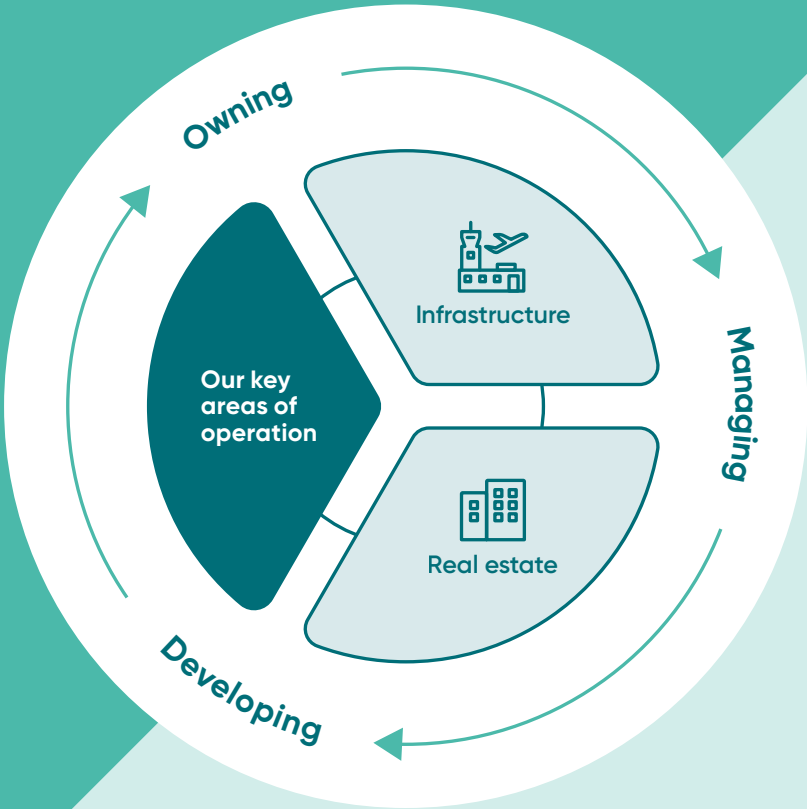
We create value for our stakeholders through owning, managing and developing quality real estate and infrastructure assets.

Our key business activities of owning, managing and developing seek to deliver superior risk-adjusted returns from each asset on the Dexus platform.

We seek to be known for our deep local sector expertise, our active management approach and for being the investment partner of choice. These traits enable Dexus to attract third party capital which provides the opportunity to develop incremental scale in our target markets and capacity to invest in evolving our platform.

Expanding our platform enables continued investment in our capabilities, systems and processes. For Dexus Security holders, this provides the ability to access enhanced returns as the business becomes increasingly capital efficient.

We create value through our key business activities





Owning

Dexus invests its balance sheet capital directly and indirectly into a portfolio of high-quality assets (Investment Portfolio). Dexus's Investment Portfolio is the largest driver of financial value for Dexus Security holders (83%¹ of Funds From Operations (FFO) for the financial year ended 30 June 2024).

The Investment Portfolio primarily comprises ownership interests in high-quality office and industrial assets and includes interests in third party funds that are managed by Dexus. The Investment Portfolio will become more diversified over time as we invest alongside partners into a broader opportunity set. At 30 June 2024, Dexus's investment portfolio was valued at \$14.8 billion.

Managing

Dexus manages a \$54.5 billion Australasian real estate and infrastructure portfolio. This includes the directly held investments and \$39.7 billion of funds under management on behalf of third party capital partners.

In our real estate portfolio, we utilise our management expertise to maximise value from the assets we manage across the platform. This active approach seeks to add value through leasing to diversify the customer mix across our real estate portfolio and capitalise on the stage that we are at in the cycle. Our in-house project delivery group assists in effectively managing downtime and delivering capital works projects in a timely manner.

Our infrastructure portfolio is supported by capability and expertise in managing infrastructure investments on behalf of third party capital, with meaningful exposure in transport, energy, social and health infrastructure.

Our ability to attract key strategic capital partners is testament to our experience and leading market position. We seek to be identified as the investment partner of choice and have a strong track record of driving investment performance for our third party capital partners. We believe this track record positions us well to continue to attract like-minded investors into our funds management business.

Developing

Dexus focuses on development opportunities that will improve portfolio quality and enhance future returns through leveraging our integrated real asset platform.

At 30 June 2024, the Dexus platform has a \$16.1 billion group real estate development pipeline. The pipeline includes committed and uncommitted projects across major Australian cities that support long-term growth for Dexus and our third party capital partners.

Development also delivers on our capital partners' strategies and provides organic growth in assets under management. Dexus's share of the development pipeline is \$7.9 billion with the remaining \$8.2 billion spread across our funds management portfolio.

1. FFO contribution is calculated before net finance costs, group corporate costs and other FFO.

Financial performance

Our prudent and active management of financial capital underpins the delivery of returns to investors.



Financial
performance

\$516.3m

Adjusted Funds
From Operations
FY23: \$555.0m

48.0 cents

AFFO and Distribution
per security
FY23: 51.6 cents

32.0%

Pro forma gearing¹
FY23: 27.9%²

\$(1,583.8)m

Statutory net profit/
(loss) after tax
FY23: \$(752.7)m

4.0%

Return on
Contributed Equity



Our capacity to sustain financial performance depends on our ability to leverage our key resources to create value, underpinned by a high standard of corporate governance.

Our financial resources are the pool of funds available to us for deployment, which includes debt and equity capital, as well as asset recycling activities and profits retained from our property, funds management, co-investments, development and trading activities. This also includes the financial capital from our third party capital partners which we invest on their behalf.

Where we will invest

Underpinned by our focus on driving performance, we seek to invest in areas with the following characteristics:

- Large, growing markets, with
- Ability to achieve leadership, which
- Leverage our multi-sector skillset

Our platform currently has a well-established presence in office, industrial, and retail, with an emerging presence in healthcare, infrastructure, alternatives. Within these markets, there are three traits that we want to be known for which will set us apart over the long term:

- Deep local sector expertise
- Active management approach
- Investment partner of choice

Building competitive advantage in these areas will enable us to deliver superior risk-adjusted returns for Dexus Security holders over the long term.

We evolved our capital allocation framework to establish a holistic approach to allocating capital across a broader, more diverse opportunity set.

Our framework establishes a clear hierarchy for how we allocate and manage our capital to protect downside, promote active management and drive improved risk-adjusted returns for Security holders over the long term.

Acknowledging the right combination of capital uses will change through time, we have designed our framework to be dynamic, enabling adjustments based on market conditions, our growth aspirations and risk appetite.

Consistent with our strategy, from FY25 the distribution policy has been updated to pay out 80–100% of AFFO, providing a sustainable source of capital to invest through the cycle into return-enhancing investment opportunities. With a preference to co-invest alongside capital partners, we see attractive opportunities in the industrial, infrastructure and alternative investment sectors.

How we measure financial performance

When measuring financial performance, we focus on growth in Adjusted Funds From Operations (AFFO) and distribution per security, as well as Return on Contributed Equity to measure the returns achieved for our Security holders.

Board Focus

In FY24, the Board and Board Audit Committee was involved in considering and approving Dexus's financial reports, audit reports, market guidance, distribution details, funding requirements and liquidity, as well as property portfolio valuation movements and overseeing Dexus's internal audit program.

Key areas of focus in FY24 included:

- Approving the financial KPIs and the Group Scorecard
- Approving Dexus's annual and half year results materials
- Approving capital management initiatives
- Overseeing the tender process for Dexus's external audit for FY25 with the intention of appointing KPMG as statutory auditor subject to Security holder approval at the 2024 AGM
- Noted the appointment of Dexus's core tax advisor and internal auditor effective from FY25
- Approval of the extension and/or repricing of \$1 billion in bank facilities with multiple lenders at commercially attractive terms and conditions

1. Adjusted for cash and debt in equity accounted investments, excludes Dexus's share of co-investments in pooled funds. Pro forma gearing includes committed transactions post 30 June 2024. Look-through gearing at 30 June 2024 was 32.6%. Pro forma look-through gearing including Dexus's share of equity accounted co-investments in pooled funds was 33.2% at 30 June 2024.
2. Pro forma gearing including proceeds and payments for transactions post 30 June 2023 that settled before 16 August 2023.

Financial performance continued

Group performance

Broader business sentiment continues to be impacted by prolonged economic uncertainty, with impacts from higher interest rates, inflation and geopolitical risks being felt across the economy and business sector. Operating in this environment remains challenging. Both capital raising and transaction volumes have slowed and capitalisation rates have continued to expand, driving further declines in valuations across the real estate sector this year.

Dexus delivered AFFO and distributions of 48.0 cents per security for the 12 months ended 30 June 2024, in line with guidance.

Dexus delivered a statutory net loss after tax of \$1,583.8 million, compared to a statutory net loss after tax of \$752.7 million in FY23. This movement was primarily driven by \$1,901.6 million of fair valuation losses on investment properties as a result of capitalisation rates softening across the portfolio, compared to \$1,183.9 million of fair valuation losses recognised in the prior year. Total portfolio valuation movements include the impact of investments classified as debt in Australian trusts.

The portfolio valuations resulted in a circa 12.9% decrease on prior book values for the 12 months to 30 June 2024. These revaluation losses primarily drove the \$1.91 or 17.6% decrease in net tangible asset (NTA) backing per security during the year to \$8.97 at 30 June 2024.

Operationally, Underlying Funds From Operations (excluding trading profits) of \$693.1 million was 0.7% above the prior year, demonstrating resilience.

Key drivers included:

- Total Investments FFO reduced by \$31.8 million driven by divestments, partly offset by fixed rent increases, recently completed developments, higher one-off income related to the industrial portfolio and increased income from co-investments in pooled funds
- Management operations FFO increased significantly by \$30.0 million, reflecting the AMP Capital acquisition and recognition of circa \$28 million in performance fees, partly offset by the impact of divestments, valuation declines and a lower contribution from development milestone fees compared to FY23
- Group corporate costs increased by \$17.6 million, primarily due to the AMP Capital acquisition and inflation, with cost management initiatives implemented as part of the refreshed operating model
- Net finance costs reduced by \$7.1 million, reflecting the impact of divestments on the average debt balance, partly offset by the impact of a higher average cost of debt

- Other FFO expenses reduced by \$17.1 million, driven by lower FFO tax expense as a result of interest costs on acquisitions within Dexus Operations Trust (DXO)

AFFO of \$516.3 million was 7.0% lower than the prior year driven by lower trading profits, with AFFO excluding trading profits marginally higher than the prior year:

- Trading profits of \$10.3 million (net of tax) were \$39.9 million below the prior year, as Dexus chose not to restock its trading pipeline late in the cycle
- Maintenance capex and incentives of \$187.1 million were \$3.6 million above the prior year, due to an increase in lessor works and the continued impact of higher incentives flowing through the portfolio, partially offset by the impact of divestments

On a per security basis, AFFO and distributions per security were 48.0 cents, down 7.0% on the prior year.

We maintained a strong balance sheet with pro forma gearing (look-through)¹ of 32.0%, towards the lower end of our target range of 30–40%.

Delivering FY24 Financial performance commitments

FY24 commitment	Status	FY24 progress
Barring unforeseen circumstances for the 12 months ended 30 June 2024: – Dexus expects distributions of circa 48.0 cents per security, below the 51.6 cents per security delivered in FY23, predominantly driven by lower trading profits – AFFO excluding trading profits is expected to be broadly in line with that delivered in FY23	●	For the 12 months ended 30 June 2024, Dexus delivered: – AFFO and distributions of 48.0 cents per security, in line with guidance – AFFO excluding trading profits of \$506.0 million, 0.2% above that delivered in FY23
Maintain a strong and diversified balance sheet.	●	Dexus maintained a strong balance sheet with pro forma gearing (look-through) at 32.0%, towards the lower end of our target range of 30–40%, while maintaining a conservative debt maturity profile and hedging levels.

● Achieved ○ Not achieved ● Progressed

Valuation movements	Total FY24	Jun 2024	Dec 2023
Office portfolio	(\$1,790m)	(\$1,177m)	(\$614m)
Industrial portfolio	(\$110m)	(\$37m)	(\$73m)
Total portfolio²	(\$1,902m)	(\$1,214m)	(\$687m)

Weighted average capitalisation rate	30 Jun 24	30 Jun 23	Change
Office portfolio	6.05%	5.21%	+84bps
Industrial portfolio	5.45%	4.76%	+69bps
Total portfolio²	5.90%	5.11%	+79bps

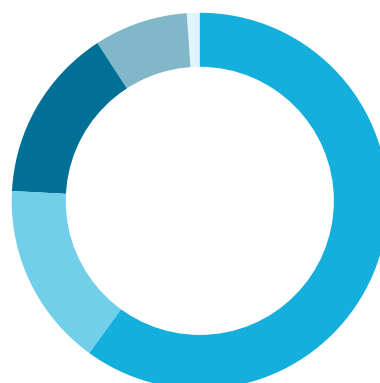
We continued to maintain a strong financial position with low gearing and substantial liquidity.

Key financials	FY24	FY23	Change
Statutory net profit/(loss) after tax (\$m)	(1,583.8)	(752.7)	(110.4)%
Funds From Operations (FFO) (\$m)	703.4	738.5	(4.8)%
AFFO (\$m)	516.3	555.0	(7.0)%
AFFO per security (cents)	48.0	51.6	(7.0)%
Distribution per security (cents)	48.0	51.6	(7.0)%
Net tangible asset backing per security (\$)	8.97	10.88	(17.6)%
Return on Contributed Equity (%)	4.0	8.0	(4.0)ppt
Gearing (look-through) ¹ (%)	32.0 ³	27.9 ⁴	4.1ppt

FFO composition	FY24 \$m	FY23 \$m	Change %
Office property FFO	554.2	597.6	(7.3)%
Industrial property FFO	140.7	163.5	(13.9)%
Co-investments in pooled funds ⁵	70.3	35.9	95.8%
Total Investments FFO	765.2	797.0	(4.0)%
Management operations ⁶	142.6	112.6	26.6%
Group corporate	(66.4)	(48.8)	(36.1)%
Net finance costs	(130.1)	(137.2)	5.2%
Other (including tax) ⁷	(18.2)	(35.3)	48.4%
Underlying FFO	693.1	688.3	0.7%
Trading profits (net of tax)	10.3	50.2	(79.5)%
FFO	703.4	738.5	(4.8)%
Maintenance and leasing capex	(187.1)	(183.5)	(2.0)%
Adjusted Funds From Operations (AFFO)	516.3	555.0	(7.0)%

- Adjusted for cash and debt in equity accounted investments and excludes Dexu's share of co-investments in pooled funds.
- Valuation movement excludes co-investments in pooled funds. Includes the impact of investments classified as debt in Australian trusts, other property revaluation loss of \$1.2m and excludes leased assets and right of use assets revaluation gain of \$0.9m.
- Pro forma gearing includes committed transactions post 30 June 2024. Look-through gearing at 30 June 2024 was 32.6%. Pro forma look-through gearing including Dexu's share of equity accounted co-investments in pooled funds was 33.2% at 30 June 2024.
- Pro forma gearing including proceeds and payments for transactions post 30 June 2023 that settled before 16 August 2023.
- Includes distribution income from Dexu's co-investment stakes in pooled funds and excludes joint venture and partnership income which is proportionately consolidated in Note 1 Operating Segments within Dexu's Financial Report.
- Management operations FFO includes development management fees.
- Other FFO includes non-trading related tax expense, directly owned childcare property and other miscellaneous items.
- FFO is calculated before net finance costs, group corporate costs and other FFO.
- Based on current expectations relating to asset sales, performance fees and trading profits, and subject to no material deterioration in conditions.

83% of FFO from Investments portfolio⁸



● 60%
Office
property FFO

● 8%
Co-investments
in pooled funds

● 16%
Management
operations

● 1%
Trading profits
(net of tax)

● 15%
Industrial
property FFO

FY25 commitments

Barring unforeseen circumstances, for the 12 months ending 30 June 2025⁹, Dexu expects AFFO of circa 44.5–45.5 cents per security and distributions of circa 37.0 cents per security.

Focus areas

Maintain a strong and diversified balance sheet.

Financial performance continued

	FY24 \$m	FY23 \$m	Change %
Statutory profit reconciliation			
Statutory AIFRS net profit/(loss) after tax	(1,583.8)	(752.7)	(110.4)%
Gains from sales of investment property	–	0.6	(100.0)%
Fair value (gain)/loss on investment property	1,633.6	1,144.9	42.7%
Fair value (gain)/loss of investments at fair value	302.6	30.2	902.0%
Fair value (gain)/loss on the mark-to-market of derivatives	5.5	67.6	(91.9)%
Incentives amortisation and rent straight-line ¹	161.1	153.6	4.9%
Non-FFO tax expense/(benefit)	(36.6)	(42.7)	(14.3)%
Share of co-investment adjustments	114.3	29.8	283.6%
Amortisation and impairment	4.1	62.2	(93.4)%
Other unrealised or one-off items ²	102.6	45.0	128.0%
Funds From Operations (FFO)	703.4	738.5	(4.8)%
Maintenance capital expenditure and lessor works	(63.3)	(48.5)	30.5%
Cash incentives and leasing costs paid	(44.9)	(52.9)	(15.1)%
Rent free incentives	(78.9)	(82.1)	(3.9)%
Adjusted Funds From Operations (AFFO)³	516.3	555.0	(7.0)%
Distribution	516.3	555.0	(7.0)%
AFFO payout ratio (%)	100.0	100.0	–

Group outlook

Markets move in cycles, and while conditions are presently challenging, Dexus invests for the long term. The assets we own, manage and develop, the capabilities we build, and the relationships we forge with clients and customers will position us well to deliver superior risk-adjusted returns for Dexus securityholders and our capital partners over the long term.

Dexus has successfully divested \$7.4 billion of assets over the past five years. A further \$2 billion of Dexus assets are earmarked for divestment over the next three years which, together with the completion of committed developments, will further enhance the quality of our portfolio while maintaining a prudent level of gearing.

Consistent with our strategy, from FY25 the distribution policy has been updated to pay out 80–100% of AFFO, providing a sustainable source of capital to invest through the cycle into return-enhancing investment opportunities. With a preference to co-invest alongside capital partners, we see attractive opportunities in the industrial, infrastructure and alternative investment sectors.

Barring unforeseen circumstances, for the 12 months ending 30 June 2025⁴, Dexus expects AFFO of circa 44.5–45.5 cents per security and distributions of circa 37.0 cents per security.



Funds management performance

Dexus manages \$39.7 billion of funds on behalf of a diversified mix of investors.

We are the partner of choice for a deep network of domestic and global investors. We provide a broad range of quality investment exposure and invest alongside our capital partners with a view to performance over the long term.

Management operations FFO grew significantly in FY24, reflecting the AMP Capital acquisition and recognition of circa \$28 million in performance fees, partially offset by the impact of valuation declines, divestments and a lower contribution from development milestones compared to FY23.

This year we achieved Final Completion and integration of the AMP Capital real estate and infrastructure platform and people. The acquisition has further expanded and diversified our funds management business.

Our expanded funds management platform offers a spectrum of investment products across real estate and infrastructure sectors, including pooled funds, listed funds, joint ventures or partnerships and real estate securities funds.

Our diverse capital base includes domestic and global institutional investors, as well as a growing presence of retail and high net worth investors.

Dexus Real Estate Partnership 2 (DREP2), which launched in October 2023, successfully raised more than \$300 million in equity commitments in its first close from both institutional and private investors, as well as returning DREP1 investors. This fund is expected to be materially larger than DREP1 which closed with \$475 million of equity, circa 90% of which has been committed across the real estate subsectors, including credit opportunities.

The funds platform continues to deliver performance for investors. Of the funds with a benchmark, 84% by funds under management outperformed the respective benchmarks in FY24⁵. Dexus Wholesale Property Fund (DWPF) outperformed its benchmark across all time periods and in FY24 outperformed by circa 200 basis points. Since transitioning to Dexus's platform, Dexus Wholesale Shopping Centre Fund (DWSF) continued to generate strong performance, outperforming its benchmark by over 400 basis points in FY24.

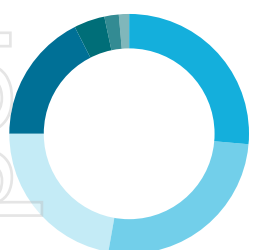
The platform again achieved independent recognition across the institutional and retail investor space. All offshore real estate clients from the Peter Lee institutional investor survey consider Dexus to be either above average or excellent and circa 90% of these investors would consider Dexus for the right opportunity.

Dexus also ranked first on unlisted real estate relationship strength index for the third consecutive year by asset consultants. Dexus was recognised as a Finalist in the 2023 Zenith Investment Partners Fund Award in the Real Asset category. All retail investor pooled funds are 'recommended' by Lonsec Research and/or Zenith, with Dexus Core Infrastructure Fund being upgraded in FY24.

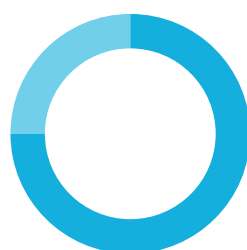
Dexus secured circa \$3.2 billion of transactions across the funds platform during the year⁶, the vast majority of which were divestments on behalf of a number of funds to maintain strong gearing levels and facilitate redemption requests to meet client needs, an important part of our proposition as a leading fund manager.

The funds platform continues to be recognised for its leadership by Global Real Estate Sustainability Benchmark (GRESB), with Dexus Office Partnership and DWPF ranked in the top 5% of participants globally. Dexus Healthcare Property Fund (DHPF), DWPF and Powerco in New Zealand were also recognised as sector leaders. In addition, Melbourne Airport (an infrastructure investment) was awarded a 2023 'Airports Going Green Award'.

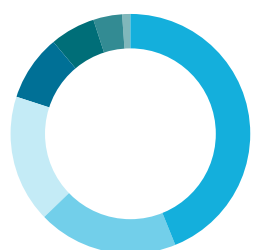
Funds management allocation



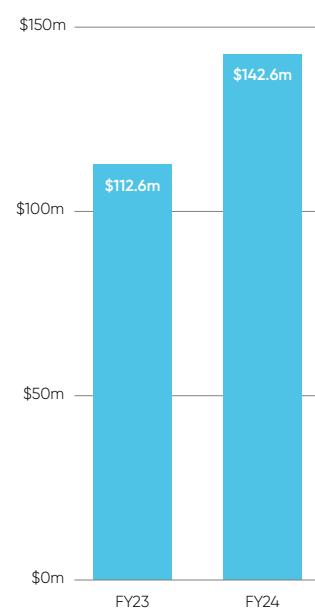
Funds management investor location



Funds management composition



Management operations FFO



- Including cash, rent free and fit out incentives amortisation.
- Includes \$83.8m transaction costs and one-off significant items (including costs associated with the AMP Capital platform acquisition and integration and other successful transaction and one-off significant items) and \$14.4m of unrealised fair value losses on interest bearing liabilities. The remaining net \$4.4m expense relates to various other items.
- AFFO is in line with the Property Council of Australia definition.
- Based on current expectations relating to asset sales, performance fees and trading profits, and subject to no material deterioration in conditions.
- Aggregate of individual fund performance against its respective benchmark and performance period. Funds included are DWPF, DWSF, DHPF, DDIT, CommIF, DXI, DXC and DCIF.
- Includes \$0.7bn of real asset securities across multiple funds.

Financial performance continued

Investment portfolio

We are focused on maximising the performance of our investments and continuing to enhance our portfolio composition.

Our resilient investment portfolio maintained high occupancy, contributing to 83% of FFO in FY24¹.

Office portfolio performance

Dexus's high quality portfolio continues to demonstrate resilience against a challenging operating environment, with occupancy of 94.8% and the average terms of new leases signed at circa 5.6 years.

Dexus manages a high-quality \$20.3 billion office portfolio across its platform, \$9.8 billion of which sits in the Dexus portfolio. During the year, we leased 160,400 square metres of office space across 271 transactions, as well as 8,700 square metres of space across four office development deals, securing future income streams.

Despite persistent headwinds, our office portfolio occupancy reduced marginally during the year to 94.8%, however remains well above the wider market at 86.4%². Average incentives of 27.9% again outperformed the market, reflecting the quality and location of our portfolio. Incentives were lower than FY23, which was impacted by some large renewal deals in higher incentive markets. Incentives in Sydney and Melbourne CBDs are expected to remain elevated in the near term before vacancy normalises.

As expected, effective like-for-like income growth⁴ slowed to +0.5%, reflecting amortisation impacts and downtime on select vacancies. On a face basis, excluding amortisation, like-for-like growth was 2.5%.

The resilience of the office portfolio is underpinned by its high quality and heavy weighting to core CBD markets, where customers want to be. In our experience, smaller tenancies generate on average higher returns and present less volatility and leasing exposure than larger tenancies. Our scale enables us to invest in the systems and processes to service these customers efficiently.

Office portfolio key metrics

94.8%

Occupancy
FY23: 95.9%

4.7 years

WALE
FY23: 4.8 years

160,400sqm

Space leased³

+0.5%

Effective LFL income⁴
FY23: +5.6%

27.9%

Average incentives⁵
FY23: 30.0%

As a result, our customer base is more diverse, with an average tenancy size of 1,200 square metres, and we have less exposure to large customers than our peers⁶. We have proactively diversified our customer base over many years, and we continue to manage our forward lease expiries within acceptable threshold levels.

Industrial portfolio performance

Dexus manages a high-quality \$10.6 billion industrial portfolio across the platform, \$3.6 billion of which sits in the Dexus portfolio.

During the year, we leased 170,500 square metres of industrial space across 40 transactions, as well as 82,100 square metres of space across 10 industrial developments.

Our industrial portfolio continues to perform well, albeit with some moderation as expected following the very strong run experienced by industrial markets over the past three years.

Industrial portfolio effective like-for-like income growth⁴ softened slightly to 3.9%, impacted by a slight reduction in portfolio occupancy as a result of vacancies at select facilities.

Average incentives increased to 16.5% reflecting normalising market conditions, with incentives lower in the second half at 13.7%. Net effective releasing spreads remain strong at circa 17%.

Industrial portfolio key metrics

96.8%

Occupancy
FY23: 99.4%

4.3 years

WALE
FY23: 4.8 years

170,500sqm

Space leased⁵

+3.9%

Effective LFL income⁴
FY23: +2.4%

16.5%

Average incentives⁵
FY23: 10.7%

The portfolio is 15.4% under-rented, benefiting from continued market rent growth in Dexus's key markets, and circa 26% of the portfolio is set to access rental reversion upon expiry by FY26.

Our national and customer centric industrial portfolio consists of well-located, high-quality assets, and along with our development capabilities, provide a complete solution for customers with growth aspirations and net zero ambitions. Our strategic focus is on building long-term relationships with high value and growing customers. Circa 75% of industrial income is derived from relationships held directly with customers rather than third party logistics operators.

Property market outlook

In office, location remains a key differentiator for asset performance, with the Sydney core and Melbourne eastern core again reporting materially lower vacancy compared with their respective CBD averages. The Brisbane market continues to improve, benefiting from strong demand and limited medium-term supply. Incentives in Sydney and Melbourne CBDs are expected to remain elevated in the near term before vacancy normalises.

While the long-term fundamentals for industrial real estate remain sound, market rent growth slowed in a number of key markets in the second half of FY24, reflecting subdued take-up. Third party logistics (3PL) providers have been less active in leasing and have contributed sublease space to the market. Vacancy trended higher during the year, albeit remains below pre-COVID levels.

Co-investment income

Dexus receives distribution income from investments in pooled property, real estate securities and infrastructure funds. Investments in pooled funds are predominantly represented by investments in quality real asset portfolios across office, healthcare, industrial, retail and infrastructure sectors.

In FY24, Dexus received \$70.3 million in co-investment income, an increase from \$35.9 million in FY23. This was predominantly driven by new investments in a number of funds in connection with the AMP Capital platform acquisition. These investments further diversify investment earnings and provide alignment to support fund growth.

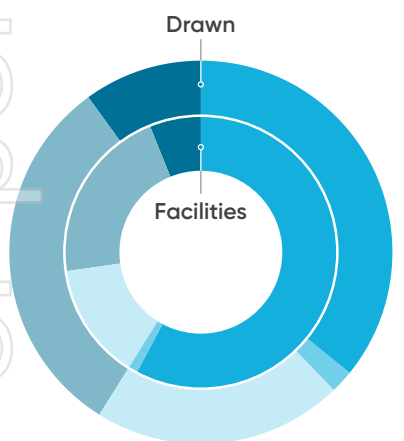
Trading performance

Trading is a capability using our expertise to package investment properties to generate trading profits.

Trading properties are either acquired with the direct purpose of repositioning or development, or they are identified in Dexus's existing portfolio as having value-add potential and subsequently transferred into the trading trust to be repositioned, developed, packaged and sold.

Dexus delivered on its FY24 trading profit guidance realising \$10.3 million trading profits (post tax), and is restocking the trading pipeline, with potential contributions from FY25.

Diversified sources of debt



Source of debt	Drawn basis	Facilities basis
Bank facilities	36%	58%
Commercial paper	2%	1%
MTN	21%	14%
USPP	31%	21%
Exchangeable Notes	10%	6%
Bank debt	36%	58%
Debt capital markets	64%	42%

Financial position

- Look-through net tangible assets decreased by \$2,055 million, primarily due to property devaluations of \$1,902 million
- 92% of debt was hedged on average across FY24 providing material protection against interest rate movements

	30 Jun 2024 \$m	30 Jun 2023 \$m
Look-through net tangible assets		
Office investment properties	9,670	12,152
Industrial investment properties	3,187	3,686
Other properties	22	23
Co-investment assets	1,791	1,452
Borrowings	(4,872)	(5,478)
Other	(147)	(129)
Net tangible assets	9,651	11,706
Total number of securities on issue	1,075,565,246	1,075,565,246
NTA (\$ per security)	8.97	10.88

Capital management

We continued to maintain a strong balance sheet with pro forma gearing (look-through)⁷ of 32.0%, toward the lower end of our target range of 30–40%, and \$2.5 billion of cash and undrawn debt facilities.

Dexus executed \$1 billion of debt extensions during the year. We have a weighted average debt maturity of 4.8 years, manageable near-term debt expiries and remain within all of our debt covenant limits, retaining our strong credit rating of A-/A3 from S&P and Moody's respectively.

Our balance sheet strength, combined with continued focus on strategic asset recycling, provides capacity to deliver on our strategic objectives.

Key metrics	30 Jun 2024	30 Jun 2023
Pro forma gearing (look-through) ⁸ (%)	32.0 ⁷	27.9 ⁹
Cost of debt ¹⁰ (%)	4.1	3.7
Average maturity of debt (years)	4.8	5.1
Hedged debt (incl caps) ¹¹ (%)	92	86
S&P/Moody's credit rating	A-/A3	A-/A3

- FFO contribution is calculated before net finance costs, group corporate costs and other FFO.
- Australian CBD average by Property Council Australia at July 2024.
- Excluding development leasing of 8,700 square metres across 4 transactions.
- Excluding rent relief measures and provision for expected credit losses.
- Excluding development leasing of 82,100 square metres across 10 transactions.
- Less than 5% of Dexus's office income is represented by Sydney CBD's largest 25 corporate tenants.
- Pro forma gearing includes committed transactions post 30 June 2024. Look-through gearing at 30 June 2024 was 32.6%. Pro forma look-through gearing including Dexus's share of equity accounted co-investments in pooled funds was 33.2% at 30 June 2024.
- Adjusted for cash and debt in equity accounted investments and excludes Dexus's share of co-investments in pooled funds.
- Pro forma including proceeds and payments for transactions post 30 June 2023 that settled before 16 August 2023.
- Weighted average for the year, inclusive of fees and margins on a drawn basis.
- Average for the year. Hedged debt (excluding caps) was 75% for the 12 months to 30 June 2024 and 69% for the 12 months to 30 June 2023.

Leading cities

Dexus is a leading Australasian fully integrated real asset group, managing a high-quality real estate and infrastructure portfolio.



How we are
creating
Leading
cities

94.8%

Dexus office
portfolio occupancy

96.8%

Dexus industrial portfolio
occupancy

\$16.1bn

Dexus Platform real
estate development
pipeline

\$54.5bn

Dexus Platform real
asset portfolio

\$2.5bn

Gross value added
to the Australian
economy^{1,2}

15,141

Construction jobs
supported^{1,3}



Our real asset portfolio provides the opportunity to make a significant contribution to the prosperity and liveability of our cities.

Contributing to Leading Cities

The contribution of our real estate and infrastructure investments and their potential to create value are closely linked to the success of Australasia's major cities.

Our scale across Australasian cities means we are well positioned to benefit from the megatrends of urbanisation and population growth.

We are playing a leading role in delivering world-class urban precincts, helping to shape our cities as desirable places to live, work and play, while contributing to job creation and economic growth.

The assets in our infrastructure portfolio connect our cities and bring us together every day. They include real estate enabled essential services that underpin the operation of society such as airports, schools and aged care facilities.

Sustainability impact is a key principle that binds the approach across our teams in the 'Dexus way'. Our focus on climate action is embedded in the operations of our real estate portfolio and complemented by the renewable energy investments in our infrastructure portfolio.

Our Approach to Leading Cities

Our Leading Cities approach involves:

- Developing and managing world-class office properties that deliver customer focused, sustainable workspaces, and which enhance the amenity and vibrancy of CBDs
- Developing high-quality, well-connected logistic hubs to meet the growing demands of ecommerce business and other growth industry customers
- Creating vibrant and thriving retail destinations as part of mixed-use placemaking that support our communities and generate social and economic value
- Contributing to the long-term viability of cities through investing in real estate enabled infrastructure assets that deliver much-needed services to the community, including healthcare
- Building strong city partnerships through collaboration with industry associations and supporting events and activations that celebrate our cities

1. REMPLAN is used to model the potential economic benefits associated with Dexus's committed developments. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. The multipliers and jobs data are provided by Urbis.
2. Represents the value added (i.e. economic growth) generated through the Dexus Platform committed development pipeline. GVA is calculated using the value of the total development spend across the Dexus Platform in FY24 as a key input.
3. An estimation of all direct and indirect jobs created over the life of the construction phase of the projects in the Dexus Platform committed development pipeline. This is calculated using standard industry jobs per square metre benchmarks and regional employment multipliers for NSW.

Board focus

From a real asset perspective, the Board approves acquisitions, divestments and developments.

In FY24, the Board was involved in:

- Approving the divestment of various real estate assets including 5 Martin Place, Sydney and 130 George Street, Parramatta
- Approving the acquisition of co-investment stakes

personal use only



Leading cities continued

Urbanisation of our cities

Key real asset sectors set to take advantage of megatrends

Dexus is well placed to capitalise on the growth and opportunities driven by urbanisation. The top city centres across the world are recognised for their amenity, ease of access, and place to do business that draw individuals together to work and connect.

They are diversified locations that attract and maintain talent while also providing tourists and residents with distinct experiences.

They are also the drivers of economic growth and opportunity. In Australia, our major cities contribute more than 65% of our national GDP and are ranked in the top 20 most liveable cities globally. CBDs are the engine room for most of this economic activity, supporting businesses and jobs.

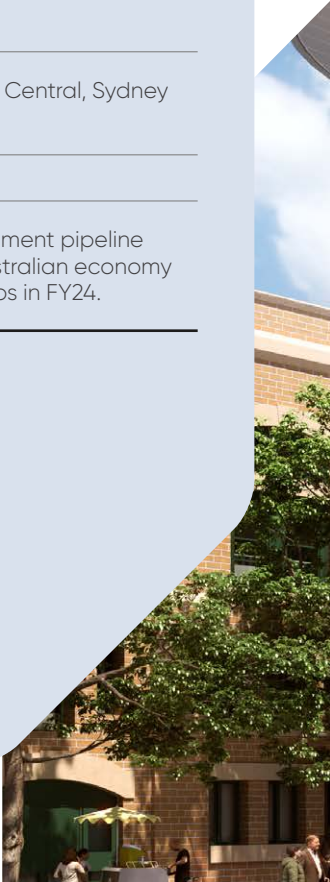
The ongoing urbanisation of our cities is expected to drive demand for services and amenity across workspace, health, social facilities, transport and living. With Australia's population expected to increase by more than 50% over the next 40 years, Dexus is well positioned in these sectors to realise sustained value.

Delivering FY24 Leading Cities commitments

Our commitments indicate how we will deliver on our value creation outcome of Leading Cities.

FY24 commitment	Status	FY24 progress
Maintain office portfolio occupancy above the Property Council of Australia market average.		Dexus office portfolio occupancy of 94.8% exceeded the Property Council of Australia's national occupancy rate of 86.4% at 30 June 2024.
Grow industrial precincts by more than 220,000 square metres in FY24 to meet the demand for high-quality, highly accessible logistics facilities across Australia.		Delivered 233,400 square metres of industrial space in VIC and WA across the platform.
Progress city-shaping precinct projects to improve the amenity and vibrancy of Australia's CBDs.		Progressed construction at Atlassian Central, Sydney and Waterfront Brisbane.
Focus area		
Contribute to economic growth through the generation of employment and contribution to gross value added from development projects.		Dexus's platform real estate development pipeline generated \$2.5 billion GVA to the Australian economy and supported 15,141 construction jobs in FY24.

Achieved Not achieved Progressed



Delivering city-shaping projects and well-connected logistic hubs

Our \$16.1 billion platform real estate development pipeline includes iconic, irreplaceable towers and mixed-use precincts in premium locations in Australian CBDs and strategically located logistics hubs that service our customers across their national footprint.

Many of our projects are being undertaken in partnership with funds management capital partners, who along with our customers, have an increasing focus on the sustainability performance of the projects, both during construction through to the built form.

Beyond the major CBD precincts, our strategically located industrial developments delivered 158,300 square metres of gross lettable area during the year in partnership with our funds.

Across the development pipeline, our ambition is to develop assets that are fit-for-purpose, high-performing spaces that support customer prosperity, enhanced communities and are resilient to the impacts of climate change.

Our new Sustainable Development Standards provide a framework to guide project teams on our sustainability ambitions across key ESG themes and principles. These new standards set the foundation for future Dexu developments through enhanced focus on the issues that create positive impact and value for Dexu and our stakeholders.

Collaborating with city partners

We work alongside industry partners and city stakeholders to evolve the experience and economies of our CBDs around Australia by creating vibrant destinations where people come together to socialise and collaborate. Across the year we celebrated our cities and communities through activations that supported festivals and events such as Pride events, Vivid Sydney and Lunar New Year.



Leading cities continued

Office

The Dexus platform's \$20.3 billion high-quality office portfolio is located across Australasia's major CBDs.

The properties in the platform's office portfolio are predominantly located in the core of Australia's gateway cities and include some of the country's most iconic buildings. These assets are held for the long term and leased to generate resilient income streams through property cycles.

As an active manager, Dexus is deeply committed to working with customers to deliver spaces that engage and inspire, offering destinations that support their prosperity. Investing alongside third-party capital in the acquisition and development of city-shaping office buildings enhances the quality and value of the Dexus portfolio and those of its third party capital partners.



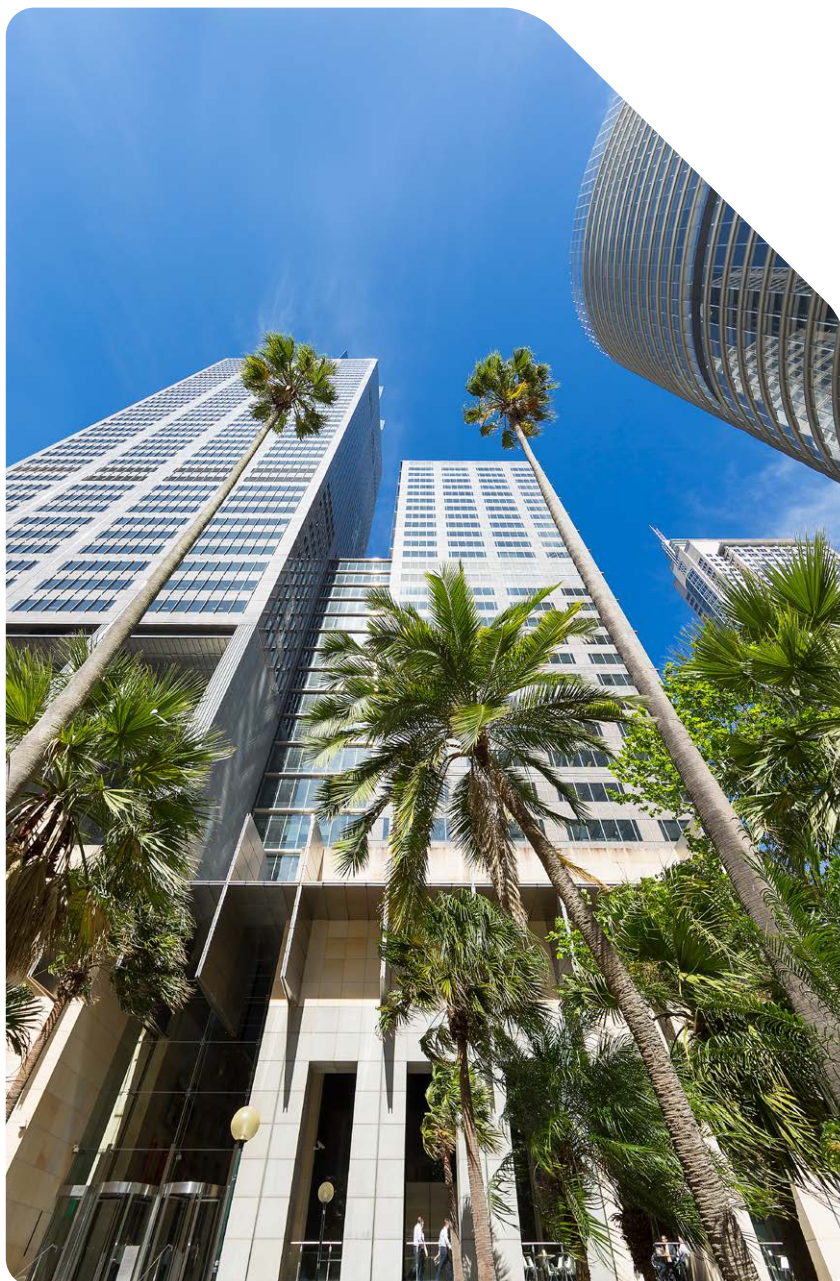
One Farrer Place, Sydney

After 30 years, One Farrer Place remains one of Australia's most sought-after buildings. Managed by Dexus on behalf of co-owners Dexus (50%) and Australian Prime Property Fund Commercial (50%), One Farrer Place continues to attract and retain Australia's top-end law firms and investment banks, including King & Wood Mallesons (KWM) and Goldman Sachs, as one of Sydney's Premium Grade office buildings.

Located in the core of Sydney's legal and financial district, the Governor Phillip and Governor Macquarie Tower Complex incorporates 85,000 square metres of office space across two towers. An expansive light-filled lobby unites the two landmark towers and connects to Raphael Lane, offering a variety of dining options.

One Farrer's timeless design celebrates the historic importance of the site as the first Government House and has benefited from ongoing capital investment to continue the architectural focus on providing spaces that promote productivity and collaboration.

In FY23, Dexus renewed KWM for a further 10 years across 10,500 square metres, representing the same footprint as their previous lease. KWM is one of the building's original customers, demonstrating One Farrer's ongoing appeal as one of Sydney's buildings of choice.



\$20.3bn

Platform office funds
under management

54

Office properties

1.8m sqm

Office space

Waterfront Brisbane

Waterfront Brisbane is a major city-shaping project that is transforming the Eagle Street Pier and Waterfront Place precinct site to create a global-standard business and tourist destination. The \$2.5 billion transformational project aims to maximise its prime riverside location through the delivery of two Premium office towers, expanded public space, a premier waterfront dining hub and widening of the riverwalk.

The project team has pioneered new ways to deliver sustainability outcomes, embracing circular economy principles throughout the construction of the project. To date, the project has diverted circa 98% or 29,300 tonnes of deconstruction waste from landfill through recovery and recycling.

Top Tier law firms, DLA Piper and Allens, join Deloitte, Minter Ellison, Gadens and Colliers in the North Tower, with 52% of the tower now committed, four years ahead of the project's scheduled completion in 2028.

Waterfront Brisbane is aiming to achieve a 6 Star Green Star Design & As Built, 5.5 star NABERS Energy, 4.5 star NABERS Water, 4 star NABERS Waste ratings, WELL Platinum Certification and Climate Active Carbon Neutral Building.

Waterfront Brisbane is owned by Dexu (50%) and Dexu Wholesale Property Fund (50%).



Leading cities continued

Industrial

Dexus is one of the largest industrial managers in Australia, owning and managing a \$10.6 billion premium industrial portfolio.

The portfolio is located in key logistics growth corridors across Australia across 4.0 million square metres of premium warehouse and logistics space.

The Dexus platform's industrial portfolio is strategically located in highly accessible markets, servicing the strong customer preference to be located in well-connected logistics hubs.

Industrial projects prioritise sustainability and efficiency, with the designs incorporating flexibility and leveraging advanced data analytics to meet customer preferences for sustainable, efficient space. To support customers' sustainability journeys, the designs include battery infrastructure linked to rooftop solar panels aimed at helping customers meet their energy efficiency and carbon emission targets.



ASCEND Industrial Estate at Jandakot Airport, Perth

ASCEND at Jandakot Airport is one of Perth's most well-connected industrial estates. Part of the Jandakot Airport precinct, the estate spans 620 hectares and comprises 55 properties and circa 56 hectares of developable land.

On completion, the remaining development of ASCEND Industrial Estate will deliver 263,000 square metres of premium industrial space.

The estate's location appeals to both first mile and last mile industrial customers due to its proximity to major road networks and Fremantle Port.

The estate has attracted customers including Amazon, HelloFresh and Marley Spoon, supporting them to grow their national footprint.

As the precinct evolves, customers continue to benefit from a focus on energy efficiency, underpinned by Green Star and carbon neutral principles.

ASCEND at Jandakot Airport is owned by Dexus (33.4%), Dexus Industria REIT (33.3%) and Cbus Super (33.3%).



\$10.6bn

Platform industrial funds
under management

210

Industrial properties

4.0m sqm

Industrial space

Circuit.7 at Glendenning, Sydney

Circuit.7 is a Prime grade industrial development strategically located in north-western Sydney, owned by Dexus Wholesale Property Fund (DWPF). The site is highly attractive to customers due to its access to the M7 Motorway and Power Street and the low supply of logistics space in the area.

Acquired in 2021, Dexus designed the estate as a versatile speculative development with a range of configurations aimed at attracting a diverse customer base. The site comprises eight warehouse and office units across 27,000 square metres of premium space.

The estate has attracted strong demand and achieved higher than market rents. Practical completion was achieved in March 2024 with the estate 100% leased, delivering an outstanding outcome for DWPF.



Leading cities continued

Retail

Dexus manages interests in a diverse retail portfolio of 23 shopping centres across Australasia that are strategically located to take advantage of population growth and supporting infrastructure.



City retail destinations support the customers in the office portfolio. In addition, our convenience retail portfolio includes 100 service stations incorporating retail.

Dexus utilises its transactions, development and asset management capability to deliver thriving community hubs that drive social and economic value.

A decentralised retail management model empowers shopping centres on the platform to evolve destinations unique to their communities, providing engaging experiences for visitors to the centres.

In the CBDs, Dexus leverages placemaking expertise to create vibrant city retail precincts, providing world class dining, beverage and entertainment destinations. These offerings, combined with customer activations, enhance the experience for office communities, residents and CBD visitors.

Indooroopilly Shopping Centre, Indooroopilly

Indooroopilly Shopping Centre is a major regional shopping centre situated in the western suburbs of Brisbane, providing retail and entertainment across 117,000 square metres. The centre is home to more than 240 specialty stores, major retailers and premium dining outlets, including David Jones, Myer, Kmart, ALDI, Target, Coles, Woolworths and Event Cinemas.

The centre features Australia's first automall shopping precinct, a 2,400 square metre car experience destination featuring eight car brands, servicing and maintenance retail space.

The centre's management team provides engaging community activations to connect the shopping centre community. Over the year, the team delivered 55 activations, including Project Reloved, a unique activation which sold clothing donated by Brisbane fashion influencers and the local community. The proceeds of the sales were donated to Serving Our People, a charity that supports people in need by 'delivering anything to anyone in need'. In FY24, more than 12 million people visited the centre.

Indooroopilly is owned by Dexus Shopping Centre Fund (25%) and Dexus Wholesale Property Fund (25%).



\$9.2bn

Retail funds under management

123

Retail properties

1.5m sqm

Retail space

QV, Melbourne

QV Melbourne is a leading shopping precinct in the heart of Melbourne's CBD located at 180–222 Lonsdale Street. The precinct offers the quintessential city shopping experience through a series of interconnected laneways housing premium fashion, beauty and lifestyle brands, lively dining options, unique entertainment options and convenient CBD parking.

QV Melbourne is a one-stop destination for CBD office workers, tourists and Melbourne's residents. The centre spans 47,000 square metres of prime retail space, anchored by national retail chains including Woolworths, Big W, Dan Murphy's, Harvey Norman and Officeworks, and offers entertainment including ten-pin bowling and karaoke.

In FY24, QV attracted more than 2.1 million visitors to the centre with custom activations during Melbourne Fashion Week and Lunar New Year helping to drive visitation.

QV Melbourne is owned by Dexus (25%), Dexus Office Partner (25%) and Victoria Square (50%).



Leading cities continued

Healthcare

Dexus partners with leading Australian healthcare providers to provide end-to-end financial and operational solutions for private hospital partners and government through sale and leasebacks and precinct development services.



The platform's portfolio of high-quality healthcare assets is helping to meet the demand of a growing and ageing population and contributing to the long-term viability of the Australian healthcare sector.

\$1.8bn

Healthcare funds under management

11

Healthcare properties

0.1m sqm

Healthcare space

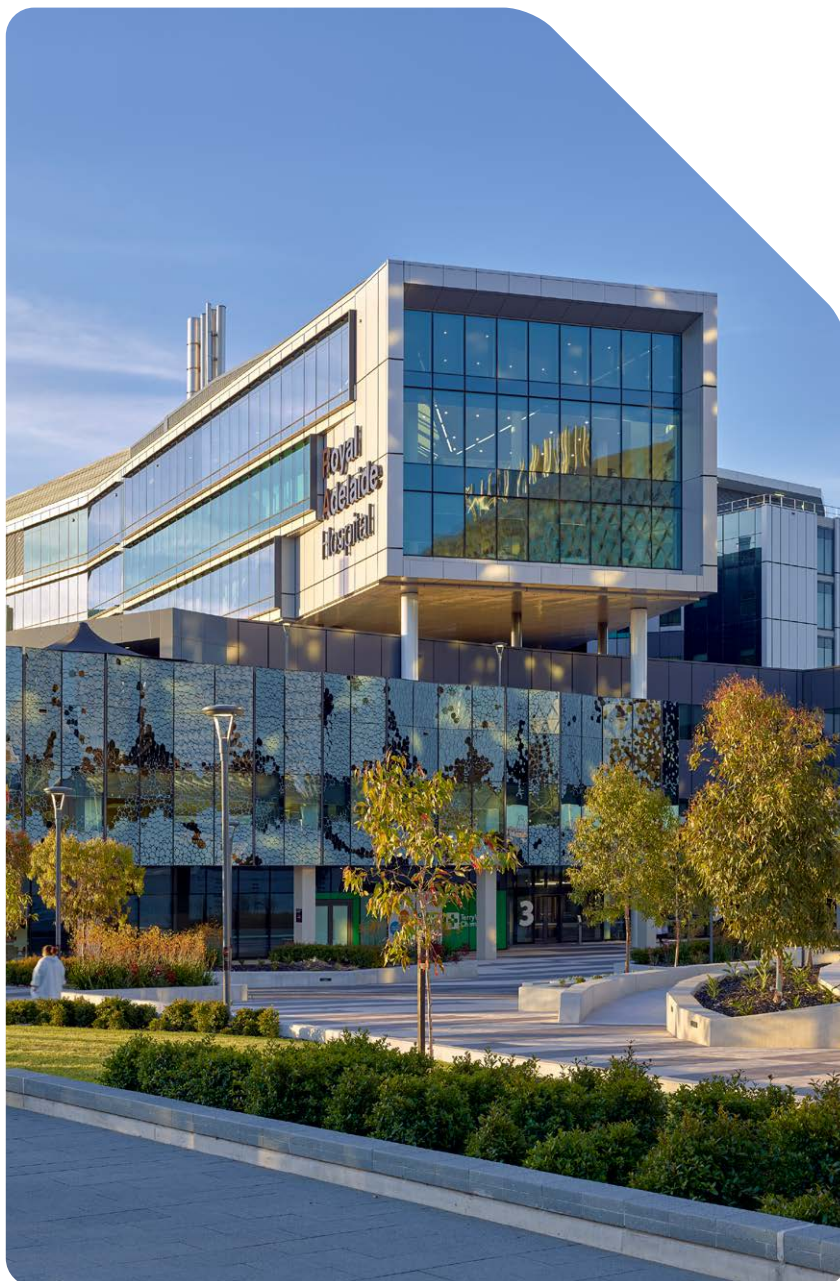
Royal Adelaide Hospital, South Australia

Royal Adelaide Hospital is one of the most advanced and sustainable medical facilities in the world, featuring 40 operating theatres, 800 beds, treating 85,000 inpatients and 600,000 outpatients each year.

Clinical Services at the hospital are provided by SA Health, and the hospital combines clinical services, training and research facilities to deliver high quality and complex patient care.

The investment provides exposure to a premium healthcare asset with reliable income backed by the South Australian Government delivered as a 35-year Public Private Partnership. The Dexus platform owns 73% of Celsus, the consortium that manages and maintains the Royal Adelaide Hospital.

With its majority ownership stake, Dexus portfolio managers actively support the management team leveraging platform expertise across asset management, financial services and other core property services to improve operational and financial outcomes.



Infrastructure

Dexus is uniquely positioned as a leading Australasian real estate enabled infrastructure partner. The platform's owned and managed infrastructure portfolio investments underpin the fabric of society through their contribution to sustainable economic growth.

The Dexus platform infrastructure portfolio includes 27 world class assets across every state and territory in Australia and New Zealand. Its infrastructure assets are real, tangible and deliver essential services to our communities, including hospitals, airports, rail, energy providers, university accommodation and schools.

\$10.9bn
Platform infrastructure funds under management

27
Infrastructure investments

The Dexus Platform's infrastructure portfolio supports communities to thrive and is focused around the four pillars of health, transport, energy and social.



Transport

- Melbourne Airport
- Port Hedland International Airport
- Reliance Rail
- Launceston Airport



Health

- Royal Adelaide Hospital
- Royal North Shore Hospital
- Victorian Comprehensive Cancer Centre
- Opal Health Care



Social/Living

- Optus Stadium
- NSW Schools, SA Schools, SEQ Schools, VIC Schools
- ANU Student Accommodation
- University of Melbourne Student Accommodation
- Sydney University Village
- Victorian Desalination Plant



Energy

- Powerco New Zealand
- Macarthur Wind Farm

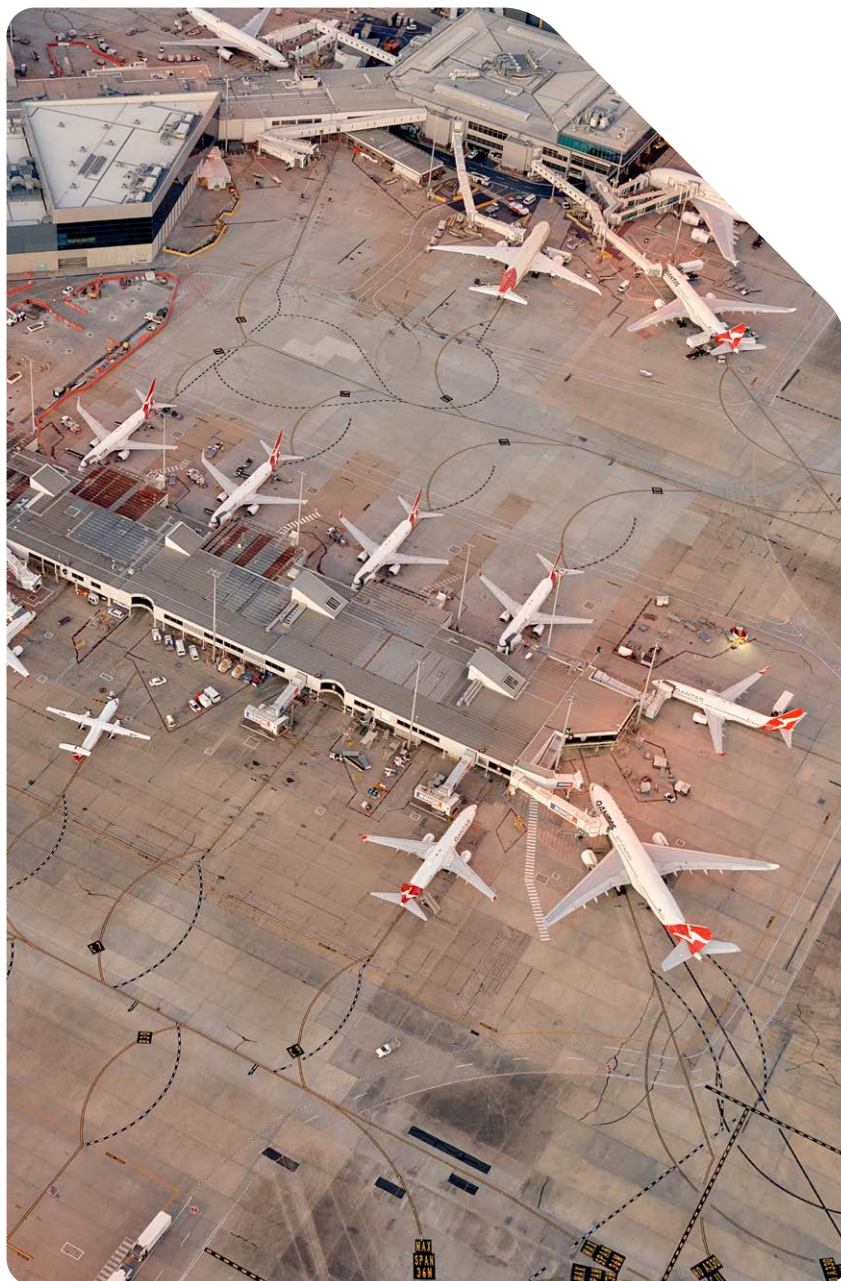


Melbourne Airport

Melbourne Airport has one of the world's largest airport land holdings across a 2,741-hectare site, servicing more than 35 million passengers annually. Its commercial revenues are derived from a range of aviation ground transport, retail and other property activities.

In FY24, the airport achieved several milestones, including being named the Best Airport in Australia and the Pacific at the 2024 Skytrax World Airport Awards, setting new records across international passenger numbers and export freight volumes and opening a new \$20 million dining precinct inside Terminal 1.

Dexus manages the largest combined shareholding in Melbourne Airport on behalf of its clients and is working closely with other shareholders and the management team to unlock the economic potential of the asset. This work is focused on delivering a step change in growth at the airport, including a third runway, as well as aeronautical negotiations and funding strategy, in addition to leveraging the property adjacent.





University of Melbourne

The Dexus platform owns and manages a large portfolio of on-campus student accommodation with more than 7,000 beds across three out of the top four Australian universities.

At the University of Melbourne, Dexus has a 40+ year concession across three purpose-built student accommodation (PBSA) residences, offering 1,481 beds to both domestic and international students.

On campus accommodation continues to be the preferred accommodation option for out-of-area students who benefit from on-site student welfare support, social engagement opportunities and security services.

For the universities, partnering with Dexus delivers modern, integrated and secure facilities while freeing up capital to fund other facilities on campus, academic and research programs and support the growth of the campuses.

Dexus's capability in this sector provides insight to the emerging trends which are used to improve the experience for students and inform the capital strategy for investors.

In FY24, the student accommodation facilities on the Dexus platform enjoyed 96% occupancy and 58% of students reapplied from the prior year, a key indicator of student satisfaction (noting an industry benchmark of 40%).



Thriving people

We believe our organisational performance is intrinsically linked to our ability to leverage the diverse thinking, expertise, experience and leadership strengths of our people.



How we are
creating
Thriving
people

61%

Employee
Engagement

34.2%

Female representation
in senior management
and executive roles

98.8%

Safety audit
score across
Dexus workspaces

972

Dexus employees



The knowledge and expertise of our people is central to creating value and successfully delivering our strategy

Our people are central to implementing our approach to sustainability in our operations and across our projects. Our goal is to provide an inclusive and meaningful employee experience, with our people contributing to impactful environmental and social outcomes in their daily work.

Realising the potential of an integrated workforce

We recognise that to deliver our strategic aspirations and optimise performance, we need scalable and consistent people practices. Following completion of the acquisition of AMP Capital, our focus has been on harmonising our people practices and strengthening our core foundations.

In March 2024 we introduced a new workforce architecture which provides us with a consistent way to measure the size, shape and complexity of all the roles in Dexus.

The structure and standardised role titles help us maintain consistency in the way we attract, retain and reward our employees.

Throughout the year we held a series of spotlight sessions to embed these people changes. The sessions were held for our people leaders and more widely for all our employees to raise awareness and improve people's understanding of the changes and their benefits. This was an important milestone of the integration, as it signified to our people that we were moving forward as one organisation.

Evolving our culture

We are a passionate team who strive to make a difference. Our culture is an important driver of delivering investment performance and is underpinned by our purpose and values.

Our purpose *Unlock Potential, Create Tomorrow* captures our unique ability to expand on what is possible and use the potential to deliver long-term value for our people, customers, investors and communities.

Our culture is what makes Dexus capable of realising our purpose. It guides our behaviours, interactions and decisions, setting us apart in a dynamic and competitive landscape. Our culture is guided by our values *Rally to achieve together* and *Build trust through action*.

Our purpose and values were launched a year ago representing our evolved culture, and our focus has been on embedding this culture. A variety of channels and initiatives have been used to do this including all employee forums, Executive leader updates, in person events, and a gamification app – Culture Unlocked. The app was a highly successful initiative that engaged our people in an interactive way on our values and culture, while providing access to learning, leadership and wellbeing resources.

We also refreshed our Quarterly Employee Awards format to introduce values awards, giving people an opportunity to recognise their peers for living our values.

In FY25 we will further embed our culture into our ways of working and foster connections with our people.

Our values

Rally to achieve together
Build trust through action

Board focus

In FY24, the Board and Board People and Remuneration Committee were involved in:

- Overseeing the finalisation of the AMP Capital integration process
- Providing input into our new organisational purpose and values
- Monitoring the organisational culture and engagement metrics
- Endorsing the Dexus psychosocial risk action plan

For further details on the Board People and Remuneration Committee's key focus areas relating to Director and Executive remuneration during FY24, refer to the Remuneration Report starting on page 90 and to the 2024 Corporate Governance Statement available at www.dexus.com.



Fostering an engaged workforce

An engaged workforce is central to achieving a cohesive culture. We listen to our people and curate inspiring workspaces and experiences to motivate them to deliver on our purpose and business strategy.

Engagement surveys give our people the opportunity to provide feedback on their Dexus experience. These surveys are an important feedback channel that we employ to help us identify areas where we excel, as well as areas where we need to improve. They are used to inform our people strategy and initiatives.

In FY23, our two engagement surveys were conducted before and around the time of the first completion of the AMP Capital acquisition. The overall average engagement score of 70% only reflects the heritage Dexus employee cohort, as it was too early for many transitioning AMP Capital employees to comment on their overall employee experience at Dexus.

In FY24, the surveys captured the employee engagement for our integrated workforce. The average overall engagement score of 61% is reflective of an environment of significant change. The AMP Capital acquisition required significant effort from our people during the year. We thank our employees for their continued commitment and engagement in the organisation.

Delivering FY24 Thriving People commitments

FY24 commitment	Status	FY24 progress
Continued commitment to gender equity and progress against our gender diversity targets including to achievement of gender balance (40:40:20) in senior management and executive roles by FY25.	●	Female representation across senior management and executive roles was 34.2% at 30 June 2024. We remain committed to our target and are reviewing our approach to achieving meaningful long-term change.
Focus areas		
Embed the new values and behaviours into business operations and ways of working.		Launched a new Dexus purpose and values following consultation with the Board and a diverse range of employee groups. Commenced embedding our culture in an interactive way with our people.
Enhancing our approach to employee wellbeing, including education and benefits.		Conducted an external review of wellbeing practices and psychosocial risk and embarked on an action plan endorsed by the Board and Executive Committee.

● Achieved ● Not achieved ● Progressed

Wellbeing was a central focus for our people in FY24. We engaged external consultants to undertake a detailed review of our psychosocial risk and employee practices.

We achieved our highest ever engagement survey response rate of 90%, indicating the strong desire of our people to have their voices heard.

Our focus for FY25 will be to use the feedback and insights from our engagement surveys to inform further coordinated action through strategic people initiatives. This includes embedding our values and continuing to actively support internal career planning, development and learning opportunities for our people.

Ensuring the safety and wellbeing of our people

The management of employee wellbeing is critical to fostering a safe, healthy and productive workforce.

In FY24, proactive steps were taken to address Respect@Work legislative change. We also engaged external consultants to undertake a detailed review of our psychosocial risk and employee practices, with feedback sourced through a whole of workforce survey, interviews and focus groups.

The review identified positive practices regarding our approach to bullying and harassment. It also identified opportunities to enhance our approach to managing workloads, improve the employee experience and expand the ways we connect with each other. Our focus for FY25 will be to further embed practices and ensure consistent employee experiences across the organisation.

We continued to track our progress on wellbeing through our employee engagement survey. Manager support remains strong, with 88% of our people feeling their manager genuinely cares about their wellbeing (May 2024), an increase of 7% from FY23.

Our quarterly Employee Awards celebrate safe work practices and this year we expanded the scope of the awards to also include Wellbeing. An example of this recognition is the award presented to a member of our industrial team who facilitated a partnership with Healthy Heads in Trucks & Sheds to deliver a mental health awareness session and morning tea with customers at our industrial estate at Ravenhall, Victoria. See page 60 to read more about this community initiative.

In recognition of World Mental Health Day, we hosted an employee event with eco-psychologist Mark Mathieson, who explored the relationship between our environments, our bodies and mental health. For R U OK Day?, we facilitated Executive and Director roundtable sessions for our people.

We continue to partner with suppliers and industry associations to upskill our people and share resources across key topics relating to health, safety and wellbeing. For National Safe Work month, our focus was "For everyone's safety, work safely", which encouraged individuals to prioritise safety in the workplace because all workers have the right to be safe at work. We held a roadshow which included training webinars and a guest speaker promoting a safe and healthy workplace.

Work, Health, Safety & Environment training programs were delivered across all business areas, ensuring our people remain equipped with the necessary knowledge and skills to maintain safety and wellbeing in their workplace. Our comprehensive workplace health and safety program was also re-certified this year under ISO 45001:2018, confirming our continued and comprehensive monitoring of health and safety for our employees and workplaces.

Supporting our employees with robust working arrangements

Flexibility at Dexus provides every employee with the opportunity to have a say in when, how, or where their work is performed. Dexus supports and encourages flexible work practices to increase personal wellbeing and employee engagement, improve team performance and motivation, maximise productivity, retain talent, and encourage an organisational culture of diversity and inclusion. As at 30 June 2024, 79% of our people were using informal flexible and hybrid work practices. Our engagement survey results also reported 78% of employees have found effective ways to collaborate as a team while working flexibly.

We continue to support our employees with caring responsibilities. Nearly 50% of our people are parents or guardians of a child aged between 0-17, or act as a carer for someone. Our parental leave policy entitlements support families by providing inclusive parental leave assistance for employees. As at 30 June 2024, 77% of our people believe our leave arrangements are sufficient and flexible to enable the handling of important caring responsibilities, and 79% of our people said their manager supports a combination of work and care.

Building strength and resilience through inclusion

We support an inclusive and diverse workforce that reflects our customers and communities. Monitoring diversity is an important step in supporting an inclusive workplace by providing insights into progress and areas for improvement. During the year we continued to monitor factors such as cultural background, country of origin, sexual orientation, gender identity and age. We also supported initiatives that celebrate inclusive practices.

Gender diversity

Dexus is committed to gender equality and creating meaningful long-term change in gender representation at all levels and across all areas of our business, accelerating our pipeline of talent and closing the pay gap.

Thriving people continued

Diversity representation targets are approved by the Board and progress is reported to the Board People and Remuneration Committee and Executive Committee. Our Board gender diversity target is at least 33% of non-executive directorships held by women by 30 June 2025. For the organisation, our target is 40:40:20 (40% male, 40% female, 20% any gender) for senior management and executive roles for the same period. As at 30 June 2024, women represented 57% of Non-Executive Directors and 34.2% of senior management and executive roles.

In February 2024, the Workplace Gender Equality Agency (WGEA) published the gender pay gaps for private sector Australian organisations with 100 or more employees. This is the first time this data was officially released and seeks to improve transparency, accountability and motivate action to accelerate progress on gender equality in workplaces. The Dexis median total remuneration pay gap was 29.3% and median base remuneration pay gap was 26.4%. Given the acquisition of the AMP Capital platform during the WGEA reporting period (1 April 2022 – 31 March 2023), the Dexis results published this year include a combination of data for both organisations.

Internal analysis continues to demonstrate our pay practices are equitable, irrespective of gender. Our results show we have an opportunity to further increase female representation (especially in more senior and revenue-generating roles) across our business; an opportunity that also applies to our peers across the sector.

We remain committed to both achieving our gender representation targets and reducing the gender pay gap. Achieving meaningful long-term change requires a multi-faceted approach and we now have a deeper understanding of our employee's perspectives on gender and inclusion.

In June 2024, we surveyed our people, inviting ideas on how we can improve our approach. In FY25 we will use this data and CEO hosted round table discussions to review our current people practices and make changes as required.

We will also be reviewing our gender representation targets during the year with a view of creating alignment across our workforce cohorts, including non-executive directors.

Property Champions of Change Coalition

Dexis is a member of the Property Champions of Change Coalition, and our new CEO Ross Du Vernet has joined the member community. The Coalition's current focus is on collectively driving gender equality in the property industry by sharing learnings and implementing initiatives to increase the number of women in leadership roles and to close the gender pay gap.

As part of the Coalition, Dexis is piloting the gender equality dashboard, designed to track and report on key drivers of the gender pay gap.

Dexis Director Rhoda Phillippo participated in an all-employee webinar on International Women's Day, where she shared her career experiences through an interactive session. This event was one of two events we held to educate our people on personal biases in the workplace.

Supporting next generation careers

We are committed to supporting initiatives that foster and create pathways for the next generation of female talent into the property industry. During the year, Dexis hosted the Girls in Property initiative in partnership with the Property Council of Australia at our Sydney headquarters at Quay Quarter Tower.

The purpose of this initiative is to raise awareness of the career paths available in the property industry and to encourage a more diverse pipeline of talent into the sector.

Our long-standing Future Leaders in Property (FLIP) program continues to provide high school girls with exposure to the property industry to encourage subject selection and education pathways.

Based on the concept 'if she can see it, she can be it', FLIP provides students with a unique opportunity to hear from female leaders involved in Dexis assets and development projects and to learn about the broad range of career paths available in property. This year we hosted sessions in Sydney and Brisbane which included an asset tour, a panel session and a presentation on construction methodology. The students gain insight into the full spectrum of property business activities, including asset management, facilities management, leasing, marketing, development, and construction. Further details are available at www.dexis.com/casestudies.

LGBTQ+

In recognition of our commitment and progress of LGBTQ+ inclusion, Dexis was awarded Silver Employer by Pride in Diversity's Australian Workplace Equality Index. Led by our LGBTQ+ employee network TRIBE, we continued to raise awareness, educate and celebrate LGBTQ+ inclusion across our workforce and customer community.

We embed and promote LGBTQ+ inclusion both internally and externally through employee and customer events and advising on initiatives across our developments and assets, including all gender bathrooms. Throughout the year, TRIBE hosted internal events to educate and build awareness around LGBTQ+ inclusion such as Mardi Gras and Wear it Purple Day. Our office property team facilitates customer initiatives including lobby activations, lighting up our buildings on inclusion days of significance and rainbow stairs.

In FY24, we introduced Gender Affirmation guidelines and resources for our employees. We continue to focus on training or people managers, our People and Culture team, and all employees to build awareness of LGBTQ+ and support an inclusive culture.

Dexis is also a member of external industry bodies Pride in Diversity and Building Pride. Our TRIBE network and allies, actively support and participate in industry and community events including the Pride in Practice Conference, Midsumma, and Pride in Property events.



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Working with Aboriginal and Torres Strait Islander peoples

The Dexus Reconciliation Action Plan (RAP) reinforces our commitment to promoting acknowledgement, respect and reconciliation with Australia’s First Nations peoples. The RAP is endorsed by Reconciliation Australia and marks an important early step in our reconciliation journey. The Dexus RAP was updated this year to align with our new purpose, values, and priority areas of impact.

Cultural awareness training was designed in partnership with PwC Indigenous Consulting, with 88% of employees participating in the training as at 30 June 2024.

The referendum to decide whether to enact an Aboriginal and Torres Strait Islander Voice to Parliament was a prominent issue for all Australians regardless of their background. Acknowledging the importance of the referendum, we supported our people by providing access to information and facilitating an all-employee virtual webinar hosted by the Dexus RAP Working Group, which provided a platform for representatives from PwC Indigenous Consulting to reflect on the referendum and its potential impacts.

More information on our Reflect Reconciliation Action Plan is publicly available at www.dexus.com.

Investing in our people

We continue to support the development of our people through initiatives that empower them to thrive. Lead @ Dexus is a program designed to instil self-awareness, motivate and provide strategies to our people to improve their leadership skills. In FY24, we progressed our commitment to roll out the program to all people managers as well as new and emerging leaders.

As at 30 June 2024, 67% of people managers completed the first module and 25% completed the second module.

As part of our Grow @ Dexus program, all employees are provided with inclusive development opportunities. This year, we delivered a total of seven sessions, each designed to enhance awareness and understanding across topics, including wellbeing, productivity and ESG practices.

Our sessions included strategies for energising the workday, the connection between mental health and nature (as explored by an eco-psychologist). We partnered with Leaders for Good who explored how different biases can be recognised, understood and addressed in the workplace.

Supporting our Sustainability Strategy, we also hosted Ronni Khan, the founder of OzHarvest, who shared her story of creating community impact while reducing food waste and minimising the carbon footprint.

The inaugural Dexus Mentoring Program launched this year, offering development opportunities for our people outside of formal training. Sponsored by our Chief Financial Officer, the program encourages connection and provides individual career guidance through pairing up mentors with mentees across the business. The 20 mentees participating in the program dedicated time and focus on self-improvement and their career goals, while the 20 mentors generously supported them with their professional development.

Further details are available at www.dexus.com/casestudies.



FY25 commitments

Continued commitment to gender equity and our gender diversity targets including the achievement of gender balance (40:40:20) in senior management and executive roles by FY25.

Focus areas

Enhance our approach to employee wellbeing and psychosocial risk.

Refine our approach to inclusion and diversity.

Customer prosperity

We support the prosperity of our customers by investing in, designing, developing and managing real assets. Our products and services prioritise occupant wellbeing and drive sustainability performance.



How we are
creating
Customer
prosperity

+44

Customer Net
Promoter Score

6,854

Customers

5.2 stars

NABERS Indoor
Environment average
rating across our
platform's office portfolio



Our assets, along with the places we create in and around them, can enhance customer productivity and promote wellbeing. Our focus is on delivering exceptional customer experiences, unlocking potential to create tomorrow.

Creating places and experiences that benefit our customers

We design and manage our assets to enhance customer productivity and satisfaction. We also prioritise the wellbeing of individuals and communities who interact with our spaces – whether they are occupants or visitors. Our workplaces foster innovative ways of working, with the potential to drive employee engagement, productivity, talent attraction and retention, and are aligned with our customers' own sustainability goals.

Supporting engaged customer communities in our buildings

We survey our customers each year to better understand their experiences at our assets and their evolving business needs. Our Customer Net Promoter Score of +44 (out of a range between -100 to +100) across our office, industrial and health portfolios, indicates we are effectively supporting and helping our customers across our platform. Survey feedback has identified themes such as climate, waste, mental health and community partnerships as being important to customers and our engagement and communication on these has been well received. We also continue to see response times as a key driver of successful collaboration.

More information on environmental themes can be found in the Climate Action and Sustainability Foundations sections and are considering the inclusion of additional asset classes in future.

Customer satisfaction, wellbeing and productivity

Supporting customer wellbeing and productivity with healthy buildings

There is growing awareness of the role of the built environment in supporting people's health and safety. We measure the operational performance of our assets via the NABERS Indoor Environment rating tool, a well-established program to benchmark indoor environment quality across property portfolios.

Our platform office portfolio has a weighted-average NABERS Indoor Environment rating of 5.2 stars. Notable highlights include 12 of our office assets achieving a 6 star rating (market leading performance), up from four assets last year and 17 of our office assets achieving a 5.5 star rating (excellent performance, up from 11 last year).

This year we expanded our WELL certification program, delivering evidence-based health and wellbeing outcomes to our customers through the WELL Building Institute's WELL at scale offering. While WELL certification has enabled us to define what healthier buildings look like, WELL at scale helps us leverage our approach to customer health and wellbeing across the platform by scaling certifications across multiple assets.

Our initial focus is to maintain the Health and Safety ratings across the portfolio. All 36 office assets that we submitted for a WELL Health and Safety rating in 2023 maintained their certification. An additional three assets have been registered under the WELL at scale program and will be certified under WELL Health and Safety in the coming year.

As well as achieving WELL ratings in existing assets, WELL ratings are integrated into our development designs. Waterfront Brisbane and Atlassian Central, Sydney are under construction and committed to delivering WELL certifications.

Board focus

In FY24 the Board and Board Sustainability Committee was involved in:

- Approving Customer Prosperity as a priority area of the Dexu Sustainability Strategy
- Overseeing the Customer Prosperity roadmap, including the development of flagship programs
- Reviewing and discussing the annual customer survey results and associated actions
- Reviewing customer complaints
- Overseeing targets to deliver a Customer NPS of 40+ and a NABERS Indoor Environment 5 star office portfolio average rating by FY25

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Customer prosperity continued

Leveraging scale to support prosperity and mental wellbeing

We recognise the importance of mental health and the prevalence of mental health challenges in the workplace, both for our customers and employees. We continued our partnership with **Black Dog Institute**, Australia's only medical research institute that studies mental health across the lifespan, with the goal of creating a mentally healthier world for everyone. Through this partnership, we provide access to mental health training to our office, industrial and healthcare customers. Four hundred training spaces were offered to executive leaders, managers and employees, with 110 customer groups registering to participate in the training across Sydney, Melbourne, Brisbane and Perth, both in person and online.

This year, we extended our mental health and wellbeing program to provide a sector-specific offering at our industrial assets.

We partnered with **Healthy Heads in Trucks & Sheds (HHTS)**, a mental health and wellbeing organisation focused on prevention and understanding of mental health issues in the road transportation and logistics industries. We partnered with HHTS to offer our industrial customers access to mental health resources, including the Healthy Heads App offering fitness content, resilience resources and links for crisis support.

We also hosted a HHTS roadshow at Dexus Industrial Estate in Truganina, Victoria, with the aim of fostering connections and reducing the stigma of mental health. We partnered with Coles to host this event at their site and invited other local customers to attend.

We also partnered with **Mates in Construction** to support the health and wellbeing of our delivery partners' employees. Mates in Construction brings together Australia's building and construction industry to raise awareness and funds for suicide prevention and we have mandated Mates in Construction resources across our industrial developments.

Further details are available at www.dexus.com/casestudies.

Partnerships for recycling success

Waste management is increasingly important to our customers, and as a property manager, we have the capability to influence our customers' waste management practices. By introducing circular economy principles across our assets, we can significantly reduce the levels of waste generated across our portfolio. More information on our approach to broader circularity and waste management is included in Sustainability Foundations.

We continued our partnership with **Planet Ark**, offering our customers programs that support their recycling initiatives. Batteries 4 Planet Ark safely collects and recycles batteries, and Business Recycling Planet Ark provides an online resource for workplaces looking to reduce their waste to landfill. In addition, we offer customised Planet Ark activations to improve waste diversion rates, such as waste sorting competitions, online trivia competitions, and recycling and sustainable art displays.

We also partner with Planet Ark to celebrate our customers' anniversary in their Dexus building, gifting a donation to Planet Ark's Seedling Bank. This initiative supports community groups to restore their natural landscape, and over the past three years, our contribution has planted over 14,500 trees, shrubs and grasses in communities around Australia.

Delivering FY24 Customer prosperity commitments

FY24 commitment	Status	FY24 progress
Maintain a Customer Net Promoter Score for the platform office, industrial and health portfolios at or above +40.	●	Achieved a Customer Net Promoter Score for the platform office, industrial and health portfolios of +44, driven by a focus on customer experience and engagement programs informed by the 2023 Customer Survey.
Through initiatives that enhance occupant health and wellbeing, deliver an average 5 star NABERS Indoor Environment rating across the platform's office portfolio by FY25.	●	On track to achieve FY25 target with 5.2 star portfolio average NABERS Indoor Environment rating measured across 91% of our office portfolio in FY24.
Continue to support customer wellbeing by delivering initiatives such as a WELL health and safety portfolio certification.	●	Maintained WELL Health & Safety rating across 36 Dexus owned and managed office assets. We transitioned to the WELL at scale offering to aggregate and centralise our delivery of health and wellbeing initiatives and certifications across the platform.

● Achieved ○ Not achieved ● Progressed

Customer experience uplift through scaled service delivery

We appointed a new concierge and customer experience services delivery partner supporting 37 of our office assets. This collaboration brings consistency to the service we provide to our office customers as we continue to engage and celebrate our building communities.

As well as offering fitness classes and lobby activations, we have celebrated diversity with our customers throughout the year with activations including Lunar New Year celebrations showcasing dragon dancers and lucky gold envelopes and Mardi Gras where many of our NSW office assets featured rainbow signage and celebrations.

Supporting our customers on their sustainability journey

Increasing renewable energy uptake

We acknowledge the role we play in decarbonising our value chain and continue to support our customers to increase their renewable energy uptake. As customers increasingly set their own decarbonisation goals, we have seen the addition of new members to our GreenPower Buyers Group program. We initiated the group in 2021 to help our customers overcome the challenges of decarbonising their energy supply and to lower costs by working together to collectively purchase renewable electricity. Leveraging our scale, customers receive electricity via our embedded networks and purchase renewable electricity in the form of accredited GreenPower.

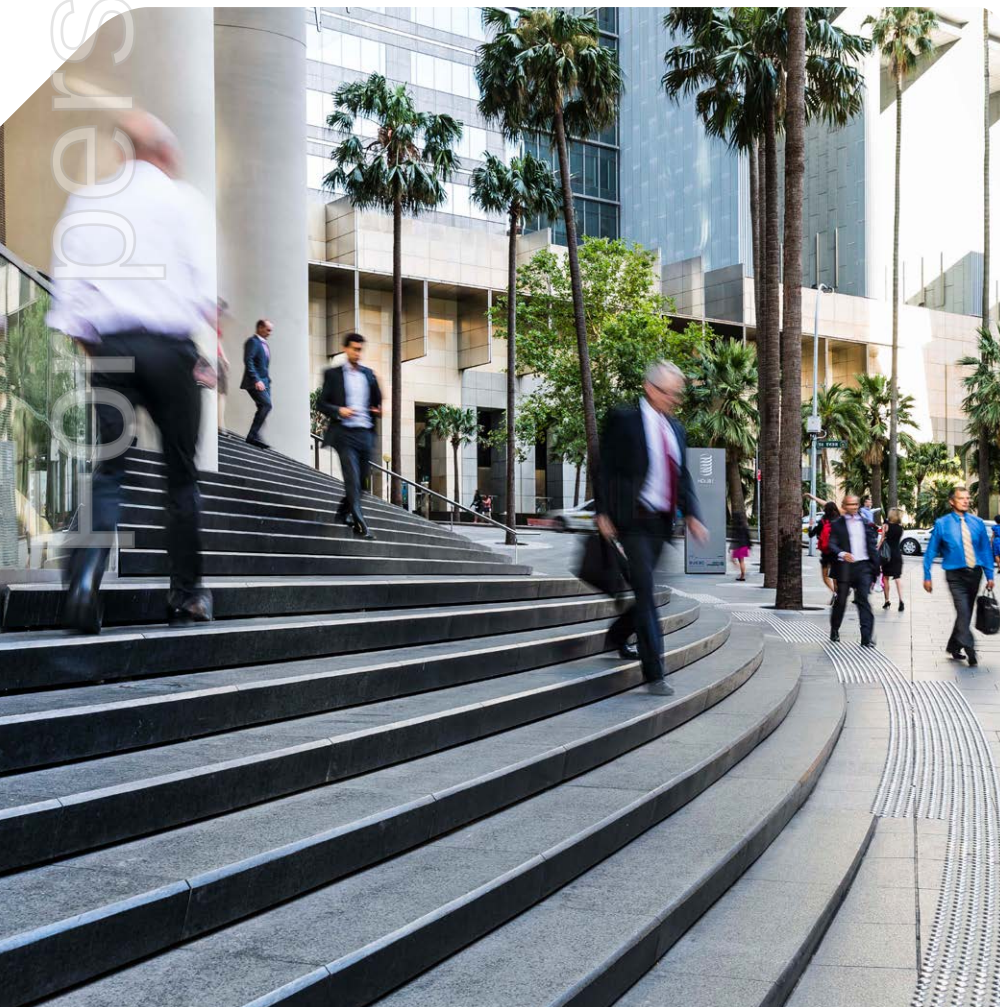
Members have now collectively purchased over 3,300 megawatt-hours of renewable electricity and avoided over 2,200 tonnes of greenhouse gas emissions since the program's inception.

Future workspaces

Traditional fitouts can account for up to 40% of a building's life cycle carbon emissions, and are therefore a significant contributor to environmental impact. We are looking 'beyond the base build' to support our customers in creating and delivering the next generation of sustainable workplace fitouts.

We have developed Greenkey® Fitout Requirements to help our customers reduce upfront carbon emissions, minimise waste, design for longevity, procure responsibly and use materials that promote a healthy workplace. This initiative has been designed to attach to a fitout brief and integrate with the workplace design, significantly reducing the time and cost required to build in best practice.

The Waterfront Brisbane project is leading the Greenkey® Fitout initiative, championing a market-differentiating platform that customers can leverage to contribute to their corporate sustainability performance and employee wellbeing. This project will create a new standard for Dexus leases that can be scaled across our portfolio, further increasing collaboration with customers on creating a more sustainable tomorrow.



FY25 commitments

Maintain a Customer Net Promoter Score for the platform office, industrial and health portfolios at or above +40.

Deliver on our FY21 target to achieve an average 5 star NABERS Indoor Environment rating across the platform office portfolio by FY25 through initiatives that enhance occupant health and wellbeing.

Focus areas

Greenkey® customer program expanded to more parts of the platform.

Climate action

We focus on climate action to accelerate the transition to a decarbonised economy, while also safeguarding and advancing our people, assets and financial returns.



How we are
delivering
on Climate
action

Maintained

Net zero across scope 1 and 2 (and operational scope 3) emissions across managed portfolio¹

4.9 stars

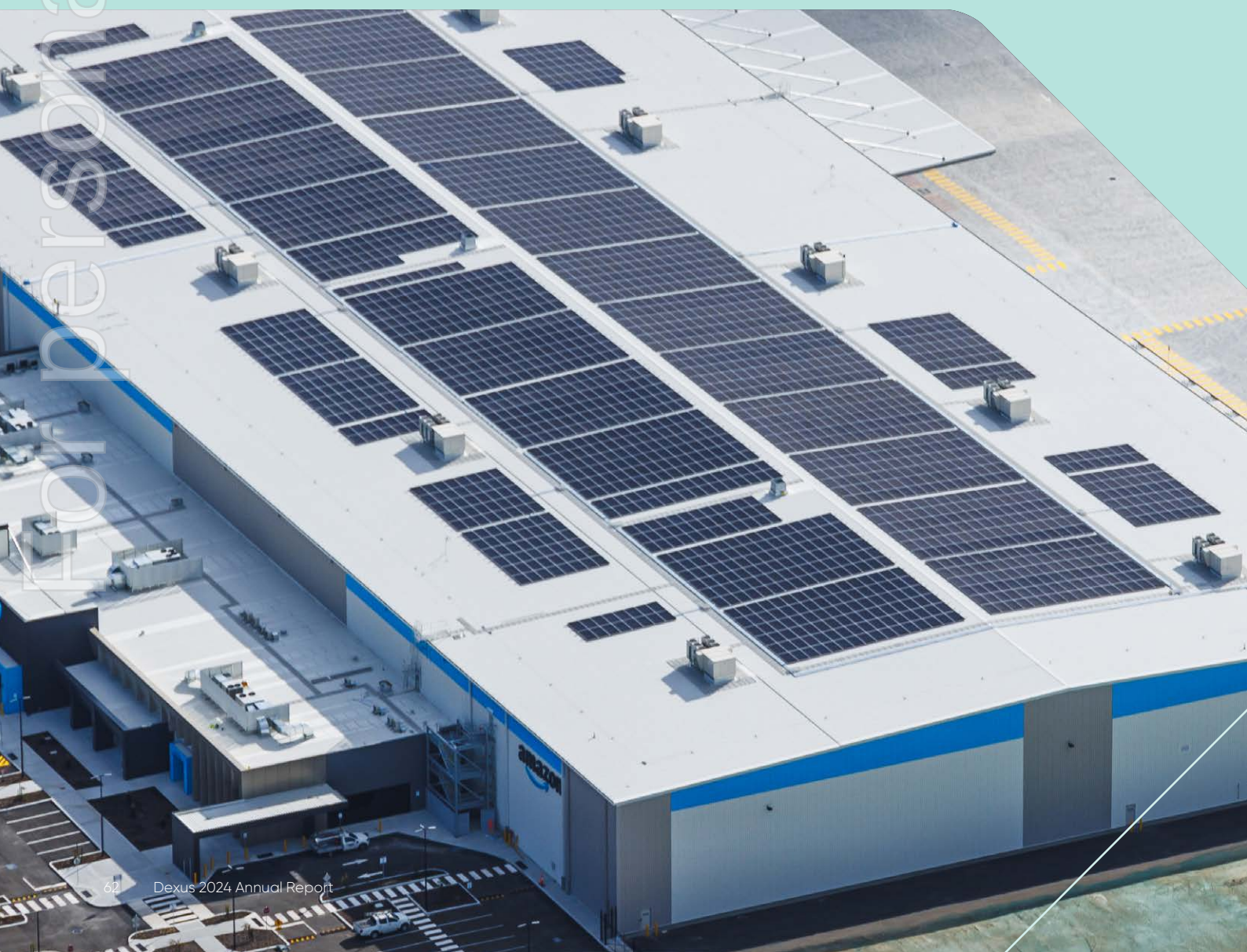
NABERS Energy average rating across our platform office portfolio

4.2 stars

NABERS Water average rating across our platform office portfolio

3.5 stars

NABERS Waste average rating across our platform office portfolio



Climate-related risks and opportunities

Climate-related issues present risks and opportunities across our operations, along with potential strategic opportunities.

Being a leading Australasian real asset group requires us to understand how both the physical and transitional risks of climate change will impact our ability to create and maintain value.

Prioritising Climate Action positions us to proactively respond to climate-related risks and opportunities and broadly aligns with the requirements of the draft Australian Sustainability Reporting Standards (ASRS).

Dexus welcomes increased transparency around disclosing climate-related information in accordance with the new standards. This aligns with the global shift towards sustainability disclosure accelerated by the launch of the International Financial Reporting Standard (IFRS) Foundation's International Sustainability Standards Board (ISSB).

Dexus anticipates it will be a Group 1 entity and is well-prepared to respond to the enhanced disclosure requirements based on our existing reporting against the Task Force on Climate-related Financial Disclosure (TCFD) recommendations since 2018 and our comprehensive reporting on greenhouse gas (GHG) emissions. Further details are available in our 2024 Management Approach and Procedures and Sustainability Data Pack.

Strategy

As one of our sustainability priority areas, Climate Action recognises the central role that real assets must play in responding to climate change. Our capacity to create value depends on our ability to develop and manage assets that are high performing, resilient and have a positive impact on the health of both people and the natural environment.

Climate Action is focused on three priorities:

- **Decarbonisation:** Continuing to decarbonise our platform, including our value chain and customers to mitigate risk and preserve value
- **Resilience and adaptation:** Increasing physical and financial resilience against the impacts of a changing climate
- **Transition investment:** Capitalising on climate-related opportunities and investments, while supporting the climate transition

These are supported by an ongoing commitment to strong and transparent governance and reporting around our strategic goals, implementation program and initiatives, and performance against targets.

Our role in delivering these outcomes is aligned to our ability to directly or indirectly manage assets.

Managed portfolio: Climate action activity is owned and driven by Dexus where we have operational control of an asset. It includes activity around energy efficiency and electrification, climate risk scenario analysis and development of climate transition investments.

Portfolio investments: Where operational control sits with others, such as customers and investment partners, we do not directly implement sustainability programs, but seek to influence, work with and support the entity that has operational control in sustainability delivery. Examples include programs to support our customers and investment partners to decarbonise and increase their climate resilience.

This year we made significant progress against our FY25 metrics and targets and anticipate delivering these in the next 12 months.

Looking beyond FY25, we are exploring the next phase of Climate Action and in the next 12 months we will refresh our Climate Transition Action Plan. This will see us set new decarbonisation and efficiency metrics and targets.

Board focus

In FY24, the Board and Board Sustainability Committee was involved in:

- Approving Climate Action as part of the Dexus Sustainability Strategy
- Overseeing the Climate Action roadmap, including flagship programs
- Overseeing the maintenance of Dexus's net zero commitment and transition to net zero emissions
- Overseeing the targets to deliver 10% reductions in energy and water intensity across its platform office portfolio by FY25 against a 2019 baseline
- Overseeing progress on Dexus's approach to climate resilience

1. In line with Climate Active Carbon Neutral Standard for Organisations, net emissions for the year ended 30 June 2024 include offsets purchased and allocated for retirement during the year and up to the date of this report.

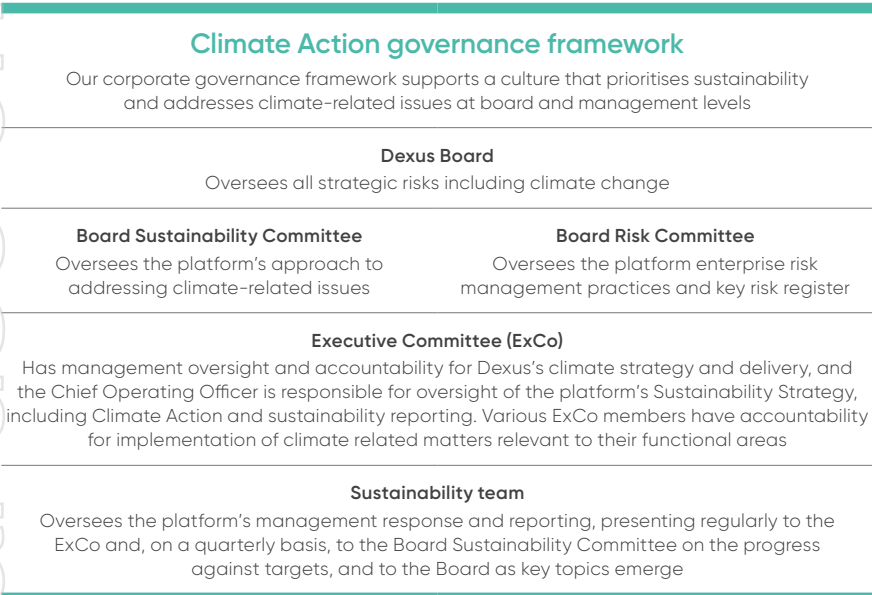


Climate action continued

Governance

We take a collaborative approach to managing climate-related impacts across the platform's operations.

Climate change has been incorporated into relevant group policies and procedures to provide guidance to employees and inform all stakeholders of our commitment to managing climate-related issues.



Sustainability objectives are integrated into all Dexus roles through inclusion in the group scorecard. Sustainability scorecard measures include performance on key sustainability benchmarks and embedding sustainability and climate action into fund investment plans and asset plans.

Key activities that supported these outcomes in FY24 included maintaining net zero¹ across the management portfolio and continued progress against commitments to reduce energy and water intensity by 10% and NABERS Energy, Water and Waste portfolio star ratings (see Metrics and Targets on page 70).

More information on Dexus Platform's approach to managing the economic, environmental and social impacts related to its business can be found in the 2024 Management Approach and Procedures.

1. In line with Climate Active Carbon Neutral Standard for Organisations, net emissions for the year ended 30 June 2024 include offsets purchased and allocated for retirement during the year and up to the date of this report.

Delivering FY24 Climate action commitments

FY24 commitment	Status	FY24 progress
Ongoing commitment to reduce energy intensity by 10% across the platform managed office portfolio by FY25 against a 2019 baseline.	●	Office energy intensity remains steady at 10.0% below the 2019 baseline as gains from energy efficiency activities are balanced by increasing levels of physical occupancy and influenced by changes to the portfolio under management.
Ongoing commitment to reduce water intensity by 10% across the platform managed office portfolio by FY25 against a 2019 baseline.	●	Office water intensity rose by 15.4% year-on-year and remains 23.2% below the 2019 baseline as water management savings are offset by higher levels of physical occupancy and influenced by changes to the portfolio under management.
Focus areas		
Looking beyond net zero to amplify impact across our value chain including our 1.5-degree decarbonisation journey and 2030 goals.		Achieved and maintained net zero ¹ on scope 1 and 2 (and operational scope 3) emissions for our platform managed portfolio since FY22. Our decarbonisation initiatives continue as we amplify impact across our value chain.
Having achieved 100% sourcing of electricity from renewable sources in FY22, we aim to maintain this to 2030 and beyond across the platform's managed portfolio as a RE100 signatory.		Maintained sourcing of 100% renewable electricity purchasing for our platform managed portfolio and advancing uptake of energy efficiency, electrification, solar and battery storage.

● Achieved ○ Not achieved ● Progressed

We obtain external assurance over selected sustainability performance data, with progress against environmental targets and other climate metrics being disclosed in the 2024 Management Approach and Procedures and Sustainability Data Pack.

Risks and opportunities

Effective management of climate-related risks and opportunities is guided by Dexus's Sustainability Strategy and Climate action priority area. This includes addressing the following key risks and opportunities.

Priority	Risk or opportunity	Driver and how does this affect Dexus	How are we responding
 Decarbonisation	Need to reduce GHG emissions to zero to limit atmospheric carbon.	Increasing stakeholder expectations and associated income benefits for decarbonisation across the value chain (upfront emissions, operational efficiency and electrification) and reduced reliance on offsets.	– Net zero commitment – Energy, water, waste efficiency targets and programs – Sourcing 100% electricity from renewables – On-site solar program – Greenkey® program – Sustainable Development Standards
	Opportunity to increase income and/or occupancy by meeting customer demands for high performing, carbon neutral, resilient assets.		
	Opportunity to support customers' own decarbonisation goals through programs and support towards renewable energy and reducing their low upfront carbon impacts.		
 Resilience and adaptation	Direct risk to people and property from the physical impacts of climate change.	Ensuring that climate risks and opportunities across our portfolio are quantified to inform decision-making to ensure increased physical and financial resilience.	– Environment and Sustainable Procurement Policies – Embedding climate risk into Environmental Management System (ISO14001) – Portfolio and asset climate risk assessment program – Periodic transition risk and scenario analysis
	Indirect risks such as economic, regulatory or reputational to Dexus and across its value chain through climate change.		
 Transition investment	Opportunity to invest in projects and programs that support and accelerate the transition to a low carbon economy.	Leveraging real assets capability to invest in climate transition opportunities such as renewable energy, distribution and carbon credits via nature solutions.	– Infrastructure renewable energy investments – Supply chain partnerships
 Governance and reporting	Risk of inaction to changing physical, economic or regulatory conditions.	Enabling effective oversight and uplifting governance and reporting in line with emerging reporting standards.	– Maintaining strong internal governance and Board oversight – Setting continuous improvement targets – Preparing for incoming ASRS reporting requirements – Strong processes for preparing market disclosures – Embedding alignment within Fund Investment Plans and Asset Plans – Reporting in line with the TCFD recommendations
	Risk of over or under reporting of environmental claims.		
	Opportunity to enhance transparency about our climate issues and our strategic response and progress on programs and initiatives.		

Within Dexus's Risk Management Framework, climate is included as a key risk and the sustainability team is responsible for regularly reviewing climate-related risks and opportunities through scenario analysis. The Property operations and Development teams are responsible for applying the platform's risk management framework and environmental management system to appropriately manage and plan for property-related risks including climate change, with support from the risk and sustainability teams.

More information on Dexus's methodology for identifying and prioritising material risks can be found in the Materiality section of the 2024 Annual Report and our approach to managing these risks can be found in the 2024 Management Approach and Procedures.

Delivering on Climate action to address key risks and opportunities

We continue to decarbonise our platform, including supporting our value chain to mitigate risk and preserve value.

Repositioning assets and strategies for energy efficiency and electrification

Targeted decarbonisation program



As we look beyond net zero, we are driving the next phase of energy efficiency and electrification through a targeted decarbonisation program.

We completed decarbonisation roadmap studies across 23 commercial assets, which involved asset-level desktop assessments and audits to identify energy, water and electrification opportunities. The roadmaps provide commercially viable decarbonisation solutions and include the quantification of emissions savings, associated return on investment and future alignment to NABERS requirements. The results will be used to understand opportunities and challenges in expanding electrification across our platform.

In the coming year, these studies will support target setting and lifecycle planning to deliver the best experience for our customers, optimise energy performance, reduce costs and mitigate risks.

Optimising mechanical maintenance



Our continued investment in fault detection analytics optimises building operations on a daily basis. This year we retendered for mechanical maintenance services to embed analytics and data driven maintenance. The new services provide consistency in approach across the office portfolio, while delivering operational efficiencies by eliminating unnecessary scheduled maintenance activities and enabling service technicians to focus on data-driven insights and actions.

This is supported by a new, centralised approach to managing our critical building operational datasets that will be progressively rolled out in FY25. Together, these solutions will standardise, simplify and reduce the cost of bringing together building metrics, as well as positioning Dexu at the centre of our building data ecosystem.

Powered by renewable electricity



Our commitment to procuring 100% renewable electricity is supported by our platform approach to energy efficiency and decarbonisation initiatives. Our actions to promote a shift to renewable electricity are creating demand beyond our own needs through customer programs including our GreenPower Buyers Group and solar rollout. Our positive action to create a demand base that is supporting acceleration of the renewable power industry is delivering meaningful results.

Dexu is a signatory to RE100 and has been purchasing renewable electricity since 2008. We achieved, and have since maintained, our target of sourcing 100% renewable electricity in FY24 for our managed portfolio.

Sourcing of renewable energy through a combination of on-site renewable energy installations and purchasing off-site renewable electricity is embedded as a standard within our energy tendering process. Since 2021, we have partnered with energy providers via long-term agreements to implement supply-linked renewable electricity contracts that leverage procurement advantages from our buying platform to deliver long-term, viable and cost-effective solutions.

Our procurement approach aims to prioritise offtake based on geographic location, pairing renewable generation facilities across the locations we operate. We actively track our voluntary renewable sourcing and can provide transparency to our customers on where buildings source electricity.

For our Australian locations, we receive Large-scale Generation Certificates (Renewable Energy Certificates issued and verified by the Australian Government's Clean Energy Regulator) that we retire against our assets on a quarterly basis. For our managed New Zealand locations, we procure unbundled New Zealand Electricity Certificates, an energy certificate scheme in the voluntary market. These are procured on an annual basis and retired on our behalf.

For more information refer to the [2024 Sustainability Data Pack](#).

Cost-effective energy supply solutions



Across our industrial portfolio we are supporting customers' decarbonisation goals by partnering to install renewable energy generation infrastructure. We expanded our rooftop solar program with 1.26 MW of large-scale solar PV installed in FY24 and approvals are progressing on a further 2.46 MW across our committed developments.

Our energy generation ambitions are supported by a leading approach to energy storage. In an industry first, Dexu has embedded the installation of commercial grade storage batteries linked to rooftop solar panels as a design standard in all new industrial facilities.

The first tranche of battery infrastructure linked to solar panels is scheduled to be a part of Dexu's upcoming industrial projects at Horizon 3023, a 127-hectare master planned industrial estate in Melbourne's western growth corridor, with the first battery build to be completed by late 2024.

Dexu's battery infrastructure initiative forms part of our structured approach to increasing energy generation and storage at our assets, which will simultaneously reduce our customers' carbon footprint and that of our value chain, while generating significant customer cost savings.

More information on this program can be found at www.dexu.com/casestudies.



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Approach Overview

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Developments

Recognising increasing customer and investor focus on upfront carbon emissions, we launched the Sustainable Development Standards (the SDS) pilot to consistently deliver tangible sustainability outcomes for the spaces we deliver.

The SDS are embedded in our Development Excellence Method and have been trialled across office and industrial projects, prior to its full integration across the development portfolio in FY25. The standards set minimum expectations by sector and the pilot feedback has been positively received, particularly highlighting the benefit of knowledge sharing and the adoption of lessons learned from other projects.

Decarbonisation through supplier collaboration

Dexus is committed to influencing our supply chain to accelerate their own decarbonisation journey. Dexus favourably considers contracting suppliers who have a net zero target of 2030 or earlier, that is verifiable by a recognised reporting standard.

We have strengthened our supply chain monitoring to include carbon risk profiling within sustainability risk analysis. The program has been applied across 1,179 suppliers, representing 70% of total supplier spend, to provide a holistic view of supplier emissions. It highlighted the need for greater collaboration with our suppliers to achieve shared decarbonisation goals, with seven of Dexus suppliers currently reporting GHG emissions or decarbonisation commitments. As incoming mandatory climate-related disclosures place increased focus on supply chain transparency, Dexus will continue to collaborate with suppliers on sharing emissions data and monitoring progress against commitments to ensure accountability and alignment.

Preparing for increased regulatory reporting

Dexus is preparing for the incoming Australian Sustainability Reporting Standards, and will be captured in the first tranche of reporters ('Group 1'). We have a strong track record of TCFD-aligned reporting and comprehensive reporting on GHG emissions, as well as disclosing our approach to managing material sustainability issues via our Management Approach and Procedures.

During the year, we assessed our current disclosures against the requirements to identify areas of uplift and have commenced work to align activities within climate-aligned programs and reporting with the proposed standards.

We are focused on improving our understanding and reporting on scope 3 emissions (upfront embodied carbon, downstream tenancy emissions and financed emissions). We are also revisiting our assessment of physical and transition risk across the platform to better integrate climate-related decision making.

This work will lead into the next iteration of Dexus's Climate Transition Action Plan, which will be delivered in FY25. The Climate Transition Action Plan will reaffirm Dexus's strategic commitment to decarbonisation, resilience and investment in the climate transition. It will incorporate commercial considerations of the cost and opportunity of action, to enhance resilience and create value as we transition to a net-zero economy.

Climate action continued

Delivering on climate action continued

Increasing physical and financial resilience

Addressing physical risk

We identified 52 locations for site-specific risk assessments to understand risks for the short and long-term, evaluate how these risks are currently managed and specific additional where required to address them. This year's focus was on greater exposure across sectors, visibility across new precincts and coverage across risk topics.

Facilities teams and customers were engaged in site walks to provide a holistic view of climate vulnerability. From these assessments we saw:

- **Climate zones:** Themes were identified across climate zones resulting in similar risk identification dependent on asset typology. Examples include projected increases in the frequency and intensity of storms and flooding across Brisbane (climate zone 2), increases in the severity and frequency of storm activity and extreme heat in Sydney (climate zone 5), and increases in heatwave conditions and hot days across Melbourne (climate zone 6).
- **Asset typology:** Themes were identified across asset typologies, including façade, rooftop and general site risk areas for industrial locations, and façade, HVAC systems, drainage and basement risk areas for office locations.

Adaptation plans have been developed, with short-term activities being tracked through our in-house asset risk management program and supported by capital expenditure.

As our portfolio evolves, we will incorporate infrastructure assets in a refreshed view of our climate physical risk at the portfolio level in FY25. This will be supported by further integration of climate action into business decision making through the financial quantification of climate-related risk.

Addressing transition risk

Stakeholders expect us to be clear on how we are addressing climate risks and opportunities, and how this is being translated into business decision making.

In FY25, we will refresh the platform approach to transition risk, updating our qualitative and quantitative climate risk assessment.





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Capitalising on climate-related opportunities and investments

Managed investments in climate transition

The energy infrastructure investments we manage play a role in the energy transition. Macarthur Wind Farm (MWF) in southwestern Victoria is a strategic investment that delivers climate outcomes. One of the largest wind farms in the southern hemisphere, MWF is capable of generating 420 MW of energy per hour. Energy generated from the wind farm, which started operating in 2013, is fully committed until 2038.

Another Dexus managed investment, Powerco, is the second largest electricity distribution network in New Zealand supplying electricity from largely renewable sources to customers and supporting New Zealand's decarbonisation journey through electrification¹. As a regulated utility, Powerco benefits from a well-established regulatory framework to deliver stable and predictable cashflows underpinned by population growth and electrification demand.

Supporting Joint Venture partners in accessing green financing

We continued to support the establishment of a green debt facility for a third party capital investor in a Dexus managed Joint Venture (JV). The facility incorporates performance incentives linked to the delivery of sustainability target outcomes across the JV.

We are well progressed in meeting commitments in the green finance instrument, having identified clear milestones for emissions reduction to track against. The JV is well on the way to achieving its target to increase installed rooftop solar PV capacity, with 91% of the solar capacity target achieved through committed capacity across its portfolio.

Similarly, all green lease clauses offered for new and renewable events were Green Leases and the Green Star Performance v2 submission is progressing in line with Green Building Council of Australia revised timing.

We will continue to support our joint venture partners as they access financial products to support environmentally responsible initiatives and objectives.

1. Powerco also distributes natural gas.

FY25 commitments

Deliver on our FY21 commitment to reduce energy intensity by 10% across the platform managed office portfolio by FY25 against a 2019 baseline.

Deliver on our FY21 commitment to reduce water intensity by 10% across the platform managed office portfolio by FY25 against a 2019 baseline.

Continue to maintain net zero on scope 1 and 2 (and operational scope 3) emissions for our platform managed portfolio.

Focus areas

Establish the next iteration of our Climate Transition Action Plan to support our 1.5-degree decarbonisation journey across our value chain.

Continue to procure 100% of electricity from renewable sources across the platform's managed portfolio in line with our RE100 signatory commitments.

Metrics and targets

Quantifying emissions and climate-related metrics is an important component in understanding commitments and setting goals. Our data collection system starts in the building and flows through our data management systems to provide a holistic view of performance and progress.

Our focus for the year has been on standardisation and process efficiencies to support greater transparency around sustainability performance. We have successfully trialled a new data management architecture for the collection of building operational and performance data. In FY25, we will roll out this enhanced architecture so Dexus can use it for reporting and performance.

We will continue our membership of the Property council of Australia's working group on incoming disclosures to embed a consistent approach to reporting on climate-related financial information across the sector.

Progress against metrics and targets

In 2019 we set a target to achieve a 70% reduction in scope 1 and 2 emissions by 2030 against our FY18 baseline. This goal was certified by the Science Based Targets initiative (SBTi) at that time as being aligned with a global warming trajectory of under 1.5°C and we also committed to reducing customer-related emissions by 25% over this timeframe. The SBTi continues to recognise Dexus's 2030 targets, yet formal recognition of a long-term commitment to net zero requires transition to their Corporate Net-Zero Standard.

Dexus has not chosen to transition to the new standard at this point, however we continue to recognise the urgency of limiting global warming in line with 1.5 degrees and our targets are still based on this trajectory, having achieved and maintained net zero on scope 1 and 2 emissions for our managed portfolio since FY22.

We are committed to enhancing operational efficiency across our property portfolio to deliver savings in resource consumption and associated greenhouse gas emissions, and to meet current and future environmental targets. We monitor and report on absolute, like-for-like greenhouse gas emissions and emissions intensity for all properties under our operational control.

Progress against our metrics and targets is underpinned by our advocacy around climate action. Dexus has pledged to the World Green Building Council's Net Zero Carbon Buildings Commitment and is a member of RE100, the global corporate leadership initiative of businesses committed to 100% renewable energy.

Additionally in March 2024, Dexus was awarded Climate Active carbon neutral certification across its management operations and managed portfolio for the FY23 period. We have also responded to the Australian Government's voluntary Corporate Emissions Reduction Transparency (CERT) report for the second year, recognising our transparency around the maintenance of a group-wide climate active position via our reporting on Dexus's net emissions position, renewable electricity use and carbon offset retirement.

Dexus has a strong track record of setting improvement targets which drive continuous improvement over the short to medium term.

The table outlines metrics, goals, and targets that we use to measure climate and environmental performance and the related impacts of our performance.

Topic and goals	Metrics and targets	Impact
Energy consumption and greenhouse gas emissions		
Reduce like-for-like portfolio energy use and greenhouse gas emissions and maximise portfolio energy efficiency	- Maintain net zero greenhouse gas emissions (t. CO₂-e) across the platform-managed portfolio¹ - Reduce energy intensity (MJ/sqm) by 10% across the platform-managed office portfolio by FY25 against a FY19 baseline	- Better utilisation of natural resources - Reduced energy costs - Lower greenhouse gas emissions in buildings - Improved resource efficiency - Manage transition risks
Resource consumption and efficiency		
Target Australian best practice in building energy and water performance	- NABERS Energy portfolio star rating - NABERS Water portfolio star rating	- Reduction in use of energy and potable water through better utilisation - Reduced resource management cost
Renewable electricity		
Renewable electricity procurement	Maintain sourcing of 100% renewable electricity for base building operations	- Eliminate greenhouse gas emissions from base building electricity - Manage transition risks - Support the acceleration of the renewable electricity industry
Scope 3 emissions from waste		
Reduce the percentage of waste sent to landfill by increasing recycling activity	NABERS Waste portfolio star rating	- Reduced volumes of waste sent to landfill and associated avoided greenhouse gas emissions - Reduced reliance on carbon offsets

1. In line with Climate Active Carbon Neutral Standard for Organisations, net emissions for the year ended 30 June 2024 include offsets purchased and allocated for retirement during the year and up to the date of this report.

Climate related financial disclosure reporting

The table below provides an index of Dexus's climate-related disclosures in accordance with the Taskforce on Climate-related Financial Disclosures (TCFD) acknowledging its broad alignment to the International Financial Reporting Standard (IFRS) International Sustainability Standards Board's (ISSB) S1 General Requirements for Disclosure of Sustainability-related Financial Information. Alignment with the IFRS ISSB S1 and S2 will be incorporated within FY25 reporting.

TCFD recommendation	Reporting reference
Governance	
Disclose the organisation's governance around climate-related risks and opportunities:	
a) Describe the Board's oversight of climate-related risks and opportunities.	– 2024 Integrated Annual Report (page 64) – Towards Climate Resilience (page 15)
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	– 2024 Integrated Annual Report (page 64)
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material:	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	– 2024 Integrated Annual Report (page 65) – Towards Climate Resilience (pages 19–21) – 2024 Management Approach and Procedures (pages 17–25)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	– 2024 Integrated Annual Report (pages 62–71) – Towards Climate Resilience (pages 9–14, 19–21)
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	– Towards Climate Resilience (pages 4–14) – 2024 Management Approach and Procedures (pages 17–25)
Risk management	
Disclose how the organisation identifies, assesses, and manages climate-related risks:	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	– 2024 Integrated Annual Report (pages 62–71) – Towards Climate Resilience (page 16) – 2024 Management Approach and Procedures (pages 17–25)
b) Describe the organisation's processes for managing climate-related risks.	– 2024 Integrated Annual Report (pages 62–71) – Towards Climate Resilience (page 16) – 2024 Management Approach and Procedures (pages 17–25)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	– 2024 Integrated Annual Report (pages 62–71) – Towards Climate Resilience (page 16) – 2024 Management Approach and Procedures (pages 17–25)
Metrics and targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material:	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	– 2024 Integrated Annual Report (page 70) – 2024 Management Approach and Procedures (pages 17–25)
b) Disclose scope 1, scope 2, and if appropriate, scope 3 greenhouse gas emissions, and the related risks.	– 2024 Sustainability Data Pack (GHG emissions)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	– 2024 Integrated Annual Report (pages 62–71) – 2024 Management Approach and Procedures (pages 17–25)

Enhancing communities

We support communities around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value.



How we are
Enhancing
communities

120
properties delivering
community activations across
Australia and New Zealand

732
hours of employee
volunteering

>\$1.78m
contributed to
communities across
Australia and New Zealand



Our ability to create value and maintain a social license to operate hinges on successfully engaging with local communities in and around our properties.

As a leading Australasian real asset group, we are well positioned to enhance the communities living in and around our assets. People visit our properties every day to work, shop and access important services. We consider these visitors our community, and we value the opportunity to unlock potential to create a better tomorrow for them. By achieving this, we also create value through enhancing the appeal of our assets and foster trust in Dexus.

Enhancing Communities roadmap to support a real and lasting difference

Given our broad reach across Australia and New Zealand, there are numerous social causes and organisations operating in our communities in need of assistance. Rather than trying to tackle all social needs, we want to focus our efforts and resources where, through leveraging our assets and capabilities, we can make an impactful and sustainable difference.

In identifying a social value theme, we have explored the social issues that are most prevalent for our communities, customers and people, alongside the unique assets, resources and skills we have available to make a difference. Our goal is to maximise the value we offer communities through greater focus and alignment of efforts across our portfolio.

In FY24, we identified a proposed social value theme to focus our community investments and enable us to continue to increase our impact at scale across the platform.

As we continue to develop our partnership framework, we are identifying programs and partnerships aligned to our identified theme. In addition, we will define an outcome-based social value goal and build a measurement framework and tool for greater understanding of the value generated through our social programs.

Scale of social impact

As part of our Enhancing Communities roadmap, we have been focused on how we create a consistent and scalable approach to community partnerships across the platform. Working with existing partners we have focused on taking existing programs to deliver them to a wider audience, across multiple assets. In addition, this year we have improved our reporting processes to capture the scale of social programs and activities across our portfolio. Combined, this has led to an increase in overall community contributions to \$1.78 million, representing more than triple our investment from the previous year.

In FY24, we improved our social data reporting by capturing the value of social programs and activations at our assets. Valued at over \$737,000, these programs focus on inclusion, connection and wellbeing. This data positions us to understand the inputs and social outcomes being delivered locally.

Connecting people through social infrastructure

The assets in our social infrastructure portfolio connect our cities and bring people together. This includes hospitals, schools, airports, rolling stock, wind farms, water treatment plants, student accommodation and recreational facilities. Our investment in critical social infrastructure delivers essential services and strengthens the fabric of our local communities.

As we further refine our Enhancing Communities roadmap, we will consider the role of our social infrastructure assets, and how they contribute to the social outcomes we strive to generate. In FY25, we will explore the potential to measure the social impact generated by our social infrastructure assets.

Leveraging development projects to support our communities

The platform's \$16.1 billion real estate development pipeline provides the opportunity to drive positive social change, support the needs of local communities and celebrate local culture.

As outlined in the Climate Action section, we launched the Sustainable Development Standards (SDS) in FY24 to promote consistent application of our sustainability priorities across our developments. The SDS includes a range of requirements focused on enhancing local communities through our developments, including social procurement, universal and inclusive design, community resilience, culture and heritage and reconciliation.

More information on our developments can be found at www.dexus.com/casestudies.

Board focus

In FY24 the Board and Board Sustainability Committee was involved in:

- Approving Enhancing Communities as a priority area of the Dexus Sustainability Strategy
- Overseeing the Enhancing Communities roadmap, including flagship programs and social value theme



Enhancing communities continued

Amplifying social impact through partnerships

We continue to work with community partners to amplify social impact across our assets. We maintained our partnership with major partners **Black Dog Institute** and **Planet Ark** and more information on these activities can be found in the Customer Prosperity section.

Through our partnership with **Cerebral Palsy Alliance** (CPA), our employees and customers across 37 office and industrial sites participated in STEPtember and raised funds, donated goods and packed hampers and gifts. Over 330 Dexus customers and employees participated in the challenge.

In the lead up to Christmas, Dexus supported **Foodbank**, which works with front line charities to feed vulnerable Australians. Customers and employees donated 1,600 kilograms of non-perishable goods and provided the equivalent of more than 20,000 meals.

For infrastructure investments where we do not have operational management control, we encourage them to prioritise social impact. Through our investment in Powerco, 2,925 native trees were planted in local communities in 2023 as part of the Replant for Tomorrow initiative.

In addition to working with community partners, our employees volunteered 732 hours with charities and community organisations including Our Big Kitchen, Eat Up Australia, Two Good, Oz Harvest, Collingwood's Children Farm, and Cerebral Palsy Alliance's STEPtember and Christmas present wrapping.

More information on our community partnership events and initiatives can be found at www.dexus.com/casestudies.

Delivering meaningful connections at our assets

Our assets play an important role within their communities, providing opportunities to bring people together and delivering experiences that are meaningful and engaging for local residents. 120 assets delivered community activations across Australia and New Zealand.

Celebration of diversity

Our asset strategies are focused on addressing the unique needs of the local communities and provide opportunities to connect and celebrate in a meaningful way. Over the year, we rolled out culturally diverse campaigns across our offices and retail centres that resonated with the local community, including Ramadan, Orthodox Easter, Lunar New Year and Mardi Gras.

Accessible experiences

We aim to create spaces that are welcoming, inclusive and beneficial for everyone in the community. Providing accessible experiences enhances social value and fosters a sense of belonging.

This year we held 'Sensitive Santa' sessions across seven shopping centres, allowing families to visit during quiet hours to support their sensory needs. We saw a 128% increase in attendance at Macquarie Centre in December 2023 compared to 2022, demonstrating the importance of providing these types of services.

Delivering FY24 Enhancing communities commitments

Focus areas	Status	FY24 progress
Develop a revised community investment approach as part of the Enhancing Communities priority area in the new Dexus Sustainability Strategy.	●	Developed an Enhancing Communities roadmap with a proposed social value theme and a draft partnership framework. Reviewed our existing processes for social data, improving our measurement coverage and capability.

● Achieved ○ Not achieved ● Progressed



Macquarie Shopping Centre also launched the Hidden Disabilities Sunflower program which adopts the sunflower, a globally recognised symbol for those living with non-visible disabilities, and our concierge, security and Centre Management teams have been trained on how to support customers with invisible disabilities. By choosing to wear a Hidden Disabilities Sunflower item, such as a lanyard, badge or wristband, customers can discreetly signal to our team that they may need assistance during their visit.

Supporting charities through our operations

Decorative flower auctions and Christmas gift-wrapping events were held across our office and retail assets in support of local charities.

Every week, we auction the decorative flowers in our office lobbies rather than sending them to landfill. The funds raised are donated to our charity partners, with more than \$77,000 donated throughout the year across 26 properties.

Across our retail centres, we raised over \$54,000 through our Christmas gift-wrapping charity donations at six centres. Of note, Indooroopilly Shopping Centre reported an increase of almost 90% in donations through gift wrapping on the previous year.

More information on our community contributions can be found within our Sustainability Data Pack.



FY25 focus areas

Finalisation of Social Value theme, community partnership framework and aligned community partner(s).

Development of group-wide social value goal and measurement framework.

Sustainability Foundations

Foundational sustainability activities support our social license and value creation

\$3.0m
spent with Supply Nation
certified or registered
companies

**Second RAP
launched**
endorsed by Reconciliation
Australia

3.5 stars
NABERS Waste average
rating across our
platform office portfolio



Delivering FY24 Sustainability Foundations commitments

FY24 commitment	Status	FY24 progress
Continue to progress the delivery of our Reflect RAP and set the next Dexus RAP.	●	We launched our second RAP which was endorsed by Reconciliation Australia. The new Reflect RAP aligns to Dexus’s purpose, values, core business and priorities.
Implement EcoVadis supplier verification across preferred suppliers, targeting coverage of 80% of preferred supplier spend engaged on the platform by FY24.	●	Achieved coverage of 100% of our preferred supplier spend with EcoVadis supplier verification.
Achieve a 4 star NABERS Waste average rating across our platform office portfolio by FY25.	●	Achieved a 3.5 star average as at 30 June 2024.

● Achieved
○ Not achieved
● Progressed

Sustainability Foundations

The Foundations that underpin our Sustainability Strategy incorporate the sustainability areas that are important to us and our stakeholders.

The Sustainability Foundations can be categorised in three areas:

- 1. Environmental management**
(Circularity, Nature)
- 2. Social performance**
(Indigenous Engagement, Human Rights, Health & Wellbeing, Diversity, Equality & Inclusion)
- 3. Governance & Reporting**

Our performance in these areas is outlined in this section. Information on Dexus’s Diversity, Equality & Inclusion approach and performance can be found in the Thriving people section of the Annual Report on pages 52–57.

Board focus

In FY24, the Board and Board Sustainability Committee were involved in:

- Overseeing Dexus’s waste target to deliver a NABERS Waste 4 star office portfolio average rating by FY25
- Overseeing Dexus’s continued Indigenous engagement, including approval of Dexus’s second Reflect RAP
- Overseeing results of Modern Slavery audits undertaken by an external party
- Approving the 2023 Dexus Modern Slavery Statement, and discussing actions taken to prevent modern slavery and overseeing supplier engagement on modern slavery risk



Environmental management



Circularity

Assets delivering building performance targets

Our ongoing goal is to embed resource stewardship into asset operations and drive asset performance so that the Dexus Platform portfolio is high performing, fossil fuel free, resilient and actively managed with minimal risk.

We continue to enhance how we plan, budget, implement and monitor energy, water and waste management programs to maximise positive environmental outcomes.

Decarbonisation roadmaps for 23 assets were completed in FY24, providing a technical view of future asset energy and water efficiency potential, which will directly inform future asset strategies and capital works plans. Operationally, we are transitioning to a data-driven mechanical maintenance regime which will help service technicians diagnose and resolve issues that could lead to excess energy use or water leakages.

In the coming year we will revisit our virtual engineer analytics service, which has been successfully operating since 2016. The goal for our refreshed approach is to position assets to consistently achieve their daily operational potential. We will do this by combining data-driven maintenance activities with a value creation-based lens to identify and deliver resource efficiency opportunities to uplift performance over the short- to medium-term.

As with energy and water, waste reduction is a focus and one that requires a strong partnership between customers, cleaners, waste contractors, and Dexus. Dexus facilities management teams worked collaboratively with customers to optimise waste management practices and increase engagement on sustainability. Throughout FY24, we delivered 40 waste engagements with customers and identified a further 200 opportunities for future engagements. These efforts have contributed to an increase in our NABERS Waste office portfolio average to 3.5 stars in FY24, up from 3.3 stars in FY23.

Circular economy principles at Waterfront Brisbane

The Waterfront Brisbane development is underpinned by circular economy principles with the goal of maximising diversion of demolition and construction waste. To date, 98% or 29,300 tonnes of material cleared from the site has been recycled or repurposed.

The Waterfront Brisbane development team collaborated with partners John Holland, Rino, Delta Group, Five Mile Radius and Laura Lane Creatives to deliver innovative waste management solutions including repurposing concrete into new materials for construction projects, including the road at Crossbank Estate. The project team have also repurposed waste material into new outdoor seating furniture for the completed Waterfront Brisbane precinct and recycled vinyl signage into merchandise.



Nature

We understand the impact our operations and supply chain can have on nature and aim to enhance and manage biodiversity across properties that we develop and operate. In addition to biodiversity initiatives at our assets, we continue to support local and international carbon projects, forest preservation, reforestation and tree planting that deliver carbon reduction and biodiversity co-benefits. As part of our partnership with Planet Ark, all customers on their anniversary have a donation made by Dexus to The Seedling Bank on their behalf.

We recognise the importance of the Taskforce for Nature-related Financial Disclosure (TNFD) guidelines and aim to start introducing TNFD aligned reporting on nature in future disclosures.

More information on Dexus's carbon offset procurement can be found in the 2024 Sustainability Data Pack.



Human Rights

Our supply chain is an extension of our business and forms part of our social licence to operate. Our suppliers play a central role in optimising asset performance, managing risk and delivering customer outcomes. Our capacity to create value depends on understanding, influencing and collaborating with suppliers within our value chain.

Supply chain monitoring and relationship management

We take a risk-based approach to understanding and monitoring human rights and sustainability trends across our supply chain. This year, we expanded our partnership with EcoVadis to provide ESG risk screening across the breadth of our 1,179 suppliers and conducted in-depth supplier specific risk assessments of 86 key suppliers. The ESG risk screening tool now applies to 70% of total supplier spend and 100% of our preferred suppliers, including monitoring of human rights and modern slavery, in excess of our FY24 commitment to verify 80% of preferred supplier spend.

This year, we expanded our program so 847 suppliers attested to adhering to Dexus's Sustainable Procurement Procedure and Supplier Code of Conduct, demonstrating the strength of our supplier selection processes and ongoing supplier management across our diverse operations. Leveraging our ESG risk assessment tool, we focused on engaging with our suppliers to improve their sustainability risk management resulting in an overall ratings improvement of 4% across the 35 suppliers that were re-assessed.

Results of the ESG risk screening will be used to expand the in-depth ESG risk assessments for greater coverage of suppliers in FY25. Suppliers also benefit from access to academy training materials across the four EcoVadis pillars of Environmental, Labour & Human Rights, Ethics and Sustainable Procurement, with over 90% taking up access.

Our ESG risk assessed suppliers have an overall sustainability score 27% above the EcoVadis global benchmark, demonstrating strong engagement on sustainability. In FY24, we introduced new KPIs with more ambitious sustainability targets in recognition of the increased importance of aligning sustainability objectives across our value chain. Through the selection, performance management and re-contracting process we now favourably consider suppliers who have a net zero target of 2030 or earlier and aligned to a recognised reporting standard, and suppliers who have an Elevate Reconciliation Action Plan (RAP).

Our 2023 Modern Slavery Statement details our approach to managing modern slavery risks, available at www.dexus.com/corporategovernance. Our 2024 Modern Slavery Statement will be available in December 2024.

Social Performance



Indigenous Engagement

As a leading Australasian real asset owner and manager, we are uniquely positioned to collaborate with our Indigenous partners and enable connections with our customers and communities across Australia and New Zealand.

In FY24, we launched our second Reconciliation Australia endorsed Reflect RAP. Our new RAP aligns with our new purpose, values and core business and prioritises areas of impact.

The areas that have been prioritised include:

- Engaging with customers as part of reconciliation activities and support for customers reconciliation initiatives within our assets
- Supporting the Indigenous carbon industry through purchasing carbon offsets that are Indigenous-led
- Activating our spaces with First Nations partners and reconciliation events across our assets

Key Indigenous Engagement outcomes and achievements in FY24 include:

- Celebrating Reconciliation Week and NAIDOC Week with activities across our assets – including local arts and crafts, and storytelling sessions in our shopping centres. A key highlight for the year involved Quay Quarter Tower hosting the Legs on the Wall Indigenous acrobatic performance
- First Nations procurement – in FY24, we procured \$3 million with First Nations businesses. This is a reduction on our FY23 First Nations procurement spend of \$7.7 million, due to supplier organisational changes outside of our control. Procurement spend remains a significant opportunity to support First Nations employment through the goods and services we procure, and we will be looking to expand our supplier engagement in FY25
- Our first project Reconciliation Action Plan (RAP) for a development (Waterfront Brisbane) – While not a formal RAP endorsed by Reconciliation Australia, it is the first time we have developed a project-specific RAP with a focus on supporting the needs of local First Nations peoples through our developments
- Our ongoing partnership with the Australian Literacy and Numeracy Foundation – In addition to a financial donation, our customers, communities and employees are encouraged to support through our annual Share-A-Book Campaign. We collected books from customers and employees across our portfolio throughout Reconciliation week and NAIDOC Week to be donated to First Nations peoples to support their learning of language and communications skills
- Indigenous art – We launched a First Nations Art Program at 25 Martin Place in collaboration with Boomalli Aboriginal Artists Co-operative and the celebrated artist Dennis Golding. The artist's curated series Drawing from Gadigal is on display over the next 12 months

More information is available in our Reflect Reconciliation Action Plan is publicly available at www.dexus.com.

Social Performance continued



Health & Wellbeing

Our Work Health, Safety and Wellbeing vision is to achieve a workplace where our people and communities care for each other, everyone stays safe and well and the environment is cared for in the successful operation of our business.

During the year we onboarded 100% of the AMP Capital portfolio onto our ISO 45001:2018 accredited workplace health and safety management system, ensuring our continued and comprehensive monitoring of health and safety for our employees and workplaces is maintained across the portfolio.

In support of our expanded workforce, the annual "National Safe Work Month" campaign in October focused on upskilling our people on current risk-related matters with the theme "For everyone's safety, work safely". The Dexus Risk team facilitated a risk roadshow to deliver three training webinars to over 260 Dexus and partner personnel across asset, property, facility, centre and operations management teams. Topics included environmental, climate change, hazardous material, indoor air quality, and property risk assessment and audit programs.

Additionally, the Dexus Risk team partnered with emergency management consultants to deliver three sector-specific emergency scenario exercise training sessions with over 160 participants across Dexus and its facility management partner teams.

Governance & Reporting



Green Building Certifications

Building certifications are an important tool to integrate leading practice into our developments and operations and to benchmark our sustainability performance.

Green Star

Dexus maintained its 4 Star Green Star Performance portfolio certification, with coverage of 96 properties across the Dexus Platform office, retail, industrial and healthcare assets. The platform's office portfolio maintained on average a 5 Star Green Star – Performance rating.

Notable achievements include Bayfair Shopping Centre being the first shopping centre in New Zealand to achieve a 4 Star Green Star Performance certified rating. This accomplishment is a testament to the continuous management initiatives and innovative strategies implemented at the centre to embed sustainability.

We are partnering with the Green Building Council of Australia (GBCA) as part of its Early Access Program to trial and transition to Green Star Performance version 2 from FY25. We have registered 88 assets from our industrial portfolio to pilot the new performance tool, which the GBCA has significantly expanded and uplifted to adopt an outcome focus. The update reflects the drive towards continuous improvements to align with increasing expectations from customers and investors on the transition to net zero and the need to achieve targets in line with climate science.

From a development perspective, Dexus assets achieved the following ratings:

- 40 Cloudline Court, Ravenhall achieved 4 Star Green Star Design & As Built v1.3 certified rating
- 525 Boundary Street, Spring Hill achieved 5 Star Green Star Design & As Built v1.3 certified rating

In addition, the following assets in our development pipeline are registered to achieve a future Green Star certification with targeted star ratings as follows:

- Waterfront Brisbane targeting a 6 Star Green Star – Buildings v1 rating
- Atlassian Central targeting a 6 Star Green Star – As Built v1.3 rating
- Central Place Sydney targeting a 6 Star Green Star – Buildings v1 rating
- 82 Momentum Way, Ravenhall targeting a 4 Star Green Star – Buildings v1 rating
- 25 Martin Place, Sydney retail targeting a 5 Star Green Star – Design & As Built v1.3 rating

Further details are available at www.dexus.com/casestudies.



personal use only

NABERS

Dexus has a well-established National Australian Built Environment Rating System (NABERS) program to benchmark energy, water, waste and indoor environment performance nationally, using a rating scale from 1 to 6 stars.

The platform's office portfolio average NABERS Energy rating remained steady at 4.9 stars. This was influenced by ratings uplifts across 5 assets driven by energy management activities. During the year, Quay Quarter Tower was awarded a 5 star NABERS Energy rating, which will further improve in FY25 as it benefits from full occupancy.

These successes were balanced by a number of high-performing assets being divested during the year, and half star reductions across 8 assets, influenced by higher physical occupancy as more workers return to the office.

We have embraced recent and upcoming changes to the NABERS Energy rating tool. The introduction of the Renewable Energy Indicator this year aligns with our approach for purchasing renewable electricity and market-based emissions accounting and enables us to publicly communicate our track record of sourcing 100% of electricity from renewables.

NABERS' planned 2025 updates to the emissions factors within its energy ratings criteria to reflect the decarbonisation of the grid will, over time, incentivise landlords to review their asset's energy supply mix.

NABERS portfolio averages

Asset type	Energy	Water	Waste	Indoor Environment
Dexus Platform office portfolio	4.9 stars	4.2 stars	3.5 stars 84% coverage	5.2 stars 91% coverage
Dexus Platform retail portfolio	4.7 stars	3.3 stars		

Together, these and other market signals provide a strong commercial business case for our asset decarbonisation and optimisation programs to drive the next phase of energy efficiency and electrification.

The platform's office portfolio average NABERS Water rating reduced from 4.5 stars to 4.2 stars, as higher water use associated with increased physical occupancy is resetting high NABERS water ratings towards pre-COVID levels. This was observed across 23 office assets.

Across NABERS Indoor Environment, the platform's office portfolio achieved a 5.2 star portfolio average NABERS Indoor Environment (increasing by 0.4 stars on FY23, with overall coverage currently at 91% as coverage has fallen due to the divestment of office assets during the year.

The platform's portfolio includes 12 assets that have achieved a 6 star NABERS Indoor Environment rating, including Quay Quarter Tower for its inaugural rating. Overall, the portfolio recorded an uplift across 22 assets and is on track to achieve its FY25 target portfolio average of 5 stars.

This year we made progress towards our FY25 4 star NABERS waste targets, with 18 properties recording gains of 0.5 stars or more. By actively engaging with customers and cleaners, we have improved awareness of our waste management system which will help drive improved recycling performance. Organics has been a key focus, and at the QV precinct in Melbourne, we are partnering with a progressive AgTech company to collect and transform food waste from the precinct into protein and fertiliser using insects in support of a circular, carbon positive future for agriculture and the built environment.



FY25 commitments

- Continue to implement ESG risk screening and assessment programs using EcoVadis, targeting risk assessments for over 100 key suppliers.
- Deliver on our FY21 commitment to achieve a 4 star NABERS Waste average rating across the platform office portfolio by FY25.

Governance

A high standard of corporate governance is the foundation for the long-term success of the platform.

Our Board and Executive Committee are committed to excellence in corporate governance and aspire to the highest standards of conduct and disclosure. To support this aspiration, we have embedded a framework that enhances corporate performance and protects the interests of all key stakeholders. Our Board believes that a high standard of corporate governance supports:

- A culture of ethical behaviour resulting in an organisation that acts with integrity
- Improved decision-making processes
- Better controls and risk management
- Improved relationships with stakeholders
- Accountability and transparency

We continue to focus on organisational culture by encouraging an environment where our people and stakeholders feel comfortable in raising issues and ensuring our Board and Management are kept informed of incidents that may impact the business.

Our Board and Board delegated committees have overall responsibility for corporate governance and are collectively focused on the long-term success of the platform. Areas of specific responsibility include financial performance, setting strategy and overseeing its implementation, providing leadership and direction on workforce culture and values, and agreeing and overseeing the risk framework and risk appetite.

Our Board regularly reviews its corporate governance policies and processes to ensure they are appropriate and meet industry best practice, governance standards and regulatory requirements.

For the 2024 financial year, the group's governance practices complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition) and addressed additional aspects of governance which the Board considers important.

Further details are set out in the Corporate Governance Statement, which outlines key aspects of our corporate governance framework and practices, which is available at www.dexus.com/corporategovernance.

Governance for Funds Management

Dexus uses its expertise, scale and knowledge of the Australian real estate and infrastructure markets to create and manage real asset investments for its third party capital partners and investors.

A high standard of corporate governance is vital for attracting, retaining and reinforcing the confidence of these third party capital partners and investors. Demonstrating this importance, Dexus's unlisted funds have in place a best practice corporate governance model that was established in consultation with their respective investor base. These funds have Responsible Entity Boards that are comprised wholly or predominantly of non-executive directors and are independent of the Dexus Board. In addition, these funds each have Advisory Committees in place comprising Unitholder appointed representatives.

The Responsible Entity Boards are responsible for reviewing and approving recommendations with respect to each Fund's major decisions, including acquisitions, divestments, developments, major capital expenditure and the annual Investment Plan.

Dexus also acknowledges the importance of effective corporate governance practices in relation to its third party capital partners. Policies are in place to manage conflicts of interest and related party transactions. In managing conflicts of interest, Dexus has established a structure whereby the responsibility for the investment vehicle is separated from the other funds or investment vehicles involved for which Dexus provides services. The Fund Manager for each fund or investment vehicle will, at all times, act in the best interests of the fund or investment vehicle. In addition, staff involved in managing a Fund are dedicated to the funds management business, rather than to other activities.

Dexus also manages two other listed funds, Dexus Convenience Retail REIT and Dexus Industria REIT, and applies many of the same governance arrangements. These funds also benefit from leveraging Dexus's funds and property management expertise to drive growth and performance.

Royal Adelaide Hospital

Governing ESG

Our corporate governance framework integrates ESG across the breadth and depth of Dexus. We regularly review and update our policies and procedures to ensure our organisation adapts to shifting risks and opportunities.

The Board Sustainability Committee considers material environmental and social issues relevant to the platform and supports the maintenance of our position among the leaders in ESG performance and sustainability impact. The Board Sustainability Committee supports the Board in:

- Understanding the expectations of our key stakeholders
- Understanding how our ability to create value is impacted by ESG issues
- Monitoring external ESG trends and understanding associated risks and opportunities

The Board Sustainability Committee meets four times a year and during the year engaged with Dexus management teams on a range of ESG topics, including:

- Engagement on and approval of Dexus’s materiality assessment and material topics
- Review and setting of Dexus’s sustainability strategy
- Development and progress against Customer Prosperity, Climate Action and Enhancing Communities priority area roadmaps
- Embedding sustainability into investment and asset plans across the portfolio
- Engagement on ESG and evolving investor and customer expectations, trends and market context and evolving competitor landscape
- Strengthening ESG in our supply chain through extended supply chain mapping and supplier assessments
- Progressing towards public sustainability commitments, including our net zero emissions target
- Addressing climate risk across the portfolio



Overview
Approach
Performance

Sustainability across the Dexus Platform

Dexus Board

Sets the corporate standard, establishes effective governance, oversees business performance and provides ultimate accountability for the group

Board Sustainability Committee

Oversees the implementation and management of environmental and social practices and initiatives throughout Dexus

Executive Committee

Oversees the implementation and management of environmental and social practices and initiatives throughout Dexus

Reconciliation Action Plan Working Group

Responsible for advancing Dexus’s reconciliation journey with Aboriginal and Torres Strait Islander peoples and implementing initiatives aligned to Dexus’s Reconciliation Action Plan.

Climate Reporting Working Group

Responsible for overseeing Dexus’s transition to meeting mandatory climate-related financial disclosure requirements against the Australian Sustainability Reporting Standards, as well as oversee implementation of the approach.

Board of Directors

The Board currently consists of seven Independent Non-Executive Directors and one Executive Director. The Board renewal process over the past several years has produced an experienced Board of Directors with a broad and diverse skill set. Our Board has determined that, along with individual Director performance, openness, trust, integrity, teamwork, emotional intelligence, and diversity are important attributes to a well-functioning board. We also acknowledge that an effective Board relies on board members with different tenures.

The Board is responsible for ensuring that the fiduciary and statutory obligations to Security holders and stakeholders are met, and the various Board Committees are detailed below.

The Executive Committee are responsible for ensuring that Dexu's group strategy is achieved through the development and implementation of effective policies, processes and procedures, and support and encourage behaviours that align with Dexu's values and risk, compliance & corporate culture.

Executive sub-committees include the Capital Markets Committee, Performance Committee, Investment Committee, and Infrastructure Valuations Committee.

Further details relating to the Board and Board Committee structure can be found in the Corporate Governance Statement available at www.dexu.com/corporategovernance.

The members of the Board of Directors and the relevant business and management experience the Directors bring to the Board is detailed on pages 85-88 and available at www.dexu.com.

Board skills and experience

Our Board has determined the skills, expertise and experience required as a collective to ensure diversity of thought and vigorous debate on key decisions. This is regularly reviewed when recruiting new Directors and assessed by the Board on an ongoing basis. The collective experience of the current Directors has been outlined against the areas of skill and expertise on page 85.

The Board believes that its composition meets or exceeds the minimum requirements in each category.

The Dexu Board and Board Committee membership at 30 June 2024

Director	Board	Audit Committee	Nomination & Governance Committee	People & Remuneration Committee	Risk & Compliance Committee	Sustainability Committee
Warwick Negus	●	●	●	●	●	●
Ross Du Vernet	●					
Paula Dwyer	●	●	●	●		
Mark Ford	●	●	●		●	
Peeyush Gupta AM	●	●	●			●
Rhoda Phillippo	●		●		●	●
The Hon. Nicola Roxon	●		●	●		●
Elana Rubin AM	●		●	●	●	

● Member ● Chair & Member

Dexus Board skills matrix

Areas of skill, expertise and experience

Leadership and Governance	Extensive experience as a director and leader including in public listed companies of similar size and complexity. Deep understanding of relevant legal, compliance and regulatory frameworks and sound capability in governance and protecting and enhancing the company's reputation.
Strategy	Experience in developing, executing and successful delivery of strategy, and oversight against strategic objectives; includes extensive experience in merger and acquisition activities, integrations and organisational transformations.
Property and Infrastructure investment	Experience in and understanding of economic drivers and trends, markets and customer needs and driving returns from investment in real estate (including office, industrial, retail and health care) and infrastructure. Good understanding of the risks and opportunities of larger scale development projects.
Funds management	Experience in and good understanding of the drivers of the successful management of third party funds including a deep understanding of, and engagement with, institutional and other fund investors. Understanding of the global and local trends in the management of third party funds and sources of capital.
Capital management	Proficiency in and strong understanding of raising capital and investment banking including experience in allocating and managing equity and debt capital to optimise the organisation's returns while ensuring appropriate financial strength and liquidity.
Culture, People and Remuneration	Demonstrated experience in influencing organisation culture shaped by 'tone from the top' that promotes high engagement, diversity and inclusion. Deep experience in leadership development, talent management, succession planning, and in remuneration frameworks and reporting for large, listed companies.
Sustainability and Stakeholder engagement	Experience and expertise in sustainability best practice including understanding of climate change and climate related risks and opportunities. Good understanding of community and stakeholder engagement, as well as related governance.
Finance	Good understanding of accounting standards and trends and proficient at interpreting and analysing financial statements for organisations of similar size and complexity. Sound understanding of budgeting, forecasting and drivers of financial performance. Ability to evaluate the effectiveness of internal controls.
Risk management and Compliance	Experience in and understanding of risk management frameworks and controls; the identification, assessment and management of risks, including managing compliance across large, complex, regulated financial services organisations. Includes experience in workplace health and safety and understanding of cyber and technological risk management.

Overview

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Board Focus

The key areas of focus for the Board and Board Committees during FY24 are aligned to each of our key resources.

Risk Pages 20–25

The Board and Risk and Compliance Committee oversee the risk management practices.

Financial Pages 30–37

The Board and Board Audit Committee are involved in reviewing and monitoring financial performance.

Real assets Pages 38–51

The Board is involved in approving transactions and developments across the portfolio.

People and capabilities Pages 52–57

The Board and Board People and Remuneration Committee are involved in aspects relating to employees.

Customer prosperity Pages 58–61

The Board and Board Sustainability Committee are involved in reviewing activities to support the prosperity of our customers.

Climate action Pages 62–71

The Board and Board Sustainability Committee are involved in reviewing aspects relating to climate action and the environment.

Enhancing communities Pages 72–75

The Board and Board Sustainability Committee are involved in reviewing community related activities within areas our assets are located.

Foundations Pages 76–81

The Board and Board Sustainability Committee are involved in reviewing sustainability activities within the sustainability strategy foundations.



Warwick Negus
Chair and Independent Director
BBus, MCom, SF Fin

Appointed to the Board on 1 February 2021 as an Independent Director, Warwick Negus became Chair of Dexu Funds Management Limited on 27 October 2022. He is also Chair of the Board Nomination & Governance Committee, and a member of the Board Audit Committee, Board People & Remuneration Committee, Board Risk & Compliance Committee and Board Sustainability Committee.

Warwick is Chair of the Bank of Queensland and a Non-Executive Director of Virgin Australia Holdings Limited, Terrace Tower Group, New South Wales Rugby Union Limited and Tantallon Capital Advisors. He is also Deputy Chancellor and a member of the Council of UNSW.

Warwick has more than 30 years of funds management, finance and property industry experience in Australia, Europe and Asia. Through his experiences as an executive and a non-executive director, Warwick brings expertise in the management and governance of complex organisations particularly in the fields of fund management and finance.

His most recent executive roles included Chief Executive Officer of Colonial First State Global Asset Management, Chief Executive Officer of 452 Capital, and Goldman Sachs Managing Director in Australia, London, and Singapore. Warwick was formerly Chair of UNSW Global and Pengana Capital Group, and a Non-Executive Director of Washington H. Soul Pattinson and FINSIA.

Ross Du Vernet
Group Chief Executive Officer
and Executive Director
BBus, MBA

Appointed to the Board on 28 March 2024, Ross Du Vernet is Group Chief Executive Officer (Group CEO) of Dexu and an Executive Director of Dexu Funds Management Limited.

Ross has more than 20 years' experience investing in real assets with a background in corporate transactions, strategy, and funds management in Australia and abroad.

Ross holds an MBA from MGSM and a Bachelor of Business (Finance, Banking) from the University of Technology Sydney. He has also completed the Advanced Management Program at the Wharton School of Business.



Paula Dwyer

Independent Director
BCom, FCA, SF Fin, FAICD

Appointed to the Board on 1 February 2023, Paula Dwyer is an Independent Director of Dexu Funds Management Limited, and a member of the Board Audit Committee, Board Nomination & Governance Committee and Board People & Remuneration Committee.

Paula is Chair of Allianz Australia Limited, Elenium Automation Pty Limited and Blackmores Limited and a Non-Executive Director of AMCIL Limited and Lion Pty Limited, where she is Chair of the Audit, Risk and Compliance committees. She is a member of the Committee of the Melbourne Cricket Club.

Paula has been a Non-Executive Director for over 25 years following an executive career in investment banking and funds management. She has significant experience across financial services, investment management, healthcare, energy, utilities and infrastructure, property and construction, corporate finance and mergers & acquisitions. Paula brings to the board her diverse leadership experience including in corporate strategy development and implementation across a broad range of industries and in navigating complex stakeholder relationships.

Previous roles include as Non-Executive Director of ANZ Banking Group Limited (where she was Chair of the Audit Committee), Suncorp Group Limited, Astro Japan Property Group Limited, Fosters Group Limited, David Jones Limited and Promina Group Limited. Paula was formerly Chair of Tabcorp Holdings Limited and Healthscope Limited and Deputy Chair of Leighton Holdings Limited.



Mark Ford

Independent Director
Dip. Tech (Commerce), CA, FAICD

Appointed to the Board on 1 November 2016, Mark Ford is an Independent Director of Dexu Funds Management Limited and Dexu Wholesale Property Limited, Chair of the Board Audit Committee, and a member of the Board Nomination & Governance Committee and Board Risk & Compliance Committee.

Mark is a Director of Prime Property Fund Asia.

Mark has extensive property industry experience and has been involved in Real Estate Funds Management for over 25 years. He was previously Managing Director, Head of DB Real Estate Australia, where he managed more than \$10 billion in property funds and sat on the Global Executive Committee for Deutsche Bank Real Estate and RREEF. Mark was also a Director in the Property Investment Banking division of Macquarie and was involved in listing the previous Macquarie Office Fund. His previous directorships include Comrealty Limited, Property Council of Australia, Deutsche Asset Management Australia and he was also Founding Chair of Cbus Property Pty Limited and Chair of Kiwi Property Group and South East Asia Property Company. Mark previously held senior roles with Price Waterhouse and Macquarie Bank.



Peeyush Gupta AM

Independent Director
FAICD, MBA (Finance), BA (CompSc)

Appointed to the Board on 24 April 2024, Peeyush Gupta AM is an Independent Director of Dexu Funds Management Limited, and a member of the Board Audit Committee, Board Nomination & Governance Committee and Board Sustainability Committee.

Peeyush is currently a Non-Executive Director on the boards of Liberty Group, SBS, Great Southern Bank, Quintessence Labs, Northern Territory Aboriginal Investment Corporation, Institute of Chartered Accountants, NSW Cancer Council and The George Institute.

Peeyush has extensive experience as a non-executive director across financial services, property, insurance, government, media, accounting and technology.

Peeyush was co-founder and inaugural CEO of IPAC Securities, a pre-eminent wealth management firm spanning financial advice and institutional portfolio management. He was previously Chair of Charter Hall Long Wale REIT and Charter Hall Direct Property Management Ltd and has previously held executive roles at AXA and Nathan Funds Management.

Peeyush was awarded a Member of the Order of Australia in 2019 for service to business and community through governance and philanthropic roles.

Board of Directors continued



Rhoda Phillippo

Independent Director
MSc (Telecommunications
Business), GAICD

Appointed to the Board on 1 February 2023, Rhoda Phillippo is an Independent Director of Dexs Funds Management Limited, Chair of the Board Risk & Compliance Committee, and a member of the Board Nomination & Governance Committee and Board Sustainability Committee.

Rhoda is a Non-Executive Director of APA Group (ASX: APA) where she chairs the Risk Committee and a Non-Executive Director of Waveconn Group Holdings Management Pty Ltd.

Rhoda has been a Non-Executive Director for over 15 years, following an extensive executive career leading operations across infrastructure, energy, telecommunications and technology in Australia, New Zealand and the UK. Her experiences have gained her deep skills in operational and change management, mergers & acquisitions, risk management, technology and cyber issues.

Previous Board roles include Non-Executive Director of Pacific Hydro, Datacom Group Limited, LINQ, Vocus Group Limited (ASX: VOC) and Managing Director of Lumo Energy. Rhoda also held the role of Chair of Snapper Services NZ, Chair of Kinetic IT Pty Limited and Deputy Chair of Kiwibank NZ.



The Hon. Nicola Roxon

Independent Director
BA/LLB (Hons), GAICD

Appointed to the Board on 1 September 2017, Nicola Roxon is an Independent Director of Dexs Funds Management Limited, Chair of the Board Sustainability Committee, and a member of the Board Nomination & Governance Committee and Board People & Remuneration Committee.

Nicola is the Independent Chair of large superannuation fund, HESTA, and of the statutory public health agency, VicHealth. She is also on the board of the Murdoch Children's Research Institute. She is Chair of the Australian Institute of Health and Welfare (AIHW).

Trained as an industrial lawyer, Nicola served in the Commonwealth Parliament for 15 years including a period as Minister for Health, and also as Australia's first female Attorney-General. She was a Non-Executive Director of ASX listed housing company, Lifestyle Communities.

Nicola's skill set from more than 20 years' experience in government and law provides strong insights into strategy, public policy and accountability. Her non-executive career across not-for-profit, unlisted, government and listed organisations in the last decade has allowed her to develop further expertise in ESG, health, investor relations and remuneration.



Elana Rubin AM

Independent Director
BA (Hons), MA, SF Fin, FAICD

Appointed to the Board on 28 September 2022, Elana Rubin is an Independent Director of Dexs Funds Management Limited and Dexs Wholesale Property Limited, Chair of the Board People & Remuneration Committee, and a member of the Board Nomination & Governance Committee and Board Risk & Compliance Committee.

Elana is Chair of the Australian Business Growth Fund (ABGF) and Victorian Managed Insurance Authority, and a Non-Executive Director of Telstra Corporation. She is also a director of several infrastructure, private and social enterprises, and a member of the Reserve Bank of Australia.

Elana has been a Non-Executive Director for over 20 years. She has extensive experience across technology, financial services, property, infrastructure and government sectors. Her non-executive directorships have spanned listed, unlisted, private and government companies.

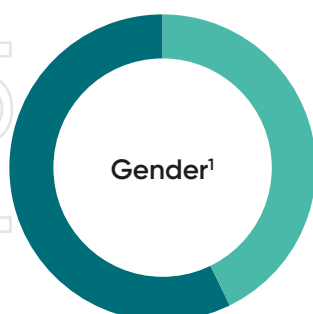
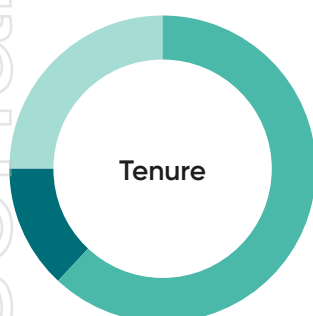
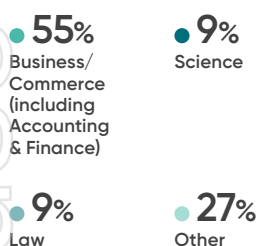
Previous roles include having served as Chair of Afterpay, Chair of AustralianSuper and Chair of WorkSafe Victoria and as a director of Mirvac and ME Bank. Elana was formerly a member of the Federal Government's Infrastructure Australia Council and Climate Change Authority, and a member of the AICD Victorian Council.

Elana brings a strong investor and stakeholder focus and understands the positive role well managed real assets can play to create stronger communities. She has been a strong advocate for the benefits of diversity in the workplace and building strong cultures to drive performance.

Elana was awarded a Member of the Order of Australia in 2021 for services to corporate governance and community.

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Board composition



1. Non-Executive directors only.

Executive Committee

The Board has appointed an Executive Committee (ExCo) comprising Dexus's most senior executives. The ExCo is responsible for implementing our strategy, maintaining our high standards of governance, driving culture and engagement, achieving objectives, and ensuring prudent financial and risk management across the Dexus Platform.

Members of the Executive Committee include:



Ross Du Vernet
Group Chief Executive Officer & Managing Director



Keir Barnes
Chief Financial Officer



Melanie Bourke
Chief Operating Officer



Marjan van der Burg
Chief People Officer



Andy Collins
Executive General Manager, Office



Marco Ettorre
Executive General Manager, Retail



Jonathan Hedger
Chief Investment Officer



Nik Kemp
Executive General Manager, Growth Markets, commencing mid-October 2024



Chris Mackenzie
Executive General Manager, Industrial

Directors' report



Board focus

The main objective of the Board People and Remuneration Committee is to assist the Board in fulfilling its responsibilities of developing remuneration strategy, framework and policies for Board approval for the following groups:

- Non-Executive Directors (NEDs)
- Executive Key Management Personnel (Executive KMP), including the Group Chief Executive Officer and Managing Director (Group CEO)
- Executive Committee (ExCo)

In FY24, the Board and Board People and Remuneration Committee also undertook a range of activities relating to broader people and remuneration issues including:

- Appointment of the new Group CEO, the CEO transition and changes to Board Committee membership
- Approving performance objectives and Key Performance Indicators for the Group CEO, Executive KMP and other executives
- Approving the Inclusion and Diversity strategic priorities and targets
- Approving the FY24 Fixed Remuneration parameters for all Dexus employees and the FY24 Fixed Remuneration increase budget
- Engaging with key investors and proxy advisors following the 2023 Remuneration strike and reviewing the remuneration framework to ensure it remains fit-for-purpose
- Monitoring the organisational culture, employee engagement and corporate culture metrics
- Reviewing talent development programs and succession planning
- Approving the Purpose Statement
- Approving the Good Leaver Policy
- Approving an increase in base fee for the Chair

Remuneration report

Dear Security holder,

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 30 June 2024.

Against the backdrop of a continued challenging economic environment, Dexus has remained focused on strategic execution, maintaining a resilient balance sheet through asset recycling and completing the integration of the AMP Capital platform across real estate and infrastructure. In addition, Dexus's CEO transitioned during the year from former CEO Darren Steinberg to Ross Du Vernet.

Despite the tough market conditions, acknowledging a higher interest rate environment and a softening in office market valuations, Dexus continued to achieve solid outcomes against key measures that drive the rewards under our short and long-term incentive programs for FY24 including:

- Adjusted Funds from Operations (AFFO) per security of 48.0 cents per security. This AFFO performance enabled us to deliver distributions of 48.0 cents per security to our Security holders, in line with the guidance set at the start of the year. In a year where distribution growth has been negative, the Board has recognised the impact to Security holders by awarding an AFFO outcome at threshold (for meeting guidance). Our distributions in FY24 were lower than FY23 predominantly due to lower trading profits in FY24. AFFO excluding trading profits was 0.2% above FY23, demonstrating resilience despite the headwinds experienced during the year from valuation declines and divestments across the platform, and a higher average cost of debt
- Occupancy in our office and industrial portfolios remained high at 94.8% and 96.8%, respectively, due to active asset management and the quality and location of our portfolio, along with strong rent collections at 99.5%. For our office portfolio, occupancy exceeded the average Australian market occupancy of 86.4%, with average leasing incentives of 27.9%, below the market average
- Against a soft capital raising backdrop, we successfully raised over \$300 million of equity at first close in Dexus Real Estate Partnership 2 (DREP2), the second fund in our opportunity series. Of our flagship funds, 50% outperformed their benchmarks
- We secured circa \$2.9 billion of divestments across the funds platform during the year to maintain strong gearing levels and facilitate redemption requests to meet client needs, an important part of our proposition as a leading fund manager
- We continued to selectively divest assets to enhance portfolio quality and balance sheet strength, with circa \$0.7 billion of balance sheet divestments announced since FY23, bringing total exchanged and settled divestments to \$1.7 billion since FY23
- We continued to make significant progress on our sustainability initiatives, with the key highlights for the year including delivering net zero¹ and 100% renewable energy purchasing for our managed portfolio, and significant progress made on our FY25 sustainability targets. We have also received external recognition for our sustainability leadership, achieving a Dow Jones Sustainability Indices (DJSI) score within the top 5% of peers globally and achieving 5 star Global Real Estate Sustainability Benchmark (GRESB) outcomes across six of our Real Estate funds. Further, we have embedded the new sustainability strategy within all funds and asset plans, and finalised the new Development Sustainability Standard which will apply across all new developments from FY25
- In November 2023, we achieved Final Completion of the AMP Capital real estate and infrastructure equity platform acquisition. The addition of the AMP Capital platform allows us to offer a broader set of investment opportunities and positions us to realise our vision to be globally recognised as Australasia's leading real asset manager. This was a complex transaction which required discipline and innovation to separately complete and integrate. While we acknowledge that there were challenges associated with such a significant structural change, impacting our FY24 employee engagement score (against which there was no vesting), we expect our initiatives to have a positive impact from FY25. I would like to thank all our employees who worked so hard over many months on this transaction to ensure its success and full integration by 31 March 2024, three-months earlier than our target completion date

These financial and non-financial outcomes serve as inputs to the Board's decision-making when assessing the appropriateness of remuneration outcomes.

2023 AGM 'first strike'

At the 2023 AGM, Dexus received a 'first strike' against its 2023 Remuneration Report with one proxy advisor recommending a vote 'against'. We engaged with a number of investors in October 2023 following the release of that report and in the lead up to the AGM. At that time, investors primarily expressed concerns about the level of FY23 incentive outcomes when compared to financial performance and Security holder returns, which were lower than previous years. The only structural concern raised by investors related to the inclusion of strategic measures in the long-term incentive (LTI) (with some strategic measures also included in the short-term incentive (STI)).

Following the AGM, we engaged with key investors and proxy advisors to better understand their concerns and reviewed our remuneration framework to ensure it remains fit-for-purpose in the context of Dexus's broader strategy and operations. Details of our response to the concerns raised are set out in section 3.

FY24 remuneration outcomes

While no substantial remuneration framework changes have taken place in FY24, following substantial changes in FY23, we have been particularly mindful of the feedback received following the 2023 AGM in our disclosures this year and in considering the appropriateness of incentive outcomes:

- As Dexus continues to intentionally place a lower weighting on the STI relative to our A-REIT peers in favour of a higher weighting to LTI, our STI opportunities (in dollar amounts) are low compared to our ASX 100 A-REIT peers. Based on Executive Key Management's (KMP) performance against their FY24 scorecards, the Board has approved an incentive outcome of 44.8% of maximum for the former CEO, which is 20% lower than his FY23 outcome in dollar terms. Other incentive outcomes are 57.6% for the new Group CEO, 0.0% for the CE, FM and 60.0% for the CFO, of maximum. Refer to section 5 for more detail on performance and STI outcomes
- For the LTI tranches tested on 1 July 2024, the vesting outcomes for the second tranche of the FY21 LTI was 58.7% and the first tranche of the FY22 LTI was 20.0%. Refer to section 5 for more detail on LTI outcomes

1. In line with Climate Active Carbon Neutral Standard for Organisations, net emissions for the year ended 30 June 2024 include offsets purchased and allocated for retirement during the year and up to the date of this report.

- During the year, we conducted benchmarking of the remuneration of our Executive KMP. The fixed remuneration of our CFO was identified as being below her ASX 20–100 market peers. Accordingly, the Board approved a 6.25% increase in her fixed remuneration to bring her to market median. No other Executive KMP received a fixed remuneration increase in FY24 (aside from the new Group CEO, compared to his fixed remuneration in his previous role as CIO)

Dexus commitment to gender diversity and closing the gender pay gap

Dexus has a clear commitment to creating a diverse, equitable and inclusive workplace that reflects our customers and communities. Our Board gender diversity target is at least 33% of non-executive directorships held by women by 30 June 2025. For the organisation, our target is 40:40:20 (40% male, 40% female, 20% any gender) for senior management and executive roles for the same period. As at 30 June 2024, women represented 57.0% of Non-Executive Directors and 34.2% of senior management and executive roles.

We recognise that we operate in a sector where there are still many obstacles to achieving gender pay equity, and it remains an ongoing challenge for both our organisation and the industry. In line with this, we remain committed to gender equity and improving the representation of women across all areas of our business to address the findings of the WGEA gender pay report.

Further detail on the work we are doing to achieve meaningful long-term change is included in the Thriving People section in this Annual Report.

New Group CEO arrangements

As announced at the 2023 AGM, our long-standing CEO Darren Steinberg stepped down during the year. Following an extensive search, which included both internal and external candidates, the Board selected our CIO, Ross Du Vernet to be Group CEO. He commenced in that role on 28 March 2024.

His fixed remuneration was set at \$1.5 million per annum, which is 6% lower than his predecessor, with a maximum STI of 100% of fixed remuneration and a maximum LTI opportunity of 200% of fixed remuneration. This represents a change in the weighting of the Group CEO remuneration mix towards a higher LTI and lower STI. This aligns the new Group CEO with Dexus's remuneration strategy since FY23 to weight our Executives' pay mix to the long-term and create greater alignment with Security holder interests.

Changes to remuneration for FY25

At the request of our new Group CEO in 2024, the Board undertook a review of the executive remuneration framework to ensure it continues to support Dexus's ability to attract and retain key talent to accelerate our next stage of growth and become Australasia's leading real asset manager.

In order to support our strategy of delivering superior risk adjusted returns for our investors, the Board has approved a new LTI plan for FY25. Under the new plan, our Executives will be granted market priced Options which will only have a value where our security price increases. The new LTI will be granted in three equal tranches that will be tested after three, four and five years – underpinning our focus on generating superior returns over the long-term. The Options will only vest where our Security holders enjoy a minimum level of total return (distributions plus security price growth) over the performance period. This change also results in the removal of strategic measures from the LTI measures, addressing an area of concern raised by investors regarding the remuneration structure.

Further detail is provided in section 6.4.

KMP changes

The Board wishes specifically to call out the strong leadership of Dexus over the past 12 years by Darren Steinberg. Dexus has changed significantly under Darren's leadership as CEO. Since joining Dexus in 2012, Darren has been instrumental in growing Dexus's total funds under management from \$12.9 billion to \$54.5 billion today, while at the same time enhancing portfolio quality, diversifying the platform including into new sectors such as healthcare, opportunistic and infrastructure, and developing a unique set of capabilities across the platform.

The Board thanks Darren for his dedication and vision in growing Dexus over what is an extraordinarily long period as CEO of an ASX 100 entity. The Board wishes Darren all the best for the future and looks forward to continuing to achieve Dexus's strategic and operational goals as part of its next chapter under the leadership of Ross Du Vernet, as our new Group CEO.

Following the end of the financial year, Deborah Cookley, Chief Executive, Funds Management, stepped down from her position to pursue other opportunities. The Board wishes to thank Deborah for the important role that she has played in growing Dexus's funds management business and the diversification of our investor base.

Finally, I would also like to thank Penny Bingham-Hall for her significant contribution and leadership as Chair of the People and Remuneration Committee until her resignation from the Board, which became effective 28 March 2024.

The Board reaffirms its ongoing commitment to ensuring Dexus's remuneration framework remains fit-for-purpose and is strongly aligned with Dexus's long-term strategy and the interests of our Security holders. We thank all our team for their commitment and hard work to bring our strategy to life and deliver value for our Security holders.

We welcome your feedback on our remuneration framework and look forward to your support at our 2024 AGM.

Yours sincerely

Elana Rubin

Chair – People and Remuneration Committee

This Remuneration Report forms part of the Directors' Report and outlines the remuneration framework and outcomes for KMP in FY24.

This report has been prepared and audited in accordance with section 308(3C) of the *Corporations Act 2001*.

Contents

1. Introduction
2. Remuneration snapshot
3. Our response to the 'first strike' at the 2023 AGM
4. Company performance
5. FY24 performance and remuneration outcomes
6. FY24 remuneration framework
7. Executive KMP contractual agreements
8. Remuneration governance
9. NED remuneration
10. Statutory disclosures

1. Introduction

1.1 Key Management Personnel (KMP)

In this report, the KMP comprise the officers outlined below, as those individuals having the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. The Group CEO and other Executives considered KMP are referred to collectively as 'Executive KMP' in this report.

Name	Role	Term
Non-Executive Directors		
Warwick Negus	Chair	Full year
Penny Bingham-Hall	Director	Part year – until 28 March 2024
Paula Dwyer	Director	Full year
Mark Ford	Director	Full year
Peeyush Gupta	Director	Part year – from 24 April 2024
Rhoda Phillippo	Director	Full year
The Hon. Nicola Roxon	Director	Full year
Elana Rubin AM	Director	Full year
Executive Director and Executive KMP		
Ross Du Vernet	Group Chief Executive Officer & Managing Director (Group CEO)	Full year – CIO until 27 March 2024, Group CEO from 28 March 2024
Other Executive KMP		
Keir Barnes	Chief Financial Officer (CFO)	Full year
Deborah Coakley ¹	Chief Executive, Funds Management (CE, FM)	Full year
Former KMP		
Darren Steinberg	Executive Director & Chief Executive Officer (CEO)	Part year – until 27 March 2024
Kevin George	Executive General Manager, Office (EGM, Office)	Part year – until 3 July 2023

1. Ms Deborah Coakley stepped down from her role as CE, FM on 17 July 2024.

2. Remuneration snapshot

2.1 Link between business strategy and remuneration framework

Our Vision	Our Strategy	Our Remuneration Strategy
To be globally recognised as Australasia's leading real asset manager.	To deliver superior risk-adjusted returns for Dexus Security holders and our capital partners by owning, managing and developing quality real estate and infrastructure assets.	To attract, retain and motivate the best people to create a great culture that delivers our business strategy and contributes to sustainable long-term returns.

Remuneration principles



Culture

We align reward to our strong risk, high performance, diverse and inclusive culture



Alignment to performance

We reward for performance aligned to our business strategy with an emphasis on equity ownership



Market competitive

We position reward opportunity to attract and retain the best talent



Sustainable

We appropriately reward for both financial and non-financial outcomes



Simple and transparent

We keep it simple and set clear expectations

2.2 Executive remuneration components

	Fixed Remuneration (FR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose	Attract and retain Executives with the capability and experience to deliver our strategy.	Reward for performance against annual financial and non-financial, Group and individual objectives.	Align Executives' focus with the long-term business strategy to drive sustained earnings and Security holder returns.
Link to remuneration principles	Fixed remuneration should be market competitive.	The STI is designed in a simple and transparent manner with a focus on rewarding annual performance, through an assessment of financial and non-financial measures. The STI is only awarded where Executive behaviour standards align to our culture and values. Delivery of part of the award in equity places an emphasis on equity ownership to align Executives with Security holder interests.	The LTI provides alignment with long-term performance and is delivered wholly in equity to align with Security holder interests. We reward sustainable performance by assessing performance against financial and non-financial measures. RTSR: 40% ROCE: 40% Strategic: 20%
FY24 outcomes	Only the CFO received a fixed remuneration increase – a 6.25% increase from \$800,000 to \$850,000 to bring her fixed remuneration to market median compared to her ASX and A-REIT peers. See section 2.3 for more details on the new Group CEO's remuneration package.	All Executive KMP met the behavioural gateway and were eligible for an FY24 STI. The STI outcomes as a percentage of maximum for the Executive KMP for FY24 were: - Former CEO: 44.8% - New Group CEO: 57.6% (pro-rated as nine-months CIO and three-months as Group CEO) - CE, FM: 0.0% - CFO: 60.0% See section 5.1 and 5.2 for more detail.	The following LTI tranches were tested on 1 July 2024: - The second tranche of the FY21 LTI vested at 58.7%, against the AFFO per security performance and ROCE measures - The first tranche of the FY22 LTI vested at 20.0%, against the ATSR, ROCE and strategic measures See section 5.5 for more detail.

Minimum security holding requirement

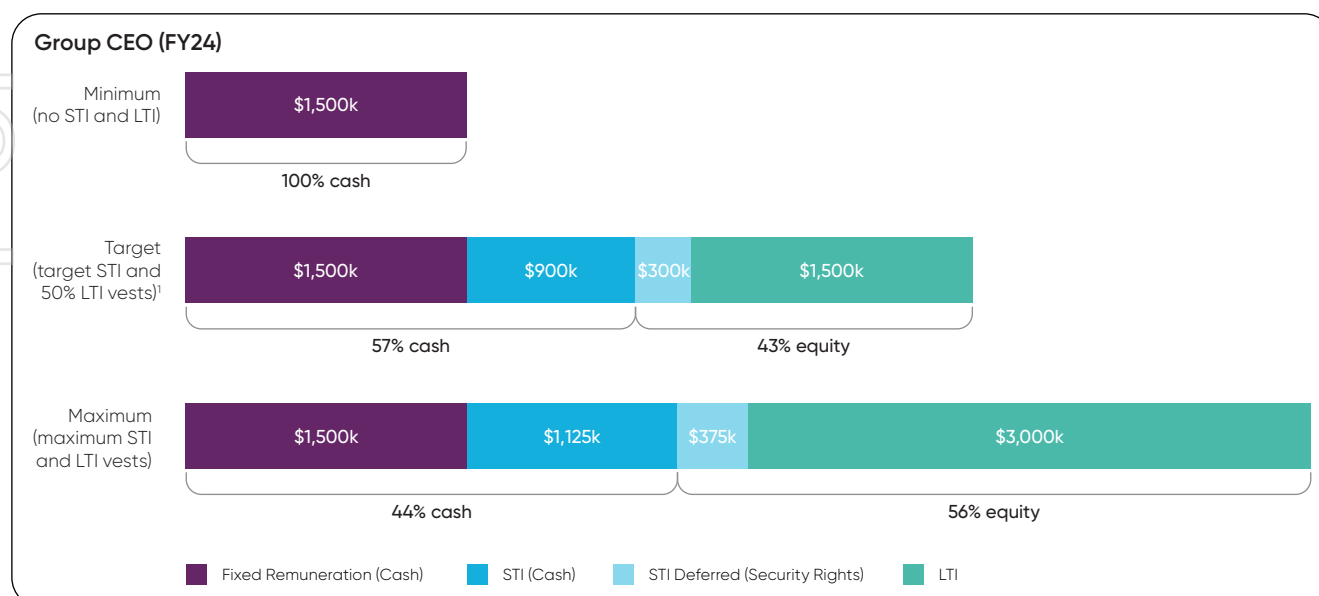
Group CEO: 150% of Fixed Remuneration
Other Executive KMP: 75% of Fixed Remuneration

This requirement is to be met within five years of appointment to the Executive Committee (ExCo).

2.3 New Group CEO remuneration package

Ross Du Vernet was appointed as Group CEO on 28 March 2024. Mr Du Vernet's remuneration package, effective from the date of his appointment, is weighted more heavily to the LTI than his predecessor to ensure his rewards are aligned with Dexu's long-term goals and has a heavier weighting on equity (and less on cash) to ensure that his rewards are aligned to Security holder interests. As a result, his maximum STI opportunity is the lowest of all the ASX 100 A-REIT CEOs.

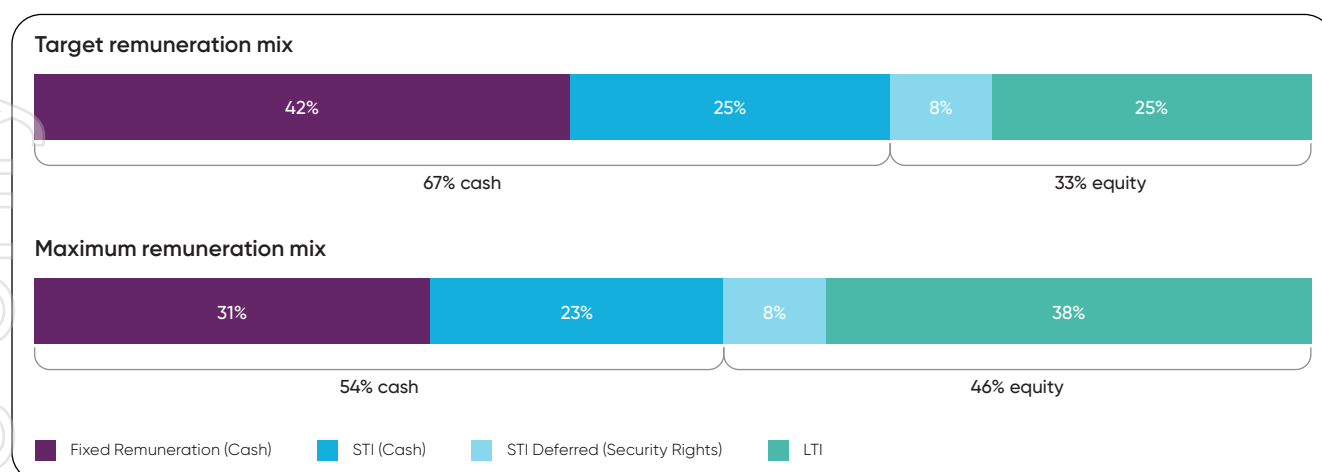
His remuneration package at the minimum, target and maximum levels of performance are shown below.



1. Target LTI figure of 50% is used as a proxy for indicative purposes only.

2.4 Other Executive KMP pay mix

Set out below is the remuneration mix for the other full-year Executive KMP at target and maximum below.



2.5 Executive remuneration structure

Our FY24 remuneration structure for Executive KMP is outlined below, including the FY24 remuneration framework changes.

	Year One	Year Two	Year Three	Year Four
Fixed remuneration (FR)	Base Salary, Superannuation and Other Benefits.			
STI	Assessed against a scorecard over 12 months, subject to meeting a behavioural gateway.	Cash (75%). Deferred Security Rights (25%)	STI maximum is 100% of FR for all Executive KMP.	
LTI	Performance Rights tested at end of Year Three against performance measures (50%).			LTI maximum is 200% of FR for the new Group CEO or 120% of FR for other Executive KMP.
	Performance Rights tested at end of Year Four against performance measures (50%).			

● Payment/Vesting

3. Our response to the 'first strike' at the 2023 AGM

At the 2023 AGM, more than 70% of the votes cast were in favour of our FY23 Remuneration Report as three out of the four proxy advisors supported our Remuneration Report. However, some external stakeholders raised concerns, particularly regarding our FY23 incentive outcomes, resulting in a 'first strike' against the Report. Following engagement with stakeholders, we set out below the key concerns raised with the Board and how we have responded.

Concern	Response
Strategic measures (20% weighting) in the LTI are perceived as 'day job' activities and do not have quantifiable targets set, with similarities between measures under the STI and LTI	As Dexus's business model is long-term in nature, the introduction of strategic measures in the LTI in FY22 aimed to focus Executives on achieving our long-term strategy in a sustainable manner. As FY24 is the first year in which the strategic measures component is tested, we provide detail on how these are assessed in section 5.5. The Board will introduce a new LTI framework in FY25, which includes removing the strategic measure from FY25.
Below market STI deferral compared to large ASX-listed companies	Dexus currently defers 25% of the STI award for one year. The Board considered this a fair balance when remuneration was reweighted in FY23 to reduce the STI opportunity of our Executives and increase the LTI opportunity.
The AFFO component paid out for lower year-on-year performance at the threshold level	Each year, the Board sets AFFO targets relative to distribution guidance, with distributions paid in line with free cash flow, for which AFFO is a proxy. We believe AFFO remains the most relevant earnings measure in the STI for our sector through the cycle, as it removes the impact of the gains and losses from revaluations of our assets. FY23 distribution guidance (50.0–51.5 cents per security) was lower than FY22, considering anticipated challenging economic conditions in a rising interest rate environment. Guidance was then updated at the HY23 result, to 51.0–51.5 cents per security. The final AFFO outcome for FY23 delivered distributions to Security holders above the top end of the range, at 51.6 cents per security, resulting in a threshold level of vesting. The Board acknowledges that AFFO was lower in FY23 and FY24, however the results reflect a solid outcome in challenging economic conditions. As mentioned in the Chair's Letter, our lower AFFO result in FY24 was primarily due to lower trading profits, acknowledging the headwinds facing our properties valuations. AFFO excluding trading profits was 0.2% higher than FY23.
Perceived misalignment between STI and LTI outcomes with Security holder outcomes	For FY23, the STI outcome was 56.0% of the maximum for the former CEO, and 56.0–66.8% of maximum for other Executive KMP, representing the lowest STI outcome over the past five-year period, and reflective of lower returns to Security holders. In FY23, Dexu distributions to Security holders exceeded guidance. Our performance against guidance, the relative performance of our Funds against industry benchmarks, our performance against strategic objectives and the generation of strong return on capital employed underpinned our STI and LTI outcomes for FY23. For FY24, the STI outcome as a percentage of maximum was 44.8% for the former CEO, 57.6% for the new Group CEO, 0.0% for the CE, FM and 60.0% for the CFO. Key achievements contributing to the FY24 outcome were delivering guidance, fund relative performance against industry benchmarks, delivering on sustainability initiatives, completing the integration of AMP Capital and a smooth CEO transition.
Non-financial measures in the STI may represent 'day job' responsibilities	The Board believes it is important to holistically assess our Executives' performance not only against financial targets, but also against important non-financial measures relating to sustainability, our people and, last year, the integration of AMP Capital's real estate and infrastructure equity platform. The Board strongly believes that all of these measures support our long-term success and reflect Dexu's strategic priorities and organisational values. The Board reviews and sets out the annual STI scorecard having regard to our organisational and strategic priorities for the coming year. We set robust targets for all our measures in the STI scorecard.

4. Company performance

4.1 Historical performance outcomes

The following table outlines Dexus's historical financial performance. These results flow into scorecard outcomes for the STI and LTI vesting results.

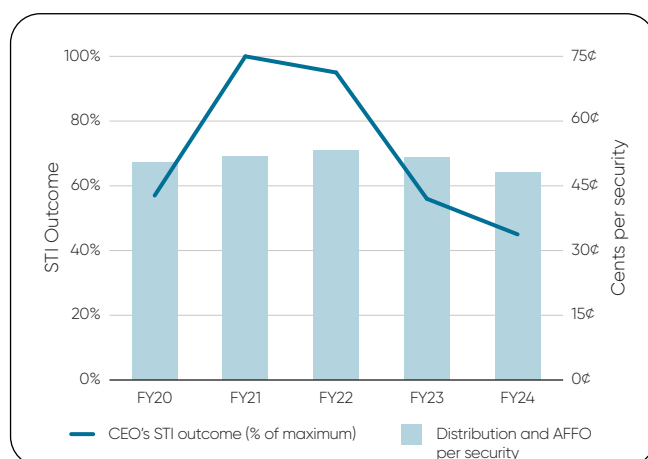
Five-year financial performance		FY24	FY23	FY22	FY21	FY20
FFO ¹	(\$m)	703.4	738.5	757.6	717.0	730.2
AFFO ¹	(\$m)	516.3	555.0	572.2	561.7	550.5
Net Profit/(loss) After Tax (NPAT)	(\$m)	(1,583.8)	(752.7)	1,615.9	1,138.4	927.7
AFFO per security	(cents)	48.0	51.6	53.2	51.8	50.3
AFFO per security growth	(%)	(7.0)	(3.0)	2.7	3.0	0.0
Distribution per security (DPS)	(cents)	48.0	51.6	53.2	51.8	50.3
ROCE	(%)	4.0	8.0	9.7	8.3	9.0
Dexus's closing security price	(\$)	6.48	7.80	8.88	10.67	9.20
NTA per security	(\$)	8.97	10.88	12.28	11.42	10.86
CEO's STI outcome (% of maximum) ²	(%)	44.8	56.0	94.8	100.0	57.0

1. FFO and AFFO is a non-IFRS measure that is unaudited but derived from audited Financial Statements. Please refer to Note 1 Operating Segments of the financial statements for the disclosure of the basis of the calculations and adjusted items.

2. FY20–FY24 CEO STI outcomes relate to the STI outcomes of former CEO, Darren Steinberg.

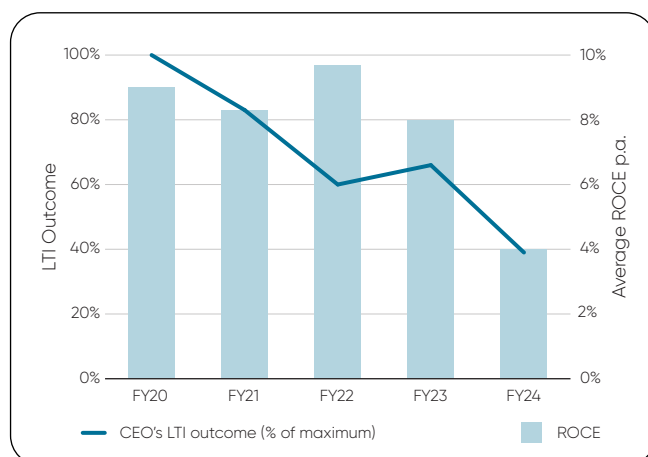
Distribution and AFFO per security v former CEO's STI outcome

Our STI outcome for the former CEO in FY24 was 44.8% of maximum, acknowledging that Mr Steinberg served in the CEO role for the majority of the year. All STI outcomes FY20–FY24 relate to former CEO, Mr Steinberg.



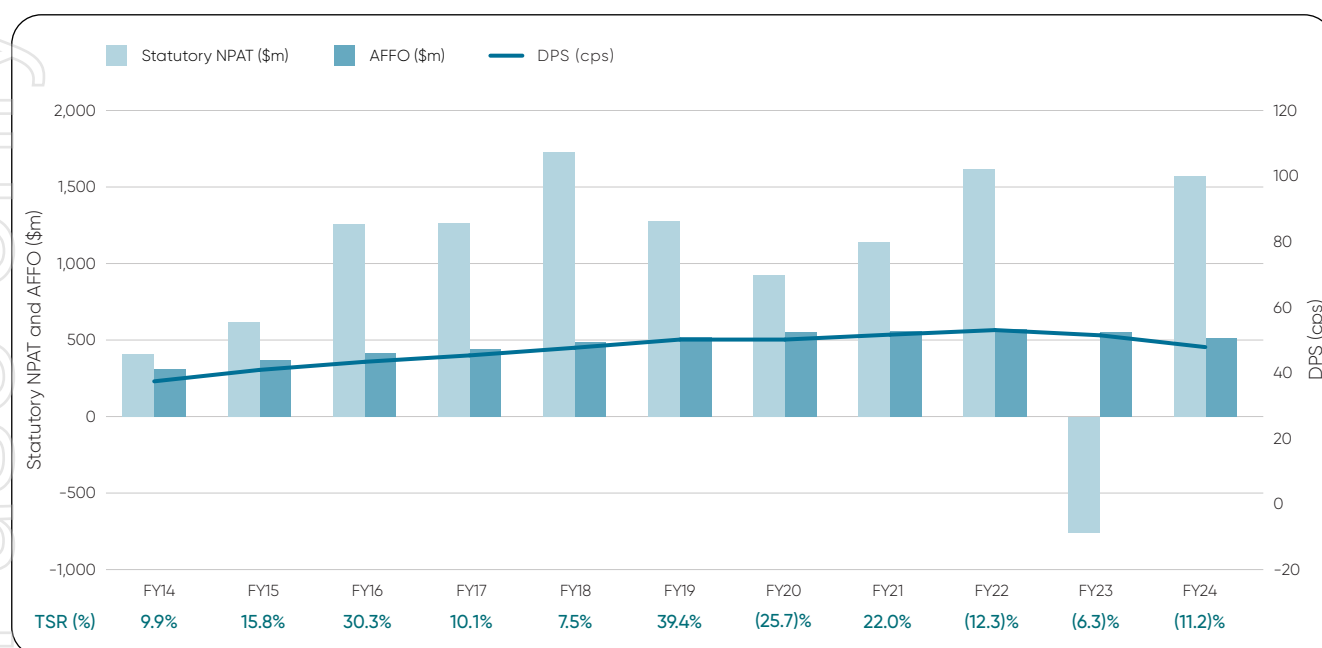
Average ROCE v former CEO's LTI outcome

Our average LTI outcomes over the past three years have been lower than historic levels, reflecting our lower ROCE performance during the COVID impacted years and in a higher interest rate environment. All LTI outcomes FY20–FY24 relate to former CEO, Mr Steinberg.



5. FY24 performance and remuneration outcomes

Despite Dexus's TSR performance and statutory net loss this year, which is largely the result of unrealised net property valuation losses each year over the below period Dexus has generated strong cash earnings (as measured by AFFO), on which distributions are based.



5.1 Former CEO scorecard performance outcomes

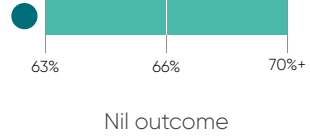
In FY24, Executive KMP were assessed against a mix of Group and role-specific KPIs.

At the end of FY24, upon assessment of whether each Executive KMP met Dexus's values and expectations, the Board determined that the behavioural gateway was met, and each Executive was eligible to receive an STI award in FY24.

Details on the former CEO's performance against each measure in his scorecard have been provided below, given he was in the role for the majority of the year. Further detail relating to Mr Steinberg's outgoing arrangements is set out in section 7.2.

Measure & Rationale for Inclusion	Weighting	Outcomes Achieved	Assessment		
			Threshold	Target	Out-performance
Group Financial (60%)			(50%)	(100%)	(125%)
Adjusted Funds from Operation (AFFO) per security Key financial measure to assess the performance of our overall business.	40%	Dexus's AFFO for FY24 was 48.0 cents per security, which was aligned to the Board approved distribution guidance of 48.0 cents per security for FY24.			
			Threshold		
Funds' performance vs benchmark hurdle rate or investment plan objective To assess our ability to deliver competitive returns against our peers.	20%	Of Dexus's flagship funds, 50% ¹ of funds outperformed benchmarks.			
			Threshold		

1. Represents the number of funds that outperformed benchmark.

Measure & Rationale for Inclusion	Weighting	Outcomes Achieved	Assessment		
			Threshold	Target	Out-performance
Group Non-Financial (20%)			(75%)	(100%)	(125%)
Employee engagement score To ensure we provide a workplace that brings out the best in our people, helping them grow and develop their careers.	10%	Our employee engagement score, noting that this is the first full year of AMP Capital contribution, was below the threshold for vesting. As part of the integration, it was anticipated that there would be challenges associated with such significant structural change, hence baseline and targets were set lower than the prior year. Having now completed the full integration of the AMP Capital employees during FY24, senior management has implemented a number of initiatives to improve employee engagement that we expect to have a positive impact in FY25.	 63% 66% 70%+ Nil outcome		
Sustainability impact & performance To ensure we maintain our market-leading sustainability credentials and deliver on the Group's sustainability strategy.	10%	Outcomes for FY24 include: - Dexus has maintained or improved its position against the GRESB and DJSI benchmarks. It is ranked in the top 5% of the DJSI benchmark for the REIT peer group - Sustainability Development Standards have been developed for each sector and will apply across all new developments from FY25 - All Fund Managers are using the approved Funds Sustainability Action Plan to inform funds investment plan updates Full details of achievements can be found in the Performance section in this Annual Report.	 Retain leadership position and majority of funds have sustainability and real estate asset plans Threshold plus all funds have plans and Standards launched Target plus exceedance against plan Target		
Role-specific (20%)			(75%)	(100%)	(125%)
Demonstrates leadership of key elements of Dexus's FY24 strategy Supporting sustainable long-term growth and value creation for Security holders through key deliverables.	20%	Outcomes for FY24 include: - Completing the successful integration of AMP Capital by March 2024, three-months ahead of schedule, including the integration into our platform and completion of transitional services - Outgoing and incoming CEO transition arrangements finalised in a timely manner and implemented smoothly internally and externally - Infrastructure FUM achieved above threshold. However, the Real Estate FUM outcome was below threshold, impacting the final score of the former CEO's role-specific KPIs	 Between threshold and target		
Former CEO's outcome (% of target)					56.0%
Former CEO's outcome (% of maximum)					44.8%

For the new Group CEO, Ross Du Vernet, Group measures from his CIO scorecard were retained for the full year, however, role specific KPIs were updated to reflect his transition to the Group CEO role and associated deliverables for the last quarter. The new Group CEO's full year scorecard outcome was 57.6% of maximum (pro-rated as nine-months CIO and three-months as Group CEO).

5.2 Other Executive KMP role specific KPI outcomes

While the financial and non-financial measures outlined in relation to the former CEO in section 5.1 apply in most instances to the other Executive KMP, each role has some variation to role-specific performance measures which have resulted in differentiated STI outcomes in FY24.

A summary of performance against the additional measures applying to various other KMP is set out below.

Measure	Outcomes	Description of performance outcome
Infrastructure fund performance vs benchmark	Target	75% ¹ of Dexu's infrastructure flagship funds outperformed the benchmark, which met our target set at the start of the year.
Real Estate fund performance vs benchmark	Nil	40% ¹ of Dexu's real estate flagship funds outperformed their benchmark. Of the funds that did not outperform benchmark, the two listed REITs DXI and DXC (40% of real estate flagship funds) still performed strongly overall and were within the Top 8 A-REIT 300 Index performers during the year. However, the overall result relative to benchmarks was below the minimum threshold set at the start of the year, resulting in no vesting against this measure.
Development metrics	Target	Strong development leasing outcomes have been achieved, particularly at DWPF's 33 Alfred Street, Sydney and the Jandakot and Ravenhall Industrial estates held by Dexu and funds. Opportunities have also been identified which have the potential to deliver trading profits in FY25.
Finalisation of operating model changes	Outperform	We successfully implemented our finance operating model on time and within budget, in line with the AMP Capital platform integration. We made changes to restructure various divisions to enhance business partnering and efficiencies in our business.

1. Represents the number of funds that outperformed benchmark.

5.3 FY24 STI remuneration outcomes

The FY24 performance assessment resulted in the Board awarding the former CEO 44.8% of the maximum STI in FY24, which is 20% lower than his FY23 outcome in dollar terms (\$896,000 vs \$1,120,000). The new Group CEO was awarded 57.6% of maximum and other Executive KMP outcomes were 0.0% and 60.0% of maximum STI. As Ms Coakley stepped down from her role on 17 July 2024 to pursue another opportunity with a competitor, she was not eligible to receive an FY24 STI under Dexu's leaver provisions.

Executive KMP	STI target % of FR	STI max % of FR	Actual FY24 STI awarded \$	% of target STI awarded	% of maximum STI awarded	% of maximum STI forfeited
Ross Du Vernet ¹	80.0%	100.0%	608,484	72.0%	57.6%	42.4%
Keir Barnes	80.0%	100.0%	510,000	75.0%	60.0%	40.0%
Deborah Coakley ²	80.0%	100.0%	0	0.0%	0.0%	100.0%
Former KMP						
Darren Steinberg	100.0%	125.0%	896,000	56.0%	44.8%	55.2%

1. As Ross Du Vernet was appointed to the Group CEO role on 28 March 2024, his FY24 STI has been apportioned between the period served in his Group CEO and CIO roles.

2. In alignment with STI Plan rules, Deborah Coakley received an STI outcome of 0% following her resignation.

5.4 LTI awards which vested at the beginning of FY24

On 1 July 2023, the second tranche of the FY20 LTI plan and the first tranche of the FY21 LTI plan were eligible for vesting for participating Executive KMP. Consistent with disclosures in last year's Report, the LTI vesting outcomes are materially lower than our pre-COVID LTI outcomes due to the adverse impact of COVID and a higher interest rate environment on AFFO performance and ROCE performance.

FY20 LTI Vesting Outcome

Results of each performance measure within tranche 2 of the FY20 LTI plan over the four-year performance period were:

Performance measure	Weighting	Minimum (50% vests)	Maximum (100% vests)	Group result	Vesting outcome	Amount forfeited
AFFO per security performance	50.0%	3.5%	4.5%	1.1%	0.0%	100.0%
Average ROCE	50.0%	8.5%	9.0%	8.8%	75.0%	25.0%
Vesting outcome					37.5%	62.5%

FY21 LTI Vesting Outcome

For the FY21 LTI, given AFFO performance targets were set lower than historical targets, only 25% of the AFFO performance portion vests where minimum is achieved. ROCE continues to vest at 50% where minimum is achieved, consistent with prior years.

Results of each performance measure within tranche 1 of the FY21 LTI plan over the three-year performance period were:

Performance measure	Weighting	Minimum (25% (AFFO)/ 50% (ROCE) vests)	Maximum (100% vests)	Group result	Vesting outcome	Amount forfeited
AFFO per security performance	50.0%	0.0%	3.0%	1.9%	72.0%	28.0%
Average ROCE	50.0%	7.0%	8.0%	8.6%	100.0%	0.0%
Vesting outcome					86.0%¹	14.0%

1. For the former EGM, Office, Mr Kevin George, 50% of his FY21 LTI was subject to a service component and the remaining 50% was assessed against the evenly weighted measures of AFFO per security performance and ROCE. His LTI outcome for tranche 1 of the FY21 LTI was 93%.

5.5 LTI awards which vest in FY25

On 1 July 2024, the second tranche of the FY21 LTI plan and first tranche of the FY22 LTI plan were eligible for vesting for participating KMP.

FY21 LTI Vesting Outcome

Results of each performance measure within tranche 2 of the FY21 LTI plan over the four-year performance period were:

Performance measure	Weighting	Minimum (25% (AFFO)/ 50% (ROCE) vests)	Maximum (100% vests)	Group result	Vesting outcome	Amount forfeited
AFFO per security growth	50.0%	0.0%	3.0%	0.7%	42.4%	57.6%
Average ROCE	50.0%	7.0%	8.0%	7.5%	75.0%	25.0%
Vesting outcome					58.7%¹	41.3%

FY22 LTI Vesting Outcome

Results of each performance measure within tranche 1 of the FY22 LTI plan over the three-year performance period were:

Performance measure	Weighting	Minimum (50% vests)	Maximum (100% vests)	Group result	Vesting outcome	Amount forfeited
Average ROCE	40.0%	7.5%	9.0%	7.2%	0.0%	100.0%
ATSR	40.0%	6.0%	9.0%	-10.3%	0.0%	100.0%
Strategic measures	20.0%	N/A	N/A	100.0%	100.0%	0.0%
Vesting outcome					20.0%	80.0%

1. For the former EGM, Office, Mr Kevin George, 50% of his FY21 LTI was subject to a service component and the remaining 50% was assessed against the evenly weighted measures of AFFO per security performance and ROCE. His LTI outcome for tranche 2 of the FY21 LTI was 73.1%.

Given the LTI awards are granted in equity, the value of the vested awards for tranche 1 of the FY22 LTI are significantly lower than their grant value, linking executive reward to the Security holder experience. For tranche 1 of the FY22 LTI, the vested value for each participant was equivalent to 25% of their initial grant value, due to lower vesting outcomes and alignment with security price performance.

Following annual progress updates of performance against the strategic focus areas provided below, a detailed formal assessment, for the end of the first three-year performance period, is now provided. The Board conducted a robust assessment of management's performance against strategic targets set at the start of the performance period and based on these targets, it believes that management has executed on the multi-year targets set. Given the strategic measures comprise 20% of the LTI award, it is noted that this component forms a small portion of the overall FY22 award, with the majority being assessed against financial measures. The Board note that while the LTI financial measures have not been met, management's performance against strategic objectives is positioning Dexus to enhance financial returns to Security holders beyond the three year measurement period. The Board also note that while LTI strategic measures were met, some non-financial measures within the STI scorecard were not met this period. The Board have sought to achieve balanced remuneration outcomes that align with the Security holder experience.

Category	Description	Key achievements
Funds Management	Diversification of capital partners and investor base, and overall growth in Funds Management.	– Since FY21, funds under management has grown by \$12.0 billion or 28.2% and diversified further in terms of sector exposure and investor type, with infrastructure being added on to the platform as a result of the AMP transaction and >6,500 registered unitholders added on to the platform – Dexus has raised \$4.6 billion in new equity through DRPs across its platform over this period – Over this period Dexus opened its Singapore office to support the growth of the funds management business in Asia. This aims to attract international capital partners to invest in Australasian real assets – During the period, Dexus successfully completed the acquisitions and onboarding/integration of the APN Property Group and AMP Capital funds platforms, both of which materially expanded and diversified the funds business. These transactions involved substantial time and effort to complete and integrate – Following the acquisition of APN Property Group, Dexus established a \$1.3 billion joint venture to acquire Jandakot Airport industrial precinct alongside Dexus Industria REIT (DXI) and later introduced Cbus Super into the joint venture. The transaction was transformational for DXI, which was part of the former APN platform, introducing new investors to its register and enhancing the quality of its portfolio – Dexus has successfully closed its first funds in the opportunistic and infrastructure sectors during the period. During FY22, Dexus secured the first investments and cornerstone investor for the first fund in its opportunistic series, DREP1, which had been launched the prior year. DREP1 raised \$475 million of equity with circa 90% committed across the real estate subsectors, including credit opportunities. Dexus has also raised over \$300 million in equity commitments at first close in DREP2, which is expected to be materially larger than DREP1. During FY23, Dexus launched its first infrastructure fund, the Wholesale Airport Fund, and raised \$185 million in equity, above its \$130 million target
Transactions	Strategic acquisitions and divestments of assets across the Dexus investment portfolio.	– Since FY21, amidst a challenged transactions market, Dexus has divested \$12.6 billion and acquired \$7.6 billion for its platform portfolio, of which the Dexus investment portfolio accounted for \$6.9 billion of divestments and \$3.1 billion of acquisitions – Major Dexus divestments include office properties located at: 44 Market Street, 1 Margaret Street, 5 Martin Place, 383–395 and 309–321 Kent Street in Sydney, 130 George Street in Parramatta, 8 Nicholson Street in East Melbourne, Axxess Corporate Park in Mount Waverley, as well as 12 Creek Street in Brisbane. As a result of these divestments, the quality of Dexus's investment portfolio has improved, with the office portfolio weighting to Premium grade assets increasing from 31% to 55%. The divestments have also enabled balance sheet strength to be maintained despite the impact of material property devaluations during the period, with pro forma gearing (look-through) of 32.0% at 30 June 2024 at the lower end of the 30–40% target range – The divestments undertaken on behalf of fund clients across a number of funds helped to maintain strong gearing levels despite the impact of valuation declines during the period, as well as facilitating redemption requests to meet client needs, an important part of Dexus's positioning as a leading fund manager – As mentioned above, during the period Dexus successfully completed the strategic corporate acquisitions of the APN Property Group and AMP Capital funds platforms, both of which materially expanded and diversified the funds business. It also completed the complex \$1.3 billion acquisition of Jandakot Airport industrial precinct, entering the WA industrial market and creating a truly national offering for its industrial customers

Category	Description	Key achievements
Developments	Progressing the Group development pipeline.	- Since FY21, Dexus has completed \$4.8 billion of developments across the platform, further enhancing the quality of the platform portfolio \$1.3 billion developments were completed within the Dexus portfolio, including 123 Albert Street, Brisbane, which is fully leased, 25 Martin Place, Sydney and more than \$500 million of industrial development completions - Dexus continues to progress city shaping developments Atlassian Sydney and Waterfront Brisbane, as well as 150,400 square metres of industrial development within its committed pipeline
Sustainability	To be globally recognised as a sustainability leader in our industry.	- External recognition for leadership includes one of only two ASX companies that fully met Climatework's principals for credible net zero¹ targets and action and being included in the Financial Times and Statista Asia-Pacific Climate Leaders list for 2024 - Dexus has achieved net zero¹ emissions for building operations across the group's managed portfolio since FY22, eight years ahead of the original target of 2030, and transitioned to 100% of electricity sourced from on-site and off-site renewable sources - Delivered improvements in sustainability performance of office operating assets, measured through portfolio average NABERS ratings, with Waste improving from 2.7 to 3.5 stars and Indoor Environment from 4.7 to 5.2 stars - Delivered world leading sustainability outcomes in developments with 6 Star Green Star ratings for Horizon 3023, Ravenhall (industrial), Quay Quarter Tower (office) and North Shore Health Hub (healthcare) - The Dexus Sustainability strategy has been refreshed and embedded within all funds and asset plans, and we have finalised the new Development Sustainability Standard which will apply across all new developments from FY25

5.6 One-off retention awards vested in FY24

In December 2023, 50% of the one-off retention awards granted to the CIO and CE, FM vested. These awards were granted in December 2020 to secure our senior leadership talent during a volatile period for the Real Estate sector during COVID and were successful in doing so during this period. The remaining 50% is due to vest in December 2024 for Ross Du Vernet, subject to continued service. As Deborah Coakley stepped down from her role on 17 July 2024, her final tranche of the retention award will be forfeited. No new one-off retention awards have been granted by the Board.

As these awards were granted in equity to provide alignment with Securityholders, the value of the awards vested are lower than the original grant value, as shown in the table below. This reflects the link between the value of the awards and Securityholder experience.

	Allocation price per Right (14 December 2020)	Total value at grant date	Security price at vesting date (14 December 2023)	Total value at 1st vesting date (14 December 2023)	Change in value between grant and 1st vesting date	Value of Rights vested (50% vested on 14 December 2023)
Ross Du Vernet	\$9.77	\$1,500,000	\$7.70	\$1,181,796	(21%)	\$590,898
Deborah Coakley	\$9.77	\$1,500,000	\$7.70	\$1,181,796	(21%)	\$590,898

The one-off retention award granted to the former CEO in 2021 was not due to vest in FY24. See section 7.2 for further details on his outgoing arrangements.

1. In line with Climate Active Carbon Neutral Standard for Organisations, net emissions for the year ended 30 June 2024 include offsets purchased and allocated for retirement during the year and up to the date of this report.

5.7 Actual remuneration based on performance and service through FY24

These values differ from the Executive statutory remuneration table (provided in section 10.1), which has been prepared in accordance with statutory requirements and accounting standards. The table below is not measured in accordance with the Australian Accounting Standards and has been provided to disclose the actual value of remuneration received in FY24.

Incentive awards have been calculated as follows:

- **Deferred STI vested** – The value of the deferred STI from prior years that vested on 1 July 2023 (being the number of Security Rights that vested multiplied by the volume weighted average price (VWAP) for the five days prior to the vesting date)
- **LTI vested** – The value of Performance Rights that vested in relation to the LTI on 1 July 2023 (being the number of Performance Rights that vested multiplied by the VWAP for the five days prior to the vesting date)
- **One-off retention awards vested** – The value of Rights vested on 14 December 2023 (being the number of Rights that vested multiplied by the VWAP for the five days prior to the vesting date)

Executive KMP	Base salary (\$)	Super-annuation benefits (\$)	Non monetary benefits (\$)	STI cash payment (\$)	Deferred STI vested (\$)	KTEP ¹ vested (\$)	LTI vested (\$)	One-off retention awards vested (\$)	Total (\$)
Ross Du Vernet	1,027,363	27,399	2,244	387,501	204,309	N/A	257,375	569,446	2,475,637
Keir Barnes	822,601	27,399	4,938	336,000	109,509	60,723	N/A	N/A	1,361,170
Deborah Coakley	872,601	27,399	8,374	350,000	201,090	N/A	244,705	569,446	2,273,615
Former KMP²									
Darren Steinberg ³	1,164,412	20,287	11,658	840,000	421,522	N/A	1,098,162	N/A	3,556,041

1. The Key Talent Equity Plan (KTEP) is a mid-term incentive plan, granted to identified Executives before becoming KMP, which aims to retain individuals identified as key talent and further align them to the interests of Dexu and its investors through an increased security holding. KTEP participants are granted Performance Rights that do not receive distributions until vesting occurs. The plan vests in two tranches equally over a two and three year period.
2. As Kevin George ceased employment as EGM, Office on 3 July 2023, he received salary for one day of work during FY24.
3. Darren Steinberg stepped down from his CEO role on 27 March 2024. His base salary, superannuation benefits and non-monetary benefits have been pro-rated up to this date.

6. FY24 remuneration framework

6.1 Fixed remuneration strategy

The Group's fixed remuneration strategy is to offer market competitive rates to attract and retain our experienced and accomplished management team. Remuneration levels are set based on role size, complexity, scope and leadership accountability. Dexu is committed to continue adhering to the principle of pay equity, which has achieved gender pay equity across like-for-like roles. To determine fixed remuneration levels, Dexu benchmarks externally against ASX20–100 companies for directly comparable roles, as well as other large ASX A-REIT peers for relevant roles.

In FY24, our CFO received a fixed remuneration increase from \$800,000 to \$850,000 following a market benchmarking exercise of her ASX 20–100 peers. This adjustment is in line with our policy of paying market competitive remuneration to our Executives.

Mr Du Vernet's remuneration was adjusted upon his promotion to the Group CEO role.

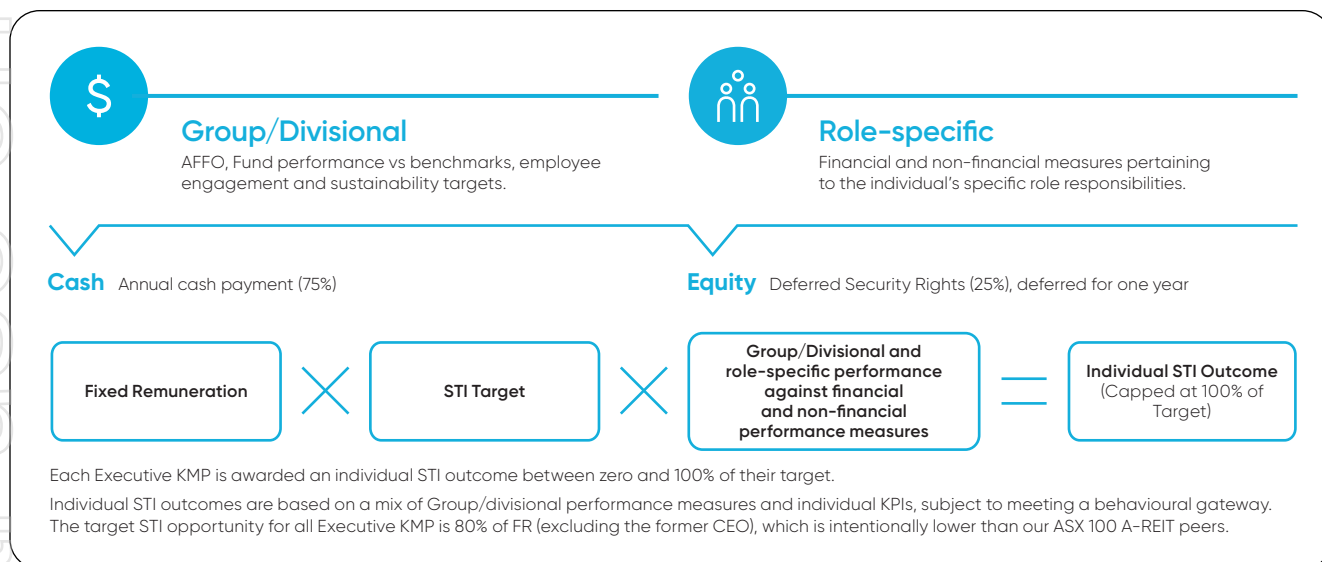
The FY24 fixed remuneration levels as at 30 June 2024 for full-year Executive KMP are set out below:

Executive KMP	FY24 contractual fixed remuneration (\$)
Ross Du Vernet	1,500,000
Keir Barnes	850,000
Deborah Coakley	900,000

6.2 Short-Term Incentive (STI)

The STI plan is aligned to Security holder interests by:

- Encouraging Executives to achieve year-on-year performance improvement in a balanced and sustainable manner aligned to our values
- Setting scorecard measures and targets aligned to our budgets and strategic goals for the financial year
- Mandatory deferral of 25% of each STI award into Security Rights deferred for one year, acting as a retention mechanism and providing further alignment with Security holder interests



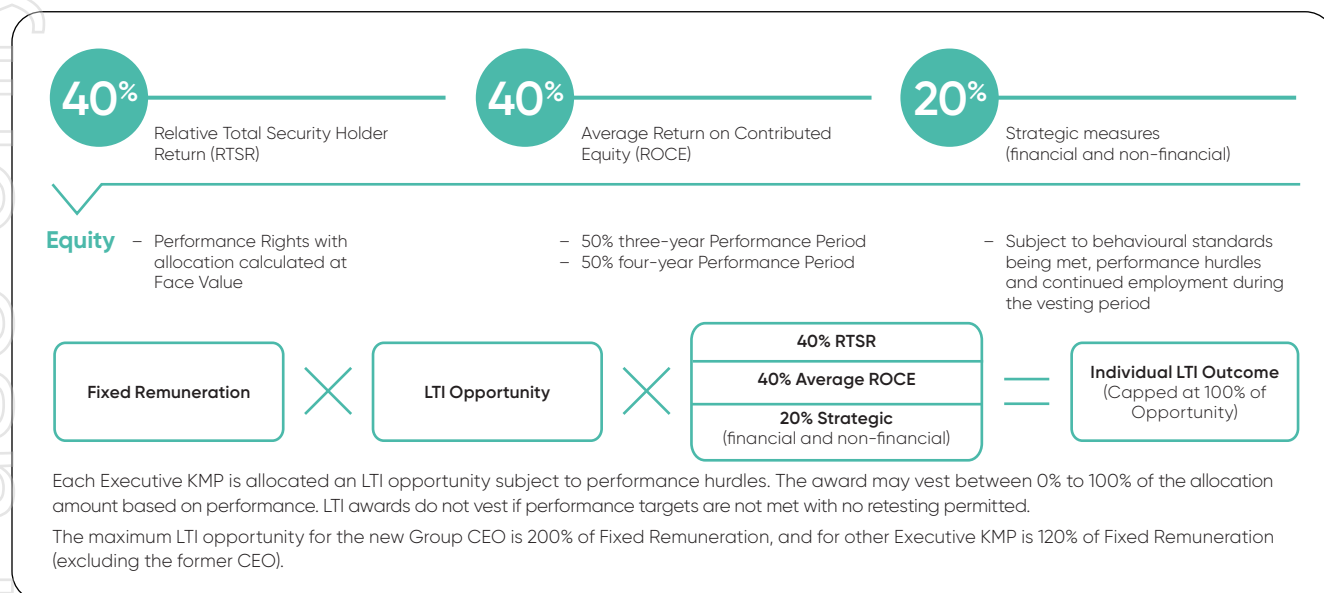
The additional terms for the STI plan are outlined below.

Term	Detail
Behavioural gateway	For any STI award to pay out, a minimum standard of performance must be met by the individual via the behavioural gateway which includes no material financial misstatement and no actions inconsistent with the commercial or ethical standards expected by the Board or our stakeholders. This seeks to align Executive KMP performance with Dexus's values and expectations of Executives.
Scorecard assessment	Group/Divisional performance is measured against a scorecard comprising of Group/divisional and role-specific measures. See section 5.1 and 5.2 for disclosure on FY24 measures.
Allocation methodology	Face value. The number of Security Rights granted to Executive KMP for the deferred portion of the STI is determined by dividing the deferred STI value by the VWAP of Dexus Securities 10 trading days either side of the first trading day of the new financial year.
Distribution rights	For the portion of STI deferred as Security Rights, participants are entitled to the benefit of distributions paid on the underlying Dexus Securities prior to vesting through the issue of additional Security Rights at the time of vesting.
Leaver provisions	If a participant is classified as a Bad Leaver (i.e. termination for cause, resignation or other circumstances determined by the Board), all Security Rights will be forfeited and there will be no entitlement to an STI award for the year in which employment ceases. Where the participant is a Good Leaver, they will continue to be entitled to their Security Rights from previous years which will be released at the end of the restriction period and to a pro-rated STI award for the part of the current financial year they are employed. The Board may vary the classification of the individual's leaver status, between cessation of employment and the release of awards, for example where the individual accepts an offer of employment with a competitor during the contractual non-compete period or misconduct events are discovered after cessation of employment.
Malus provisions	The Board has the discretion to adjust STI outcomes upward or downward, including to zero, where: – There is any misalignment between the Executive KMP's conduct or performance, such as in the case of significant misconduct or material misstatement of performance – There have been unintended consequences or outcomes as a result of the Executive KMP's actions, including where the original performance outcomes are later found to have been unrealised or not in line with the original performance assessment – The STI outcomes are materially misaligned with the experience of Security holders

6.3 Long-Term Incentive (LTI)

The LTI plan is aligned to Security holders' interests in the following ways:

- Encourages Executives to make sustainable business decisions by assessing financial and non-financial performance
- Aligns the financial interests of Executives participating in the LTI Plan with Security holders through exposure to Dexus Securities



The additional terms of the LTI plan are outlined below.

Term	Detail																				
Performance measures and vesting schedule	RTSR (40%) RTSR has been selected to assess our ability to deliver Security holder returns relative to our industry peers. RTSR is measured by assessing Dexus’s TSR against the TSR of each company in the ASX 200 A-REIT peer group, with distributions considered to be reinvested over the three and four-year performance periods. Noting a level of correlation between A-REIT peers, the Board considers a 3% per annum return above the index over three and four years to constitute material outperformance against our A-REIT peers.																				
	<table><tr><th>Vesting schedule</th><th>Performance target (50% of Rights tested after three years)</th><th>Performance target (50% of Rights tested after four years)</th><th>Vesting outcome</th></tr><tr><td>Below Threshold Performance</td><td>Below the Index</td><td>Below the Index</td><td>0%</td></tr><tr><td>Threshold performance</td><td>Equal to the Index</td><td>Equal to the Index</td><td>50%</td></tr><tr><td>Between Threshold and Outperformance</td><td>Between the Index and Index + 9%</td><td>Between the Index and Index + 12%</td><td>Straight-line pro-rata vesting</td></tr><tr><td>Outperformance</td><td>Index + 9% or greater</td><td>Index + 12% or greater</td><td>100%</td></tr></table>	Vesting schedule	Performance target (50% of Rights tested after three years)	Performance target (50% of Rights tested after four years)	Vesting outcome	Below Threshold Performance	Below the Index	Below the Index	0%	Threshold performance	Equal to the Index	Equal to the Index	50%	Between Threshold and Outperformance	Between the Index and Index + 9%	Between the Index and Index + 12%	Straight-line pro-rata vesting	Outperformance	Index + 9% or greater	Index + 12% or greater	100%
Vesting schedule	Performance target (50% of Rights tested after three years)	Performance target (50% of Rights tested after four years)	Vesting outcome																		
Below Threshold Performance	Below the Index	Below the Index	0%																		
Threshold performance	Equal to the Index	Equal to the Index	50%																		
Between Threshold and Outperformance	Between the Index and Index + 9%	Between the Index and Index + 12%	Straight-line pro-rata vesting																		
Outperformance	Index + 9% or greater	Index + 12% or greater	100%																		

Term	Detail															
Performance measures and vesting schedule continued	Average ROCE (40%) Average ROCE has been selected to ensure that management has a regard for generating returns on Security holder equity through a combination of improving earnings and capital management, in accordance with our risk appetite. ROCE is measured as simple average ROCE, calculated as a percentage, comprising AFFO together with the net tangible asset impact from completed developments, divided by the weighted average contributed equity during the period. ROCE is measured as the per annum average at the respective conclusion of the three and four-year performance periods. The 7–10% ROCE target has been set within a ‘through the cycle’ range to cover various stages of the property cycle. This aims to increase consistency and simplify our annual approach to target setting, noting that this range will still be regularly reviewed by the Board.															
	<table><tr><th>Vesting schedule</th><th>Performance target</th><th>Vesting outcome</th></tr><tr><td>Below Threshold Performance</td><td><7% p.a.</td><td>0%</td></tr><tr><td>Threshold performance</td><td>7% p.a.</td><td>50%</td></tr><tr><td>Between Threshold and Outperformance</td><td>7–10% p.a.</td><td>Straight-line pro-rata vesting</td></tr><tr><td>Outperformance</td><td>>10% p.a.</td><td>100%</td></tr></table>	Vesting schedule	Performance target	Vesting outcome	Below Threshold Performance	<7% p.a.	0%	Threshold performance	7% p.a.	50%	Between Threshold and Outperformance	7–10% p.a.	Straight-line pro-rata vesting	Outperformance	>10% p.a.	100%
	Vesting schedule	Performance target	Vesting outcome													
	Below Threshold Performance	<7% p.a.	0%													
	Threshold performance	7% p.a.	50%													
Between Threshold and Outperformance	7–10% p.a.	Straight-line pro-rata vesting														
Outperformance	>10% p.a.	100%														
Strategic (financial and non-financial) (20%) Strategic measures continue to comprise a portion of the LTI to ensure management remains focused on Dexus’s long-term growth ambitions. These measures have been set in relation to the following areas of focus: – Funds Management: The diversification of capital partners and investors, and overall growth in funds management – Transactions: Strategic acquisitions and divestment of assets across the Dexus investment portfolio – Developments: Progressing the Group development pipeline – Sustainability: To be globally recognised as a sustainability leader in our industry																
While some of these measures appear to overlap with some of our STI measures, the LTI’s strategic measures are assessed over a multi-year timeframe in line with our long-term strategy as opposed to over one year in the STI which is focused on the annual activities that underpin achievement of our long-term strategy. From FY25, strategic measures will no longer be part of the LTI.																
Allocation methodology	Face value. The number of Performance Rights granted is equal to the participant’s LTI opportunity (based on a percentage of Fixed Remuneration) divided by the VWAP of Dexus Securities 10 trading days either side of the first trading day of the new financial year.															
Distribution rights	No distribution rights on underlying Dexus Securities during the performance period prior to vesting.															
Leaver provisions	If a participant is classified as a Bad Leaver (i.e. termination for cause, resignation or other circumstances determined by the Board) all Performance Rights will be forfeited, subject to the Board’s discretion to determine otherwise. Where the participant is a Good Leaver, unvested Performance Rights will remain on-foot to be tested at the end of the original performance period, subject to the Board’s discretion to determine otherwise. The Board may vary the classification of the individual’s leaver status, between cessation of employment and the vesting of awards, for example where the individual accepts an offer of employment with a competitor during the contractual non-compete period or misconduct events are discovered after cessation of employment.															
Malus provisions	The Board has the discretion to adjust LTI outcomes upward or downward, including to zero, where: – The LTI outcome does not reflect the Executive KMP’s performance or conduct, such as in the case of significant misconduct or material misstatement of performance – There have been unintended consequences or outcomes as a result of the Executive KMP’s actions, including where the original performance outcomes are later found to be unrealised or not in line with the original performance assessment – The LTI outcome is materially misaligned with the experience of Security holders															

6.4 Changes to FY25 Executive KMP remuneration arrangements

As disclosed in the Chair's Letter, to support Dexs's ambition to be globally recognised as Australasia's leading real asset manager, changes to our LTI framework will be made in FY25 to align executive reward with our long-term horizons and the delivery of Security holder returns.

The key changes are:

- Market priced Options will replace the use of Performance Rights. These Options will only have a value to Executives where our security price is above the exercise price. The Options will be allocated at the fair value of the Options externally calculated at that time using a recognised Option valuation methodology. The exercise price determination will be disclosed in the 2024 Notice of Meeting
- The performance period will be extended to up to five years (from up to four years currently) as we seek to align executive reward to a longer-term horizon. The Options will be eligible to vest in three equal tranches after three, four and five years. Options may be exercised during the two years following vesting
- The Options will only vest when a performance gateway is met related to minimum level of annual TSR (security price growth targets plus distributions), to align executive reward with the delivery of Security holder returns

The introduction of a new LTI plan aims to support Dexs's ability to attract and retain talent from the infrastructure and investments space to execute its strategy, while only providing rewards where Dexs security price grows over the relevant performance period.

Further detail will be provided in the resolution to approve the grant of the Group CEO's LTI in the 2024 Notice of Meeting.

In addition, the CFO's target STI opportunity will increase from 80% of FR to 90% of FR in FY25, after benchmarking data indicated that her target STI was at the lower end of her ASX 100 A-REIT peers. The Board has approved this greater STI opportunity to enhance the competitiveness of her overall remuneration package.

7. Executive KMP contractual agreements

7.1 Terms of Executive KMP service agreements

Executive KMP service agreements detail the individual terms and conditions of employment applying to Executive KMP, with the termination scenarios and other key employment terms detailed below.

	New Group CEO	Other Executive KMP
Employment agreement	An ongoing Executive Service Agreement.	An ongoing Executive Service Agreement or individual contract.
Termination by the Company or by Mutual Agreement	Six-month notice period. The Group may choose to place the Group CEO on leave or make a payment in lieu of notice at the Board's discretion.	Three-month notice period. The Group may choose to place the Executive on leave or make a payment in lieu of notice at the Board's discretion.
Resignation by the Executive	Six-month notice period. The Group may choose to place the Group CEO on leave or make a payment in lieu of notice at the Board's discretion.	Three-month notice period. The Group may choose to place the Executive on leave or make a payment in lieu of notice at the Board's discretion.
Termination by the Group with Cause	No notice or severance is payable. All unvested incentive awards are forfeited.	
Leaver Treatment of Incentives	If a participant is a Bad Leaver (i.e. termination for cause, resignation or other circumstances determined by the Board) all Security Rights granted under the STI plan and all unvested Performance Rights under the LTI plan will be forfeited. Where the participant is a Good Leaver, they will continue to be entitled to their Security Rights at the end of the restriction period under the STI plan and any unvested Performance Rights granted under the LTI plan will remain on-foot to be tested against the applicable performance conditions at the end of the performance period. The Board retains overarching discretion to determine an alternate treatment and to vary the classification of the individual's leaver status, between cessation of employment and the vesting/release of awards.	
Change of Control treatment of Incentives	Currently, in a change of control scenario: – Unvested LTI Performance Rights would vest and be settled in cash, provided the change of control event occurs three months or more from the issue date of the Rights. If the change of control event occurs less than three months from the issue date, all unvested Performance Rights granted in that three-month period lapse – For LTI grants from FY24 onwards, any vested but unexercised Performance Rights would be required to be exercised during a period post-vesting, specified by the Board – Unvested STI Security Rights would vest and be settled in cash The rules of the new LTI Option plan are being finalised. Details regarding the treatment on change of control will be disclosed in the 2024 Notice of AGM.	

7.2 Outgoing arrangements of Darren Steinberg

Darren Steinberg stepped down from his CEO role on 27 March 2024 and no longer held a KMP role after this date, however he will remain employed with the Group until December 2024 to assist Ross Du Vernet in completing a smooth Group CEO transition. Given Mr Steinberg ceased employment via termination by mutual agreement, he will continue to be paid during this period of gardening leave, noting he has a 12-month notice period. The Board considers this to be appropriate to ensure that Mr Steinberg is not available to be engaged by our competitors during this period.

Any termination benefits provided to Mr Steinberg are to comply with the one times base salary cap limit as defined by the *Corporations Act 2001* (Cth).

As a Good Leaver, he received his statutory entitlements, and the treatment of his on-foot incentive awards are as follows:

- A full-year FY24 STI award will be received given he will be employed until December 2024. This will be received in cash (75%) and deferred Security Rights (25%). He will not be eligible to receive an FY25 STI award
- Deferred STI Security Rights to remain restricted until the end of the normal restriction period
- Unvested LTI Performance Rights were left on-foot to be tested in the ordinary course. He will not be eligible to receive an FY25 LTI grant; and
- The one-off Incentive Award granted to Mr Steinberg in June 2021 vested on 1 July 2024. This award was designed to:
 - Ensure Mr Steinberg continued to lead Dexus through the COVID-19 pandemic and to provide leadership stability over the three-year period to allow for the eventual CEO succession process to commence
 - Reward the CEO for the successful delivery of a number of key strategic initiatives over the three-year period
- The Board has determined that the strategic performance conditions of Mr Steinberg's one-off Incentive Award have been satisfied, including successfully:
 - Navigating the changes to the office market, with office occupancy remaining strong over this period despite the challenging environment
 - Maintaining a leading position in ESG and continuing to make significant progress on sustainability initiatives
 - Diversifying our capital partners and investors and achieving overall growth in funds management. Total third party funds under management has increased by 28.2% and Dexus's sector exposure has increased to retail, infrastructure and alternatives over the past three-years
 - Completing the strategic acquisition and divestment of assets across the Dexus investment portfolio such as the successful completion of the AMP Capital and Jandakot acquisitions and the execution of \$6.9 billion of balance sheet divestments
 - Progressing the group development pipeline by completing \$4.8 billion in developments over the past three years, including \$1.3 billion being completed within the Dexus portfolio

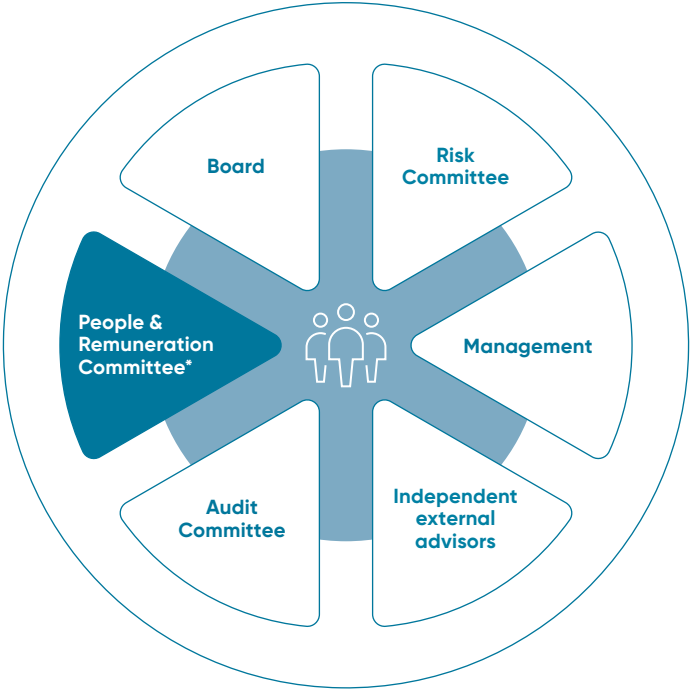
Gardening leave was granted for the period from March 2024 to December 2024. Mr Steinberg will receive his base salary and entitlements during this leave period, totalling \$1,238,840.

7.3 Outgoing arrangements of Kevin George

Kevin George ceased employment with the Company on 3 July 2023 and was determined to be a Good Leaver. He received his statutory entitlements and his unvested LTI Performance Rights were left on-foot to be tested in the ordinary course. He was not entitled to an FY24 STI award.

8. Remuneration governance

The diagram below displays the interaction between the Board, Committees, management and external advisors, when discussing remuneration strategy, framework and outcomes.



Board

Approves and has oversight of Dexus's Remuneration Policy, NED and Executive KMP remuneration and culture indicators.

Risk Committee

Advises the PRC of material risk issues, behaviours and/or compliance breaches.

Two joint meetings are held each year with the PRC to review Risk Culture frameworks, metrics, and audit information.

Management

Proposes Executive appointments, succession plans, policies, remuneration structures and remuneration outcomes to the PRC for review and approval or recommendation to the Board.

Independent external advisors

The Board's independent remuneration advisor, SW Corporate, was engaged to provide benchmarking data, market practice information and advice on the remuneration framework in FY24. SW Corporate did not make any remuneration recommendations in FY24.

Audit Committee

Reviews the calculation of financial performance incentive plans.

* Members: Elana Rubin, The Hon. Nicola Roxon, Paula Dwyer and Warwick Negus.

8.1 People and Remuneration Committee Responsibilities

The People and Remuneration Committee (PRC) is responsible for developing the remuneration strategy, framework and policies for NEDs, Executive KMP and the Executive Committee (ExCo) for Board approval.

The responsibilities of the PRC are outlined in the PRC's Terms of Reference, available at www.dexus.com/boardcommittees, which is reviewed and approved annually by the Board. The primary accountabilities of the PRC are:

- Reviewing and recommending to the Board for approval Dexus's remuneration practices, which covers Executive KMP, other ExCo members and all other Dexus employees
- Reviewing and approving the Group Scorecard, annual performance objectives and KPIs for the Group CEO, Executive KMP and other ExCo members
- Recommending to the Board for approval Group CEO, Executive KMP and other ExCo members' base salary increases and annual incentive payments
- Reviewing, overseeing and approving aggregate base salary increases and annual incentive payments for all employees (other than the Group CEO, Executive KMP and other ExCo members)
- Reviewing and recommending to the Board any Director fee changes, including proposals regarding the Directors' fee cap
- Reviewing and recommending to the Board for approval the Code of Conduct and other key policies
- Reviewing and recommending to the Board for approval, the Diversity Principles, including identification of measurable objectives for achieving diversity (including beyond gender) and progress towards those objectives
- Reviewing and approving processes and information on talent assessments, leadership development and succession planning
- Reviewing processes and metrics for measuring culture and behaviours, including risk culture areas
- Overseeing general people and culture practices including the risk of gender or other bias in remuneration

8.2 Meetings

The PRC is required to meet at least four times per year. In FY24, the PRC met seven times to discuss and review remuneration, and people and culture related matters.

Committee papers are provided to all PRC members prior to meetings to enable timely, considered and effective decision making. The PRC may request additional information from management or external advisors where required.

8.3 Remuneration decision making

For remuneration concerning the Executive KMP, the new Group CEO's input was sought to help guide discussions and provide input on performance throughout the year. The new Group CEO's remuneration was considered separately to manage conflicts of interest.

The PRC uses a range of inputs when assessing Executive KMP performance and determining remuneration outcomes:

- Financial performance measured using audited financial measures
- Management providing detailed examples of how non-financial outcomes have been achieved
- Demonstrated leadership of the Dexus values and behaviours
- External remuneration benchmarking and market practice provided by independent external advisors
- Under certain circumstances, the PRC and Board may adjust proposed remuneration outcomes for Executive KMP and the ExCo members or require a forfeit of unvested Security Rights or Performance Rights issued under the Dexus LTI or STI Plans

9. NED remuneration

NED fees are reviewed annually by the Committee using information from a variety of sources, including:

- Publicly available remuneration data from ASX-listed companies with similar market capitalisation and complexity
- Publicly available remuneration data from ASX 100 A-REITs
- Information supplied by external remuneration advisors (where required)

Other than the Chair, who receives a single base fee, NEDs receive a base fee plus additional fees for membership of Board Committees. NEDs do not participate in incentive plans or receive any retirement benefits other than statutory superannuation contributions.

The total fees paid to NEDs for the year ended 30 June 2024 remained within the aggregate fee pool of \$2,500,000 per annum, which was approved by Security holders at the AGM in October 2017.

9.1 Fee structure

The Board fee structure (inclusive of statutory superannuation contributions) for FY24 is provided below. The only change to FY24 fees was a 3% increase to the Board Chair fee from \$475,000 to \$490,000 following a market benchmarking exercise against the ASX 20-100, to ensure ongoing market competitiveness to the median of our peers.

	Chair (\$)	Member (\$)
Base fees	490,000 ¹	178,500
Risk Committee	35,700	17,850
Audit Committee	35,700	17,850
Nomination Committee ²	N/A	N/A
People and Remuneration Committee	35,700	17,850
Sustainability Committee	35,700	17,850
DWPL Board	N/A	50,000

1. The Board Chair receives a single fee for service, including service on Board Committees.

2. No fees applied to the Board Nomination Committee in FY24.

9.2 Minimum security holding requirement

NEDs are expected to hold the equivalent of 100% of their base fees in Dexu Securities, to be acquired over five years from their appointment date.

9.3 Security movements

The table below outlines the movement in NED security holdings for FY24.

NED	Number of Securities held at 1 July 2023	Movement	Number of Securities held at 30 June 2024
Warwick Negus ¹	50,000	10,000	60,000
Penny Bingham-Hall ²	32,773	–	32,773
Paula Dwyer ³	25,000	–	25,000
Mark H Ford ⁴	17,339	–	17,339
Peeyush Gupta ⁵	–	–	–
Rhoda Phillippo ⁶	2,500	7,500	10,000
The Hon. Nicola Roxon ⁷	25,669	–	25,669
Elana Rubin AM ⁸	18,348	9,480	27,828

1. Mr Warwick Negus was appointed to the Chair role on 27 October 2022 and has met the MSR.

2. Ms Penny Bingham-Hall was a Director until 28 March 2024. Her security holding is shown until 28 March 2024.

3. Ms Paula Dwyer was appointed as a Director on 1 February 2023 and has met the MSR.

4. Mr Mark Ford was appointed as Director on 1 November 2016 and has met the MSR.

5. Mr Peeyush Gupta was appointed as a Director on 24 April 2024 and is within the five-year timeframe to meet the MSR. His security holding on the commencement date is shown.

6. Ms Rhoda Phillippo was appointed as a Director on 1 February 2023 and is within the five-year timeframe to meet the MSR.

7. The Hon. Nicola Roxon was appointed as a Director on 1 September 2017 and has met the MSR.

8. Ms Elana Rubin was appointed as a Director on 28 September 2022 and has met the MSR.

9.4 NED statutory remuneration

This summary of the benefits received by each NED for the year ended 30 June 2024 is prepared in accordance with the Australian Accounting Standards.

NED	Year	Short-term benefits ¹ (\$)	Post-employment benefits (super-annuation) (\$)	Other long-term benefits (\$)	Total (\$)
Current					
Warwick Negus	FY24	471,734	18,266	–	490,000
	FY23	373,074	17,062	–	390,136
Paula Dwyer	FY24	209,054	22,996	–	232,050
	FY23	71,346	7,491	–	78,837
Mark Ford	FY24	254,651	27,399	–	282,050
	FY23	256,758	25,292	–	282,050
Peeush Gupta ¹	FY24	32,877	3,616	–	36,493
	FY23	–	–	–	–
Rhoda Phillippo	FY24	210,575	5,307	–	215,882
	FY23	70,000	7,350	–	77,350
The Hon. Nicola Roxon	FY24	232,050	–	–	232,050
	FY23	232,050	–	–	232,050
Elana Rubin AM	FY24	259,918	6,545	–	266,463
	FY23	172,624	4,433	–	177,057
Former					
Richard Sheppard	FY24	–	–	–	–
	FY23	146,333	8,230	–	154,563
Patrick Allaway	FY24	–	–	–	–
	FY23	129,231	13,569	–	142,800
Penny Bingham-Hall ²	FY24	168,289	5,749	–	174,038
	FY23	232,050	–	–	232,050
Tonianne Dwyer	FY24	–	–	–	–
	FY23	83,548	8,230	–	91,778
Total	FY24	1,839,148	89,878	–	1,929,026
	FY23	1,767,014	91,657	–	1,858,671

1. Mr Peeyush Gupta was appointed as a Director on 24 April 2024. His statutory remuneration is shown from 24 April 2024.

2. Ms Bingham-Hall was a Director until 28 March 2024. Her statutory remuneration is shown until 28 March 2024.

10. Statutory disclosures

10.1 Statutory remuneration

The total remuneration paid to Executive KMP for FY23 and FY24 is calculated in accordance with the Australian Accounting Standards.

Executive KMP	Year	Short-term benefits			Long-term benefits				Security-based benefits				
		Base salary	STI award ¹	Annual leave movement	Non-monetary benefits ²	Superannuation benefits	Termination benefits	Long service leave movement ³	Deferred STI plan accrual	LTI plan accrual	Once-off incentive awards accrual	Total	% Performance-based
Current													
Ross Du Vernet	FY24	1,027,363	456,363	23,792	2,244	27,399	–	31,207	144,628	517,684	251,251	2,481,931	55.20%
	FY23	808,041	387,500	(6,268)	2,128	25,292	–	31,197	199,681	303,437	368,121	2,119,129	59.40%
Keir Barnes	FY24	822,601	382,500	3,385	4,938	27,399	–	3,329	125,661	186,856	–	1,556,669	44.65%
	FY23	774,708	336,000	9,447	9,590	25,292	–	–	135,437	182,512	–	1,472,986	0.00%
Deborah Coakley ⁴	FY24	872,601	–	(131)	8,374	27,399	–	(354)	63,281	203,169	251,251	1,425,590	36.31%
	FY23	808,041	350,000	(11,783)	11,038	25,292	–	26,751	191,684	297,769	368,121	2,066,913	58.42%
Former													
Darren Steinberg ⁵	FY24	1,164,412	672,000	(160)	11,658	20,287	–	(398)	370,456	786,405	1,034,314	4,058,974	70.54%
	FY23	1,574,708	840,000	(48,835)	16,741	25,292	–	25,629	416,529	1,031,221	1,031,490	4,912,775	67.56%
Kevin George ⁶	FY24	2,875	–	(58)	–	8,771	–	(371)	–	–	–	11,217	0.00%
	FY23	726,608	502,269	(16,855)	22,378	25,292	759,550	10,652	146,783	497,764	–	2,674,441	42.88%
Total	FY24	3,889,852	1,510,863	26,828	27,214	111,255	–	33,413	704,026	1,694,114	1,536,816	9,534,381	57.12%
	FY23	4,692,106	2,415,769	(74,294)	61,875	126,460	759,550	94,229	1,090,114	2,312,703	1,767,732	13,246,244	57.27%

1. STI award was approved by the Board of Directors on 8 August 2024.

2. Non-monetary benefits include any car parking, health insurance, relocation costs and FBT.

3. The accounting value of leave movements may be negative; for example, where an Executive's annual leave balance decreases as a result of taking more than the 20 days' annual leave they accrue during the current year. Long service leave accrues from five years of service and the accrual may seem high in the first year.

4. Deborah Coakley was not considered a good leaver and her unvested deferred STI Security Rights and LTI Performance Rights were forfeited upon her departure. Accrual related to Deborah Coakley's Deferred STI plan, LTI plan, and Once-off incentive awards continue to be recognised at 30 June 2024, as notification of her departure was on 17 July 2024. Accrued expenses remaining in relation to unvested rights after 1 July 2024 will be reversed in FY25.

5. Darren Steinberg stepped down from his Group CEO role on 27 March 2024 and his remuneration is shown until this date. He was a Good Leaver under the terms of the STI and LTI plan rules and as such, any unvested deferred STI Security Rights, LTI Performance Rights and one-off Performance Rights were left on-foot to vest in the ordinary course. The recognition of the unamortised fair value of unvested rights was accelerated and fully recognised as at 27 March 2024. In addition to the above, Mr Steinberg is on gardening leave for the remainder of his 12 months notice period from 27 March 2024 to 11 December 2024, where he will receive his fixed remuneration and other normal employee entitlements (refer to section 7.2). During the gardening leave period, Mr Steinberg is available to provide reasonable assistance to the Board and the new Group CEO.

6. Kevin George was a Good Leaver under the terms of the STI and LTI plan rules and as such, any unvested deferred STI Security Rights and LTI Performance Rights were left on-foot to vest in the ordinary course. The recognition of the unamortised fair value of unvested rights was accelerated and fully recognised as at 30 June 2023. There was no deferral component related to the FY23 STI.

10.2 Deferred STI and LTI awards which vested during FY24

The summary below outlines the number of Rights which vested under the Deferred STI and LTI plans during FY24. The vesting date for the one-off retention award was 14 December 2023 and all other Rights was 1 July 2023. Deferred STI vested and the LTI vesting outcomes are in section 5.4.

Executive KMP	Plan name	Grant date	Tranche	Number of Rights which vested ¹	Market value at vesting ² (\$)
Ross Du Vernet	Deferred STI	29.11.21	2	12,382	96,729
		16.11.22	1	13,771	107,580
	LTI	12.12.19	2	7,847	61,301
		22.12.20	1	25,099	196,074
	One-off Retention Award	14.12.20	1	76,740	569,446
Keir Barnes	Deferred STI	29.11.21	2	4,550	35,545
		16.11.22	1	9,468	73,964
	Other ³	29.11.21	2	7,773	60,723
Deborah Coakley	Deferred STI	29.11.21	2	11,970	93,510
		16.11.22	1	13,771	107,580
	LTI	12.12.19	2	7,062	55,169
		22.12.20	1	24,262	189,536
	One-off Retention Award	14.12.20	1	76,740	569,446
Former KMP					
Darren Steinberg	Deferred STI	29.11.21	2	26,416	206,363
		16.11.22	1	27,542	215,159
	LTI	12.12.19	2	33,481	261,555
		22.12.20	1	107,092	836,607

1. All DSTI vested as this is only subject to a service condition and the LTI vesting outcome is detailed in section 5.4. All vested Rights are exercised immediately.

2. Market value at vesting is the VWAP of DXS Securities for the five-day period before the vesting date.

3. Other refers to the Key Talent Equity Plan (KTEP) plan granted to the Executive before becoming KMP. The KTEP is a mid-term incentive plan which aims to retain individuals identified as key talent and further align them to the interests of Dexu and its investors through an increased security holding. KTEP participants are granted Performance Rights that do not receive distributions until vesting occurs. The plan vests in two tranches equally over a two and three-year period.

10.3 Deferred STI in respect of FY23 STI

The below table details the number of Security Rights granted to Executive KMP on 20 December 2023 based on the 2023 performance period.

Executive KMP	Number of Security Rights Granted	Fair value per Performance right	Vesting Date
Ross Du Vernet	16,308	\$7.79	1 July 2024
Keir Barnes	14,141	\$7.79	1 July 2024
Deborah Coakley	14,730	\$7.79	1 July 2024
Former KMP			
Darren Steinberg	35,353	\$7.79	1 July 2024

10.4 Deferred STI in respect of FY24 STI

The below details the number of Security Rights to be granted to Executive KMP based on performance during FY24 under the Deferred STI plan, using a VWAP of \$6.54.

Executive KMP	Value of deferred STI (\$)	Number of Security Rights Granted	Vesting Date
Ross Du Vernet	152,121	23,260	1 July 2025
Keir Barnes	127,500	19,495	1 July 2025
Deborah Coakley ¹	–	–	1 July 2025
Former KMP			
Darren Steinberg	224,000	34,251	1 July 2025

1. Ms Deborah Coakley stepped down from her role as CE, FM on 17 July 2024, and was not eligible for FY24 STI.

10.5 LTI grant with respect to the FY24 LTI

The table below details the number of Performance Rights granted to Executive KMP on 20 December 2023 under the FY24 LTI plan.

Executive KMP	Grant value as a % of FR	Performance measure	Number of Performance Rights granted	VWAP value per Performance Right ²	Fair value Tranche 1 (50%) Vesting date 1 July 2026 ³	Fair value Tranche 2 (50%) Vesting date 1 July 2027 ³
Ross Du Vernet ¹	120%	ROCE	79,933	7.92	\$6.69	\$6.30
		RTSR	79,933	7.92	\$1.14	\$1.17
		Strategic measures	39,967	7.92	\$6.69	\$6.30
Keir Barnes	120%	ROCE	51,515	7.92	\$6.69	\$6.30
		RTSR	51,515	7.92	\$1.14	\$1.17
		Strategic measures	25,757	7.92	\$6.69	\$6.30
Deborah Coakley	120%	ROCE	54,545	7.92	\$6.69	\$6.30
		RTSR	54,545	7.92	\$1.14	\$1.17
		Strategic measures	27,273	7.92	\$6.69	\$6.30
Former KMP						
Darren Steinberg	150%	ROCE	121,212	7.92	\$6.69	\$6.30
		RTSR	121,212	7.92	\$1.14	\$1.17
		Strategic measures	60,606	7.92	\$6.69	\$6.30

1. Ross Du Vernet's LTI grant for the FY24 LTI Plan was received for his time served in the CIO role.

2. VWAP adopted to determine performance right allocation and is based on 10 trading days either side of the first trading day of the new financial year.

3. Fair value for the LTI reflects the grant date fair value in accordance with AASB 2 Share-based Payment. Valuations were provided by EY under the Monte Carlo Simulation model.

10.6 Executive KMP unvested Rights outstanding

The table below shows the number of unvested Rights held by Executive KMP as at 30 June 2024 under the Deferred STI and LTI plans. The STI and LTI awards in respect of which the elements below are deferred elements which were disclosed in prior year Remuneration Reports. Minimum total value of grant is nil.

Executive KMP	Plan name	Grant date	Vesting date ¹	Tranche	Number of Rights	Maximum Possible Value yet to Vest
Ross Du Vernet	Deferred STI	16.11.22	01.07.24	2	12,959	–
		20.12.23	01.07.24	1	16,308	–
	LTI	22.12.20	01.07.24	2	29,151	–
		29.11.21	01.07.24	1	28,126	–
		29.11.21	01.07.25	2	28,125	78,298
		16.11.22	01.07.25	1	52,522	106,384
		16.11.22	01.07.26	2	52,522	122,933
		20.12.23	01.07.26	1	99,917	356,942
		20.12.23	01.07.27	2	99,916	355,628
	One-off Retention Award	14.12.20	14.12.24	2	76,740	69,580
Keir Barnes	Deferred STI	16.11.22	01.07.24	2	8,909	–
		20.12.23	01.07.24	1	14,141	–
	LTI	29.11.21	01.07.24	1	19,336	–
		29.11.21	01.07.25	2	19,336	53,830
		16.11.22	01.07.25	1	52,522	106,384
		16.11.22	01.07.26	2	52,522	122,933
		20.12.23	01.07.26	1	64,394	230,040
		20.12.23	01.07.27	2	64,393	229,000
Deborah Coakley ²	Deferred STI	16.11.22	01.07.24	2	12,959	–
		20.12.23	01.07.24	1	14,730	–
	LTI	22.12.20	01.07.24	2	28,179	–
		29.11.21	01.07.24	1	28,126	–
		29.11.21	01.07.25	2	28,125	–
		16.11.22	01.07.25	1	52,522	–
		16.11.22	01.07.26	2	52,522	–
		20.12.23	01.07.26	1	68,182	–
		20.12.23	01.07.27	2	68,181	–
	One-off Retention Award	14.12.20	14.12.24	2	76,740	–

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Former KMP	Plan name	Grant date	Vesting date ¹	Tranche	Number of Rights	Maximum Possible Value yet to Vest
Darren Steinberg	Deferred STI	16.11.22	01.07.24	2	25,919	–
		20.12.23	01.07.24	1	35,353	–
	LTI	22.12.20	01.07.24	2	124,380	–
		29.11.21	01.07.24	1	112,503	–
		29.11.21	01.07.25	2	112,502	–
		16.11.22	01.07.25	1	131,305	–
		16.11.22	01.07.26	2	131,305	–
		20.12.23	01.07.26	1	151,515	–
		20.12.23	01.07.27	2	151,515	–
		01.06.21	01.07.24	1	356,335	–
Kevin George	Deferred STI	16.11.22	01.07.24	2	10,658	–
	LTI	22.12.20	01.07.24	2	29,151	–
		29.11.21	01.07.24	1	26,435	–
		29.11.21	01.07.25	2	26,434	–
		16.11.22	01.07.25	1	49,364	–
		16.11.22	01.07.26	2	49,364	–

1. All awards are automatically converted to Securities upon vesting hence there is no expiry date.

2. As Ms Deborah Coakley stepped down from her role as CE, FM, unvested LTI and one-off Retention Awards at this date will be forfeited.

10.7 Equity investments – Security Rights and Performance Rights

The table below outlines the movement in Executive KMP's Security Rights and Performance Rights for FY24, noting that all vested Rights are automatically exercised.

Number of Rights	Held at 30 June 2023	Granted during the year ³	Vested and exercised during the year	Forfeited during the year	Held at 30 June 2024
Ross Du Vernet	430,853	218,348	135,839	17,076	496,286
Keir Barnes	173,346	143,998	21,791	–	295,553
Deborah Coakley	426,456	153,254	133,805	15,639	430,266
Former KMP					
Darren Steinberg ¹	1,257,035	342,983	194,531	72,855	1,332,632
Kevin George ²	263,072	2,063	58,694	15,035	191,406

1. As Darren Steinberg stepped down from the CEO role on 27 March 2024, his Security Rights and Performance Rights are shown until this date. The Number of Rights disclosed on 30 June 2023 did not include Rights related to his one-off Retention Awards of 356,335 but is included in the Number of Rights held at 30 June 2023.

2. As Kevin George ceased employment as EGM, Office on 3 July 2023, his Security Rights and Performance Rights are shown until this date.

3. Grants during the year include performance rights related to dividend equivalent for the Deferred STI plan. These rights immediately vest when granted.

10.8 Equity investments – security holdings

The table below outlines the movement in Executive KMP's security holdings for FY24. All Executive KMP currently meet or are on-track to meet their minimum security holding requirement within five years from their date of appointment.

Number of Securities	Held at 30 June 2023	Granted during the year	Vested and exercised during the year	Acquired/ (disposed) during the year	Held at 30 June 2024
Ross Du Vernet	154,413	–	135,839	(39,000)	251,252
Keir Barnes	17,579	–	21,791	–	39,370
Deborah Cookley	152,258	–	133,805	(2,150)	283,913
Former KMP					
Darren Steinberg ¹	1,377,611	–	194,531	–	1,572,142
Kevin George ²	69,329	–	58,694	–	128,023

1. As Darren Steinberg stepped down from the Group CEO role on 27 March 2024, his security holding is shown until this date.

2. As Kevin George ceased employment as EGM, Office on 3 July 2023, his security holding is shown until this date.

10.9 Loans

No loans were provided to KMP or related parties.

10.10 Other transactions

There were no transactions involving an equity instrument (other than share based payment compensation) to KMP or related parties.

10.11 Dexus Securities Trading Policy

The Securities Trading Policy provides guidance to Directors, Employees (including KMP), Contractors and Associates for ongoing compliance with legal obligations relating to trading or investing in financial products managed by Dexus.

The Policy prohibits employees from trading in financial products while they are in possession of Inside Information (non-public price sensitive information) and hedging their exposure to unvested Dexus Securities. Trading in Dexus Securities or related products is only permitted with the permission of the Chair (for Directors and the Group CEO) or the Group CEO (for Other Executive KMP).

The Group also has Conflict of Interest and Insider Trading policies in place which extend to family members and associates of employees.

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Directors' report

The Directors of Dexus Funds Management Limited (DXFM) as Responsible Entity of Dexus Property Trust (DPT or the Trust) present their Directors' Report together with the Consolidated Financial Statements for the year ended 30 June 2024. The Consolidated Financial Statements represents DPT and its consolidated entities, which are referred to as Dexus (DXS or the Group).

The Trust, together with Dexus Operations Trust (DXO), form the Dexus stapled security.

Directors and Secretaries

Directors

The following persons were Directors of DXFM at all times during the year and to the date of this Directors' Report, unless otherwise stated:

Directors	Appointed
Warwick Negus, BBus, MCom, SF Fin	1 February 2021
Penny Bingham-Hall, BA (Industrial Design), SF Fin, FAICD ¹	10 June 2014
Ross Du Vernet, BBus, MBA	28 March 2024
Paula Dwyer, BCom, FCA, SF Fin, FAICD	1 February 2023
Mark Ford, Dip. Tech (Commerce), CA, FAICD	1 November 2016
Peeyush Gupta AM, BA (CompSc), MBA (Finance), FAICD	24 April 2024
Rhoda Phillippo, MSc (Telecommunications Business), GAICD	1 February 2023
The Hon. Nicola Roxon, BA/LLB (Hons), GAICD	1 September 2017
Elana Rubin AM, BA (Hons), MA, SF Fin, FAICD	28 September 2022
Darren Steinberg, BEc, FAICD, FRICS, FAPI ¹	1 March 2012

¹ Resigned, effective 28 March 2024.

Company Secretaries

The names and details of the Company Secretaries of DXFM as at 30 June 2024 are as follows:

Brett Cameron LLB/BA (Science and Technology), GAICD, FGIA

Appointed: 31 October 2014

Brett is the General Counsel and a Company Secretary of Dexus companies and is responsible for the legal function, company secretarial services and compliance and governance systems and practices across the Dexus Group.

Prior to joining Dexus, Brett was Head of Legal for Macquarie Real Estate (Asia) and has held senior legal positions at Macquarie Capital Funds in Hong Kong and Minter Ellison in Sydney and Hong Kong. Brett has over 25 years' experience as inhouse counsel and in private practice in Australia and in Asia, where he worked on real estate structuring and operations, funds management, mergers and acquisitions, private equity and corporate finance across a number of industries.

Scott Mahony BBus (Acc), Grad Dip (Business Administration), MBA (eCommerce), Grad Dip (Applied Corporate Governance) FGIA, FCIS

Appointed: 5 February 2019

Scott is the Head of Governance of Dexus and is responsible for the development, implementation and oversight of Dexus's governance policies and practices and internal audit function. Prior to being appointed the Head of Governance in 2018, Scott had oversight of Dexus's risk and compliance programs.

Scott joined Dexus in October 2005 after two years with Commonwealth Bank of Australia as a Senior Compliance Manager. Prior to this, Scott worked for over 11 years for Assure Services & Technology (part of AXA Asia Pacific) where he held various management roles.

Attendance of Directors at Board Meetings and Board Committee Meetings

The number of Directors' meetings held during the year and each Director's attendance at those meetings is set out in the table below. The Directors met 13 times during the year, of which two were Board Sub-committee and special meetings.

	Main meetings held	Main meetings attended	Special meetings held	Special meetings attended
Warwick Negus	11	11	2	2
Penny Bingham-Hall ¹	8	8	1	1
Ross Du Vernet ²	3	3	—	—
Paula Dwyer	11	11	1	1
Mark Ford	11	11	2	2
Peeyush Gupta AM ³	3	3	—	—
Rhoda Phillippo	11	9	1	1
The Hon. Nicola Roxon	11	11	1	1
Elana Rubin AM	11	11	1	1
Darren Steinberg ¹	8	8	2	2

1 Resigned, effective 28 March 2024.

2 Appointed, effective 28 March 2024.

3 Appointed, effective 24 April 2024.

Board Sub-committee and special meetings are held at a time to enable the maximum number of Directors to attend and are generally held to consider specific items that cannot be held over to the next scheduled main meeting.

The table below shows Non-Executive Directors' attendances at Board Committee meetings of which they were a member during the year ended 30 June 2024. All Non-Executive Directors have a standing invitation to attend any or all Board Committee meetings.

	Board Audit Committee		Board Nomination and Governance Committee		Board People and Remuneration Committee		Board Risk and Compliance Committee		Board Sustainability Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Warwick Negus	4	4	3	3	7	7	5	5	4	4
Penny Bingham-Hall ¹	—	—	2	2	5	5	—	—	3	3
Paula Dwyer	4	4	3	3	1	1	4	4	—	—
Mark Ford	4	4	3	3	—	—	2	2	3	3
Peeyush Gupta AM ²	1	1	1	1	—	—	—	—	1	1
Rhoda Phillippo	3	3	3	3	—	—	5	3	1	1
The Hon. Nicola Roxon	—	—	3	3	7	7	—	—	4	4
Elana Rubin AM	—	—	3	3	7	7	5	5	—	—

1 Resigned, effective 28 March 2024.

2 Appointed, effective 24 April 2024.

Directors' relevant interests

The relevant interests of each Director in DXS stapled securities as at the date of this Directors' Report are shown below:

Directors	No. of securities
Warwick Negus	60,000
Penny Bingham-Hall ¹	32,773
Ross Du Vernet ²	251,153
Paula Dwyer	25,000
Mark Ford	17,339
Peeyush Gupta AM ³	—
Rhoda Phillippo	10,000
The Hon. Nicola Roxon ⁴	25,669
Elana Rubin AM	27,828
Darren Steinberg ⁵	2,904,774

1 Resigned, effective 28 March 2024.

2 Appointed, effective 28 March 2024.

3 Appointed, effective 24 April 2024.

4 Includes interests held directly and through Non-Executive Director (NED) Plan rights.

5 Resigned, effective 28 March 2024. Includes interests held directly and through performance rights (refer to note 25).

Operating and financial review

Information on the operations and financial position of the Group and its business strategies and prospects is set out on pages 30 to 37 of the Annual Report and forms part of this Directors' Report.

Remuneration Report

The Remuneration Report is set out on pages 90 to 121 of the Annual Report and forms part of this Directors' Report.

Directors' directorships in other listed entities

The following table sets out directorships of other ASX listed entities (unless otherwise stated), not including DXFM, held by the Directors at any time in the three years immediately prior to the end of the year, and the period for which each directorship was held.

Directors	Company	Date appointed
Warwick Negus	Pengana Capital Group Limited (Chairman) ¹	1 June 2017
	Bank of Queensland	22 September 2016
	Washington H. Soul Pattison and Company Ltd ²	1 November 2014
Penny Bingham-Hall ³	BlueScope Steel Limited ⁴	29 March 2011
	Fortescue Metals Group Ltd	16 November 2016
Ross Du Vernet ⁵	-	-
Paula Dwyer	AMCIL Limited	6 June 2023
	ANZ Group Holdings Ltd ⁶	1 April 2012
Mark Ford	Kiwi Property Group Limited ⁷	16 May 2011
Peeyush Gupta AM ⁸	Liberty Group	1 July 2024
	Link Administration Holdings Limited ⁹	18 November 2016
	Charter Hall Long Wale REIT ¹⁰	6 June 2016
	National Australia Bank Limited ¹¹	5 November 2014
Rhoda Phillippo	APA Group	1 June 2020
The Hon. Nicola Roxon	Lifestyle Communities Limited ¹²	1 September 2017
Elana Rubin AM	Telstra Corporation	14 February 2020
Darren Steinberg ³	VGI Partners Limited ¹³	12 May 2019

1 Resigned from the Board of Pengana Capital Group Limited, effective 1 April 2023.

2 Resigned from the Board of Washington H. Soul Pattison and Company Ltd, effective 31 December 2022.

3 Resigned from the Board of DXFM, effective 28 March 2024.

4 Resigned from the Board of BlueScope Steel Limited, effective 31 October 2022.

5 Appointed to the Board of DXFM, effective 28 March 2024.

6 Resigned from the Board of ANZ Group, effective 16 December 2021.

7 Resigned from the Board of Kiwi Property Group Limited, effective 28 June 2023 (listed for trading on the New Zealand Stock Exchange).

8 Appointed to the Board of DXFM, effective 24 April 2024.

9 Resigned from the Board of Link Administration Holdings Limited, effective 28 November 2023.

10 Resigned from the Board of Charter Hall Long WALE REIT, effective 24 April 2024.

11 Resigned from the Board of National Australia Bank Limited, effective 15 December 2023.

12 Resigned from the Board of Lifestyle Communities Limited, effective 31 December 2023.

13 Resigned from the Board of VGI Partners Limited, effective 3 June 2022.

Principal activities

During the year, the principal activities of the Group were to:

- Own, manage and develop high quality real assets
- Invest in Australian managed funds
- Manage real asset funds on behalf of third party investors

Significant changes in the nature of the Group's activities during the year are detailed below.

Total value of Group assets

The total value of the assets of the Group as at 30 June 2024 was \$15,822.4 million (2023: \$18,471.7 million). Details of the basis of this valuation are outlined in the Notes to the Consolidated Financial Statements and form part of this Directors' Report.

Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information regarding business strategies and future developments or results of the Group, other than the information already outlined in this Directors' Report or the Consolidated Financial Statements accompanying this Directors' Report would be unreasonably prejudicial to the Group.

Significant changes in the state of affairs

In 2022, Dexu announced the acquisition of the real estate and domestic infrastructure equity business of Collimate Capital Limited (Collimate Capital or AMP Capital) from AMP Limited ("AMP Capital transaction"). The transaction occurred under a two-stage completion process. First Completion occurred on 24 March 2023 with consideration of \$175.0 million paid on this date. Final Completion occurred on 30 November 2023 following the satisfaction of the condition precedent relating to the transfer of AMP's ownership interest in China Life AMP Asset Management ("CLAMP") out of entities being acquired by Dexu under the AMP Capital transaction. Contingent consideration of \$50.0 million was paid on this date. In connection with the transaction, a co-owner has taken steps seeking to compulsorily acquire an interest in a property owned by a Dexu fund. The Dexu platform intends to defend the action with resolution anticipated by 30 June 2025.

Matters subsequent to the end of the financial year

Since the end of the year, the Directors are not aware of any matter or circumstance not otherwise dealt with in their Directors' Report or the Consolidated Financial Statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or state of the Group's affairs in future financial periods.

Distributions

Distributions paid or payable by the Group for the year ended 30 June 2024 were 48.0 cents per security which amounted to \$516.3 million (2023: 51.6 cents per security, \$555.0 million) as outlined in note 8.

DXFM fees

Fees paid or payable by the Group to DXFM are eliminated on consolidation. Details are outlined in note 26 and form part of this Directors' Report.

Interests in DXS securities

The movement in securities on issue in the Group during the year and the number of securities on issue as at 30 June 2024 are detailed in note 18 and form part of this Directors' Report.

Interests held in the Group by DXFM at the end of the financial year is nil (2023: nil).

The DXFM Board has approved a grant of performance rights of DXS stapled securities to eligible participants. Details of the performance rights awarded during the financial year are outlined in note 25. The Group did not have any options on issue as at 30 June 2024 (2023: nil).

Environmental regulation

The Board Risk and Compliance Committee and Board Sustainability Committee oversee the policies, procedures and systems that have been implemented to ensure the adequacy of Dexu's environmental risk management practices. The Committees are not aware of any material breaches of the Corporations Act or Regulatory Guide 68.

The Group is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 (NGER Act). The NGER Act requires the Group to report its annual greenhouse gas emissions and energy use.

The Group has implemented systems and processes for the collection and calculation of the data required. The Group submitted its 2023 report to the Greenhouse and Energy Data Officer on 30 October 2023 and will submit its 2024 report by 31 October 2024. During the 12 month period ending 30 June 2024, the Group complied with all the relevant requirements as set out by the NGER Act.

Information regarding the Group's participation in the NGER program is available at: www.dexu.com/sustainability

Indemnification and insurance

The insurance premium for a policy of insurance indemnifying Directors, Officers and others (as defined in the relevant policy of insurance) is paid by DXFM's immediate parent entity, Dexu Holdings Pty Limited (DXH).

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of DXFM, its subsidiaries or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings.

Indemnification and insurance (continued)

PricewaterhouseCoopers (PwC or the Auditor), is indemnified out of the assets of the Group pursuant to the Dexu Specific Terms of Business agreed for all engagements with PwC, to the extent that the Group inappropriately uses or discloses a report prepared by PwC. The Auditor is not indemnified for the provision of services where such an indemnification is prohibited by the *Corporations Act 2001*.

Audit

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*. In accordance with section 324DAA of the *Corporations Act 2001*, the Group's lead auditor must be rotated every five years unless the Board grants approval to extend the term for up to a further two years.

Non-audit services

The Group may decide to employ the Auditor on assignments, in addition to the statutory audit engagement, where the Auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the Auditor for audit and non-audit services provided during the year are set out in note 23.

The Board Audit Committee is satisfied that the provision of non-audit services provided during the year by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the *Corporations Act 2001*.

The reasons for the Directors being satisfied are:

- All non-audit services have been reviewed by the Board Audit Committee to ensure that they do not impact the impartiality and objectivity of the Auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

The above Directors' statements are in accordance with the advice received from the Board Audit Committee.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 128 and forms part of this Directors' Report.

Corporate governance

DXFM's Corporate Governance Statement is available at: www.dexu.com/corporategovernance

Rounding of amounts and currency

As the Group is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the Directors have chosen to round amounts in this Directors' Report and the accompanying Consolidated Financial Statements to the nearest hundred thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Consolidated Financial Statements, except where otherwise stated, are expressed in Australian dollars.

Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Consolidated Financial Statements were authorised for issue by the Directors on 19 August 2024.



Warwick Negus
Chair
19 August 2024



Ross Du Vernet
Group CEO & Managing Director
19 August 2024

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of Dexus Property Trust for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dexus Property Trust and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M. Laithwaite'.

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Sydney
19 August 2024

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$m	2023 \$m
Revenue from ordinary activities			
Property revenue	2	323.9	416.3
Development revenue	12	135.7	113.8
Management fees and other revenue	3	421.3	307.6
Interest revenue		21.3	10.7
Total revenue from ordinary activities		902.2	848.4
Net fair value gain of foreign currency interest bearing liabilities		—	75.6
Other income		21.7	12.8
Total income		923.9	936.8
Expenses			
Property expenses	2	(116.3)	(137.0)
Development costs	12	(117.7)	(61.0)
Management operations, corporate and administration expenses	4	(322.7)	(222.4)
Finance costs	5	(169.3)	(174.1)
Impairment of intangibles	21	—	(60.0)
Impairment of investments accounted for using the equity method	10	(0.7)	(3.2)
Share of net loss of investments accounted for using the equity method	10	(585.6)	(213.4)
Net fair value loss of derivatives	14(c)	(2.7)	(67.6)
Net foreign exchange loss		(0.2)	—
Net fair value loss of investment properties	9	(796.9)	(623.5)
Net fair value loss of investments accounted for at fair value	11	(302.6)	(28.3)
Net fair value loss of foreign currency interest bearing liabilities		(14.4)	—
Transaction costs		(88.3)	(87.8)
Total expenses		(2,517.4)	(1,678.3)
Loss for the year before tax		(1,593.5)	(741.5)
Income tax benefit/(expense)	6(a)	9.7	(11.2)
Loss for the year		(1,583.8)	(752.7)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges	19	(4.8)	1.7
Changes in the foreign currency basis spread reserve	19	(0.3)	0.2
Exchange differences on translation of foreign operations	19	(0.2)	—
Total comprehensive loss for the year		(1,589.1)	(750.8)
Loss for the year attributable to:			
Unitholders of the parent entity		(1,578.9)	(685.2)
Unitholders of other stapled entity (non-controlling interests)		(4.9)	(67.5)
Loss for the year		(1,583.8)	(752.7)
Total comprehensive loss for the year attributable to:			
Unitholders of the parent entity		(1,584.0)	(683.3)
Unitholders of other stapled entity (non-controlling interests)		(5.1)	(67.5)
Total comprehensive loss for the year		(1,589.1)	(750.8)
		Cents	Cents
Earnings per unit on profit/(loss) attributable to unitholders of the Trust (parent entity)			
Basic earnings per unit	7	(146.80)	(63.71)
Diluted earnings per unit	7	(146.80)	(63.71)
Earnings per stapled security on profit/(loss) attributable to stapled security holders			
Basic earnings per security	7	(147.25)	(69.98)
Diluted earnings per security	7	(147.25)	(69.98)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 \$m	2023 \$m
Current assets			
Cash and cash equivalents	20(a)	54.0	123.9
Receivables	20(b)	218.6	151.8
Non-current assets classified as held for sale	13	104.2	1,354.0
Inventories	12	60.2	30.6
Derivative financial instruments	14(c)	128.5	98.6
Current tax receivable	6(c)	20.1	11.2
Other	20(c)	76.3	103.8
Total current assets		661.9	1,873.9
Non-current assets			
Investment properties	9	5,117.9	6,038.1
Plant and equipment		9.9	11.3
Right-of-use assets		82.0	6.5
Investments accounted for using the equity method	10	8,605.5	9,050.0
Investments accounted for at fair value	11	353.6	431.9
Derivative financial instruments	14(c)	321.1	385.5
Deferred tax assets		0.7	–
Intangible assets	21	667.8	670.9
Other		2.0	3.6
Total non-current assets		15,160.5	16,597.8
Total assets		15,822.4	18,471.7
Current liabilities			
Payables	20(d)	194.8	197.0
Contingent consideration	22	–	50.0
Interest bearing liabilities	15	163.7	381.8
Lease liabilities	16	11.8	2.1
Derivative financial instruments	14(c)	21.7	32.6
Provisions	20(e)	305.4	311.9
Loans with related parties	26	2.3	21.5
Other		–	68.2
Total current liabilities		699.7	1,065.1
Non-current liabilities			
Interest bearing liabilities	15	4,745.9	4,927.9
Lease liabilities	16	80.8	12.5
Derivative financial instruments	14(c)	34.1	53.4
Deferred tax liabilities	6(f)	89.3	117.9
Provisions	20(e)	7.8	10.8
Other	3	–	19.8
Total non-current liabilities		4,957.9	5,142.3
Total liabilities		5,657.6	6,207.4
Net assets		10,164.8	12,264.3
Equity			
Equity attributable to unitholders of the Trust (parent entity)			
Contributed equity	18	7,048.0	7,048.0
Reserves	19	14.1	19.2
Retained profits		2,914.0	4,969.2
Parent entity unitholders' interest		9,976.1	12,036.4
Equity attributable to unitholders of other stapled entity			
Contributed equity	18	107.1	107.1
Reserves	19	(0.3)	36.7
Retained profits		81.9	84.1
Other stapled entity unitholders' interest		188.7	227.9
Total equity		10,164.8	12,264.3

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Equity attributable to unitholders of the Trust (parent entity)				Equity attributable to unitholders of other stapled entity				
		Con- tributed equity \$m	Reserves \$m	Retained profits \$m	Total \$m	Con- tributed equity \$m	Reserves \$m	Retained profits \$m	Total \$m	Total equity \$m
Opening balance as at 1 July 2022		7,048.0	17.3	6,159.4	13,224.7	107.1	33.8	201.6	342.5	13,567.2
Net profit/(loss) for the year		—	—	(685.2)	(685.2)	—	—	(67.5)	(67.5)	(752.7)
Other comprehensive income/(loss) for the year	19	—	1.9	—	1.9	—	—	—	—	1.9
Total comprehensive income/(loss) for the year		—	1.9	(685.2)	(683.3)	—	—	(67.5)	(67.5)	(750.8)
Transactions with owners in their capacity as owners										
Movement of securities, net of transaction costs	19	—	—	—	—	—	(7.5)	—	(7.5)	(7.5)
Security-based payments expense	19	—	—	—	—	—	10.4	—	10.4	10.4
Distributions paid or provided for	8	—	—	(505.0)	(505.0)	—	—	(50.0)	(50.0)	(555.0)
Total transactions with owners in their capacity as owners		—	—	(505.0)	(505.0)	—	2.9	(50.0)	(47.1)	(552.1)
Closing balance as at 30 June 2023		7,048.0	19.2	4,969.2	12,036.4	107.1	36.7	84.1	227.9	12,264.3
Opening balance as at 1 July 2023		7,048.0	19.2	4,969.2	12,036.4	107.1	36.7	84.1	227.9	12,264.3
Net profit/(loss) for the year		—	—	(1,578.9)	(1,578.9)	—	—	(4.9)	(4.9)	(1,583.8)
Other comprehensive income/(loss) for the year	19	—	(5.1)	—	(5.1)	—	(0.2)	—	(0.2)	(5.3)
Total comprehensive income/(loss) for the year		—	(5.1)	(1,578.9)	(1,584.0)	—	(0.2)	(4.9)	(5.1)	(1,589.1)
Transfer (from)/to retained profits		—	—	—	—	—	(42.7)	42.7	—	—
Transactions with owners in their capacity as owners										
Movement of securities, net of transaction costs	19	—	—	—	—	—	(11.6)	—	(11.6)	(11.6)
Security-based payments expense	19	—	—	—	—	—	17.5	—	17.5	17.5
Distributions paid or provided for	8	—	—	(476.3)	(476.3)	—	—	(40.0)	(40.0)	(516.3)
Total transactions with owners in their capacity as owners		—	—	(476.3)	(476.3)	—	5.9	(40.0)	(34.1)	(510.4)
Closing balance as at 30 June 2024		7,048.0	14.1	2,914.0	9,976.1	107.1	(0.3)	81.9	188.7	10,164.8

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		882.1	940.1
Payments in the course of operations (inclusive of GST)		(588.7)	(452.8)
Interest received		21.2	10.5
Finance costs paid		(173.1)	(177.0)
Distributions received		533.7	404.0
Income and withholding taxes paid		(28.4)	(56.8)
Proceeds from sale of property classified as inventory and development services		71.5	113.8
Payments for property classified as inventory and development services		(104.8)	(10.9)
Net cash inflow/(outflow) from operating activities	24	613.5	770.9
Cash flows from investing activities			
Proceeds from sale of investment properties		1,232.8	688.5
Proceeds from sale of investments accounted for using the equity method		12.8	68.5
Proceeds from sale of investments accounted for at fair value		—	130.1
Payments for capital expenditure on investment properties		(145.7)	(218.8)
Payments for investments accounted for using the equity method		(569.8)	(513.0)
Payments for investments accounted for at fair value		(167.4)	(402.3)
Payments for acquisition of investment properties		—	(134.4)
Proceeds from return of capital from investments accounted for using the equity method		2.5	—
Payments for plant and equipment		(1.3)	(4.3)
Payments for intangibles		(1.1)	(3.7)
Payment for acquisition of subsidiary, net of cash acquired		(51.8)	(190.4)
Net cash inflow/(outflow) from investing activities		311.0	(579.8)
Cash flows from financing activities			
Borrowings provided to related parties		(0.2)	(0.9)
Repayment of loan with related party		—	(33.1)
Proceeds from borrowings		3,660.8	7,811.5
Repayment of borrowings		(4,098.4)	(7,392.5)
Proceeds from loan with related party		—	55.5
Payment of lease liabilities		(4.1)	(3.3)
Purchase of securities for security-based payments plans		(11.6)	(7.5)
Distributions paid to security holders		(540.9)	(572.2)
Net cash inflow/(outflow) from financing activities		(994.4)	(142.5)
Net increase/(decrease) in cash and cash equivalents		(69.9)	48.6
Cash and cash equivalents at the beginning of the year		123.9	75.3
Cash and cash equivalents at the end of the year		54.0	123.9

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

In this section

This section sets out the basis upon which the Group's Consolidated Financial Statements are prepared.

Specific accounting policies are described in their respective Notes to the Consolidated Financial Statements.

Basis of preparation

These Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with the requirements of the Constitutions of the entities within the Group, the *Corporations Act 2001*, Australian Accounting Standards issued by the Australian Accounting Standards Board and the International Financial Reporting Standards adopted by the International Accounting Standards Board.

Unless otherwise stated, the Consolidated Financial Statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding interim reporting period. Where required, comparative information has been restated for consistency with the current year's presentation.

The Consolidated Financial Statements are presented in Australian dollars, with all values rounded to the nearest hundred thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated.

The Group is a for-profit entity for the purpose of preparing the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on a going concern basis using the historical cost convention, except for the following which are stated at their fair value:

- Investment properties;
- Investment properties within equity accounted investments;
- Investments accounted for at fair value;
- Non-current assets classified as held for sale;
- Derivative financial instruments; and
- Security-based payments.

Significant change from the previous annual financial report

During the year, the Group completed its acquisition of Collimate Capital's real estate and domestic infrastructure equity business from AMP Limited. Details of the acquisition are outlined in note 22. The accounting policy for business combinations and related goodwill is outlined below.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at the acquisition date and adjusted for the amount of any non-controlling interests in the acquiree. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the net identifiable assets of the acquired entity. Acquisition-related costs are expensed as incurred.

Goodwill is the sum of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the acquisition date fair value of any previous equity interest in the acquired entity, less the fair value of the net identifiable assets acquired. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured at fair value with changes in fair value recognised in profit or loss.

Where the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses and is tested for impairment annually. Where a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Critical accounting estimates

The preparation of the Consolidated Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies.

In the process of applying the Group's accounting policies, management has considered the current economic environment including the impacts of persistent inflation and elevated interest rates and the estimates and assumptions used for the measurement of items such as:

- Investment properties;
- Investment properties within equity accounted investments;
- Investments accounted for at fair value;
- Non-current assets classified as held for sale;
- Derivative financial instruments;
- Security-based payments;
- Inventories;
- Intangible assets; and
- Performance fees.

No other key assumptions concerning the future or other estimation uncertainty at the end of the reporting period could have a significant risk of causing material adjustments to the Consolidated Financial Statements.

Net current asset deficiency

As at 30 June 2024, the Group had a net current asset deficiency of \$37.8 million (2023: surplus of \$808.8 million). This is primarily due to interest bearing liabilities of \$163.7 million due within 12 months (2023: \$381.8 million) and a distribution provision of \$229.2 million (2023: \$253.8 million).

Capital risk management is managed holistically through a centralised treasury function. The Group has in place both external and internal funding arrangements to support the cash flow requirements of the Group, including undrawn facilities of \$2,462.0 million (2023: \$2,409.5 million).

In determining the basis of preparation of the Consolidated Financial Statements, the Directors of the Responsible Entity have taken into consideration the unutilised facilities available to the Group. As such, the Group is a going concern and the Consolidated Financial Statements have been prepared on that basis.

Accounting standards issued but not yet effective

Amendments to AASB 101 *Presentation of Financial Statements* (AASB 101) apply retrospectively for annual reporting periods beginning on or after 1 July 2024.

The amendments clarify certain requirements for determining whether a liability should be classified as current or non-current, depending on the rights that exist at the end of the reporting period. The amendments specify how entities should classify a convertible debt liability that can be settled by an entity's own equity instruments at the option of the counterparty and require conversion options classified as liabilities to be assessed when determining the appropriate current and non-current classification.

The Group is finalising its assessment of the impacts of these amendments and will adopt the amendments from 1 July 2024. It is expected that the Group's exchangeable notes (2024: \$462.0 million) will be reclassified from a non-current liability to a current liability. The reclassification is not expected to impact the Group's covenant calculations.

Climate change

On 26 June 2023, the International Sustainability Standards Board (ISSB) released new sustainability standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Subsequently, the Australian Accounting Standards Board (AASB) issued Exposure Draft "Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information" and on 27 March 2024, the "Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024" was introduced into Parliament. Under the proposed Bill, the new reporting requirements will be mandatory for the year ended 30 June 2026 for the Group. The Group is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance on its Consolidated Financial Statements. Refer to specific considerations relating to Investment Properties within note 9.

Principles of consolidation

These Consolidated Financial Statements incorporate the assets, liabilities and results of all subsidiaries as at 30 June 2024.

a. Controlled entities

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

b. Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

Joint operations

Where assets are held directly as tenants in common, the Group's proportionate share of revenues, expenses, assets and liabilities are included in their respective items of the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.

Joint ventures

Investments in joint ventures are accounted for using the equity method. Under this method, the Group's share of the joint ventures' post-acquisition profits or losses are recognised in the Consolidated Statement of Comprehensive Income and distributions received from joint ventures are recognised as a reduction of the carrying amount of the investment.

c. Employee share trust

The Group has formed a trust to administer the Group's security-based employee benefits. The employee share trust is consolidated as the substance of the relationship is that the trust is controlled by the Group.

Foreign currency

The Consolidated Financial Statements are presented in Australian dollars.

Foreign currency transactions are translated into the Australian dollars functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of financial assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income, except for qualifying cash flow hedges, which are deferred to equity.

On consolidation, the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

- Income and expenses: Average exchange rate
- Assets and liabilities: Reporting date
- Equity: Historical date
- Reserves: Reporting date

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to the Consolidated Statement of Comprehensive Income on disposal of the foreign operation.

Goods and services tax

Revenues, expenses and capital assets are recognised net of any amount of Australian Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as cash flows from operating activities.

Notes to the Consolidated Financial Statements

The Notes include information which is required to understand the Consolidated Financial Statements and is material and relevant to the operations, financial position and performance of the Group.

The Notes are organised into the following sections:

Group performance		Investments		Capital and financial risk management and working capital	Other disclosures		
1.	Operating segments	9.	Investment properties	14.	Capital and financial risk management	21.	Intangible assets
2.	Property revenue and expenses	10.	Investments accounted for using the equity method	15.	Interest bearing liabilities	22.	Business combination
3.	Management fees and other revenue	11.	Investments accounted for at fair value	16.	Lease liabilities	23.	Audit, taxation and transaction service fees
4.	Management operations, corporate and administration expenses	12.	Inventories	17.	Commitments and contingencies	24.	Cash flow information
5.	Finance costs	13.	Non-current assets classified as held for sale	18.	Contributed equity	25.	Security-based payments
6.	Taxation			19.	Reserves	26.	Related parties
7.	Earnings per unit			20.	Working capital	27.	Parent entity disclosures
8.	Distributions paid and payable					28.	Subsequent events

Group performance

In this section

This section explains the results and performance of the Group.

It provides additional information about those individual line items in the Consolidated Financial Statements that the Directors consider most relevant in the context of the operations of the Group, including:

- Operating segments
- Property revenue and expenses
- Management fees and other revenue
- Management operations, corporate and administration expenses
- Finance costs
- Taxation
- Earnings per unit
- Distributions paid and payable

Note 1 Operating segments

Description of segments

The Group's operating segments have been identified based on the sectors analysed within the management reports in order to monitor performance across the Group and to appropriately allocate resources. Refer to the table below for a brief description of the Group's operating segments.

Segment	Description
Office	Domestic office space with any associated retail space; as well as car parks and office developments owned directly or in joint ventures or partnerships.
Industrial	Domestic industrial properties, industrial estates and industrial developments owned directly or in joint ventures or partnerships.
Co-investments	Distribution income earned from investments in pooled real asset funds and funds invested in securities.
Property management	Property management services for third party clients and owned assets.
Funds management	Funds management of third party client assets.
Development and trading	Revenue earned and costs incurred by the Group on development services for third party clients and inventory.
All other segments	Corporate expenses associated with maintaining and operating the Group. This segment also includes the real assets portfolio value of other investments.

Note 1 Operating segments (continued)

30 June 2024	Office \$m	Industrial \$m
Segment performance measures		
Property revenue	623.5	171.1
Property management fees	—	—
Development revenue	—	80.0
Management fee revenue	—	—
Co-investment income	—	—
Total operating segment revenue	623.5	251.1
Property expenses and property management salaries	(199.1)	(39.5)
Management operations expenses	—	—
Development costs	—	(77.6)
Corporate and administration expenses	(15.5)	(5.4)
Incentive amortisation and rent straight line	145.3	15.5
Foreign exchange gains/(losses)	—	—
Interest revenue	—	—
Finance costs	—	—
Rental guarantees, coupon income and other	—	(3.4)
FFO tax expense	—	—
Funds From Operations (FFO)	554.2	140.7
Net fair value gain/(loss) of investment properties	(1,523.2)	(110.1)
Net fair value gain/(loss) of leased assets	—	—
Share of net profit/(loss) of investments accounted for using the equity method	—	—
Net fair value gain/(loss) of investments accounted for at fair value	(267.1)	—
Net fair value gain/(loss) of derivatives	—	—
Net fair value gain/(loss) of interest bearing liabilities	—	—
Transaction costs and other significant items	—	—
Incentive amortisation and rent straight line	(145.3)	(15.5)
Amortisation and impairment of intangible assets	—	—
Rental guarantees, coupon income and other	—	3.4
Distribution income	—	—
Co-investment income	—	—
Non FFO tax benefit	—	—
Net profit/(loss) attributable to stapled security holders	(1,381.4)	18.5
Investment properties	4,339.2	750.1
Equity accounted real estate funds ¹	5,164.8	2,312.1
Equity accounted real estate security funds ¹	—	—
Equity accounted inventories	—	—
Equity accounted non-current assets held for sale	—	—
Equity accounted infrastructure funds ¹	—	—
Investments accounted for at fair value ²	97.3	—
Inventories	—	—
Non-current assets held for sale	69.1	35.1
Investments	9,670.4	3,097.3

¹ Comprises the Group's portion of the underlying property, infrastructure assets and other investments accounted for using the equity method.

² Comprises the carrying value of the Group's investments accounted for at fair value which consists of interests in Australian trusts, managed property funds and infrastructure assets.

Co- investments \$m	Property management \$m	Funds management \$m	Development and trading \$m	All other segments \$m	Eliminations \$m	Total \$m
—	—	—	—	0.5	(4.5)	790.6
—	69.4	—	—	—	—	69.4
—	—	—	55.7	—	—	135.7
—	19.6	240.3	26.1	—	—	286.0
70.3	—	—	—	—	—	70.3
70.3	89.0	240.3	81.8	0.5	(4.5)	1,352.0
—	(27.3)	—	—	—	—	(265.9)
—	(43.6)	(109.0)	(35.1)	—	—	(187.7)
—	—	—	(41.0)	—	—	(118.6)
—	—	—	—	(66.4)	4.5	(82.8)
—	—	—	—	0.3	—	161.1
—	—	—	—	(0.2)	—	(0.2)
—	—	—	—	33.2	—	33.2
—	—	—	—	(163.3)	—	(163.3)
—	—	2.2	—	5.2	—	4.0
—	—	—	(4.4)	(24.0)	—	(28.4)
70.3	18.1	133.5	1.3	(214.7)	—	703.4
—	—	—	—	(1.2)	—	(1,634.5)
—	—	—	—	0.9	—	0.9
(54.6)	—	—	—	—	—	(54.6)
(36.1)	—	—	—	0.6	—	(302.6)
—	—	—	—	(5.5)	—	(5.5)
—	—	—	—	(14.4)	—	(14.4)
—	—	—	—	(83.8)	—	(83.8)
—	—	—	—	(0.3)	—	(161.1)
—	—	—	—	(4.1)	—	(4.1)
—	—	—	—	(7.8)	—	(4.4)
10.6	—	—	—	—	—	10.6
(70.3)	—	—	—	—	—	(70.3)
—	—	—	—	36.6	—	36.6
(80.1)	18.1	133.5	1.3	(293.7)	—	(1,583.8)
—	—	—	—	28.6	—	5,117.9
1,174.5	—	—	—	102.6	—	8,754.0
12.4	—	—	—	—	—	12.4
63.0	—	—	29.8	—	—	92.8
6.8	—	—	—	—	—	6.8
300.5	—	—	—	—	—	300.5
246.4	—	—	—	9.9	—	353.6
—	—	—	60.2	—	—	60.2
—	—	—	—	—	—	104.2
1,803.6	—	—	90.0	141.1	—	14,802.4

Note 1 Operating segments (continued)

30 June 2023	Office \$m	Industrial \$m
Segment performance measures		
Property revenue	670.1	199.5
Property management fees	—	—
Development revenue	—	—
Management fee revenue	—	—
Co-investment income	—	—
Gain on sale of units in investments accounted for using the equity method	—	—
Total operating segment revenue	670.1	199.5
Property expenses and property management salaries	(196.1)	(48.4)
Management operations expenses	—	—
Development costs	—	—
Corporate and administration expenses	(14.1)	(4.7)
Incentive amortisation and rent straight line	137.8	15.9
Foreign exchange gains/(losses)	—	—
Interest revenue	—	—
Finance costs	—	—
Rental guarantees, coupon income and other	(0.1)	1.2
FFO tax expense	—	—
Funds From Operations (FFO)	597.6	163.5
Net fair value gain/(loss) of investment properties	(1,177.8)	(6.6)
Net fair value gain/(loss) of leased assets	—	—
Share of net profit/(loss) of investments accounted for using the equity method	—	—
Net fair value gain/(loss) of investments accounted for at fair value	—	—
Net fair value gain/(loss) of derivatives	—	—
Net fair value gain/(loss) of interest bearing liabilities	—	—
Transaction costs and other significant items	—	—
Incentive amortisation and rent straight line	(137.8)	(15.9)
Amortisation and impairment of intangible assets	—	—
Rental guarantees, coupon income and other	0.1	(1.2)
Distribution income	—	—
Co-investment income	—	—
Non FFO tax expense	—	—
Net profit/(loss) attributable to stapled security holders	(717.9)	139.8
Investment properties	4,927.3	1,080.9
Equity accounted real estate funds ¹	5,992.0	2,246.6
Equity accounted real estate security funds ¹	—	—
Equity accounted infrastructure funds ¹	—	—
Investments accounted for at fair value ²	206.8	—
Inventories	—	—
Non-current assets held for sale	1,000.0	354.0
Investments	12,126.1	3,681.5

¹ Comprises the Group's portion of the underlying property assets accounted for using the equity method.

² Comprises the carrying value of the Group's investments accounted for at fair value which consists of interests in Australian trusts and managed property funds.

Co- investments \$m	Property management \$m	Funds management \$m	Development and trading \$m	All other segments \$m	Eliminations \$m	Total \$m
—	—	—	—	—	(8.6)	861.0
—	52.5	—	—	—	—	52.5
—	—	—	113.8	—	—	113.8
—	38.3	148.8	35.0	—	—	222.1
35.9	—	—	—	—	—	35.9
—	—	—	18.9	—	—	18.9
35.9	90.8	148.8	167.7	—	(8.6)	1,304.2
—	(32.2)	—	—	—	—	(276.7)
—	(48.5)	(57.3)	(26.1)	—	—	(131.9)
—	—	—	(61.0)	—	—	(61.0)
—	—	—	—	(48.8)	8.6	(59.0)
—	—	—	—	(0.1)	—	153.6
—	—	—	—	0.4	—	0.4
—	—	—	—	20.9	—	20.9
—	—	—	—	(158.1)	—	(158.1)
—	—	2.1	—	0.5	—	3.7
—	—	—	(21.5)	(36.1)	—	(57.6)
35.9	10.1	93.6	59.1	(221.3)	—	738.5
—	—	—	—	8.8	—	(1,175.6)
—	—	—	—	0.5	—	0.5
(2.0)	—	—	—	—	—	(2.0)
—	—	—	—	(1.1)	—	(1.1)
—	—	—	—	(67.6)	—	(67.6)
—	—	—	—	75.6	—	75.6
—	—	—	—	(96.2)	—	(96.2)
—	—	—	—	0.1	—	(153.6)
—	—	—	—	(62.2)	—	(62.2)
—	—	—	—	(22.8)	—	(23.9)
8.1	—	—	—	—	—	8.1
(35.9)	—	—	—	—	—	(35.9)
—	—	—	—	42.7	—	42.7
6.1	10.1	93.6	59.1	(343.5)	—	(752.7)
—	—	—	—	29.9	—	6,038.1
1,073.6	—	—	—	62.2	—	9,374.4
12.6	—	—	—	—	—	12.6
136.9	—	—	—	—	—	136.9
225.1	—	—	—	—	—	431.9
—	—	—	30.6	—	—	30.6
16.3	—	—	—	—	—	1,370.3
1,464.5	—	—	30.6	92.1	—	17,394.8

Note 1 Operating segments (continued)

Other segment information

Funds from Operations (FFO)

The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investments accounted for at fair value, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

Reconciliation of segment revenue to the Consolidated Statement of Comprehensive Income

	2024 \$m	2023 \$m
Property lease revenue	694.3	754.3
Property services revenue	96.3	106.7
Property revenue	790.6	861.0
Property management fees	69.4	52.5
Development revenue	135.7	113.8
Management fee revenue	286.0	222.1
Co-investment income	70.3	35.9
Gain on sale of units in investments accounted for using the equity method	—	18.9
Total operating segment revenue	1,352.0	1,304.2
Share of revenue from joint ventures and associates	(507.7)	(466.5)
Interest and other revenue	57.9	10.7
Total revenue from ordinary activities	902.2	848.4

Reconciliation of segment assets to the Consolidated Statement of Financial Position

	2024 \$m	2023 \$m
Investments ^{1,2}	14,802.4	17,394.8
Right-of-use assets	82.0	6.5
Cash and cash equivalents	54.0	123.9
Receivables	218.6	151.8
Intangible assets	667.8	670.9
Derivative financial instruments	449.6	484.1
Plant and equipment	9.9	11.3
Prepayments and other net assets ³	(461.9)	(371.6)
Total assets	15,822.4	18,471.7

1 Includes the Group's portion of investment property, infrastructure assets and other investments accounted for using the equity method and the Group's investments accounted for at fair value.

2 Includes Co-investments in listed and unlisted real estate, real estate security and infrastructure funds. The principal activity of these funds is to invest in domestic and global real estate and infrastructure investments. Where the Group is deemed to have significant influence over these funds due to its ability to influence the decisions made by the Board of the Other Investment Entities of these funds, which are wholly owned subsidiaries of the Group, these investments are accounted for using the equity method. Other investments in this category are accounted for at fair value.

3 Other net assets include the Group's share of total net assets of its investments accounted for using the equity method less the Group's share of the investment property and infrastructure asset value which is included in Investments.

Note 2 Property revenue and expenses

Property revenue

Property rental revenue is derived from holding properties as investment properties and earning rental yields over time. Rental revenue is recognised on a straight line basis over the lease term for leases with fixed rent review clauses.

Prospective tenants may be offered incentives as an inducement to enter into operating leases. The costs of incentives are recognised as a reduction of rental revenue being incentive amortisation calculated on a straight line basis from the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

Within its lease arrangements, the Group provides certain services to tenants (such as utilities, cleaning, maintenance and certain parking arrangements) which are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. A portion of the consideration within the lease arrangements is therefore allocated to services revenue within property revenue.

Note 2 Property revenue and expenses (continued)

Property revenue (continued)

	2024 \$m	2023 \$m
Rent and recoverable outgoings	312.9	390.3
Services revenue	39.9	53.3
Incentive amortisation	(71.4)	(83.6)
Other revenue	42.5	56.3
Total property revenue	323.9	416.3

Property expenses

Property expenses include:

- Rates;
- Taxes;
- Expected credit losses on receivables ; and
- Other property outgoings incurred in relation to investment properties.

These expenses are recognised in the Consolidated Statement of Comprehensive Income on an accrual basis. If these items are recovered from a tenant by the Group, they are recorded within services revenue or direct recoveries within property revenue.

	2024 \$m	2023 \$m
Recoverable outgoings	81.0	104.2
Other non-recoverable property expenses	35.3	32.8
Total property expenses	116.3	137.0

Note 3 Management fees and other revenue

Management fees are brought to account on an accrual basis and, if not received at the end of the reporting period, are reflected in the Consolidated Statement of Financial Position as a receivable.

	2024 \$m	2023 \$m
Investment management and responsible entity fees	244.5	190.6
Lease review and renewal fees	14.9	13.0
Property management fees	61.1	41.5
Capital works and development management fees	23.0	33.9
Performance and transaction fees	26.5	1.4
Wages recovery and other fees	51.3	27.2
Total management fees and other revenue	421.3	307.6

Performance fees are for performance obligations fulfilled over time and for which consideration is variable. The fees are determined in accordance with the relevant agreement which stipulates out-performance of a benchmark over a given period. Performance fee revenue is recognised to the extent that it is highly probable that the amount of variable consideration recognised will not be significantly reversed when the uncertainty is resolved. Detailed calculations and an assessment of the risks associated with the recognition of the fee are completed to inform the assessment of the appropriate revenue to recognise.

As at 30 June 2024, there was no unearned revenue relating to performance fees recorded within non-current liabilities (2023: \$19.3 million).

Critical accounting estimates: input used to measure performance fee

Judgement is required in determining the following significant inputs for recognition of performance fee revenue:

- Estimates of future underlying asset values and income measures compared to benchmark on the final performance fee calculation date
- The period of time remaining from balance date to the final performance fee calculation date and the degree of probability that any potential fee may be reversed taking into consideration historical performance, prevailing and future economic conditions

Note 4 Management operations, corporate and administration expenses

	2024 \$m	2023 \$m
Audit, taxation, legal and other professional fees	16.3	19.1
Depreciation and amortisation	13.9	8.4
Employee benefits expense	235.5	145.0
Administration expenses and other expenses	57.0	49.9
Total management operations, corporate and administration expenses	322.7	222.4

Note 5 Finance costs

Finance costs include:

- Interest;
- Amortisation or other costs incurred in connection with arrangement of borrowings;
- Finance costs on lease liabilities; and
- Realised gains and losses on interest rate swaps.

Finance costs are expensed as incurred unless they are directly attributable to qualifying assets which are capitalised to the cost of the asset.

A qualifying asset is an asset under development where the works being carried out to bring it to its intended use or sale are expected to take a substantial period of time. Finance costs incurred for the acquisition and construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete the asset. To the extent that funds are borrowed generally to fund development, the amount of borrowing costs to be capitalised to qualifying assets must be determined by using an appropriate interest rate.

	2024 \$m	2023 \$m
Interest paid/payable	237.6	194.4
Amount capitalised	(26.7)	(23.7)
Realised (gain)/loss of interest rate derivatives	(62.0)	(29.2)
Finance costs – leases and debt modification	0.9	23.9
Other finance costs	19.5	8.7
Total finance costs	169.3	174.1

The average interest rate used to determine the amount of borrowing costs eligible for capitalisation is 4.04% (2023: 3.70%).

Note 6 Taxation

Under current Australian income tax legislation, DPT is not liable for income tax provided it satisfies certain legislative requirements, which were met in the current and previous financial years. DXO is liable for income tax and has formed a tax consolidated group with its wholly owned and controlled Australian entities. As a consequence, the tax consolidated group is taxed as a single entity.

Income tax expense is comprised of current and deferred tax expense. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense represents the expense relating to the expected taxable income at the applicable rate of the financial year.

Deferred tax expense represents the tax expense in respect of the future tax consequences of recovering or settling the carrying amount of an asset or liability. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profit will be available to utilise them.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

Attribution managed investment trust regime

Dexus made an election for DPT and its wholly owned subsidiaries (DDF, DIT and DOT) to be attribution managed investment trusts (AMITs) for the year ended 30 June 2017 and future years. The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for AMITs and their investors.

Note 6 Taxation (continued)

a. Income tax (expense)/benefit

	2024 \$m	2023 \$m
Current income tax expense	(19.6)	(30.6)
Deferred income tax benefit	29.3	19.4
Total income tax benefit/(expense)	9.7	(11.2)
Deferred income tax expense included in income tax (expense) / benefit comprises:		
Increase in deferred tax assets	8.4	3.6
Decrease in deferred tax liabilities	20.9	15.8
Total deferred tax benefit	29.3	19.4

b. Reconciliation of income tax (expense)/benefit to net profit

	2024 \$m	2023 \$m
Loss before income tax	(1,593.5)	(741.5)
Add: loss attributed to entities not subject to tax	1,554.0	692.6
Loss subject to income tax	(39.5)	(48.9)
Prima facie tax expense at the Australian tax rate of 30% (2023: 30%)	11.9	14.7
Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:		
(Non-assessable)/non-deductible items	(2.2)	(25.9)
Income tax benefit/(expense)	9.7	(11.2)

c. Current tax assets/liabilities

	2024 \$m	2023 \$m
Increase in current tax assets	8.9	11.2
Decrease in current tax liabilities	—	16.0
Increase in current tax assets	8.9	27.2

d. Deferred tax assets

	2024 \$m	2023 \$m
The balance comprises temporary differences attributable to:		
Employee provisions	31.6	26.6
Software expenditure	5.9	9.8
Other	39.7	32.5
Total non-current assets - deferred tax assets	77.2	68.9
Movements:		
Opening balance	68.8	42.5
Deferred tax assets arising from business combination	—	22.7
Movement in deferred tax asset arising from temporary differences	8.4	3.6
Closing balance	77.2	68.8

e. Deferred tax liabilities

	2024 \$m	2023 \$m
The balance comprises temporary differences attributable to:		
Intangible assets	165.5	166.4
Investment properties	0.2	16.6
Other	0.1	3.7
Total non-current liabilities - deferred tax liabilities	165.8	186.7
Movements		
Opening balance	186.7	144.7
Deferred tax liabilities arising from management rights on business combination ¹	—	57.8
Movement in deferred tax liability arising from temporary differences	(20.9)	(15.8)
Closing balance	165.8	186.7

¹ Representing the deferred tax recognised in relation to the acquisition of Collimate Capital's real estate and domestic infrastructure equity business from AMP Limited. Refer to note 22 for further details.

Note 6 Taxation (continued)

f. Net deferred tax liabilities

	2024 \$m	2023 \$m
Deferred tax assets	77.2	68.8
Deferred tax liabilities	(165.8)	(186.7)
Net deferred tax liabilities¹	(88.6)	(117.9)

¹ Net deferred tax liabilities of \$88.6m is presented in the Consolidated Statement of Financial Position as \$89.3m in net deferred tax liabilities related to Australian entities and net deferred tax assets of \$0.7m related to foreign entities.

Note 7 Earnings per unit

Earnings per unit are determined by dividing the net profit or loss attributable to unitholders by the weighted average number of ordinary units outstanding during the year. Diluted earnings per unit are adjusted from the basic earnings per unit by taking into account the impact of dilutive potential units.

a. Net profit used in calculating basic and diluted earnings per security

	2024 \$m	2023 \$m
Loss attributable to unitholders of the Trust (parent entity) for basic earnings per security	(1,578.9)	(685.2)
Effect on exchange of Exchangeable Notes	(0.3)	22.4
Loss attributable to unitholders of the Trust (parent entity) for diluted earnings per security	(1,579.2)	(662.8)
Loss attributable to stapled security holders for basic earnings per security	(1,583.8)	(752.7)
Effect on exchange of Exchangeable Notes	(0.3)	22.4
Loss attributable to stapled security holders for diluted earnings per security	(1,584.1)	(730.3)

b. Weighted average number of securities used as a denominator

	2024 No. of securities	2023 No. of securities
Weighted average number of units outstanding used in calculation of basic earnings per security	1,075,565,246	1,075,565,246
Effect on exchange of Exchangeable Notes	68,498,708	53,412,698
Weighted average number of units outstanding used in calculation of diluted earnings per unit	1,144,063,954	1,128,977,944

Note 8 Distributions paid and payable

Distributions are recognised when declared.

a. Distribution to security holders

	2024 \$m	2023 \$m
31 December (paid 29 February 2024)	287.1	301.2
30 June (payable 29 August 2024)	229.2	253.8
Total distribution to security holders	516.3	555.0

b. Distribution rate

	2024 Cents per security	2023 Cents per security
31 December (paid 29 February 2024)	26.7	28.0
30 June (payable 29 August 2024)	21.3	23.6
Total distribution rate	48.0	51.6

c. Franked dividends

	2024 \$m	2023 \$m
Opening balance	154.6	114.3
Income tax paid during the year	28.0	61.7
Franking credits utilised for payment of distribution	(17.1)	(21.4)
Closing balance	165.5	154.6

Investments

In this section

Investments are used to generate the Group's performance. The assets are detailed in the following notes:

- **Investment properties** (note 9): relates to investment properties (including ground leases where relevant), both stabilised and under development.
- **Investments accounted for using the equity method** (note 10): provides summarised financial information on the joint ventures and investments where the Group has significant influence and relates to interests in underlying property, infrastructure assets and other investments.
- **Investments accounted for at fair value** (note 11): relates to the fair value of investments in Australian trusts, managed property funds and equity investments in infrastructure assets.
- **Inventories** (note 12): relates to the Group's ownership of office and industrial assets or land held for repositioning, development and sale.
- **Non-current assets classified as held for sale** (note 13): relates to investment properties which are expected to be sold within 12 months of the reporting date and/or contracts have already exchanged.

Note 9 Investment properties

The Group's investment properties consist of properties held for long-term rental yields and/or capital appreciation and property that is being constructed or developed for future use as investment property. Investment properties are initially recognised at cost including transaction costs. Investment properties are subsequently measured at fair value.

The basis of valuations of investment properties is fair value, being the estimated price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Changes in fair values are recorded in the Consolidated Statement of Comprehensive Income. The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Consolidated Statement of Comprehensive Income in the year of disposal.

Subsequent redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property where they result in an enhancement in the future economic benefits of the property.

Leasing fees incurred and incentives provided are capitalised and amortised over the lease periods to which they relate.

a. Reconciliation

	Note	Office \$m	Industrial \$m	Other \$m	2024 \$m	2023 \$m
Opening balance		4,927.3	1,081.0	29.8	6,038.1	8,295.7
Additions		142.8	2.5	0.4	145.7	218.8
Acquisitions		–	–	–	–	134.4
Transfer from non-current assets classified as held for sale	13	99.0	–	–	99.0	–
Lease incentives		47.9	2.2	–	50.1	62.5
Amortisation of lease incentives		(70.2)	(4.9)	–	(75.1)	(90.9)
Rent straightlining		(2.6)	(0.7)	0.3	(3.0)	(0.9)
Disposals		–	(174.0)	–	(174.0)	(579.5)
Transfer to non-current assets classified as held for sale	13	(69.1)	(35.1)	–	(104.2)	(1,354.0)
Transfer (to)/from inventories	12	–	(60.0)	–	(60.0)	(25.7)
Net fair value gain/(loss) of investment properties		(735.9)	(60.9)	(1.9)	(798.7)	(622.3)
Closing balance		4,339.2	750.1	28.6	5,117.9	6,038.1

Leased assets

The Group holds leasehold interests in a number of properties. Leasehold land that meets the definition of investment property under AASB 140 *Investment Property* is measured at fair value and presented within Investment property. The leased asset is measured initially at an amount equal to the corresponding lease liability. Subsequent to initial recognition, the leased asset is recognised at fair value in the Consolidated Statement of Financial Position. Refer to note 16 for details of the lease liabilities.

Note 9 Investment properties (continued)

a. Reconciliation (continued)

Disposals

Date	Property Name	Proceeds ¹ \$m
21 November 2023	20 Distribution Drive, Truganina, VIC - Lot EE	16.8
19 December 2023	153 Aldington Road, Kemps Creek, NSW ²	137.2
12 June 2024	20 Distribution Drive, Truganina, VIC - Lot DD	8.6
17 June 2024	18 Motorway Circuit, Ormeau, QLD	17.9

1 Excludes transaction costs.

2 49% interest in the trust holding the property was sold to a third party during the year. Remaining 51% interest has been reclassified as an investment accounted for using the equity method,

b. Valuation process

It is the policy of the Group to obtain independent valuations for each individual property at least once every three years by a member of the Australian Property Institute of Valuers. It has been the Group's practice in the majority of cases to have such valuations performed at least every six months. Each valuation firm and its signatory valuer are appointed on the basis that they are engaged for no more than three years except for properties under development and co-owned properties where it is deemed appropriate to extend beyond this term. Independent valuations may be undertaken more frequently where the Responsible Entity believes there is potential for a change in the fair value of the property, being 5% of the asset value. At 30 June 2024, 170 out of 175 investment properties (including those classified as held for sale) were independently externally valued.

The Group's policy requires investment properties, including those held within investments accounted for using the equity method, to be internally valued at least every six months at each reporting period (interim and full-year) unless they have been independently externally valued. Where appropriate, internal valuations are performed by the Group's internal valuers who hold recognised relevant professional qualifications and have previous experience as property valuers from major real estate valuation firms.

An appropriate valuation methodology is utilised according to asset class. This includes the capitalisation approach (market approach) and the discounted cash flow approach (income approach). The valuation is also compared to, and supported by, direct comparison to recent market transactions. The adopted capitalisation rates and discount rates are determined based on industry expertise and knowledge and, where possible, a direct comparison to third party rates for similar assets in a comparable location. Rental revenue from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are also factored into each asset assessment of fair value.

In relation to development properties under construction for future use as investment property, where reliably measurable, fair value is determined based on the market value of the property on the assumption it had already been completed at the valuation date (using the methodology as outlined above) less costs still required to complete the project, including an appropriate adjustment for industry benchmarked profit and development risk.

c. Sustainability valuation considerations

The Group engages independent valuation firms to assist in determining fair value of the investment property assets at each reporting period. As qualified valuers, they are required to follow both the RICS Valuation - Global Standards and the Australian Property Institute's International Valuation Standards, and accordingly their valuations are required to take into account the sustainability features of properties being valued and the implications such factors could have on property values in the short, medium and longer term.

Where relevant, the Group's independent valuation firms note in their valuation reports that sustainability features are considered as part of the valuation approach and that sustainability features have been influencing value for some time.

Where the independent valuation firms give consideration to the impacts of sustainability, they are incorporating their understanding of how market participants consider the impact of sustainability on market valuations, noting that valuers should reflect markets and not lead them.

Note 9 Investment properties (continued)

d. Fair value measurement, valuation techniques and inputs

The following table represents the level of the fair value hierarchy and the associated unobservable inputs utilised in the fair value measurement for each class of investment property, including investment property held within investments accounted for using the equity method.

Class of property	Fair value hierarchy	Inputs used to measure fair value	Range of unobservable inputs	
			2024	2023
Office ¹	Level 3	Adopted capitalisation rate	4.75% - 7.75%	4.25% - 6.75%
		Adopted discount rate	6.00% - 8.50%	5.75% - 8.00%
		Adopted terminal yield	4.75% - 8.00%	4.25% - 7.00%
		Net market rental (per sqm)	\$414 - \$1,782	\$459 - \$1,657
Industrial	Level 3	Adopted capitalisation rate	4.75% - 9.75%	4.00% - 10.00%
		Adopted discount rate	6.13% - 10.50%	5.75% - 10.00%
		Adopted terminal yield	5.13% - 9.75%	4.25% - 10.25%
		Net market rental (per sqm)	\$50 - \$801	\$50 - \$765
Leased assets	Level 3	Adopted discount rate	3.51% - 8.92%	3.51% - 8.50%

¹ Includes office developments and excludes car parks, retail and other.

Critical accounting estimates: inputs used to measure fair value of investment properties including those held within investments accounted for using the equity method

Judgement is required in determining the following significant unobservable inputs:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- **Adopted discount rate:** The rate of return used to convert cash flows, payable or receivable in the future, into present value. For industrial and office properties, it reflects the opportunity cost of capital, that is, the rate of return the cash can earn if put to other uses having similar risk. The rate is determined with regard to market evidence and the prior external valuation. For leased assets, the discount rate is determined with reference to the Group's incremental borrowing rate at inception of the lease.
- **Adopted terminal yield:** The capitalisation rate used to convert the future net market rental revenue into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence and the prior external valuation.
- **Net market rental (per sqm):** The net market rent is the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

e. Impact of the current economic environment on the fair value of investment properties

The elevated levels of economic uncertainty, coupled with a lack of recent comparable transactions in the market, has created heightened levels of judgment when deriving the fair value of the Group's investment property portfolio.

Whilst the fair values of investment property can be relied upon at the date of valuation, a higher level of valuation uncertainty than normal is assumed. A sensitivity analysis has been included in note 9(f), showing indicative movements in investment property valuations should certain significant unobservable inputs differ by reasonably possible amounts from those assumed in the valuations.

f. Sensitivity information

Significant movement in any one of the valuation inputs listed in the table above may result in a change in the fair value of the Group's investment properties, including investment properties within investments accounted for using the equity method as shown below.

The estimated impact of a change in certain significant unobservable inputs would result in a change in the fair value as follows:

	Office		Industrial	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
A decrease of 25 basis points in the adopted capitalisation rate	409.8	550.4	147.2	183.6
An increase of 25 basis points in the adopted capitalisation rate	(377.3)	(500.0)	(134.2)	(165.3)
A decrease of 25 basis points in the adopted discount rate	355.1	456.5	112.7	139.0
An increase of 25 basis points in the adopted discount rate	(330.4)	(421.3)	(105.0)	(128.2)
A decrease of 5% in the net market rental (per sqm)	(475.2)	(546.0)	(153.1)	(165.6)
An increase of 5% in the net market rental (per sqm)	475.2	546.0	153.1	165.6

Note 9 Investment properties (continued)

f. Sensitivity information (continued)

Generally, a change in the assumption made for the adopted capitalisation rate is often accompanied by a directionally similar change in the adopted terminal yield. The adopted capitalisation rate forms part of the capitalisation approach while the adopted terminal yield forms part of the discounted cash flow approach.

Under the capitalisation approach, the net market rental has a strong interrelationship with the adopted capitalisation rate as the fair value of the investment property is derived by capitalising, in perpetuity, the total net market rent receivable. An increase (softening) in the adopted capitalisation rate would offset the impact to fair value of an increase in the net market rent. A decrease (tightening) in the adopted capitalisation rate would also offset the impact to fair value of a decrease in the net market rent. Directionally opposite changes in the net market rent and the adopted capitalisation rate would increase the impact to fair value.

The discounted cash flow is primarily made up of the discounted cash flow of net income over the cash flow period and the discounted terminal value (which is largely based upon market rents grown at forecast market rental growth rates capitalised at an adopted terminal yield). An increase (softening) in the adopted discount rate would offset the impact to fair value of a decrease (tightening) in the adopted terminal yield. A decrease (tightening) in the discount rate would offset the impact to fair value of an increase (softening) in the adopted terminal yield. Directionally similar changes in the adopted discount rate and the adopted terminal yield would increase the impact to fair value.

A decrease (softening) in the forecast rental growth rate may result in a negative impact on the discounted cash flow approach value while a strengthening may have a positive impact on the value under the same approach.

g. Investment properties pledged as security

Refer to note 15 for information on investment properties pledged as security.

Note 10 Investments accounted for using the equity method

a. Interest in joint ventures and associates

The following investments are accounted for using the equity method of accounting in the Consolidated Financial Statements.

All entities were formed in Australia and their principal activity is either property or infrastructure related investment in Australia or investment in Australian and global listed real estate and infrastructure investment trusts.

Name of entity	Ownership interest		2024 \$m	2023 \$m
	2024 %	2023 %		
Dexus Office Trust Australia (DOTA)	50.0	50.0	1,715.9	2,159.7
Dexus 80C Trust	75.0	75.0	991.4	1,177.1
Dexus Martin Place Trust	50.0	50.0	832.4	919.0
Dexus Australian Logistics Trust (DALT)	51.0	51.0	731.5	730.1
Dexus Australian Logistics Trust No.2 (DALT2)	51.0	51.0	580.7	584.6
Bent Street Trust	33.3	33.3	338.3	378.3
Dexus Wholesale Australian Property Fund (DWAPF)	25.0	18.9	323.4	319.8
Jandakot City Holdings Trust (JCH)	33.4	33.4	318.0	317.8
Dexus 480 Q Holding Trust	50.0	50.0	316.8	357.1
AAIG Holding Trust	49.4	49.4	315.8	326.6
Dexus Industrial Trust Australia (DITA)	50.0	50.0	299.8	301.7
Dexus Healthcare Property Fund (DHPF) ¹	16.1	16.4	219.8	241.3
Dexus Kings Square Trust	50.0	50.0	211.2	231.5
Dexus Industria REIT (DXI)	17.5	17.5	181.8	193.0
Dexus Australian Logistics Trust No.3 (DALT3)	51.0	51.0	134.5	125.6
Dexus Community Infrastructure Fund (COMMIF)	9.3	5.1	128.1	73.1
Dexus Wholesale Shopping Centre Fund (DWSF) ²	5.3	—	123.8	—
Dexus Diversified Infrastructure Trust (DDIT) ³	5.1	—	102.7	—
Dexus Eagle Street Pier Trust	50.0	50.0	102.5	53.1
Other ⁴			637.1	560.6
Total assets – investments accounted for using the equity method⁵			8,605.5	9,050.0

1 In October 2023, DHPF raised equity resulting in a dilution of the Group's interest from 16.4% to 16.1%.

2 In July 2023, the Group acquired a 5.3% interest in DWSF.

3 In October 2023, DXO acquired a 5.1% interest in DDIT.

4 The Group also has interests in a number of immaterial joint ventures and associates that are accounted for using the equity method.

5 These investments are accounted for using the equity method as a result of the Group having either significant influence over the financial and operating policy decisions of the associate or joint control over the associate under contractual arrangements requiring unanimous decisions on all relevant matters.

b. Impairment assessment on Investments accounted for using the equity method

At each reporting date, management assess whether there is any indication of impairment to the carrying value of Investments accounted for using the equity method, which in certain instances may include notional goodwill recognised on acquisition. If an indicator of impairment is identified, the entire carrying amount of the investment is tested for impairment in accordance with AASB 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Impairment losses of \$0.7 million losses were recognised during the year (2023: impairment losses of \$3.2 million were recognised).

c. Summarised financial information for individually material equity accounted investments

The following table provides summarised financial information for the joint ventures and associates accounted for using the equity method which, in the opinion of the Directors, are material to the Group. The information disclosed reflects the amounts presented in the Financial Statements of the relevant joint ventures and associates and not Dexus' share of those amounts.

Note 10 Investments accounted for using the equity method (continued)

c. Summarised financial information for individually material joint ventures and associates (continued)

	Dexus Office Trust Australia		Dexus 80C Trust		Dexus Martin Place Trust	
	2024	2023	2024	2023	2024	2023
Statement of Financial Position	\$m	\$m	\$m	\$m	\$m	\$m
Cash and cash equivalents	40.6	32.8	5.0	6.1	8.7	8.6
Other current assets	19.2	16.5	14.7	18.3	3.5	3.0
Non-current assets	3,426.5	4,312.4	1,332.0	1,582.0	1,676.7	1,870.9
Current borrowings	—	—	—	—	—	—
Other current liabilities	(53.1)	(42.3)	(29.9)	(36.9)	(24.0)	(44.6)
Non-current borrowings	—	—	—	—	—	—
Other non-current liabilities	(1.4)	—	—	—	—	—
Net assets	3,431.8	4,319.4	1,321.8	1,569.5	1,664.9	1,837.9
Reconciliation to carrying amounts:						
Opening balance	4,319.4	4,816.8	1,569.5	1,651.1	1,837.9	1,985.9
Additions/(redemptions)	56.6	142.1	16.4	18.9	34.9	91.2
Profit/(loss) for the year	(480.9)	(321.1)	(202.6)	(42.9)	(138.1)	(177.3)
Distributions received/receivable	(463.3)	(318.4)	(61.5)	(57.6)	(69.8)	(61.9)
Closing balance	3,431.8	4,319.4	1,321.8	1,569.5	1,664.9	1,837.9
Group's share in \$m	1,715.9	2,159.7	991.4	1,177.1	832.4	919.0
Notional goodwill	—	—	—	—	—	—
Group's carrying amount	1,715.9	2,159.7	991.4	1,177.1	832.4	919.0
Statement of Comprehensive Income						
Revenue	223.0	226.2	89.2	79.5	94.6	101.2
Interest income	2.7	1.5	0.9	0.7	0.7	0.2
Finance costs	(0.1)	(0.8)	—	—	—	—
Income tax (expense)/benefit	—	—	—	—	—	—
Net profit/(loss)	(480.9)	(321.1)	(202.6)	(42.9)	(138.1)	(177.3)
Total comprehensive income/(loss)	(480.9)	(321.1)	(202.6)	(42.9)	(138.1)	(177.3)

	Jandakot City Holdings Trust		Dexus 480 Q Holding Trust		AAIG Holding Trust	
	2024	2023	2024	2023	2024	2023
Statement of Financial Position	\$m	\$m	\$m	\$m	\$m	\$m
Cash and cash equivalents	18.0	24.2	8.5	2.5	14.5	17.9
Other current assets	2.3	2.0	2.7	1.4	2.3	3.8
Non-current assets	1,459.1	1,443.5	640.2	725.3	1,090.3	1,113.5
Current borrowings	—	—	—	—	—	—
Other current liabilities	(17.5)	(25.0)	(17.8)	(14.9)	(20.0)	(23.5)
Non-current borrowings	(318.7)	(318.7)	—	—	(447.5)	(450.0)
Other non-current liabilities	(190.5)	(174.9)	—	—	—	—
Net assets	952.7	951.1	633.6	714.3	639.6	661.7
Reconciliation to carrying amounts:						
Opening balance	951.1	747.8	714.3	764.1	661.7	694.2
Additions/(redemptions)	33.6	173.5	28.5	8.6	—	2.9
Profit/(loss) for the year	21.9	62.0	(68.4)	(14.3)	17.1	3.8
Distributions received/receivable	(53.9)	(32.2)	(40.8)	(44.1)	(39.2)	(39.2)
Closing balance	952.7	951.1	633.6	714.3	639.6	661.7
Group's share in \$m	318.0	317.8	316.8	357.1	315.8	326.6
Notional goodwill	—	—	—	—	—	—
Group's carrying amount	318.0	317.8	316.8	357.1	315.8	326.6
Statement of Comprehensive Income						
Revenue	98.4	69.8	43.8	49.8	87.9	71.7
Interest income	0.7	0.5	0.2	—	15.5	15.3
Finance costs	(23.5)	(22.7)	—	—	(25.9)	(19.6)
Income tax (expense)/benefit	—	—	—	—	—	—
Net profit/(loss)	21.9	62.0	(68.4)	(14.3)	17.1	3.8
Total comprehensive income/(loss)	21.9	62.0	(68.4)	(14.3)	17.1	3.8

Dexus Australian Logistics Trust		Dexus Australian Logistics Trust No.2		Bent Street Trust		Dexus Wholesale Australian Property Fund	
2024	2023	2024	2023	2024	2023	2024	2023
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
16.2	18.9	14.6	13.2	6.5	4.8	4.5	4.8
5.9	5.4	4.9	2.8	1.8	1.5	13.5	10.1
1,429.0	1,426.0	1,133.7	1,139.9	1,023.0	1,146.0	1,869.6	2,410.0
—	—	—	—	—	—	—	—
(16.7)	(18.8)	(14.6)	(9.7)	(16.4)	(17.3)	(78.6)	(44.0)
—	—	—	—	—	—	(514.8)	(690.3)
—	—	—	—	—	—	—	—
1,434.4	1,431.5	1,138.6	1,146.2	1,014.9	1,135.0	1,294.2	1,690.6
1,431.5	1,378.6	1,146.2	1,067.2	1,135.0	1,158.9	1,690.6	—
—	—	54.6	70.8	25.4	6.0	(96.3)	1,787.8
49.3	98.5	(30.7)	33.1	(96.7)	17.1	(246.7)	(31.2)
(46.4)	(45.6)	(31.5)	(24.9)	(48.8)	(47.0)	(53.4)	(66.0)
1,434.4	1,431.5	1,138.6	1,146.2	1,014.9	1,135.0	1,294.2	1,690.6
731.5	730.1	580.7	584.6	338.3	378.3	323.4	319.8
—	—	—	—	—	—	—	—
731.5	730.1	580.7	584.6	338.3	378.3	323.4	319.8
78.8	70.4	48.9	41.4	61.8	59.5	164.2	126.6
0.9	0.5	0.4	0.3	0.3	—	0.9	0.4
—	—	—	—	—	—	(40.0)	(27.3)
—	—	—	—	—	—	—	—
49.3	98.5	(30.7)	33.1	(96.7)	17.1	(246.7)	(31.2)
49.3	98.5	(30.7)	33.1	(96.7)	17.1	(246.7)	(31.2)
Dexus Healthcare Property Fund							
Dexus Industrial Trust Australia		Dexus Kings Square Trust		Dexus Industria REIT			
2024	2023	2024	2023	2024	2023	2024	2023
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
7.0	7.4	50.1	77.3	18.3	4.5	4.6	5.7
2.0	2.1	54.2	7.4	0.9	0.8	12.8	104.3
598.3	601.6	1,652.7	1,618.7	410.2	466.0	1,361.1	1,451.8
—	—	—	—	—	—	(0.5)	(0.4)
(7.7)	(7.6)	(74.2)	(32.9)	(7.1)	(8.3)	(29.0)	(34.6)
—	—	(297.5)	(177.0)	—	—	(266.0)	(379.3)
—	—	(21.4)	(22.1)	—	—	(45.1)	(45.8)
599.6	603.5	1,363.9	1,471.4	422.3	463.0	1,037.9	1,101.7
603.5	600.2	1,471.4	1,057.2	463.0	500.7	1,101.7	1,153.5
—	—	25.5	440.0	16.7	2.3	—	—
17.9	23.0	(78.4)	16.1	(28.2)	(11.3)	(11.8)	0.2
(21.8)	(19.7)	(54.6)	(41.9)	(29.2)	(28.7)	(52.0)	(52.0)
599.6	603.5	1,363.9	1,471.4	422.3	463.0	1,037.9	1,101.7
299.8	301.7	219.8	241.3	211.2	231.5	181.8	193.0
—	—	—	—	—	—	—	—
299.8	301.7	219.8	241.3	211.2	231.5	181.8	193.0
28.0	25.2	96.6	55.0	36.4	38.2	85.5	75.1
0.4	0.2	0.8	1.2	—	—	0.3	0.1
—	—	(15.4)	(6.6)	—	—	(12.5)	(16.5)
—	—	—	—	—	—	1.4	2.1
17.9	23.0	(78.4)	16.1	(28.2)	(11.3)	(11.8)	0.2
17.9	23.0	(78.4)	16.1	(28.2)	(11.3)	(11.8)	0.2

Note 10 Investments accounted for using the equity method (continued)

c. Summarised financial information for individually material equity accounted investments (continued)

	Dexus Australian Logistics Trust No.3		Dexus Community Infrastructure Fund		Dexus Wholesale Shopping Centre Stapled Fund	
	2024	2023	2024	2023	2024	2023
Statement of Financial Position	\$m	\$m	\$m	\$m	\$m	\$m
Cash and cash equivalents	8.7	1.4	19.0	22.7	18.5	—
Other current assets	1.7	2.1	65.1	61.4	(2.0)	—
Non-current assets	262.4	248.4	1,615.4	1,664.8	2,764.1	—
Current borrowings	—	—	—	—	—	—
Other current liabilities	(8.3)	(5.0)	(194.4)	(187.0)	(70.4)	—
Non-current borrowings	—	—	(130.3)	(131.2)	(394.0)	—
Other non-current liabilities	—	—	—	—	2.5	—
Net assets	264.5	246.9	1,374.8	1,430.7	2,318.7	—
Reconciliation to carrying amounts:						
Opening balance	246.9	214.5	1,430.7	—	—	—
Additions/(redemptions)	18.9	37.6	0.9	1,450.0	2,400.3	—
Profit/(loss) for the year	6.8	2.5	29.8	55.4	36.4	—
Distributions received/receivable	(8.1)	(7.7)	(86.6)	(74.7)	(118.0)	—
Closing balance	264.5	246.9	1,374.8	1,430.7	2,318.7	—
Group's share in \$m	134.5	125.6	128.1	73.1	123.8	—
Notional goodwill	—	—	—	—	—	—
Group's carrying amount	134.5	125.6	128.1	73.1	123.8	—
Statement of Comprehensive Income						
Revenue	13.8	12.2	91.1	98.1	153.0	—
Interest income	0.1	0.1	0.4	0.2	1.2	—
Finance costs	—	—	(5.1)	(3.8)	(35.1)	—
Income tax (expense)/benefit	—	—	(0.3)	(0.3)	(0.4)	—
Net profit/(loss)	6.8	2.5	44.1	55.4	36.4	—
Total comprehensive income/(loss)	6.8	2.5	44.1	55.4	36.4	—

Dexus Diversified Infrastructure Trust		Dexus Eagle Street Pier Trust		Other ¹		Total	
2024	2023	2024	2023	2024	2023	2024	2023
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
57.9	—	1.0	2.5	94.1	68.2	416.3	323.5
2,006.1	—	1.1	2.0	184.8	1,002.9	2,397.5	1,247.8
—	—	216.8	107.8	3,445.2	2,718.0	27,406.3	26,046.6
—	—	(0.5)	(0.5)	(21.6)	(70.2)	(22.6)	(71.1)
(50.2)	—	(12.8)	(4.1)	(109.1)	(103.1)	(851.8)	(659.6)
—	—	—	—	(246.9)	(290.9)	(2,615.7)	(2,437.4)
—	—	(2.8)	(3.2)	(312.3)	(103.7)	(571.0)	(349.7)
2,013.8	—	202.8	104.5	3,034.2	3,221.2	26,159.0	24,100.1
—	—	104.5	77.3	3,221.2	2,398.5	24,100.1	20,266.5
1,960.5	—	106.2	73.8	77.5	1,034.2	4,760.2	5,339.7
123.3	—	(7.9)	(46.6)	(145.4)	(129.3)	(1,233.3)	(462.3)
(70.0)	—	—	—	(119.1)	(82.2)	(1,468.0)	(1,043.8)
2,013.8	—	202.8	104.5	3,034.2	3,221.2	26,159.0	24,100.1
102.7	—	102.5	53.1	636.8	557.3	8,605.2	9,046.7
—	—	—	—	0.3	3.3	0.3	3.3
102.7	—	102.5	53.1	637.1	560.6	8,605.5	9,050.0
134.8	—	—	0.2	173.0	119.0	1,802.8	1,319.1
1.2	—	0.1	—	17.1	3.0	44.8	24.2
(0.1)	—	(0.1)	(0.1)	(15.7)	(28.0)	(173.5)	(125.4)
—	—	—	—	(0.1)	(5.0)	0.6	(3.2)
123.3	—	(7.9)	(46.6)	(145.7)	(129.3)	(1,219.3)	(462.3)
123.3	—	(7.9)	(46.6)	(145.7)	(129.3)	(1,219.3)	(462.3)

¹ The Group also has interests in a number of immaterial joint ventures and associates that are accounted for using the equity method.

Note 11 Investments accounted for at fair value

The Group's investments accounted for at fair value consist of interests in Australian trusts, managed property funds and infrastructure assets. Financial assets are initially recognised at fair value, excluding transaction costs. Transaction costs are expensed as incurred in the Consolidated Statement of Comprehensive Income. Financial assets are subsequently measured at fair value with any realised or unrealised gains being recognised in the Consolidated Statement of Comprehensive Income in the period in which they arise.

a. Financial assets at fair value through profit or loss

	2024 \$m	2023 \$m
Equity investments in Australian managed funds	246.4	225.1
Investments classified as debt in Australian trusts	97.3	206.8
Total financial assets at fair value through profit or loss	343.7	431.9

b. Investment in associates accounted for at fair value

	2024 \$m	2023 \$m
Equity investments in infrastructure assets	9.9	—
Total investments in associates accounted for at fair value	9.9	—

c. Total investments accounted for at fair value

	2024 \$m	2023 \$m
Total financial assets at fair value through profit or loss	343.7	431.9
Total investments in associates accounted for at fair value	9.9	—
Total Investments accounted for at fair value¹	353.6	431.9

¹ Refer to note 14(b)(iv) for the fair value measurement.

d. Amounts recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss:

	2024 \$m	2023 \$m
Fair value loss on equity investments in Australian managed funds	(36.1)	(1.1)
Fair value loss on investments classified as debt in Australian trusts	(267.1)	(27.2)
Fair value gain on equity investments in infrastructure assets	0.6	—
Total fair value losses on investments accounted for at fair value	(302.6)	(28.3)

e. Equity price risks

The Group is exposed to equity price risk arising from equity investments in Australian managed funds classified as financial assets at fair value through profit or loss. The exposure to equity price risk at the end of the reporting period, assuming equity prices had been 10% higher or lower while all other variables were held constant, would increase/decrease net profit by \$24.6 million (2023: \$22.5 million).

f. Valuation risks

The Group is exposed to valuation risk on underlying investment property within investments classified as debt in Australian trusts that form part of financial assets at fair value through profit or loss. The estimated impact of changes in valuations of underlying investment property at the end of the reporting period, assuming the adopted capitalisation rate had been 25 basis points lower or higher while all other variables were held constant, would increase/(decrease) net profit by \$48.3 million/(\$61.9 million) respectively (2023: \$77.0 million/(\$68.9 million)).

The Group is exposed to valuation risk on the equity investments in infrastructure assets classified as investment in associates accounted for at fair value. The estimated impact of changes in valuations of underlying investments at the end of the reporting period, assuming the adopted discount rate had been 25 basis points lower or higher while all other variables were held constant, would increase/(decrease) net profit by \$0.2 million/(\$0.2 million) respectively (2023: N/A).

Note 12 Inventories

Development properties held for repositioning, construction and sale are recorded at the lower of cost or net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development costs and holding costs such as borrowing costs, rates and taxes. Holding costs incurred after completion of development are expensed.

Development revenue includes proceeds on the sale of inventory and revenue earned through the provision of development services on assets sold as inventory. Revenue earned on the provision of development services is recognised using the percentage complete method. The stage of completion is measured by reference to costs incurred to date as a percentage of estimated total costs for each contract. Where the project result can be reliably estimated, development services revenue and associated expenses are recognised in profit or loss. Where the project result cannot be reliably estimated, profits are deferred and the difference between consideration received and expenses incurred is carried forward as either a receivable or payable. Development services revenue and expenses are recognised immediately when the project result can be reliably estimated.

Transfers from investment properties to inventories occur when there is a change in intention regarding the use of the property from an intention to hold for rental income or capital appreciation purposes to an intention to develop and sell. The transfer price is recorded as the fair value of the property as at the date of transfer. Commencement of development activities occur immediately after the transfer.

Critical accounting estimates: Net Realisable Value (NRV) of inventories

NRV is determined using the estimated selling price in the ordinary course of business less estimated costs to bring inventories to their finished condition, including marketing and selling expenses. NRV is based on the most reliable evidence available at the time and the amount the inventories are expected to be realised. These key assumptions are reviewed annually or more frequently if indicators of impairment exist. No impairment provisions have been recognised.

a. Development properties held for sale

	2024 \$m	2023 \$m
Current assets		
Development properties and trading assets	60.2	30.6
Total current assets - inventories	60.2	30.6

b. Reconciliation

	Note	2024 \$m	2023 \$m
Opening balance		30.6	54.4
Transfer from investment properties	9	60.0	25.7
Disposals		(33.8)	(60.4)
Additions		3.4	10.9
Closing balance		60.2	30.6

Note 13 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable.

Non-current assets classified as held for sale are presented separately from the other assets in the Consolidated Statement of Financial Position. Non-current assets classified as held for sale relate to investment properties measured at fair value.

At 30 June 2024, the balance relates to 130 George Street, Parramatta NSW and 28 Jones Road, Brooklyn VIC.

At 30 June 2023, the balance related to 20 Distribution Drive (Lot CC), Truganina VIC, 8 Nicholson Street, Melbourne VIC, 84 Lahrs Road, Ormeau QLD, 44 Market Street, Sydney NSW, Axxess Corporate Park, Mount Waverley VIC, 1 Margaret Street, Sydney NSW and 130 George Street, Parramatta NSW.

Capital and financial risk management and working capital

In this section

The Group's overall risk management program focuses on reducing volatility from impacts of movements in financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Note 14 *Capital and financial risk management* outlines how the Group manages its exposure to a variety of financial risks (interest rate risk, foreign currency risk, liquidity risk and credit risk) including details of the various derivative financial instruments entered into by the Group.

The Board of the Responsible Entity determines the appropriate capital structure of the Group, how much is borrowed from financial institutions and capital markets (debt), and how much is raised from security holders (equity) in order to finance the Group's activities both now and in the future. This capital structure is detailed in the following notes:

- **Debt:** *Interest bearing liabilities* in note 15, *Lease liabilities* in note 16, and *Commitments and contingencies* in note 17
- **Equity:** *Contributed equity* in note 18 and *Reserves* in note 19.

Note 20 provides a breakdown of the working capital balances held in the Consolidated Statement of Financial Position.

Note 14 Capital and financial risk management

Capital and financial risk management is carried out through a centralised treasury function which is governed by a Board approved Treasury Policy. The Group has an established governance structure which consists of the Executive Committee and Capital Markets Committee.

The Board has appointed an Executive Committee responsible for achieving Dexus' goals and objectives, including the prudent financial and risk management of the Group. A Capital Markets Committee has been established to advise the Executive Committee.

The Capital Markets Committee is a management committee that is accountable to the Board. It convenes at least four times per annum and conducts a review of financial risk management exposures including liquidity, funding strategies and hedging. It is also responsible for the development of financial risk management policies and funding strategies for recommendation to the Board, and the approval of treasury transactions within delegated limits and powers.

a. Capital risk management

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

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to security holders. The Group continuously monitors its capital structure and it is managed in consideration of the following factors:

- The cost of capital and the financial risks associated with each class of capital
- Gearing levels and other debt covenants
- Potential impacts on net tangible assets and security holders' equity
- Potential impacts on the Group's credit rating
- Other market factors

The Group has a stated target gearing level of 30% to 40%. The table below details the calculation of the gearing ratio in accordance with its primary financial covenant requirements.

	2024 \$m	2023 \$m
Total interest bearing liabilities ^{1,3}	4,650.2	5,087.7
Total tangible assets ²	14,704.3	17,316.7
Gearing ratio	31.6%	29.4%
Gearing ratio (look-through) ⁴	32.6%	30.3%

1 Total interest bearing liabilities excludes deferred borrowing costs and includes the impact of foreign currency fluctuations of cross-currency interest rate swaps.

2 Total tangible assets comprise total assets less intangible assets and derivatives.

3 Total borrowings excludes borrowings in equity accounted investments and the Group's share of co-investments in pooled funds.

4 Adjusted for cash and debt in equity accounted investments and excluding the Group's share of co-investments in pooled funds. Look-through gearing including the Group's share of equity accounted co-investments in pooled funds was 33.9% as at 30 June 2024 (2023: 31.7%).

Note 14 Capital and financial risk management (continued)

a. Capital risk management (continued)

The Group is rated A- by Standard & Poor's (S&P) and A3 by Moody's. The Group is required to comply with certain financial covenants in respect of its interest bearing liabilities. During the 2024 and 2023 reporting periods, the Group was in compliance with all of its financial covenants.

DXFM is the Responsible Entity for the managed investment schemes (DPT and DXO) that are stapled to form the Group. The Responsible Entity has been issued with an Australian Financial Services Licence (AFSL). The licence is subject to certain capital requirements including the requirement to maintain liquidity above specified limits. The Responsible Entity must also prepare rolling cash projections over at least the next 12 months and demonstrate it will have access to sufficient financial resources to meet its liabilities that are expected to be payable over that period. Cash projections and assumptions are approved, at least quarterly, by the Board of the Responsible Entity.

AFSLs have been issued to the following wholly owned entities:

- Dexu Wholesale Property Limited (DWPL), as the responsible entity for Dexu Wholesale Property Fund (DWPF)
- Dexu Wholesale Management Limited (DWML), as the trustee of third party managed funds
- Dexu Wholesale Funds Limited (DWFL), as the responsible entity for Dexu Healthcare Property Fund (DHPF)
- Dexu Investment Management Limited (DIML), as the responsible entity for Dexu Industrial Fund (DIF)
- Dexu Asset Management Limited (DXAM), as the responsible entity of Dexu Convenience Retail REIT (DXC), Dexu Industrial REIT (DXI) and other third party managed funds
- Dexu RE Limited (DXRE), as the responsible entity for APD Trust, a wholly owned entity
- Dexu Capital Funds Management Limited (DCFM), as the responsible entity of third party managed funds
- Dexu Capital Investment Services Pty Limited (DCIS), as the trustee of third party managed funds
- Dexu Capital Investors Limited (DCIL), as the trustee of third party managed trusts

Certain group entities are subject to capital and liquidity requirements under their respective AFSLs. Refer to note 26 for further details. All capital requirements were complied with during the year.

b. Financial risk management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's principal financial instruments, other than derivatives, comprise cash, bank loans and capital markets issuance. The main purpose of financial instruments is to manage liquidity and hedge the Group's exposure to financial risks namely:

- Interest rate risk
- Foreign currency risk
- Liquidity risk
- Credit risk

The Group uses derivatives to reduce the Group's exposure to fluctuations in interest rates and foreign exchange rates. These derivatives create an obligation or a right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative financial instruments that the Group may use to hedge its risks include:

- Interest rate swaps and interest rate options (together interest rate derivatives)
- Cross-currency interest rate swaps and foreign exchange contracts
- Other derivative contracts

The Group does not trade in interest rate or foreign exchange related derivative instruments for speculative purposes. The Group uses different methods to measure the different types of risks to which it is exposed, including monitoring the current and forecast levels of exposure and conducting sensitivity analysis.

i. Market risk

Interest rate risk

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Non-derivative interest bearing financial instruments are predominantly short term liquid assets and long term debt issued at fixed rates which expose the Group to fair value interest rate risk as the Group may pay higher interest costs than if it were at variable rates. The Group's cash and borrowings which have a variable interest rate give rise to cash flow interest rate risk due to movements in variable interest rates.

The Group's risk management policy for interest rate risk seeks to minimise the effects of interest rate movements on its asset and liability portfolio through active management of the exposures. The policy prescribes minimum and maximum hedging amounts for the Group, which is managed on a portfolio basis.

Note 14 Capital and financial risk management (continued)

b. Financial risk management (continued)

i. Market risk (continued)

Interest rate risk (continued)

The Group maintains a mix of offshore and local currency fixed rate and variable rate debt, as well as a mix of long term and short term debt. The Group primarily enters into interest rate derivatives and cross-currency interest rate swap agreements to manage the associated interest rate risk. The Group hedges the interest rate and currency risk on its foreign currency borrowings by entering into cross-currency interest rate swaps, which have the economic effect of converting foreign currency borrowings to local currency borrowings at contracted rates. The derivative contracts are recorded at fair value in the Consolidated Statement of Financial Position, using standard valuation techniques with market inputs.

As at 30 June 2024, 90% (2023: 84%) of the interest bearing liabilities of the Group were hedged. The average hedged percentage for the financial year was 92% (2023: 86%).

Interest rate derivatives require settlement of net interest receivable or payable generally each 90 or 180 days. The settlement dates coincide with the dates on which the interest is payable on the underlying debt. The receivable and payable legs on interest rate derivative contracts are settled on a net basis. The net notional amount of average fixed rate debt and interest rate derivatives in place in each year and the weighted average effective hedge rate is set out below:

	June 2025 \$m	June 2026 \$m	June 2027 \$m	June 2028 \$m	June 2029 \$m
A\$ fixed rate debt	1,870.0	1,746.7	1,663.3	1,213.3	955.0
A\$ interest rate derivatives	2,200.0	2,818.8	2,200.0	1,167.7	200.0
Combined fixed rate debt and derivatives (A\$ equivalent)	4,070.0	4,565.5	3,863.3	2,381.0	1,155.0
Hedge rate (%)	2.05%	3.08%	3.10%	2.81%	1.79%

Amounts do not include fixed rate debt that has been swapped to floating rate debt through cross-currency interest rate swaps.

Sensitivity analysis on interest expense

The table below shows the impact on the Group's net interest expense of a 100 basis point movement in market interest rates. The sensitivity on cash flow arises due to the impact that a change in interest rates will have on the Group's floating rate debt and derivative cash flows on average during the financial year. Net interest expense is only sensitive to movements in market rates to the extent that floating rate debt is not hedged.

	2024 (+/-) \$m	2023 (+/-) \$m
+/- 1% (100 basis points)	5.1	7.0
Total A\$ equivalent	5.1	7.0

The movement in interest expense is proportional to the movement in interest rates.

Sensitivity analysis on fair value of interest rate derivatives

The sensitivity analysis on interest rate derivatives below shows the effect on net profit or loss of changes in the fair value of interest rate derivatives for a 100 basis point movement in market interest rates. The sensitivity on fair value arises from the impact that changes in market rates will have on the valuation of the interest rate derivatives.

The fair value of interest rate derivatives is calculated as the present value of estimated future cash flows on the instruments. Although interest rate derivatives are transacted for the purpose of providing the Group with an economic hedge, the Group has elected not to apply hedge accounting to these instruments. Accordingly, gains or losses arising from changes in the fair value are reflected in the profit or loss.

	2024 (+/-) \$m	2023 (+/-) \$m
+/- 1% (100 basis points)	70.8	63.7
Total A\$ equivalent	70.8	63.7

Sensitivity analysis on fair value of cross-currency interest rate swaps

The sensitivity analysis on cross-currency interest rate swaps below shows the effect on net profit or loss for changes in the fair value for a 100 basis point increase and decrease in short-term and long-term market rates. The sensitivity on fair value arises from the impact that changes in short-term and long-term market rates will have on the valuation of the cross-currency interest rate swaps. The sensitivity analysis excludes the impact of hedge-accounted cross-currency interest rate swaps.

		2024 (+/-) \$m	2023 (+/-) \$m
+/- 1% (100 basis points)	US\$ (A\$ equivalent)	0.0	0.0
Total A\$ equivalent		0.0	0.0

Note 14 Capital and financial risk management (continued)

b. Financial risk management (continued)

i. Market risk (continued)

Foreign currency risk

Foreign currency risk refers to the risk that the value or the cash flows arising from a financial commitment, or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency risk arises primarily from borrowings denominated in foreign currency.

The objective of the Group's foreign exchange risk management policy is to ensure that movements in exchange rates have minimal adverse impact on the Group's foreign currency assets and liabilities. Refer to note 15 for the US\$ foreign currency exposures and management thereof via cross-currency interest rate swaps.

Foreign currency assets and liabilities

Where foreign currency borrowings are used to fund Australian investments, the Group transacts cross-currency interest rate swaps to reduce the risk that movements in foreign exchange rates will have an impact on security holder equity and net tangible assets.

ii. Liquidity risk

Liquidity risk is associated with ensuring that there are sufficient funds available to meet the Group's financial commitments as and when they fall due and planning for any unforeseen events which may curtail cash flows. The Group identifies and manages liquidity risk across the following categories:

- Short-term liquidity risk management through ensuring the Group has sufficient liquid assets, working capital and borrowings facilities to cover short-term financial obligations; and
- Funding and refinancing liquidity risk management through ensuring an adequate spread of maturities of borrowing facilities so that refinancing risk is not concentrated in certain time periods and ensuring an adequate diversification of funding sources where possible, subject to market conditions.

Refinancing risk

Refinancing risk is the risk that the Group:

- Will be unable to refinance its debt facilities as they mature
- Will only be able to refinance its debt facilities at unfavourable interest rates and credit market conditions (margin price risk)

The Group's key risk management strategy for margin price risk on refinancing is to spread the maturities of debt facilities over different time periods to reduce the volume of facilities to be refinanced and the exposure to market conditions in any one period.

	2024				2023			
	Within one year \$m	Between one and two years \$m	Between two and five years \$m	After five years \$m	Within one year \$m	Between one and two years \$m	Between two and five years \$m	After five years \$m
Payables	(194.8)	–	–	–	(197.0)	–	–	–
Lease liabilities	(11.8)	(23.9)	(37.9)	(57.6)	(2.1)	(2.3)	(6.4)	(3.8)
Total payables and lease liabilities	(206.6)	(23.9)	(37.9)	(57.6)	(199.1)	(2.3)	(6.4)	(3.8)
Interest bearing liabilities								
Fixed interest rate liabilities	(297.1)	(531.0)	(1,533.3)	(1,612.4)	(525.6)	(293.6)	(1,810.7)	(1,789.8)
Floating interest rate liabilities	(141.5)	(696.3)	(1,119.5)	(403.6)	(121.0)	752.0	(1,045.7)	(405.0)
Total interest bearing liabilities	(438.6)	(1,227.3)	(2,652.8)	(2,016.0)	(646.6)	458.4	(2,856.4)	(2,194.8)
Derivative financial liabilities								
Cash receipts	213.9	293.9	752.9	622.0	118.4	228.2	832.2	835.1
Cash payments	(191.8)	(216.0)	(592.2)	(562.5)	(120.8)	(200.8)	(649.4)	(714.7)
Total net derivative financial instruments¹	22.1	77.9	160.7	59.5	(2.4)	27.4	182.8	120.4

¹ The notional maturities on derivatives are shown for cross-currency interest rate swaps (refer to interest rate risk) as they are the only instruments where a principal amount is exchanged. For interest rate derivatives, only the net interest cash flows (not the notional principal) are included. Refer to note 14(c) for fair value of derivatives. Refer to note 17(b) for financial guarantees.

Note 14 Capital and financial risk management (continued)

b. Financial risk management (continued)

iii. Credit risk

Credit risk is the risk that the counterparty will not fulfil its obligations under the terms of a financial instrument and will cause financial loss to the Group. The Group has exposure to credit risk on financial assets included in the Group's Consolidated Statement of Financial Position.

The Group manages this risk by:

- Adopting a process for determining an approved counterparty, with consideration of qualitative factors as well as the counterparty's credit rating
- Regularly monitoring counterparty exposure within approved credit limits that are based on the lower of an S&P and Moody's credit rating. The exposure includes the current market value of in-the-money contracts and the potential exposure, which is measured with reference to credit conversion factors as per APRA guidelines
- Entering into International Swaps and Derivatives Association (ISDA) Master Agreements once a financial institution counterparty is approved
- For some trade receivables, obtaining collateral where necessary in the form of bank guarantees and tenant bonds
- Regularly monitoring loans and receivables on an ongoing basis

A minimum S&P rating of A– (or Moody's equivalent) is required to become or remain an approved counterparty unless otherwise approved by the Responsible Entity's Board.

The Group is exposed to credit risk on cash balances and on derivative financial instruments with financial institutions. The Group has a policy that sets limits as to the amount of credit exposure to each financial institution. New derivatives and cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Group's policy requirements.

Financial instrument transactions are spread among a number of approved financial institutions within specified credit limits to minimise the Group's exposure to any one counterparty. As a result, there is no significant concentration of credit risk for financial instruments. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position.

The Group is exposed to credit risk on trade receivable balances. The Group has a policy to assess and monitor the credit quality of trade debtors on an ongoing basis. Given the historical profile and exposure of the trade receivables, it has been determined that no significant concentrations of credit risk exists for receivables balances. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of the receivables recognised on the Consolidated Statement of Financial Position.

iv. Fair value

The Group uses the following methods in the determination and disclosure of the fair value of assets and liabilities:

Level 1: the fair value is calculated using quoted prices in active markets.

Level 2: the fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable data.

Equity investments in Australian managed funds are measured at Level 3 having regard to unit prices which are determined by giving consideration to the net assets of the relevant fund. The unit prices and net asset values are largely driven by the fair values of investment properties, infrastructure assets and derivatives held by the funds. Recent arm's length transactions, if any, are also taken into consideration. The fair value of equity investments in Australian managed funds is impacted by the price per security of the investment. An increase to the price per security results in an increase to the fair value of the investment.

Investments classified as debt in Australian trusts are measured at Level 3 using a fair value model.

Equity investments in infrastructure assets are recognised initially at fair value and measured as a Level 3 investment. Subsequent to initial recognition, infrastructure assets are measured at fair value as determined by an independent valuer, having appropriate recognised professional qualifications and relevant experience in the nature of the investment being valued. The valuer applies the 'discounted cash flow method' where management's best estimate of expected future cash flows are discounted to their present value using a market determined risk adjusted discount rate.

All derivative financial instruments were measured at Level 2 for the periods presented in this report.

All investment properties, infrastructure assets, listed securities and derivatives were appropriately measured at Level 1, 2 or 3, within investments accounted for using the equity method for the periods presented in this report.

During the year, there were no transfers between Level 1, 2 and 3 fair value measurements.

Since cash, receivables and payables are short-term in nature, their fair values are not materially different from their carrying amounts. For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Note 14 Capital and financial risk management (continued)

b. Financial risk management (continued)

iv. Fair value (continued)

Material differences are identified only for the following borrowings:

Type	Maturity	2024 Carrying Amount (\$m)	2024 Fair value (\$m)	2023 Carrying Amount (\$m)	2023 Fair value (\$m)
USD borrowing	2025-2033	1,534.5	1,544.6	1,586.5	1,619.7
MTN	2026-2039	1,043.8	901.8	1,043.9	874.2
AUD USPP	2028-2039	325.0	308.2	325.0	300.2
Exchangeable note	2028	462.0	486.3	761.8	799.9

Critical accounting estimates: fair value of derivatives and interest bearing liabilities

The fair value of derivatives and interest bearing liabilities has been determined based on observable market inputs (interest rates) and applying a credit or debit value adjustment based on the current credit worthiness of counterparties and the Group.

v. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position where there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. No financial assets and liabilities are currently held under netting arrangements.

Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Consolidated Statement of Financial Position.

c. Derivative financial instruments

A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to an underlying benchmark, such as interest rates, exchange rates, or asset values, and is entered into for a fixed period. A hedge is where a derivative is used to manage an underlying exposure.

Written policies and limits are approved by the Board of Directors of the Responsible Entity, in relation to the use of financial instruments to manage financial risks. The Responsible Entity regularly reviews the Group's exposures and updates its treasury policies and procedures. The Group does not trade in interest rate or foreign exchange related derivative instruments for speculative purposes.

The Group uses the following types of derivative contracts as part of its financial and business strategy. Derivative contracts may cover interest rate, foreign currency and equity market movements but also include option contracts embedded in the Group's Exchangeable note borrowings.

1. Interest rate derivative contracts – the Group uses interest rate derivative contracts to manage the risk of movements in variable interest rates on the Group's Australian dollar denominated borrowings.
2. Cross-currency interest rate swap contracts – the Group uses cross-currency interest rate swap contracts to manage the risk of movements in interest rates and fair values of foreign currencies associated with its foreign denominated borrowings.
3. Other derivative contracts – other derivative contracts include embedded option contracts within the Group's Exchangeable note borrowings (see note 15(e)).

Note 14 Capital and financial risk management (continued)

c. Derivative financial instruments (continued)

Derivatives are measured at fair value with any changes in fair value recognised either in the Consolidated Statement of Comprehensive Income, or directly in equity where hedge accounted.

At inception the Group can elect to formally designate and document the relationship between certain hedge derivative instruments and the associated hedged items, along with its risk management objectives and its strategy for undertaking various hedge transactions.

The only derivatives designated by the Group in hedge relationships are cross-currency interest rate swap contracts used to hedge foreign denominated borrowings.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the financial instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. The hedging relationship is deemed effective when all of the following requirements are met:

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

The Group uses cross-currency interest rate swap contracts to hedge interest rate risk and foreign exchange risk associated with foreign denominated borrowings issued by the Group. The Group designates the cross-currency interest rate swap contracts as:

- Fair value hedges against changing interest rates on foreign denominated borrowings
- Cash flow hedges or fair value hedges against foreign currency exposure on foreign denominated borrowings

The foreign currency basis spread of a cross-currency interest rate swap is excluded from the designation of that financial instrument as the hedging instrument. Changes in the fair value of the foreign currency basis spread of a financial instrument are accumulated in the foreign currency basis spread reserve and are amortised to profit or loss on a rational basis over the term of the hedging relationship.

As the critical terms of the cross-currency interest rate swap contracts and their corresponding hedged items match, the Group performs a qualitative assessment of effectiveness. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the cross-currency interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

The Group has applied the hedge ratio of 1:1 to all hedge relationships.

Fair value hedge – cross-currency interest rate swap contracts

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability that is attributable to a particular risk and could affect the Consolidated Statement of Comprehensive Income. Changes in the fair value of cross-currency interest rate swap contracts that are designated as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the interest rates on foreign denominated borrowings, and fair value of the foreign denominated borrowings themselves.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge – cross-currency interest rate swap contracts

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk to a highly probable forecast transaction pertaining to an asset or liability. The effective portion of changes in the fair value of cross-currency interest rate swap contracts that are designated as cash flow hedges is recognised in other comprehensive income in equity via the cash flow hedge reserve. Amounts accumulated in equity are reclassified to profit or loss in the periods when the payments associated with the underlying foreign denominated borrowings affect profit or loss. Any gain or loss related to ineffectiveness is recognised in profit or loss immediately.

Hedge accounting is discontinued when each cross-currency interest rate swap contract expires, is terminated, is no longer in an effective hedge relationship, is de-designated, or the forecast underlying payments are no longer expected to occur. The fair value gain or loss of derivatives recorded in equity is recognised in profit or loss over the period that the forecast payments are recorded in profit or loss. If the forecast payments are no longer expected to occur, the cumulative gain or loss in equity is recognised in profit or loss immediately.

Note 14 Capital and financial risk management (continued)

c. Derivative financial instruments (continued)

	2024 \$m	2023 \$m
Current assets		
Interest rate derivative contracts	60.6	64.7
Cross-currency interest rate swap contracts	67.9	33.9
Total current assets - derivative financial instruments	128.5	98.6
Non-current assets		
Interest rate derivative contracts	59.0	105.0
Cross-currency interest rate swap contracts	262.1	280.5
Total non-current assets - derivative financial instruments	321.1	385.5
Current liabilities		
Cross-currency interest rate swap contracts	21.7	6.6
Exchangeable note contracts	—	26.0
Total current liabilities - derivative financial instruments	21.7	32.6
Non-current liabilities		
Cross-currency interest rate swap contracts	9.8	—
Exchangeable note contracts	24.3	53.4
Total non-current liabilities - derivative financial instruments	34.1	53.4
Net derivative financial instruments	393.8	398.1

The table below details a breakdown of the net fair value gain on derivatives in the Consolidated Statement of Comprehensive Income.

	2024 \$m	2023 \$m
Net fair value gain/(loss) of derivatives		
Cross-currency interest rate swap contracts	13.9	(72.9)
Interest rate derivative contracts	(52.6)	(3.4)
Exchangeable note contracts	36.0	8.7
Total net fair value loss of derivatives	(2.7)	(67.6)

Effects of hedge accounting on the financial position and performance – quantitative information

The following table details the notional principal amounts and remaining terms of the hedging instrument (cross-currency interest rate swap) at the end of the financial year:

	Notional Amount of the Hedging Instrument (\$m)			
	Under 1 year	1-2 years	2-5 years	Over 5 years
Foreign exchange risk and interest rate risk - Cross currency interest rate swap (hedging foreign currency debt)¹				
Average contracted FX rate (AUD/USD)	0.8676	0.8660	0.8397	0.7656
Average contracted fixed USD rate	2.2071	2.1684	2.2226	2.0608
Average notional amount	1,256.4	1,131.7	976.6	502.9
Interest rate risk - Cross currency interest rate swap (hedging foreign currency debt)¹				
Average contracted fixed USD rate	1.6625	1.6639	1.6529	1.6474
Average notional amount	1,256.4	1,131.7	976.6	502.9

¹ Cross-currency interest rate swaps totalling 1,090 million (USD notional) have been split into cash flow hedge and fair value hedge relationships.

Note 14 Capital and financial risk management (continued)

c. Derivative financial instruments (continued)

The following tables detail information regarding the cross-currency interest rate swaps designated in cash flow hedge or fair value hedge relationships at the end of the reporting period and their related hedged items.

	Cash flow hedges Cross currency interest rate swaps \$m	Fair value hedges Cross currency interest rate swaps \$m
Current notional principal value of the hedging instrument	1,256.4	1,256.4
Carrying amount of the hedging instrument assets ¹	14.0	274.6
Cumulative change in fair value of the hedging instrument used for calculating hedge ineffectiveness	13.7	274.6
Current fair value notional amount of the hedged item	—	(1,534.5)
Cumulative change in value of the hedged item used for calculating hedge ineffectiveness	(19.0)	(278.1)
Balance in cash flow hedge reserve	(13.7)	—
Hedge ineffectiveness recognised in the Consolidated Statement of Comprehensive Income ²	—	(0.9)

1 The carrying amount is included in the "Derivative financial instruments" line items in the Consolidated Statement of Financial Position.

2 Included in the "Net fair value loss of derivatives" line item in the Consolidated Statement of Comprehensive Income.

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss.

Cash flow hedge reserve and foreign currency basis spread	Foreign exchange risk \$m
Balance at 1 July 2023 (before tax)	19.1
Movement	
Gain arising on changes in fair value of hedging instruments during the year	4.4
Changes in fair value of foreign currency basis spread during the year	(1.3)
Transfer out	
(Gain) reclassified to profit or loss – hedged item has affected profit or loss	(9.2)
Loss arising on changes in fair value of foreign currency basis spread during the year	1.0
Balance at 30 June 2024 (before tax)	14.0

Note 15 Interest bearing liabilities

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in the Consolidated Statement of Comprehensive Income over the expected life of the borrowings.

If there is a substantial debt modification, the financial liability is derecognised from the Consolidated Statement of Financial Position and residual capitalised costs expensed to the Consolidated Statement of Comprehensive Income. If there is a non-substantial debt modification, the balance on the Consolidated Statement of Financial Position is adjusted and the difference between the fair value of the new facility and carrying value of the original facility is recognised in the Consolidated Statement of Comprehensive Income.

If there is an effective fair value hedge of borrowings, a fair value adjustment will be applied based on the mark to market movement in the benchmark component of the borrowings. This movement is recognised in the Consolidated Statement of Comprehensive Income. Refer to note 14(c) for further details.

All borrowings with contractual maturities greater than 12 months after reporting date are classified as non-current liabilities.

Note 15 Interest bearing liabilities (continued)

The following table summarises the Group's financing arrangements:

	Note	2024 \$m	2023 \$m
Current			
Unsecured			
US senior notes ¹	a.	163.7	67.1
Exchangeable notes	e.	—	314.7
Total unsecured		163.7	381.8
Total current liabilities - interest bearing liabilities		163.7	381.8
Non-current			
Unsecured			
US senior notes ¹	a.	1,695.8	1,844.4
Bank loans	b.	1,471.2	1,545.1
Commercial paper	c.	95.0	77.5
Medium term notes	d.	1,043.8	1,043.9
Exchangeable notes	e.	462.0	447.1
Total unsecured		4,767.8	4,958.0
Deferred borrowing costs		(21.9)	(30.1)
Total non-current liabilities - interest bearing liabilities		4,745.9	4,927.9
Total interest bearing liabilities		4,909.6	5,309.7

1 Includes cumulative fair value adjustments amounting to \$111.1 million (2023: \$125.6 million) in relation to effective fair value hedges.

Financing arrangements

The following table summarises the maturity profile of the Group's financing arrangements:

Type of facility	Note	Currency	Security	Maturity Date	Utilised \$m	Facility Limit \$m
US senior notes (USPP) ¹	a.	US\$	Unsecured	Dec-24 to Nov-32	1,645.6	1,645.6
US senior notes (USPP)	a.	A\$	Unsecured	Jun-28 to Oct-38	325.0	325.0
Multi-option revolving credit facilities	b.	Multi Currency	Unsecured	Sep-25 to May-32	1,468.0	4,100.0
Commercial paper	c.	A\$	Unsecured	Dec-25	95.0	100.0
Medium term notes	d.	A\$	Unsecured	Nov-25 to Aug-38	1,043.8	1,043.8
Exchangeable notes	e.	A\$	Unsecured	Nov-27	462.0	462.0
Total					5,039.4	7,676.4
Bank guarantee facility in place ²					(175.0)	
Unused at balance date					2,462.0	

1 Excludes fair value adjustments recorded in interest bearing liabilities in relation to effective fair value hedges.

2 Includes utilised bank guarantees of \$139.7 million (2023: \$140.9 million).

Each of the Group's unsecured borrowing facilities are supported by guarantee arrangements and have negative pledge provisions which limit the amount and type of encumbrances that the Group can have over its assets and ensures that all senior unsecured debt ranks pari passu.

a. US senior notes (USPP)

This includes a total of US\$1,090 million and A\$325 million of US senior notes with a weighted average maturity of April 2029. US\$1,090 million is designated as an accounting hedge using cross currency interest rate swaps with the same notional value.

b. Multi-option revolving credit facilities

This includes A\$4,100 million of facilities maturing between September 2025 and May 2032 with a weighted average maturity of June 2028. A\$175 million represents bank guarantee facilities available for utilisation for Australian Financial Services Licences (AFSL) requirements and other business requirements including developments.

c. Commercial paper

This includes a total of A\$100 million of Commercial Paper backed by a standby facility maturing in December 2025. The standby facility has same day availability.

d. Medium term notes

This includes a total of A\$1,045.0 million of Medium Term Notes with a weighted average maturity of February 2030. The remaining A\$1.2 million is the net discount on the issue of these instruments.

Note 15 Interest bearing liabilities (continued)

e. Exchangeable notes

This includes exchangeable notes with a face value of \$500.0 million issued on 24 November 2022 and maturing in November 2027. The notes are exchangeable based on the exchange price (currently \$8.84 representing approximately 56.5 million securities) on the exchange date, at the election of the holder, until 10 days prior to maturity on 24 November 2027. Any securities issued on exchange will rank equally with existing securities. If the notes are not exchanged, they will be redeemed on maturity at 104.15% of face value. The notes pay a fixed coupon of 3.5% per annum.

During the year, the Group repaid and cancelled \$325.0 million of exchangeable notes that were issued on 19 March 2019. In March 2024, investors exercised their put option for an aggregate face value of A\$323.2 million. On 5 April 2024, the Group exercised a related call option for early repayment and cancellation of the remaining \$1.8 million of exchangeable notes. The repayments were funded from existing borrowing capacity.

Note 16 Lease liabilities

Under AASB 16 *Leases*, as a lessee, the Group recognises a right-of-use asset and lease liability on the Consolidated Statement of Financial Position for all material leases. In relation to leases of low value assets, such as IT equipment, small items of office furniture or short-term leases with a term of 12 months or less, the Group has elected not to recognise right-of-use assets and lease liabilities. Instead, the Group recognises the lease payments associated with these leases as an expense in the Consolidated Statement of Comprehensive Income as incurred over the lease term.

The Group recognises a right-of-use asset and lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, adjusted for any remeasurements of the lease liability. The cost of the right-of-use asset includes:

- The amount of initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs
- Make good costs

Right-of-use assets are depreciated on a straight line basis from the commencement date of the lease to the earlier of the end of the useful life of the asset or the end of the lease term, unless they meet the definition of an investment property.

The Group tests all right-of-use assets for impairment where there is an indicator that the asset may be impaired. If an impairment exists, the carrying amount of the asset is written down to its recoverable amount as per the requirements of AASB 136 *Impairment of Assets*.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The weighted rate applied was 7.06%. Variable lease payments that depend on an index or rate are included in the lease liability, measured using the index or rate as at the date of lease commencement.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The liability is remeasured when there is a change in future lease payments arising from a change in index or rate or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. Interest costs and variable lease payments not included in the initial measurement of the lease liability are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate.

The Group has applied judgement to determine the lease term for contracts which include renewal and termination options. The Group's assessment considered the facts and circumstances that create an economic incentive to exercise a renewal option or not to exercise a termination option.

The following table details information relating to leases where the Group is a lessee.

	Note	2024 \$m	2023 \$m
Current			
Lease liabilities – ground leases	a.	0.9	0.9
Lease liabilities – other property leases	b.	10.9	1.2
Total current liabilities – lease liabilities		11.8	2.1
Non-current			
Lease liabilities – ground leases	a.	5.8	6.5
Lease liabilities – other property leases	b.	75.0	6.0
Total non-current liabilities – lease liabilities		80.8	12.5
Total liabilities – lease liabilities		92.6	14.6

a. Lease liabilities – ground leases

Lease liabilities include ground leases at Parkade, 34–60 Little Collins Street, Melbourne and Waterfront Place, 1 Eagle Street, Brisbane. Refer to note 9 where the corresponding leased asset is included in the total value of investment properties.

b. Lease liabilities – other property leases

Lease liabilities relating to property leases predominantly relate to Dexu offices. Refer to the Consolidated Statement of Financial Position for disclosure of the corresponding right-of-use asset.

Note 17 Commitments and contingencies

a. Commitments

Capital commitments

The following amounts represent capital expenditure as well as committed fit out or cash incentives contracted at the end of each reporting period but not recognised as liabilities payable:

	2024 \$m	2023 \$m
Investment properties	108.4	128.1
Investments accounted for using the equity method	569.2	446.8
Investments accounted for at fair value	661.6	740.9
Inventories and development management services	51.1	54.1
Non-current assets classified as held for sale	—	—
Total capital commitments	1,390.3	1,369.9

Lease receivable commitments

The future minimum lease payments receivable by the Group are:

	2024 \$m	2023 \$m
Within one year	242.7	360.7
Later than one year but not later than five years	617.6	1,039.2
Later than five years	233.7	479.5
Total lease receivable commitments	1,094.0	1,879.4

b. Contingencies

DPT and DXO are guarantors of A\$7,676.4 million (2023: A\$8,042.8 million) of interest bearing liabilities (refer to note 15). The guarantees have been given in support of debt outstanding and drawn against these facilities and may be called upon in the event that a borrowing entity has not complied with certain requirements such as failure to pay interest or repay a borrowing, whichever is earlier. During the period no guarantees were called.

The Group has bank guarantees of A\$139.7 million, comprising A\$91.2 million held to comply with the terms of the Australian Financial Services Licences (AFSL) and A\$48.5 million largely in respect of developments, with \$35.3 million available for other corporate purposes.

The above guarantees are issued in respect of the Group and represent an additional commitment to those already existing in interest bearing liabilities on the Consolidated Statement of Financial Position.

Outgoings are excluded from contingencies as they are expensed when incurred.

The Directors of the Responsible Entity are not aware of any other contingent liabilities in relation to the Group, other than those disclosed in the Notes to the Consolidated Financial Statements, which should be brought to the attention of security holders as at the date of these Consolidated Financial Statements.

Note 18 Contributed equity

	2024 No. of securities	2023 No. of securities
Opening balance	1,075,565,246	1,075,565,246
Closing balance	1,075,565,246	1,075,565,246

Each stapled security ranks equally with all other stapled securities for the purposes of distributions and on termination of the Group.

Each stapled security entitles the holder to vote in accordance with the provisions of the Constitutions and the *Corporations Act 2001*.

During the 12 months to 30 June 2024, no Dexus securities were issued or cancelled.

Note 19 Reserves

	2024 \$m	2023 \$m
Asset revaluation reserve	–	42.7
Cash flow hedge reserve	13.7	18.5
Foreign currency basis spread reserve	0.3	0.6
Security-based payments reserve	20.7	14.9
Treasury securities reserve	(20.7)	(20.8)
Foreign currency translation reserve	(0.2)	–
Total reserves	13.8	55.9
Movements:		
Asset revaluation reserve		
Opening balance	42.7	42.7
Transfer to retained earnings	(42.7)	–
Closing balance	–	42.7
Cash flow hedge reserve		
Opening balance	18.5	16.8
Changes in the fair value of cash flow hedges	(4.8)	1.7
Closing balance	13.7	18.5
Foreign currency basis spread reserve		
Opening balance	0.6	0.4
Changes in cost of hedge reserve	(0.3)	0.2
Closing balance	0.3	0.6
Security-based payments reserve		
Opening balance	14.9	13.3
Issue of securities to employees	(11.7)	(8.8)
Security-based payments expense	17.5	10.4
Closing balance	20.7	14.9
Treasury securities reserve		
Opening balance	(20.8)	(22.1)
Issue of securities to employees	11.7	8.8
Purchase of securities	(11.6)	(7.5)
Closing balance	(20.7)	(20.8)
Foreign currency translation reserve		
Opening balance	–	–
Exchange differences on translation of foreign operations	(0.2)	–
Closing balance	(0.2)	–

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record the fair value adjustment arising on a business combination.

The balance of this reserve was transferred to retained profits during the year.

Cash flow hedge reserve

The cash flow hedge reserve is used to record the effective portion of changes in the fair value of derivatives that are designated as cash flow hedges.

Foreign currency basis spread reserve

The foreign currency basis spread reserve is used to record the changes in the fair value of cross-currency derivatives attributable to movements in foreign currency basis spreads and represents a cost of hedging.

Security-based payments reserve

The security-based payments reserve is used to recognise the fair value of performance rights to be issued under the Deferred Short Term Incentive Plans (DSTI), Long Term Incentive Plans (LTI) and Senior Management Retention Awards. Refer to note 25 for further details.

Treasury securities reserve

The treasury securities reserve is used to record the acquisition of securities purchased to fulfil the obligations of the DSTI, LTI and Senior Management Retention Awards. As at 30 June 2024, DXS held 2,900,349 stapled securities which includes 1,657,718 acquired during the year net of 1,302,637 vested during the year (2023: 931,986).

Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising from the translation of the financial operations of foreign subsidiaries.

Note 20 Working capital

a. Cash and cash equivalents

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

b. Receivables

Rental income and management fees are brought to account on an accrual basis.

Dividends and distributions are recognised when declared and, if not received at the end of the reporting period, reflected in the Consolidated Statement of Financial Position as a receivable.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly.

A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

The calculation of expected credit losses relating to rent and other receivables requires judgement to assess the future uncertainty of tenants' ability to pay their debts. Expected credit losses have been estimated using a provision matrix that has been developed with reference to the Group's historical credit loss experience, general economic conditions and forecasts, assumptions around rent relief that may be provided to tenants and tenant risk factors such as size, industry exposure and the Group's understanding of the ability of tenants to pay their debts. Accordingly, expected credit losses include both the part of the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

In relation to distributions and fees receivables, an assessment has been performed taking into consideration the ability of the funds and mandates managed by the Group to cash-settle their distributions and pay their fees outstanding.

For any provisions for expected credit losses, the corresponding expense has been recorded in the Consolidated Statement of Comprehensive Income within property expenses.

	2024 \$m	2023 \$m
Rent receivable ¹	11.3	7.5
Less: provision for expected credit losses	(3.2)	(4.0)
Total rent receivables	8.1	3.5
Distributions receivable	63.9	58.1
Fees receivable	106.5	79.6
Other receivables	40.1	10.6
Total other receivables	210.5	148.3
Total receivables	218.6	151.8

¹ Rent receivable includes outgoings recoveries.

The provision for expected credit losses for rent receivables (which includes outgoings recoveries) as at 30 June 2024 was determined as follows:

\$m	Sector		
30 June 2024	Office	Industrial	Total
0-30 days ¹	1.2	0.1	1.3
31-60 days	0.2	–	0.2
61-90 days	0.1	–	0.1
91+ days	1.4	0.2	1.6
Total provision for expected credit losses	2.9	0.3	3.2

¹ 0-30 days includes deferred rent receivable but not due.

The provision for expected credit losses for distributions receivable, fees receivable and other receivables that has been recorded is minimal.

The provision for expected credit losses for rent receivables as at the reporting date reconciles to the opening loss allowances as follows:

	2024 \$m	2023 \$m
Opening balance	4.0	7.6
Provision recognised/(reversed) in profit or loss during the year	0.1	(3.6)
Receivables written off during the year as uncollectible	(0.9)	–
Closing balance	3.2	4.0

Note 20 Working capital (continued)

c. Other current assets

	2024 \$m	2023 \$m
Prepayments	18.1	20.8
Net receivable acquired through business combination ¹	–	42.7
Other	58.2	40.3
Total other current assets	76.3	103.8

¹ Refer to note 22 for details.

d. Payables

	2024 \$m	2023 \$m
Trade creditors	31.1	47.1
Accruals	42.1	43.1
Accrued capital expenditure	53.2	29.6
Prepaid income	14.3	20.5
Accrued interest	37.6	37.2
Other payables	16.5	19.5
Total payables	194.8	197.0

e. Provisions

A provision is recognised when an obligation exists as a result of a past event, and it is probable that a future outflow of cash or other benefit will be required to settle the obligation.

In accordance with the Trust Constitutions, the Group distributes its distributable income to security holders by cash or reinvestment. Distributions are provided for when they are approved by the Board of Directors and declared.

Provision for employee benefits relates to the liabilities for wages, salaries, annual leave and long service leave.

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months represent present obligations resulting from employees' services provided to the end of the reporting period. They are measured based on remuneration wage and salary rates that the Group expects to pay at the end of the reporting period including related on-costs, such as workers compensation, insurance and payroll tax.

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows, to be made resulting from employees' services provided to the end of the reporting period.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history.

The provision for employee benefits also includes the employee incentives schemes which are shown separately in note 25.

	2024 \$m	2023 \$m
Current		
Provision for distribution	229.2	253.8
Provision for employee benefits	75.8	57.7
Provision for land tax	0.4	0.4
Total current provisions	305.4	311.9

	2024 \$m	2023 \$m
Non-current		
Provision for employee benefits	7.8	10.8
Total non-current provisions	7.8	10.8

	2024 \$m	2023 \$m
Provision for distribution		
Opening balance	253.8	271.0
Additional provisions	516.3	555.0
Payment of distributions	(540.9)	(572.2)
Closing balance	229.2	253.8

A provision for distribution has been raised for the period ended 30 June 2024. This distribution is to be paid on 29 August 2024.

Other disclosures

In this section

This section includes other information that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the Corporations Regulations.

Note 21 Intangible assets

The Group's intangible assets comprise management rights, goodwill and capitalised software.

Costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets. Costs associated with configuration and customisation in a cloud computing arrangement are recognised as an expense when incurred, unless they are paid to the suppliers of the SaaS arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement. Software is measured at cost and amortised using the straight line method over its estimated useful life, expected to be three to five years.

Management rights represent the asset management rights owned by subsidiaries of the Group, which entitle the Group to management fee revenue from both finite life trusts and indefinite life trusts. Those management rights that are deemed to have a finite useful life held at a value of \$5.8 million (2023: \$8.7 million) are measured at cost and amortised using the straight line method over their estimated useful lives of three to five years. Management rights that are deemed to have an indefinite life are held at a value of \$591.6 million (2023: \$591.3 million).

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill and management rights with an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, management rights are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Goodwill has been grouped at the lowest level at which the goodwill is monitored, which may comprise of a number of cash generating units to which the goodwill relates. Impairment charges recorded in relation to management rights may be reversed at a future point in time to the extent that the recoverable amount exceeds the carrying amount. Impairment charges recorded in relation to goodwill cannot be reversed.

Where relevant, the value-in-use has been determined using a five-year discounted cash flow model and applying a terminal multiple in year five. The fair value less costs of disposal has been determined using a five-year discounted cash flow model and applying a terminal multiple in year five (2023: a three-year discounted cash flow model and applying a terminal growth rate in year three). Forecasts were based on projected returns in light of current market conditions and hence classified as a Level 3 fair value.

Key assumptions: management rights

Judgement is required in determining the following key assumptions used to calculate:

Value in use

- Terminal multiple range of 5 to 12 times (2023: 5 to 12 times) has been applied incorporating an appropriate risk premium.
- Cash flows have been discounted at a post-tax rate of 9.0% (2023: 9.0%) based on externally published weighted average cost of capital for an appropriate peer group plus an appropriate premium for risk.
- An income growth rate range of 3.0% to 5.5% (2023: 3.0% to 5.5%) has been applied to forecast cash flows based on past performance and management's estimate of the future cash flows to be derived from the cash generating units.

Fair value less costs of disposal

- A terminal multiple range of 6 to 12 times (2023: terminal growth rate: 0% to 2.5%) has been applied incorporating an appropriate risk premium.
- Cash flows have been discounted at a post-tax rate range of 8.0% to 11.0% (2023: 8.0% to 11.0%) based on externally published weighted average cost of capital for an appropriate peer group plus an appropriate premium for risk.
- An income growth rate range of 3.0% to 5.0% has been applied to forecast cash flows based on past performance and management's estimate of the future cash flows to be derived from the cash generating units.

Note 21 Intangible assets (continued)

Sensitivity information

A significant movement in any one of the inputs listed in the table above as at the reporting date would result in a change in the recoverable amount of the Group's management rights and goodwill.

The estimated impact of a change in certain significant inputs would result in the following impairment of intangibles:

Assumption	Intangibles	
	2024 \$m	2023 \$m
<i>Value in use</i>		
An increase of 0.25% in the adopted discount rate	(0.4)	–
A decrease of 1x the adopted terminal multiple	(4.6)	(6.3)
A decrease of 1% in the adopted income growth rate	(3.0)	(3.9)
<i>Fair value less costs of disposal</i>		
An increase of 0.25% in the adopted discount rate	–	(3.8)
A decrease of 1x the adopted terminal multiple	–	N/A ¹
A decrease of 1% in the adopted terminal growth rate	N/A ¹	(16.2)
A decrease of 1% in the adopted income growth rate	–	N/A ¹

¹ The fair value less costs of disposal has been determined using a five-year discounted cash flow model and applying a terminal multiple in year five (2023: a three-year discounted cash flow model and applying a terminal growth rate in year three).

	2024 \$m	2023 \$m
Management Rights		
Opening balance		
Dexus Wholesale Property Fund (indefinite useful life)	263.2	261.9
Direct property funds (indefinite useful life)	42.0	42.0
Direct property funds (finite useful life)	0.3	0.7
APN funds (indefinite useful life)	106.0	129.8
APN funds (finite useful life)	0.1	0.1
AMP Capital funds (indefinite useful life)	180.2	–
AMP Capital funds (finite useful life)	8.2	–
Movements		
Dexus Wholesale Property Fund (indefinite useful life) ¹	0.2	1.3
AMP Capital funds (indefinite useful life) ²	–	180.2
AMP Capital funds (finite useful life) ²	–	8.7
Impairment of management rights	–	(24.1)
Amortisation charge	(2.8)	(0.6)
Closing balance	597.4	600.0
Cost	635.7	635.5
Accumulated amortisation	(9.7)	(6.9)
Accumulated impairment	(28.6)	(28.6)
Total management rights	597.4	600.0
Goodwill		
Opening balance	66.5	49.9
Additions ³	–	52.5
Impairment	–	(35.9)
Closing balance	66.5	66.5
Cost	107.4	107.4
Accumulated impairment	(40.9)	(40.9)
Total goodwill	66.5	66.5
Software		
Opening balance	4.4	3.6
Additions	0.8	2.3
Amortisation charge	(1.3)	(1.5)
Closing balance	3.9	4.4
Cost	5.4	7.7
Accumulated amortisation	(1.5)	(3.3)
Cost – Fully amortised assets written off	(3.1)	(0.1)
Accumulated amortisation – Fully amortised assets written off	3.1	0.1
Total software	3.9	4.4
Total non-current intangible assets	667.8	670.9

¹ Dexus has incurred costs to date in connection with Dexus Wholesale Property Limited, a Dexus entity, being appointed as responsible entity of Dexus ADPF. Dexus may incur further costs, including but not limited to stamp duty and legal costs in relation to the merger of DWPF and Dexus ADPF.

² Acquired as part of the AMP Capital transaction.

³ The excess between the cash consideration transferred and the fair value of the net identifiable assets acquired as part of the AMP Capital transaction has been recorded as goodwill.

Note 22 Business combination

In 2022, Dexus announced the acquisition of the real estate and domestic infrastructure equity business of Collimate Capital Limited (Collimate Capital or AMP Capital) from AMP Limited ("AMP Capital transaction"). The transaction occurred under a two-stage completion process. First Completion occurred on 24 March 2023 with consideration of \$175.0 million paid on this date. Final Completion occurred on 30 November 2023 following the satisfaction of the condition precedent relating to the transfer of AMP's ownership interest in China Life AMP Asset Management ("CLAMP") out of entities being acquired by Dexus under the AMP Capital transaction. Contingent consideration of \$50.0 million was paid and Dexus Capital Investors Limited (previously known as AMP Capital Investors Limited) became a wholly owned subsidiary of Dexus on this date.

The Group reported provisional fair values on the acquisition of identifiable assets, including management rights, and liabilities in the consolidated financial statements for the year ending 30 June 2023. Following Final Completion on 30 November 2023, these fair value assessments were finalised during the year. The amounts recognised in respect of the consideration paid and the assets and liabilities recognised are set out below.

Purchase consideration

	\$m
Cash consideration paid - base purchase price	175.0
Working capital adjustments paid	65.6
Contingent consideration paid	50.0
Co-investment stake acquisition consideration paid ¹	103.0
Total consideration	393.6

¹ Dexus acquired associated co-investment stakes in the Dexus Core Property Fund (DCPF), Dexus Wholesale Australian Property Fund (DWAPF) and Dexus Core Infrastructure Fund (DCIF) from AMP Limited for total cash consideration of \$103.0 million.

Identifiable assets and liabilities recognised

	\$m
Cash and cash equivalents	52.1
Trade and other receivables	93.9
Investments accounted for using the equity method	63.5
Financial assets at fair value through profit & loss	39.3
Intangible assets: management rights ¹	188.9
Trade and other payables	(3.5)
Current tax liabilities	(0.7)
Provisions	(57.3)
Deferred tax assets	22.7
Deferred tax liabilities	(57.8)
Net identifiable assets acquired	341.1
Goodwill ²	52.5
Net assets acquired	393.6

¹ Recognised in connection with AMP Capital managed funds, which include both open ended and closed ended funds and mandates.

² Goodwill is attributable to the people, established business practices and relationships obtained via the acquisition and is not deductible for tax purposes.

Adjustments to the provisional purchase price allocation

The final fair value for management rights at acquisition was \$188.9 million, \$6.3 million lower than the provisional fair value, with a corresponding decrease in deferred tax liabilities of \$1.9 million. Other adjustments to the fair value of other net identifiable assets and liabilities resulted in a net increase to trade and other payables of \$0.8 million, a decrease in provisions of \$2.3 million and an increase in deferred tax assets of \$5.1 million. As a result of these adjustments, there was a corresponding decrease in goodwill of \$2.2 million, resulting in total goodwill arising on the acquisition of \$52.5 million. These adjustments have been made in the prior year comparatives in accordance with applicable accounting standards.

Payment for the business combination

	\$m
Cash consideration paid	342.7
Co-investment stake acquisition consideration paid	103.0
Less: Cash and cash equivalents acquired	(52.1)
Net cashflow on acquisition¹	393.6

¹ Includes \$301.1 million in payments for the acquisition of subsidiary, \$53.0 million in payments for investments accounted for using the equity method and \$39.5 million in payments for financial assets at fair value through profit or loss.

Acquisition-related costs

Acquisition-related costs of \$84.6 million (2023: \$81.3 million) have been included within Transaction costs in the Consolidated Statement of Comprehensive Income and in Operating cash flows in the Consolidated Statement of Cash Flows.

Note 22 Business combination (continued)

Acquired receivables

The fair value of trade and other receivables acquired was \$93.9 million and reflects the gross contractual amount at the acquisition date.

Note 23 Audit, taxation and transaction service fees

During the year, the Auditor and its related practices earned the following remuneration:

	2024 \$'000	2023 \$'000
Audit and review services		
Auditors of the Group - PwC		
Financial statement audit and review services	2,253	2,506
Audit and review fees paid to PwC	2,253	2,506
Assurance services		
Auditors of the Group - PwC		
Outgoings audits	85	67
Regulatory audit and compliance assurance services	297	238
Sustainability assurance services	242	215
Other assurance services	37	374
Assurance fees paid to PwC	661	894
Total audit, review and assurance fees paid to PwC	2,914	3,400
Other services		
Auditors of the Group - PwC		
Taxation services	631	424
Other services	45	35
Other services fees paid to PwC	676	459
Total audit, review, assurance and other services fees paid to PwC	3,590	3,859

Note 24 Cash flow information

a. Reconciliation of cash flows from operating activities

Reconciliation of net profit/(loss) for the year to net cash flows from operating activities.

	2024 \$m	2023 \$m
Net loss for the year	(1,583.8)	(752.7)
Capitalised interest	(26.7)	(23.7)
Depreciation and amortisation	13.9	8.4
Amortisation of incentives and straight line income	78.1	91.8
Impairment of intangibles	–	60.0
Net fair value (gain)/loss of investment properties	796.9	623.5
Net fair value (gain)/loss of investments at fair value	302.6	28.3
Share of net (profit)/loss of investments accounted for using the equity method	585.6	213.4
Net fair value (gain)/loss of derivatives	2.7	67.6
Amortisation of interest bearing liabilities	17.4	12.1
Security-based payments expense	17.5	10.4
Net fair value (gain)/loss of interest bearing liabilities	14.4	(75.6)
Impairment of investments accounted for using the equity method	0.7	3.2
Net foreign exchange (gain)/loss	0.2	(0.3)
Development services revenue non-cash settled	(23.4)	–
Distributions from investments accounted for using the equity method	524.6	404.0
Change in operating assets and liabilities	(107.2)	100.5
Net cash Inflow from operating activities	613.5	770.9

Note 24 Cash flow information (continued)

b. Net debt reconciliation

Reconciliation of net debt movements:

	2024 Interest bearing liabilities \$m	2023 Interest bearing liabilities \$m
Opening balance	5,331.2	4,915.4
Changes from financing cash flows		
Proceeds from borrowings	3,660.8	7,811.5
Repayment of borrowings	(4,098.4)	(7,392.5)
(Repayment of)/Proceeds from loan with related party	—	(11.6)
Non cash changes		
Movement in deferred borrowing costs and other	0.3	(8.4)
Effect of changes in foreign exchange rates	1.3	92.4
Fair value hedge adjustment	14.4	(75.6)
Closing balance	4,909.6	5,331.2

Note 25 Security-based payments

The DXFM Board has approved a grant of performance rights to DXS stapled securities to eligible participants. Awards, via the DSTI and LTI will be in the form of performance rights awarded to eligible participants which convert to DXS stapled securities for nil consideration subject to satisfying specific service and performance conditions.

For each Plan, eligible participants are granted performance rights, based on performance against agreed key performance indicators, as a percentage of their remuneration mix. Participants must remain in employment for the vesting period in order for the performance rights to vest. Non-market vesting conditions, including Adjusted Funds from Operations (AFFO), Return on Contributed Equity (ROCE), successful delivery of key strategic initiatives identified by the Board and employment status at vesting, are included in assumptions about the number of performance rights that are expected to vest. Market conditions include Absolute Total Shareholder Return (ATSR) and Relative Total Shareholder Return (RTSR). When performance rights vest, the Group will arrange for the allocation and delivery of the appropriate number of securities to the participant.

The fair value of performance rights granted is recognised as an employee benefit expense with a corresponding increase in the provision for employee benefits. The total amount to be expensed is determined by reference to the fair value of the performance rights granted.

Critical accounting estimates: fair value of performance rights granted

Judgement is required in determining the fair value of performance rights granted. In accordance with AASB 2 *Share-based Payment*, fair value is determined independently using Binomial and Monte Carlo pricing models with reference to:

- The expected life of the rights
- The security price at grant date
- The expected price volatility of the underlying security
- The expected distribution yield
- The risk free interest rate for the term of the rights and expected total security holder returns (where applicable)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of performance rights that are expected to vest based on the non-market vesting conditions. The impact of the revised estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

Note 25 Security-based payments (continued)

The movement in performance rights is summarised below:

2024	Opening balance	Granted	Vested	Cancelled	Closing balance
DSTI Plan	1,122,969	1,066,508	(788,227)	(55,696)	1,345,554
LTI Plan	2,618,389	1,789,063	(360,906)	(189,415)	3,857,131
Retention Awards	663,298	—	(153,481)	—	509,817
Total	4,404,656	2,855,571	(1,302,614)	(245,111)	5,712,502

2023	Opening balance	Granted	Vested	Cancelled	Closing balance
DSTI Plan	977,983	791,645	(613,137)	(33,522)	1,122,969
LTI Plan	2,068,962	1,068,306	(318,849)	(200,030)	2,618,389
Retention Awards	663,298	—	—	—	663,298
Total	3,710,243	1,859,951	(931,986)	(233,552)	4,404,656

a. Deferred Short Term Incentive Plan

25% of any award under the Deferred Short Term Incentive (DSTI) Plan for certain participants will be deferred and awarded in the form of performance rights to DXS securities.

The majority of the performance rights awards will vest one year after grant and some will vest two years after grant, subject to participants satisfying employment service conditions. In accordance with AASB 2 Share-based Payment, the year of employment in which participants become eligible for the DSTI, the year preceding the grant, is included in the vesting period over which the fair value of the performance rights is amortised. As applicable, 50% of the fair value of the performance rights is amortised over two years and 50% of the award is amortised over three years.

The weighted average remaining contractual life for DSTI performance rights is 0.53 years (2023: 0.57 years). The weighted average fair value price of all outstanding DSTI performance rights is \$7.81 (2023: \$8.52) and the weighted average fair value price of grants with respect to the year ended 30 June 2024 is \$7.51 (2023: \$7.51). The total security-based payments expense recognised during the year ended 30 June 2024 was \$7,142,086 (2023: \$5,760,646).

b. Long Term Incentive Plan

50% of the awards will vest three years after grant and 50% of the awards will vest four years after grant, subject to participants satisfying employment service conditions and performance hurdles. In accordance with AASB 2 *Share-based Payment*, the year of employment in which participants become eligible for the Long Term Incentive (LTI) Plan, the year preceding the grant, is included in the vesting period over which the fair value of the performance rights is amortised. Consequently, 50% of the fair value of the performance rights is amortised over four years and 50% of the award is amortised over five years.

The weighted average remaining contractual life for LTI performance rights is 1.51 years (2023: 1.55 years). The weighted average fair value price of all outstanding LTI performance rights is \$5.32 (2023: \$6.32) and the weighted average fair value price of grants with respect to the year ended 30 June 2024 is \$4.99 (2023: \$4.12). The total security-based payments expense recognised during the year ended 30 June 2024 was \$6,655,389 (2023: \$2,786,174).

c. Senior Management Retention Awards

CEO Incentive Award

A once-off CEO incentive award was granted to then CEO Darren Steinberg on 1 June 2021 which vested on 1 July 2024. The fair value of the performance rights has been recognised over the 3 year vesting period and was fully amortised during the year.

Retention Equity Award

The retention equity award is a once-off award to certain Key Management Personnel which was granted in December 2020. 50% of the once-off retention equity rights vested in December 2023 and 50% of the rights will vest in December 2024, subject to participants satisfying employment service conditions and governance and behavioural standards. Consequently, 50% of the fair value of the rights is amortised over three years and 50% of the rights is amortised over four years from the grant date.

The weighted average remaining contractual life for all senior management retention award is 0.14 years (2023: 0.98 years). The weighted average fair value price of all outstanding senior management retention award is \$8.64 (2023: \$8.59). The total security-based payments expense related to this award recognised during the year ended 30 June 2024 was \$1,536,817 (2023: \$1,766,752).

Note 26 Related parties

Responsible Entity, Trustee and Investment Manager

DXH, a wholly owned subsidiary of DXO, is the parent entity of:

- DXFM, the responsible entity of DPT and DXO, the trustee of Dexus Office Trust Australia and Dexus Australian Logistics Trust, and the investment manager of Dexus Industrial Trust Australia, Dexus KC Trust, Parangool Pty Ltd and Dexus Core Property Fund
- DWPL, the responsible entity of DWPF
- DWFL, the responsible entity of DHPF
- DIML, the responsible entity of DIF
- DWML, the trustee of third party managed funds
- DXAM, the responsible entity of DXC, DXI and other third party managed funds
- Dexus RE Limited, the responsible entity of APD Trust
- DCFM, the responsible entity of Dexus Australian Property Fund, Dexus Community Infrastructure Fund, Dexus Core Infrastructure Fund, Dexus Wholesale Australian Property Fund and Dexus Wholesale Shopping Centre Fund
- DCIS, the trustee of third party managed funds
- Dexus Capital Private Markets NZ Limited, the manager of third party managed funds
- DCIL, the trustee of third party managed trusts and the investment manager of third party managed trusts and portfolios
- DREP Investment Management Pty Limited, the investment manager of the Dexus Real Estate Partnership series
- Dexus Property Services Limited, the investment manager of third party managed funds

Management Fees and other revenue

Under the terms of the Constitutions of the entities within the Group, the Responsible Entity and Investment Manager are entitled to receive fees in relation to the management of the Group. Other entities within the Group are also entitled to receive property and development management fees and to be reimbursed for administration expenses incurred on behalf of the Group.

The Group received responsible entity fees, management fees and other related fees from real asset funds managed by subsidiaries of DXH during the financial year.

Related party transactions

Transactions between the consolidated entity and related parties were made on commercial terms and conditions. Agreements with third party funds and joint ventures are conducted on normal commercial terms and conditions.

Transactions with related parties

	2024 \$'000	2023 \$'000
Responsible entity (investment management fees)	209,913.4	143,860.4
Property management fee income	61,141.0	52,189.9
Development services revenue (DS), Development management (DM), Project Delivery Group (PDG), capital expenditure and leasing fee income	89,605.8	47,793.2
Other fund fees and recoveries	70,727.2	16,319.0
Rental expense	4,566.5	1,310.0

	2024 \$'000	2023 \$'000
Responsible entity fees receivable at the end of each reporting year	52,166.0	46,055.4
Property management fees receivable at the end of each reporting year	7,645.8	8,917.2
DS, DM, PDG, capital expenditure, leasing fees and other receivables at the end of each reporting year	79,389.8	20,969.9
Loans to related parties	–	1,750.2
Loans and payables from related parties	3,417.8	24,559.3

Key management personnel compensation

	2024 \$'000	2023 \$'000
Compensation		
Short-term employee benefits	7,294.0	8,862.5
Post employment benefits	234.0	1,071.9
Security-based payments	3,935.0	5,170.5
Total key management personnel compensation	11,463.0	15,104.9

Note 26 Related parties (continued)

Key management personnel compensation (continued)

In addition, gardening leave was granted for the period from March 2024 to December 2024 for the former CEO, Darren Steinberg. Mr. Steinberg will receive his base salary and entitlements during this leave period, totalling \$1,238,840.

Information regarding remuneration of key management personnel is provided in the Remuneration Report on pages 90 to 121 of the Annual Report. There have been no other transactions with key management personnel during the year.

Note 27 Parent entity disclosures

The financial information for the parent entity of Dexu Property Trust has been prepared on the same basis as the Consolidated Financial Statements except as set out below.

Distributions received from associates are recognised in the parent entity's Statement of Comprehensive Income, rather than being deducted from the carrying amount of these investments.

Interests held by the parent entity in controlled entities are measured at fair value through profit and loss to reduce a measurement or recognition inconsistency.

a. Summary financial information

The individual Financial Statements for the parent entity show the following aggregate amounts:

	2024 \$m	2023 \$m
Total current assets	9.4	667.7
Total assets	12,814.2	12,442.1
Total current liabilities	189.8	206.1
Total liabilities	195.9	206.1
Equity		
Contributed equity	12,022.4	12,022.4
Reserves	—	—
Retained profit	595.9	213.6
Total equity	12,618.3	12,236.0
Net profit for the year	858.6	485.8
Total comprehensive income for the year	—	485.8

b. Guarantees entered into by the parent entity

There are no guarantees entered into by the parent entity. Refer to note 17 for details of guarantees entered into by the Group.

c. Contingent liabilities

The parent entity has no contingent liabilities. Refer to note 17 for the Group's contingent liabilities.

d. Capital commitments

The parent entity had no capital commitments as at 30 June 2024 (2023: nil).

e. Going concern

The parent entity is a going concern. Capital risk management for the parent entity is managed holistically as part of the Group. The Group has unutilised facilities of \$2,462.0 million (2023: \$2,409.5 million) (refer to note 15) and sufficient working capital and cash flows in order to fund all of its requirements as at 30 June 2024.

Note 28 Subsequent events

On 26 July 2024, settlement occurred for the disposal of 6 Bellevue Circuit, Greystanes NSW for total consideration of \$45.6 million excluding transaction costs.

On 8 August 2024, Dexu exchanged contracts for the disposal of 28 Jones Road, Brooklyn VIC for total consideration of \$35.1 million excluding transaction costs.

Since the end of the year, the Directors are not aware of any other matter or circumstance not otherwise dealt within the Consolidated Financial Statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or state of the Group's affairs in future financial periods.

Directors' Declaration

The Directors of Dexus Funds Management Limited as Responsible Entity of Dexus Property Trust declare that the Consolidated Financial Statements and Notes set out on pages 129 to 181:

- i. Comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- ii. Give a true and fair view of the Group's consolidated financial position as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date.

In the Directors' opinion:

- a. The Consolidated Financial Statements and Notes are in accordance with the *Corporations Act 2001*;
- b. There are reasonable grounds to believe that the Dexus Property Trust will be able to pay its debts as and when they become due and payable; and
- c. The Group has operated in accordance with the provisions of the Constitution dated 15 August 1984 (as amended) during the year ended 30 June 2024.

The Consolidated Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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



Warwick Negus
Chair
19 August 2024

Independent Auditor's Report



Independent auditor's report

To the stapled security holders of Dexus Property Trust

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Dexus Property Trust (the Trust) and its controlled entities which includes Dexus Operations Trust (DXO) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

For the purposes of consolidation accounting, the Trust is the deemed parent entity and acquirer of DXO. The financial report represents the consolidated financial results of the Trust and includes the Trust and its controlled entities and DXO and its controlled entities.

The financial report comprises:

- the Consolidated Statement of Financial Position as at 30 June 2024
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information
- the Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the relevant and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	Key audit matters
Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	- Amongst other relevant topics, we communicated the following key audit matters to the Board Audit Committee: - Valuation of investment properties, including those investment properties in investments accounted for using the equity method - Carrying amount of indefinite useful life intangible assets (management rights and goodwill) - These are further described in the <i>Key audit matters</i> section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties, including those investment properties included in investments accounted for using the equity method (Refer to Notes 9 and 10)	
The Group's investment property portfolio comprises: - Directly held properties included in the Consolidated Statement of Financial Position as investment properties. - The Group's share of investment properties held through associates and joint ventures, included in the Consolidated Statement of Financial Position as investments accounted for using the equity method. Investment properties are carried at fair value at reporting date using the Group's policy as described in Note 9. The value of investment properties is dependent on the valuation methodology adopted and the inputs and assumptions in the valuation models.	To assess the fair value of investment properties, we performed the following procedures, amongst others: - We developed an understanding of the valuation policy used by the Group in determining the fair value of investment properties and assessed whether it was in accordance with Australian Accounting Standards. - We developed an understanding of the key control activities relevant to our audit and assessed whether they were appropriately designed and implemented. - We evaluated whether certain key control activities relevant to our audit, using a sampling methodology, were operating effectively throughout the year. - We assessed the scope, competence and objectivity of the internal and external valuation experts used by the Group to prepare the valuation models at the reporting date.

Key audit matter

Significant assumptions in establishing fair value included the:

- Capitalisation rate, and
- Discount rate.

At each reporting period, the Group determines the fair value of its investment property portfolio in line with the Group's valuation policy, which requires all properties to be valued by a member of the Australian Property Institute of Valuers at least once every three years. It has been the Group's practice in most cases to have such valuations performed every six months.

We considered the valuation of investment properties to be a key audit matter due to the:

- Financial significance of investment properties in the Consolidated Statement of Financial Position (including those within investments accounted for using the equity method).
- Potential for changes in the fair value of investment properties to have a significant effect on the Consolidated Statement of Comprehensive Income.
- The inherently subjective nature of the assumptions that underpin the valuations, including the capitalisation and discount rates, given the uncertain economic environment on investment property valuations.

How our audit addressed the key audit matter

- To develop an understanding of prevailing market conditions and their expected impact on the fair value of the Group's investment properties, we:
 - read relevant external and PwC Real Estate expert property market reports, and
 - where appropriate, held discussions with the Group's internal and external valuation experts.

For a risk-based sample of investment properties:

- We assessed the valuation methodology against the requirements of the Australian Accounting Standards.
- We assessed significant inputs, using a sampling methodology, to the investment property valuation reports and agreed the inputs to relevant supporting documentation. For example, on a sample basis, we compared the rental income used in the investment property valuations to the relevant lease agreement.
- We tested the mathematical accuracy of the relevant valuation calculations.
- Where considered necessary, we held discussions with the valuer of a specific property to develop an understanding of their relevant processes, judgments and observations.
- We assessed the appropriateness of the significant assumptions, such as the capitalisation rate and discount rate, including comparing to market data and comparable transactions.

We assessed the reasonableness of the disclosures against the requirements of Australian Accounting Standards.

Carrying amount of indefinite useful life intangible assets (management rights and goodwill) (Refer Note 21)

The Group's indefinite useful life intangible assets comprise of management rights and goodwill.

The Group performed impairment testing at 30 June 2024 on the indefinite useful life intangible assets by comparing the recoverable amount of indefinite useful life intangible assets to their carrying amount.

We considered the carrying amount of indefinite useful life management rights and goodwill to be a key audit matter due to the:

- Financial significance of the balance in the Consolidated Statement of Financial Position.
- Degree of estimation uncertainty in determining the recoverable amount of indefinite useful life intangible assets.

We performed the following procedures amongst others:

- For material indefinite useful life management rights and goodwill, together with PwC valuation experts for selected CGUs, we assessed the methodologies used in the Group's impairment models (the models) against commonly accepted valuation practice, and the appropriateness of selected data inputs and significant assumptions used in the models, with reference to our knowledge of the Group's operations and observable market factors.
- We evaluated the appropriateness of forecasted cash flows used in the models and testing the mathematical accuracy of material underlying calculations.
- We tested the mathematical accuracy of relevant impairment model calculations.
- We evaluated the Group's historical ability to forecast future cash flows by comparing a selection of prior year budgets to reported actual results.



Key audit matter

How our audit addressed the key audit matter

- We performed sensitivity analysis by shifting significant assumptions within a reasonably possible range to identify higher risk assumptions and CGUs at higher risk of impairment to determine where to focus further procedures.
- We assessed the reasonableness of the disclosures made in Note 21, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Other information

The Directors of Dexus Funds Management Limited (the Directors), the Responsible Entity of the Trust, are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report and a limited assurance conclusion on the Integrated Reporting Content Elements Index of the Annual Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A handwritten signature in cursive script, likely representing a PwC representative.

PricewaterhouseCoopers

A handwritten signature in cursive script, likely representing Marcus Laithwaite.

Marcus Laithwaite
Partner

Sydney
19 August 2024

Investor Information

Dexus recognises the importance of effective communication with existing and potential institutional investors, sell-side analysts and retail investors.

Our Executives and the Investor Relations team maintain a strong rapport with the investment community through proactive and regular engagement initiatives.

We understand the importance our investors place on ESG topics and issues for long-term value creation. We are committed to delivering high levels of transparency and disclosure by:

- Releasing accurate and relevant information to investors to ensure they can make informed investment decisions
- Providing regular access to senior management through one-on-one meetings, presentations, property tours, conferences, dedicated investor roadshows, conference calls and webcasts

We adopt strong governance practices including a policy that ensures a minimum of two Dexus representatives participate in any institutional investor or sell-side broker meetings and that a record of the meeting is maintained on an internal customer relationship management database.

During FY24, senior management together with the Investor Relations team held 271 engagements with investor/broker groups to discuss the group's business strategy, operational, financial and ESG performance. These engagements were undertaken across a wide range of investor activities including one-on-one meetings, telephone calls, conferences, site visits, roadshows, investor briefings and roundtables.

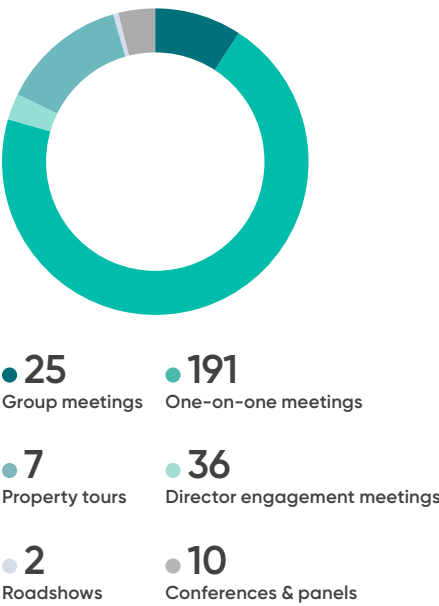
We participated in a number of virtual and in-person conferences which were attended by domestic and international institutional investors. These conferences enabled access to potential new investors and assisted with strengthening existing relationships with long-term investors.

We regularly commission independent investor perception studies to gather feedback from the institutional investment community. These studies involve independent surveys and interviews with institutional investors and sell-side brokers to measure perceptions on a number of attributes and report on the findings. The results help the Board and Executive team understand the investment community's views and concerns and assists in the enhancement of our investor relations and communications activities.

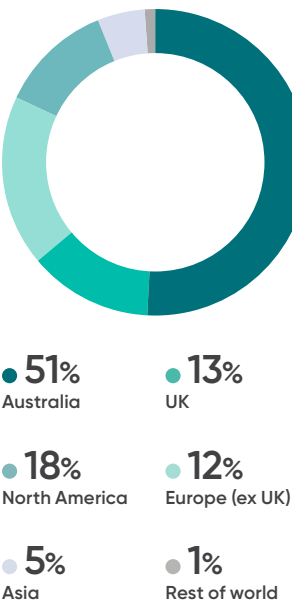
Our Treasury team held presentations with institutional debt investors in August 2023 and February 2024. In addition, the team participated in the Property Treasurers' Round Table and Debt Markets events facilitated by the Property Council of Australia and regularly met with banks, rating agencies and other credit investors through the course of the year.

In FY24 we engaged with investors to discuss our approach to ESG and to learn about their priorities and concerns.

Investor contact method (by numbers)



Security holders by geography



Investor communications

We are committed to ensuring all investors have equal access to information. In line with our commitment to long term integration of sustainable business practices, investor communications are provided via various electronic methods including:

Dexus website

www.dexus.com

Other investor tools available:

Online enquiry

www.dexus.com/get-in-touch

Scroll down to the Dexus Listed Investors section to get in touch with us.

Investor login

www.dexus.com/update

Enables investors to update their details and download statements.

Subscribe to alerts

www.dexus.com/subscribe

Enables investors to receive Dexus communications immediately after release.

Key dates

www.dexus.com/investor-centre

Notifies investors on key events and reporting dates.

LinkedIn

We engage with our followers on [LinkedIn](#).

Go electronic for convenience and speed

Did you know that you can receive all or part of your Security holder communications electronically? You can change your communication preferences at any time by logging into your Security holding at www.dexus.com/update or by contacting Link Market Services on +61 1800 819 675.

Investor sustainability benchmarks

We participate in and are evaluated on several investor surveys for the purposes of benchmarking our sustainability performance, communicating our environment, social and governance (ESG) credentials, and understanding how we can continuously enhance our approach. We are proud to be leaders across key sustainability benchmarks in the industry.

As a result of Dexus's renewed Sustainability Strategy, we have enhanced our focus on the areas where we can make an impact which align to our priority areas. Through this process, we have reduced our focus on some of the sustainability benchmark surveys while still prioritising performance in DJSI and GRESB.

Climateworks

Dexus was recognised as one of only two companies found to have met all four principles for credible net zero targets and tangible actions, in the Climateworks Australia assessment of 30 ASX-listed companies on climate targets and alignment with global climate science.

The four best-practice principles forming part of the criteria by Climateworks were:

- A commitment to net zero emissions by or before 2050
- Medium-term targets that are appropriate and ambitious
- Tangible actions to support achieving the targets
- Commitments that cover all emissions, such as value chain, customer and financed emissions, not just operational.

This is a strong foundation to build from as Dexus embarks on setting the next phase of its Climate Transition Action Plan.

GRESB

The platform's achievements from the Global Real Estate Sustainability Benchmark (GRESB) include:

- Royal Adelaide Hospital¹ (RAH) achieved an exceptional result, ranking 1st for performance out of 683 infrastructure assets globally. RAH scored 96 out of 100 and has attained a 5 star GRESB rating for 2023.
- Powerco NZ being named an Infrastructure Asset Sector Leader
- Two Dexus unlisted funds were named sector leaders:
 - Dexus Healthcare Property Fund was named Global Non-Listed Leader for Healthcare in the Development Benchmark
 - Dexus Wholesale Property Fund was named Regional Sector Leader for Diversified (Office/Retail) in the Standing Investments Benchmark
- Dexus, Dexus Office Trust, Dexus Office Partnership and Dexus Wholesale Property Fund ranked in the Top 5% globally out of 1,924 respondents.

DJSI

Dexus was again recognised as a sustainability leader, achieving the third highest score of global REIT peers in the S&P Global Corporate Sustainability Assessment (CSA) and being included in the S&P Global Sustainability Yearbook 2024.

MSCI

In November 2023, MSCI rated Dexus an AA Rating in the Morgan Stanley Capital International (MSCI) ESG Rating 2023, representing industry leadership in managing the most significant ESG risks and opportunities.

1. Royal Adelaide Hospital is managed by Celsus Holdings Pty Ltd, of which Dexus Community Infrastructure Fund, Dexus Healthcare Property Fund and Dexus Core Infrastructure Fund have a combined 72.79% ownership interest.

Link Market Services Limited

Our security registrar Link Market Services Limited (part of the Link Group) was acquired by Mitsubishi UFJ Trust & Banking Corporation (the Trust Bank), a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG), on 16 May 2024. In the coming months, Link Market Services' name will change to MUFG Pension & Market Services. The registry services they provide Security holders will continue as normal.

Annual General Meeting

Dexus's Annual General Meeting will be held on Wednesday 30 October 2024 commencing at 2.00pm. Dexus will host a hybrid Annual General Meeting (AGM) with an in-person meeting and utilising Link Market Services virtual online meeting platform for Security holders who cannot join us in Sydney.

We encourage all Security holders and proxyholders to participate in the Meeting, either by attending the meeting in person, or via a virtual online meeting platform or webcast at www.dexus.com/investor-centre.

Details relating to the meeting and how it will be conducted will be provided in the 2024 Notice of Annual General Meeting to be released in September 2024.

Distribution payments

Dexus's payout policy in FY24 is to distribute in line with free cash flow for which AFFO is a proxy. Distributions are paid for the six-month periods to 31 December and 30 June each year.

Distribution statements are available in print and electronic formats. Distributions are paid by direct credit into nominated bank accounts for all Australian and New Zealand Security holders and by cheque for other international Security holders. To update the method of receiving distributions payment, please visit the investor login facility at www.dexus.com/update.

AMMA Statement

An Attribution Managed Investment Trust Member Annual Statement (AMMA) is sent to Security holders at the end of August each year.

The AMMA statement summarises distributions provided during the financial year and includes information required to complete your tax return. AMMA statements are also available online at www.dexus.com/update.

Unclaimed distribution income

Unpresented cheques or unclaimed distribution income can be claimed by contacting the Dexus Infoline on +61 1800 819 675. For monies outstanding greater than seven years, please contact the NSW Office of State Revenue on +61 1300 366 016, 8.30am–5.00pm Monday to Friday or use their search facility at NSW Office of State Revenue or email unclaimedmoney@revenue.nsw.gov.au.

Key dates

2024 Reporting calendar¹

2024 Annual General Meeting	30 October 2024
2025 Half year results	19 February 2025
2025 Annual results	20 August 2025
2025 Annual General Meeting	29 October 2025

Distribution calendar¹

Period end	31 December 2024	30 June 2025
Ex-distribution date	30 December 2024	27 June 2025
Record date	31 December 2024	30 June 2025
Payment date	27 February 2025	28 August 2025

1. Please note that these dates are indicative and are subject to change without prior notice. Any changes in our key dates will be published on our website at www.dexus.com/investor-centre.

Complaint handling process

Dexus has a complaint handling policy to ensure that all Security holders are dealt with fairly, promptly and consistently. A Complaints Guide is available at www.dexus.com/complaints-management.

Any Security holder wishing to lodge a complaint, can do so verbally by calling the Dexus Infoline on +61 1800 819 675 or in writing by email to dexus@linkmarketservices.com.au.

Contact us directly at:

Complaints Officer

Dexus Funds Management Limited
PO Box R1822
Royal Exchange NSW 1225

Phone: +612 9017 1100
Email: complaints@dexus.com

Dexus Funds Management Limited is a member of the Australian Financial Complaints Authority (AFCA), an independent dispute resolution scheme which may be contacted at:

Dispute Resolutions Officer

Dexus Funds Management Limited
PO Box R1822
Royal Exchange NSW 1225

Email: ir@dexus.com

Australian Financial Complaints Authority Limited

GPO Box 3
Melbourne VIC 3001

Phone: +61 1800 931 678
(free call within Australia)
Fax: +61 3 9613 6399

Email: info@afca.org.au
Website: www.afca.org.au

Making contact

If you have any questions regarding your Security holding or wish to update your personal or distribution payment details, please contact Link Market Services on +61 1800 819 675.

This service is available from 8.30am to 5.30pm (Sydney time) on all business days. All correspondence should be addressed to:

Dexus

C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Phone: +61 1800 819 675

Email: dexus@linkmarketservices.com.au

We are committed to delivering a high level of service to all investors. If you feel we could improve our service or you would like to make a suggestion or a complaint, your feedback is appreciated.

Our contact details are:

Investor Relations

Dexus
PO Box R1822
Royal Exchange NSW 1225

Email: ir@dexus.com

Additional information

Top 20 Security holders at 31 July 2024

Rank	Name	Number of stapled securities	% of issued capital
1	HSBC Custody Nominees (Australia) Limited	416,159,001	38.69
2	J P Morgan Nominees Australia Pty Limited	221,408,386	20.59
3	Citicorp Nominees Pty Limited	150,273,274	13.97
4	BNP Paribas Nominees Pty Limited	33,658,630	3.13
5	National Nominees Limited	28,102,372	2.61
6	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	24,186,509	2.25
7	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	12,059,156	1.12
8	HSBC Custody Nominees (Australia) Limited <NT-Commonwealth Super Corp A/C>	7,793,580	0.72
9	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Service Ltd>	5,810,243	0.54
10	Medich Capital Pty Ltd <Roy Medich Investment A/C>	5,502,012	0.51
11	Medich Foundation Pty Ltd <Medich Foundation A/C>	4,750,000	0.44
12	Charter Hall Wholesale Management Ltd <CH AREIT Partnership No. 1>	4,750,000	0.44
13	Artmax Investments Limited	4,060,738	0.38
14	Netwealth Investments Limited <Wrap Services A/C>	3,334,098	0.31
15	Pacific Custodians Pty Limited Performance Rights Plan Trust	2,864,219	0.27
16	BNP Paribas Nominee (NZ) Ltd	2,757,253	0.26
17	Citicorp Nominees Pty Limited <I43212 NMMT Ltd A/C>	2,651,743	0.25
18	HSBC Custody Nominees (Australia) Limited	2,252,455	0.21
19	Charter Hall Wholesale Management Ltd <CH Deep Value AREIT Partnership>	2,090,000	0.19
20	IOOF Investment Services Limited <IPS Superfund A/C>	1,701,704	0.16
Sub total		936,165,373	87.04
Balance of register		139,399,873	12.96
Total of issued capital		1,075,565,246	100

Substantial holders at 31 July 2024

The names of substantial holders, at 31 July 2024 that have notified the Responsible Entity in accordance with section 671B of the Corporations Act 2001, are:

Date	Name	Number of stapled securities	% voting
3 July 2024	State Street Corporation	113,767,112	10.58%
29 February 2024	Blackrock Group	113,001,421	10.50%
28 July 2021	Vanguard Group	109,255,969	10.16%

Class of securities

Dexus has one class of stapled security trading on the ASX with Security holders holding stapled securities at 31 July 2024.

Spread of securities at 31 July 2023

Range	Securities	%	No. of holders
100,001 and over	962,279,998	89.47	85
50,001 to 100,000	6,218,917	0.58	90
10,001 to 50,000	33,601,703	3.12	1,849
5,001 to 10,000	26,319,663	2.45	3,721
1,001 to 5,000	40,506,873	3.77	16,356
1 to 1,000	6,638,092	0.62	15,186
Total	1,075,565,246	100.00	37,287

At 31 July 2024, the number of security holders holding less than a marketable parcel of 72 Securities (\$500) was 980 and they held a total of 31,930 securities.

Voting rights

At meetings of the Security holders of Dexus Property Trust and Dexus Operations Trust, being the Trusts that comprise Dexus, on a show of hands, each Security holder of each Trust has one vote. On a poll, each Security holder of each Trust has one vote for each dollar of the value of the total interests they have in the Trust.

There are no stapled securities that are restricted or subject to voluntary escrow.

On-market buy back

Dexus does not have an on-market buy-back program open at the date of this report.

Cost base apportionment

For capital gains tax purposes, the cost base apportionment details for Dexus securities for the 12 months ended 30 June 2024 are:

Date	Dexus Property Trust	Dexus Operations Trust
1 Jul 2023 to 31 Dec 2023	98.19%	1.81%
1 Jan 2024 to 30 Jun 2024	97.97%	2.03%

Historical cost base details are available at www.dexus.com/investor-centre.

Integrated Reporting Content Elements Index

An Integrated Report includes eight Content Elements, posed in the form of questions to be answered. The purpose of this Index is to allow readers to understand how and where we have addressed these integrated reporting content elements throughout this Annual Report. PwC has been engaged to provide limited assurance as to whether the Content Elements of the Integrated Reporting Framework have been addressed in this report as described in this Index. This assurance is focused on whether these Content Elements have been included in this report but does not extend to assessing the accuracy or validity of any statement made throughout this report.

Content Elements	Reference	Page
A. Organisational overview and external environment		
What does the organisation do and what are the circumstances under which it operates?	FY24 highlights	2–3
	About Dexus	4–5
	Chair and CEO review	7–9
	How we create value	10–11
	Strategy	14–15
	Sustainability strategy	16–17
	Materiality review	18–19
	Key resources	26–27
	Key business activities	28–29
	Financial performance	30–37
	Funds management performance	35
	Leading cities	38–51
	Thriving people	52–57
	Climate action	62–71
	Directors' Report	123–125
External environment	About this Report	1
	Chair and CEO review	7–9
	How we create value	10–11
	Megatrends	12–13
	Materiality review	18–19
	Key risks	20–25
	Customer prosperity	58–61
	Climate action	62–71
	Enhancing communities	72–75
	Sustainability Foundations	76–81
	NABERs portfolio ratings	81
	Governance	82–84
B. Governance		
How does the organisation's governance structure support its ability to create value in the short, medium and long term?	Chair and CEO review	8–9
	How we create value	10–11
	Materiality review	18–19
	Key risks	20–25
	Key resources	26–27
	Leading cities	38–51
	Thriving people	52–57
	Customer prosperity	58–61
	Climate action	62–71
	Enhancing communities	72–75
	Sustainability Foundations	77–80
	Governance	82–89
	Dexus Board skills matrix	85
	Board focus areas	31, 39, 53, 59, 63, 73, 77
	FY24 commitments and key focus area	33, 57, 61, 69, 75, 81
	Sustainability across the Dexus Platform	83
	Executive Committee	89
	Remuneration report	90–91, 99–100
C. Business model		
An integrated report should answer the question: What is the organisation's business model including key inputs, business activities, outputs and outcomes?	FY24 highlights	2–3
	About Dexus	4–5
	Chair and CEO review	6–9
	How we create value	10–11
	Megatrends	12–13
	Strategy	14–15
	Sustainability Strategy	16–17
	Materiality review	18–19
	Key risks	20–25
	Key resources	26–27
	Key business activities	28–29
	Performance:	
	– Financial performance	30–37
	– Leading cities	38–51
	– Thriving people	52–57
	– Customer prosperity	58–61
	– Climate action	62–71
	– Enhancing communities	72–75
	– Sustainability Foundations	76–81
	Climate action: metrics and targets	70
	Green star building certifications	80
	Sustainability across the Dexus Platform	83

Content Elements	Reference	Page
D. Risks and opportunities		
An integrated report should answer the question:	How we create value	10–11
<i>What are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them?</i>	Megatrends	12–13
	Sustainability priority areas	17
	Materiality review	18–19
	Key risks	20–25
	Key resources	26–27
	Financial performance: Group outlook	34
	Leading cities: Infrastructure	49
	Delivering on climate action: physical and financial resilience	68
E. Strategy and resource allocation		
An integrated report should answer the question:	Chair and CEO review	6–9
<i>Where does the organisation want to go and how does it intend to get there?</i>	Strategy	14–15
	Sustainability strategy	16–17
	Materiality review	18–19
	Key risks	20–25
	Key resources	26–27
	Thriving people	52–57
	Customer prosperity	58–61
	Delivering on climate action: decarbonisation	66
	Climate action	62–71
	Supply chain monitoring and relationship management	79
	FY25 commitments	33, 57, 61, 69, 75, 81
F. Performance		
An integrated report should answer the question:	Chair and CEO review	6–9
<i>To what extent has the organisation achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?</i>	Materiality review	18–19
	Compliance and regulatory risk	23
	Performance highlights:	
	– Financial performance	30, 35–36
	– Leading cities	38
	– Thriving people	52
	– Customer prosperity	58
	– Climate action	62
	– Enhancing communities	73–75
	Human rights	79
	Office and Industrial portfolio performance	36
	Delivering on climate action	64–68
	Corporate governance	64, 82
	Sustainability Foundations	76–81
G. Outlook		
An integrated report should answer the question:	FY24 highlights	2–3
<i>What challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?</i>	Chair and CEO review	6–9
	How we create value	10–11
	Megatrends	12–13
	Key risks	20–25
	Group and property outlook	34, 36
	FY25 commitments	33, 57, 61, 69, 75, 81
	– Leading cities	38–51
	– Thriving people	52–57
	Climate action: metrics and targets	70
	Sustainability Foundations	76–81
	Remuneration report	90–91, 99–100
H. Basis of preparation and presentation		
An integrated report should answer the question:	About Dexus	Cover page
<i>How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?</i>	About this report	1
	Materiality review	18–19
	Key risks	20–25
	Key resources	28–29
	Climate action	62–71
	Remuneration report	90–93
	Directors' Report	123–125
	Report scope	197
Summary of materiality determination process	Materiality review	18–19
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Reporting boundary	Megatrends	12–13
	Materiality review	18–19
	Key risks	20–25
	Directors' Report	123–125
	Report scope	197
Summary of significant frameworks and methods	FY24 highlights	2–3
	Materiality review	18–19
	Performance highlights:	
	– Financial performance	30, 35–37
	– Leading cities	38–39
	– Thriving people	52–54
	– Customer prosperity	58–61
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	– Enhancing communities	72–74
	– Green star building certifications	80
	Report scope	197



To the Board of Directors of Dexus Holdings Pty Limited

Independent Limited Assurance Report on the Integrated Reporting Content Elements Index within the Dexus 2024 Annual Report

The Board of Directors of Dexus Holdings Pty Limited ('Dexus') engaged us to perform an independent limited assurance engagement in respect of the Integrated Reporting Content Elements Index (the 'Subject Matter') located on pages 194 and 195 of the Dexus 2024 Annual Report for the year ended 30 June 2024.

Subject Matter and Criteria

The criteria used by Dexus to prepare the Subject Matter and which we assessed the Subject Matter is described in section 4 of the International Integrated Reporting Framework dated January 2021, developed by the International Integrated Reporting Council (the 'Criteria'). The criteria requires disclosure of certain information in an integrated report. The criteria requires disclosure of certain information in an Integrated report.

The maintenance and integrity of Dexus' website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter or Criteria when presented on Dexus' website.

Our assurance conclusion is with respect to the year ended 30 June 2024 and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the 2024 Annual Report including any images, audio files or videos.

Responsibilities of management

Management is responsible for the preparation of the Subject Matter in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter;
- ensuring that those criteria are relevant and appropriate to Dexus and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls over information relevant to the preparation of the Subject Matter, which is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria, for the year ended 30 June 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement we:

- made inquiries of the persons responsible for the Subject Matter regarding the processes and controls for collecting and reporting the Subject Matter;
- Reviewing and assessing the appropriateness of the Criteria;
- Reviewing and assessing the completeness of the Subject Matter;
- Assessing the preparation and presentation of the Subject Matter against the Criteria;
- Reviewing all references noted in the Subject Matter and confirming the appropriateness of the references against the Criteria; and
- Reconciling the sections and page numbers included within the Subject Matter to the referenced sections of the Dexus 2024 Annual Report.

This assurance is focused on whether the Subject Matter has been addressed according to the Criteria in the Dexus 2024 Annual Report but does not extend to assessing the accuracy or validity of any statement made throughout the Annual Report.

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

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter with the Criteria, as it is limited primarily to making enquiries of the management and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The limited assurance conclusion expressed in this report has been formed on the above basis.



Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria for the year ended 30 June 2024.

Use and distribution of our report

We were engaged by the board of directors of Dexus to prepare this independent assurance report having regard to the criteria specified by the board of directors of Dexus and set out in this report. This report was prepared solely for Dexus to assist the directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected subject matter.

We accept no duty, responsibility or liability to anyone other than Dexus in connection with this report or to Dexus for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Dexus and if anyone other than Dexus chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Dexus receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Sydney
19 August 2024

Key ASX announcements

Date	Announcement
17/07/2024	Changes to Leadership Team
05/07/2024	Change in substantial holding
27/06/2024	Sale of three assets
20/06/2024	Portfolio valuation update
19/06/2024	FY24 estimated distribution details
07/05/2024	March 2024 quarter update
07/05/2024	Macquarie Australia Conference
24/04/2024	Appointment of non-executive director
12/04/2024	Appendix 3H
12/04/2024	Appendix 3G
09/04/2024	Appendix 3H
03/04/2024	Appendix 3Z – Penny Bingham-Hall
02/04/2024	Appendix 3Z – Darren Steinberg
02/04/2024	Appendix 3X – Ross Du Vernet
27/03/2024	Resignation of non-executive director
22/03/2024	Correction to Appendix 3G
22/03/2024	Correction to Appendix 3H
19/03/2024	Exercise of Put Option
19/03/2024	Appendix 3H
04/03/2024	Change in substantial holding
29/12/2024	December 2023 distribution payment
22/02/2024	Appendix 3Y – Rhoda Phillippo
14/02/2024	HY24 Results presentation
14/02/2024	HY24 Appendix 4D and Financial Statements
14/02/2024	HY24 Results release
14/02/2024	HY24 Distribution details
14/02/2024	HY24 Property synopsis
19/01/2024	Appendix 3G
19/01/2024	Appendix 3G
19/01/2024	Appendix 3Y – Darren Steinberg
19/01/2024	Appendix 3H
02/01/2024	Change in substantial holding
02/01/2024	Ceasing to be a substantial holder
19/12/2023	Appendix 3G
15/12/2023	HY24 estimated distribution details

Date	Announcement
15/12/2023	Portfolio valuation update
11/12/2023	Ross Du Vernet appointed as Dexus CEO
30/11/2023	Dexus achieves final completion of Collimate Capital acquisition
14/11/2023	Appendix 3Y – Elana Rubin
01/11/2023	2023 Dexus Investor Day
31/10/2023	Appendix 3Y – Warwick Negus
31/10/2023	Appendix 3Y – Rhoda Phillippo
30/10/2023	Condition precedent satisfied for final completion of Collimate Capital acquisition
25/10/2023	September 2023 quarter update
25/10/2023	2023 AGM Chair and CEO Address
25/10/2023	Darren Steinberg to step down as Dexus CEO
25/10/2023	2023 Annual General Meeting results
12/10/2023	Appendix 3G
12/10/2023	Appendix 3H
22/09/2023	2023 Notice of Annual General Meeting
07/09/2023	Appendix 3G
05/09/2023	Appendix 3Y – Darren Steinberg
04/09/2023	Appendix 3H
04/09/2023	Appendix 3G
29/08/2023	Appendix 3Y – Rhoda Phillippo
25/08/2023	Appendix 3Y – Elana Rubin
18/08/2023	Sale of 1 Margaret Street Sydney
16/08/2023	2023 Annual Report
16/08/2023	Appendix 4G and 2024 Corporate Governance Statement
16/08/2023	2023 Annual Results Presentation
16/08/2023	2023 Sustainability Approach and Data Pack
16/08/2023	2023 Sustainability data pack (xls)
16/08/2023	2023 Synopsis
16/08/2023	2023 Financial Statements
16/08/2023	2023 Appendix 4E
16/08/2023	2023 Final Distribution details
21/07/2023	Change of address details

Overview

Approach

Performance

Governance

Directors' report

Financial report

Investor information

Our memberships and affiliations

Dexus holds memberships and affiliations with key industry bodies that are relevant to its investments and operations.

Dexus's industry memberships ensure that its views are represented on advocacy, on policy and legislation. The benefits of collaborating with industry peers include strategic partnerships, research, professional development and networking opportunities.

Dexus regularly reviews these memberships for relevance to its business and alignment with its corporate values.

Current Dexus corporate memberships and commitments include:

Member



Constituent



Signatory



Directory

Dexus Property Trust

ARSN 648 526 470

Dexus Operations Trust

ARSN 110 521 223

Responsible Entity

Dexus Funds Management Limited
ABN 24 060 920 783
AFSL 238163

Directors of the Responsible Entity

Warwick Negus, Chair
Ross Du Vernet, Group CEO & Managing Director
Paula Dwyer
Mark H Ford
Peeyush Gupta AM
Rhoda Phillippo
The Hon. Nicola Roxon
Elana Rubin AM

Secretaries of the Responsible Entity

Brett Cameron
Scott Mahony

Registered office of the Responsible Entity

Level 30, 50 Bridge Street
Sydney NSW 2000

PO Box R1822
Royal Exchange
Sydney NSW 1225

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E: ir@dexus.com
W: www.dexus.com

Auditor

PricewaterhouseCoopers
Chartered Accountants
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Investor Enquiries

Registry Infoline: +61 1800 819 675
Investor Relations: +612 9017 1330
E: dexus@linkmarketservices.com.au

Security Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

W: linkmarketservices.com.au
E: dexus@linkmarketservices.com.au

Open Monday to Friday between 8.30am and 5.30pm (Sydney time).

For enquiries regarding security holdings, contact the security registry, or access security holding details at www.dexus.com/update

Australian Securities Exchange

ASX Code: DXS

Social media

DXS engages with its followers via [LinkedIn](#)



Report scope

This Annual Report has been prepared in accordance with the content elements of the 2021 International <IR> Framework, which we use to identify material issues from an enterprise value perspective and clearly articulate how we deliver sustained value for all stakeholders. An index is provided on pages 194–195 of this report. PwC has been engaged to provide limited assurance as to whether Content Elements of the Integrated Reporting Framework have been addressed in the report as described in this Index. This assurance is focused on whether these Content Elements have been included in this report but does not extend to assessing the accuracy or validity of any statement made throughout this report.

We have also used the GRI Standards to understand material issues from a stakeholder impact perspective, as disclosed across our 2024 Annual Reporting Suite, which is prepared in accordance with the GRI Standards: (GRI Content Index available at www.dexus.com/sustainability).

PwC has provided limited assurance over select environmental and social data and methodology, within the 2024 Annual Reporting Suite covering the 12 months to 30 June 2024 (assurance statement available at www.dexus.com/sustainability). The Annual Report covers financial performance at all locations. Dexus has applied the principles contained within the *National Greenhouse and Energy Reporting Act 2007* (NGERA) and its associated guidelines in the development of our environmental reporting boundary, which comprises of our corporate operations and managed property portfolio. Additional information on financial, people, customer, community, supplier and environmental datasets is available at www.dexus.com/sustainability.

dexus

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