

Dexus Industria REIT (ASX:DXI)

ASX release

9 February 2022

2022 Half Year Results presentation and property synopsis

Dexus Industria REIT (DXI) releases its 2022 Half Year Results presentation.

An investor conference call will be webcast at today at 10.30am on www.dexus.com/investor-centre

The property synopsis excel workbook is also available at www.dexus.com/industria

Authorised by the Boards of Dexus Asset Management Limited and Industria Company No. 1 Limited

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About Dexus Industria REIT

Dexus Industria REIT (ASX code: DXI) (formerly APN Industria REIT) is a listed Australian real estate investment trust which owns interests in office and industrial properties that provide functional and affordable workspaces for business. The fund's portfolio is valued at \$1.78 billion and is located across the major Australian cities, providing sustainable income and capital growth prospects for securityholders over the long term. The fund has a target gearing band of 30 – 40%, providing flexibility for future growth without compromising the low-risk approach to management. Dexus Industria REIT is governed by a majority Independent Board and managed by Dexus (ASX code: DXS), one of Australia's leading fully integrated real estate groups, with over 35 years of expertise in property investment, funds management, asset management and development. www.dexus.com

Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) (the "Responsible Entity") is the responsible entity and issuer of the financial products in respect of Industria Trust No. 1 (ARSN 125 862 875), Industria Trust No. 2 (ARSN 125 862 491), Industria Trust No. 3 (ARSN 166 150 938) and Industria Trust No. 4 (ARSN 166 163 186), and Industria Company No 1 Limited (ACN 010 794 957), collectively the Dexus Industria REIT (ASX code: DXI) stapled group. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX code: DXS).

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2022 Half Year Results

9 February 2022

Dexus Asset Management Limited
ACN 080 674 479, AFSL 237500
as responsible entity for Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4
Industria Company No. 1 Limited
ACN 010 794 957

Acknowledgement of country

Dexus Industria REIT 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, present and emerging.

Artwork: The Land and the Rivers by Sharon Smith.



Agenda

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Highlights



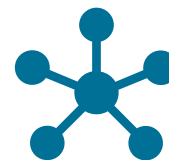
HY22 highlights

Active period of leasing and transactions



FFO of \$24.8 million up 25.5%

on track to meet FY22 guidance
FFO of 18.1-18.5cps and distribution of 17.3cps



Executed \$584 million

of transformational acquisitions including
Jandakot Airport



NTA per security up 10.9% to \$3.55¹

driven by \$91.0 million of valuation uplifts²



Enhanced growth opportunities

with \$378 million development pipeline



Record portfolio leasing

45,700sqm plus 16,100sqm of development leasing³



Raised \$350 million to fund new phase growth⁴

Strong balance sheet with gearing of 28.5%⁵

1. Calculated as total net assets less intangible assets on a look-through basis, divided by total securities on issue. NTA per security as at 31 December 2021 includes capitalised estimated transaction costs equating to 6 cents per security.
2. Before rent straight lining adjustments.
3. Development leasing at 100%, or 5,400sqm at DXI ownership.
4. Refers to equity raising launched in September 2021. Including proceeds from Distribution Reinvestment Plans, total equity raised was \$352.4 million.
5. On a look-through basis, gearing was 33.9%.

Vision and strategy

Generating outperformance through active management and development

Vision	To be Australia's premier industrial REIT generating superior risk-adjusted returns
Strategy	Leveraging the superior asset management, transactional, development and ESG capabilities of the Dexus platform to deliver spaces that inspire and engage our customers
Foundation and operational approach	<ul style="list-style-type: none"> › Generate secure income from a growing portfolio of high-quality predominantly industrial and logistics assets <ul style="list-style-type: none"> – \$1.8 billion portfolio, predominantly industrial properties that have demonstrated income resilience and capital growth – On average, DXI's assets can reach 80% of the population in each capital city within 60 minutes › Utilising customer insights from the Dexus platform to actively asset manage and reposition assets, enhance long-term returns through development exposure, and access unique opportunities to deploy capital › Continue to successfully deploy capital towards industrial and logistics assets › Leveraging Dexus's leasing capabilities to grow income for the business park assets › Progressively manage ESG risks and opportunities across the portfolio › Maintain strong financial alignment of Dexus management and a majority independent Board

ESG update

Certified carbon neutral across DXI portfolio and operations

Environmental

Today

- › Achieved carbon neutral status in June 2021 (and retained)
- › Proactive engagement with tenants on sustainability initiatives
- › Investment in solar across the portfolio has doubled energy generation compared to DXI's direct electricity footprint

What's next

- › Broader and deeper customer engagement on solar opportunities
- › Increased data collection/auditing to track performance
- › Engagement on development of certification tools: NABERS; Green Star Performance

Social

Today

- › Leveraging efforts from Dexus's participation in industry social sustainability working groups
- › Ongoing partnership with Griffith University

What's next

- › Support Dexus's Reflect RAP to drive opportunities for First Nations people
- › Engage employees and customers through Dexus community partner initiatives across DXI operations



Governance

Today

- › Alignment of investor interests through Dexus's ownership and management of DXI
- › Independent Chairman and majority independent board in place
- › The Board continues to review its composition, experience and director tenure

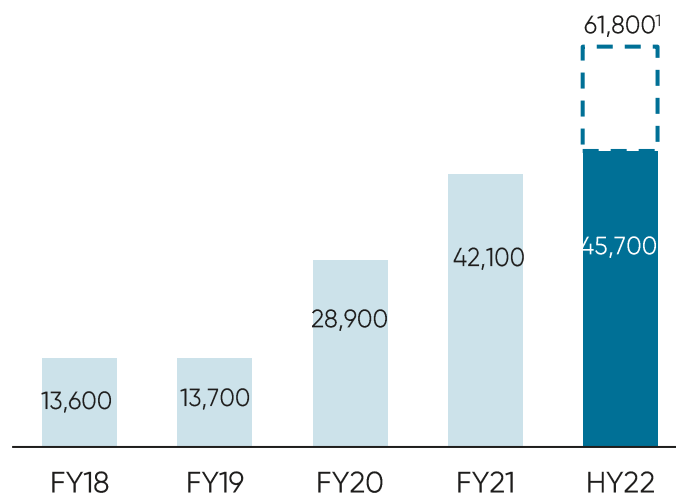
What's next

- › Integrate the Dexus governance framework across DXI operations and portfolio
- › Enhance identification of ESG risks and opportunities via monitoring and enhance disclosure via reporting

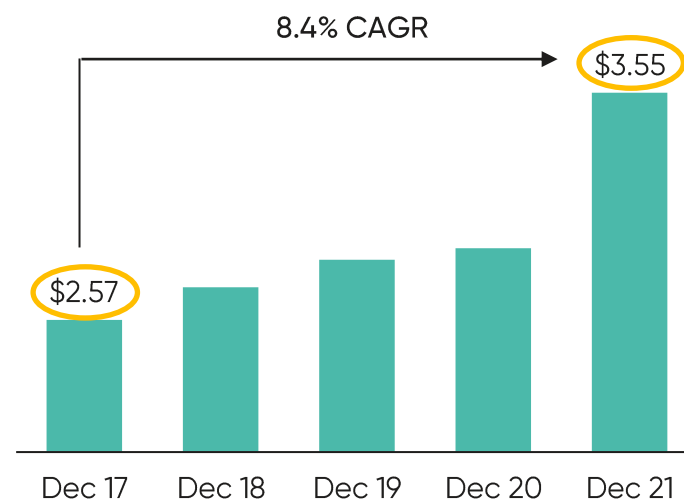
Track record of value creation

Successful delivery of strategy has supported consistent growth

Leasing achieved (sqm)



NTA per security² (\$)



Management track record

- › **Value-accretive acquisitions**
Acquired 75 assets totalling \$1.0 billion over past 5 years at an average passing yield of 5.9%, and circa 90 hectares of developable land³
- › **Repositioning the portfolio**
79% exposure to industrial assets (by value), up from 46% in 2016, in anticipation of structural changes across the market
- › **Active asset management**
Repositioning of assets to drive leasing and cash yields across the portfolio

Strong leasing outcomes securing cash flow and growth

High-quality portfolio supporting 8.4% p.a. NTA growth

Strengthening underlying business fundamentals

1. Includes 16,100sqm of development leasing at 100%, or 5,400sqm at DXI ownership.
 2. Calculated as total net assets less intangible assets on a look-through basis, divided by total securities on issue. NTA per security as at 31 December 2021 includes capitalised estimated transaction costs equating to 6 cents per security.
 3. Includes acquisition of Lot 2, 884-928 Mamre Road, Kemps Creek NSW, which is a fund-through development with settlement expected in July 2022.

Financial overview



HY22 financial result

Portfolio resilience and positioning has driven strong financial outcomes

Profit & loss	HY22	HY21	Change	
Statutory net profit (\$m)	\$113.7	\$31.9	▲ 257.0%	› Driven by \$91.0 million of property valuation gains ²
FFO (\$m)	\$24.8	\$19.8	▲ 25.5%	› Strong industrial portfolio like-for-like net operating income growth of 7.4% › >99% gross rent collections › Rental uplifts embedded in lease contracts › Contributions from recent acquisitions › Partially offset by lower income from Rhodes – lease expiry September 2021
FFO (cents per security)	9.5	10.0	▼ (5.0)%	
Distribution declared (\$m)	\$23.2	\$17.5	▲ 32.5%	
Distributions (cents per security)	8.7	8.6	▲ 0.6%	› Includes impact of \$350 million equity raise launched in September 2021 and timing of capital deployment
FFO payout ratio (%)	91.4%	86.3%	▲ 5.1ppt	
Balance sheet	31 Dec 2021	30 Jun 2021	Change	
NTA per security (\$)¹	\$3.55	\$3.20	▲ 10.9%	› Majority of uplift (29 cents) attributable to \$91.0 million of valuation gains ²

1. Calculated as total net assets less intangible assets on a look-through basis, divided by total securities on issue. NTA per security as at 31 December 2021 includes capitalised estimated transaction costs equating to 6 cents per security.

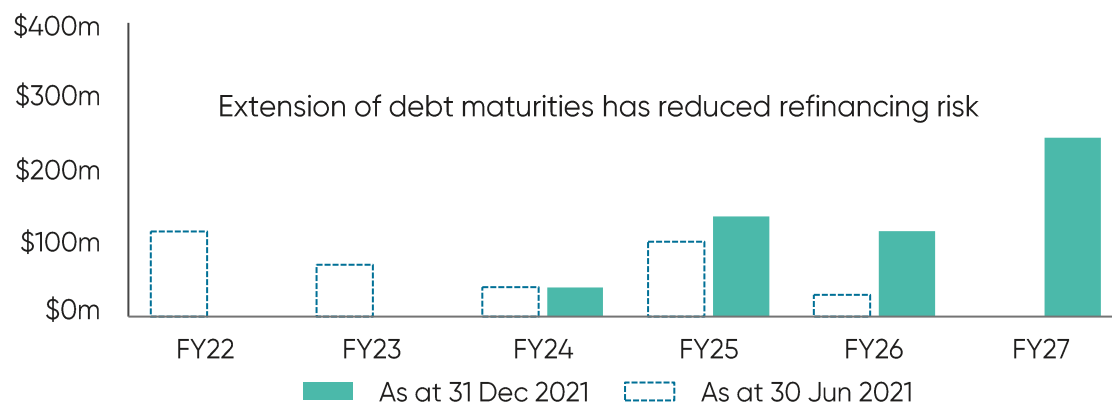
2. Before rent straight lining adjustments.

Balance sheet and capital management

Maintaining balance sheet flexibility to fund growth opportunities

- › Balance sheet **well positioned to support growth** with 28.5% gearing, below the target 30 – 40% band
- › **Deploying capital to the most attractive opportunities**, including utilising the active on-market securities buyback program
- › **Increased the weighted average debt maturity to 3.8 years**, adding \$176m of new facilities with a 4.4-year average term, and extending \$244m of existing facilities
- › Nearest debt maturity of \$30m in December 2023

Debt maturity profile (total facility limit)



1. Undrawn facilities plus cash.

Key metrics	31 Dec 2021	30 Jun 2021
Gearing	28.5%	31.7%
Gearing (look-through)	33.9%	31.7%
Cost of debt	2.3%	2.7%
Weighted average debt maturity	3.8 years	2.9 years
Hedged debt	56%	77%
Headroom ¹	\$68m	\$22m
Interest cover	6.9x	7.2x

Portfolio valuation movements

Active asset management and strong markets supporting favourable valuation outcomes

- › **8.3% like-for-like increase** (\$91.0m) on prior corresponding period book values across the portfolio²
- › **48 basis points** of like-for-like cap rate compression
- › **Westrac valued at a 4.75% cap rate** with the benefit of a 13-year WALE
- › Material movements included:
 - Adelaide Airport properties acquired in March 2021 at average cap rate of 8.55% increased 36% due to reset of market rents and de-risking of cash flow
 - Leasing outcomes at 89 West Park Drive and 147–153 Canterbury Road drove valuation increases of 26% and 42% respectively

1. Includes 5 Butler Boulevard, 5B Butler Boulevard, 18-20 Butler Boulevard and 20-22 Butler Boulevard.
2. Before rent straight lining adjustments.

Portfolio valuation summary – 31 December 2021

Property	31 Dec 2021 book value (\$m)	Reval gain ² (\$m)	Reval uplift (%)	Cap rate (%)	Cap rate 6 month mvmt (bps)
1-3 Westrac Drive	\$291	\$37.6	14.8%	4.75%	(50) bps
Butler Boulevard, Adelaide Airport ¹	\$61	\$15.9	35.6%	5.99%	(239) bps
89 West Park Drive	\$30	\$6.3	26.1%	4.25%	(75) bps
147-153 Canterbury Road	\$19	\$5.6	41.8%	4.50%	(125) bps
32-40 Garden Street	\$30	\$5.0	19.9%	4.25%	(75) bps
Remaining properties	\$759	\$20.6	2.8%	5.60%	(26) bps
Total excl. acquisitions	\$1,190	\$91.0	8.3%	5.32%	(48) bps
Acquisitions	\$586	n.a.	n.a.	4.44%	n.a.
Total portfolio	\$1,776	\$91.0	5.4%	5.09%	(69) bps





Portfolio performance and market dynamics

Key portfolio metrics

Resilient portfolio supported by contracted rental growth and income visibility



93
properties



\$1.8bn
portfolio value



5.1%
WACR



5.9 year
WALE
(by income)



45,700sqm
leased plus 16,100sqm¹
development leasing



>99%
gross rent
collection



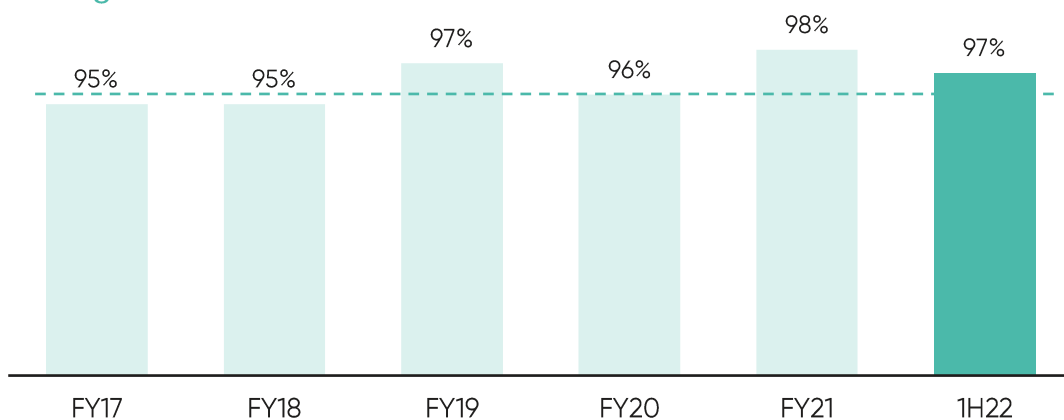
3%+
contracted rent
increases for 74% of
the portfolio³



2.5%
like-for-like
NOI growth²

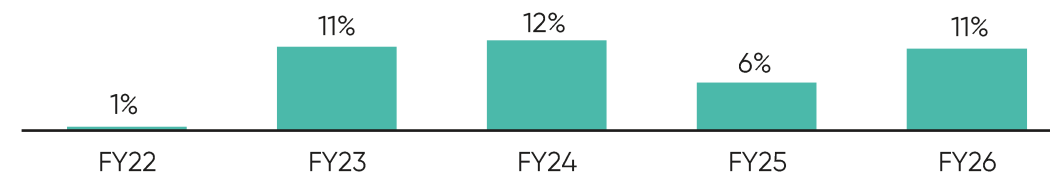
Track record of strong total portfolio occupancy (% by area)

Average = ~96%



Lease expiry profile (% by income)

Limited lease expiry events in any given year



1. Development leasing at 100%, or 5,400sqm at DXI ownership.
 2. Excluding Rhodes Building A. Including Rhodes Building A, total portfolio like-for-like growth was (5.3%).
 3. Assumes CPI of 2.25%.

Creating Australia's premier industrial property portfolio

\$584 million of transformational acquisitions

› Acquisition of 55 industrial assets at an **average passing yield of 5.0% and a WALE of 7.1 years**

33.3% interest



Jandakot Airport, Perth WA

\$433.3m portfolio of assets¹

80 hectares of land

5.2% passing yield²

7.6 year WALE

51 assets

341,880sqm GLA

1. DXI share only.
2. Excludes development land Jandakot Airport Holdings (JAH).
3. Fund-through development with settlement expected in July 2022.

100% interest



2 Maker Place, Truganina VIC

50% interest



Lot 2, 884-928 Mamre Road, Kempers Creek NSW³

100% interest



9 Boron Street, Narangba QLD

50% interest



12 Church Road, Moorebank NSW

Developments

Leveraging Dexus’s development expertise to deliver future growth

- › Industrial developments in Sydney at Moorebank and Kemps Creek **provide opportunities for tenants seeking last mile distribution hubs**, with excellent connectivity across Sydney
- › Development progress at **newly acquired Jandakot**:
 - › Additional terms agreed for 16,100sqm during the half¹
 - › 75,700sqm total committed projects fully leased and expected to complete by the end of 2022²

Embedded growth opportunities through development pipeline³
(developments expected to complete, sqm)



1. Represents development leasing at 100%. At DXI ownership, 5,400sqm agreed at Jandakot during the half.
 2. Includes 17,400sqm under construction at time of acquisition treated as part of the stabilised portfolio within the acquisition pricing components.
 3. Development building area at 100%.
 4. Fund-through development with settlement expected in July 2022.

Industrial performance

Strong performance driven by active management

HY22 key statistics



\$1.4bn
book value
as at 31 Dec 2021



4.73%
WACR



100%
occupancy
(by area)



7.4%
like-for-like
NOI growth



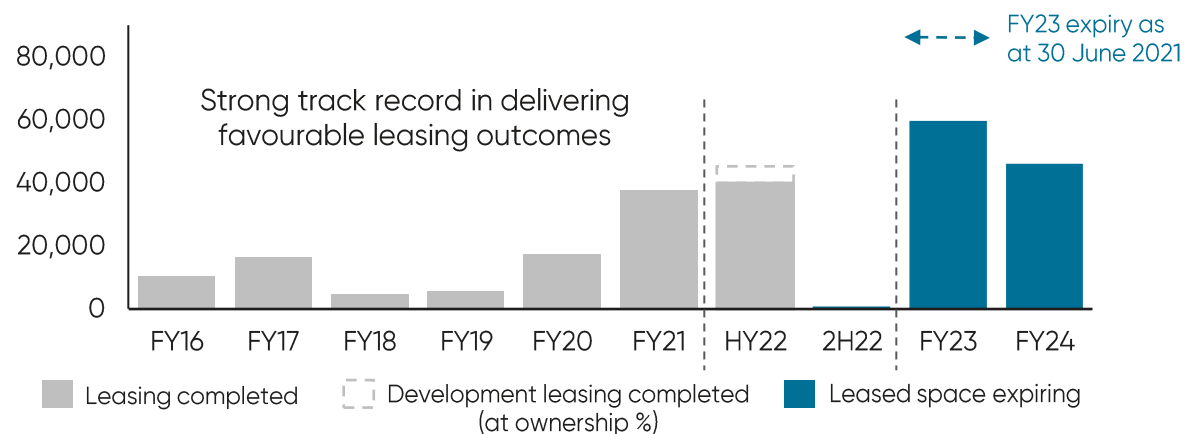
7.4 year
WALE
(by income)



39,900sqm
leased plus
16,100sqm¹
development leasing

- › Performance driven by asset management capability, delivering on business plans and strong market conditions – recorded **7.4% like-for-like NOI growth**
- › **Reduced FY23 lease expiry from 85,800sqm to 59,700sqm**, providing opportunities to continue to add value in a strong market
- › **Well placed to support e-commerce growth** on average, DXI's assets can reach 80% of the population in each capital city within 60 minutes
- › **Average site coverage of 36%** across assets

Leasing completed and forthcoming expiry (by area, sqm)



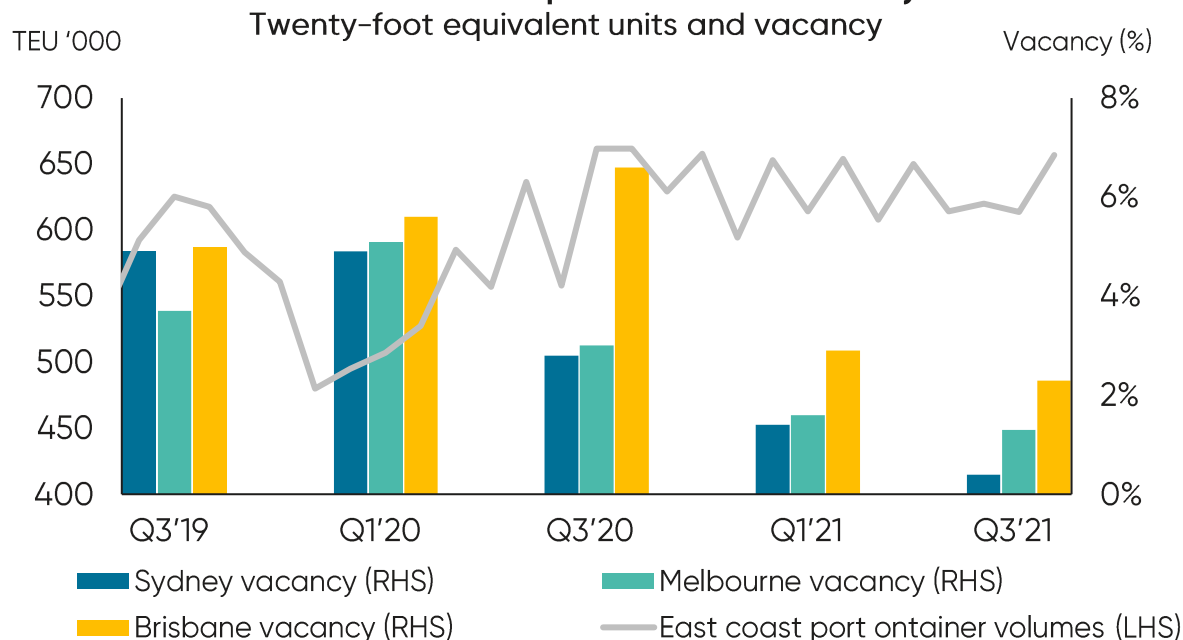
1. Development leasing stated as 100% ownership (5,400sqm at DXI ownership).

Industrial market dynamics

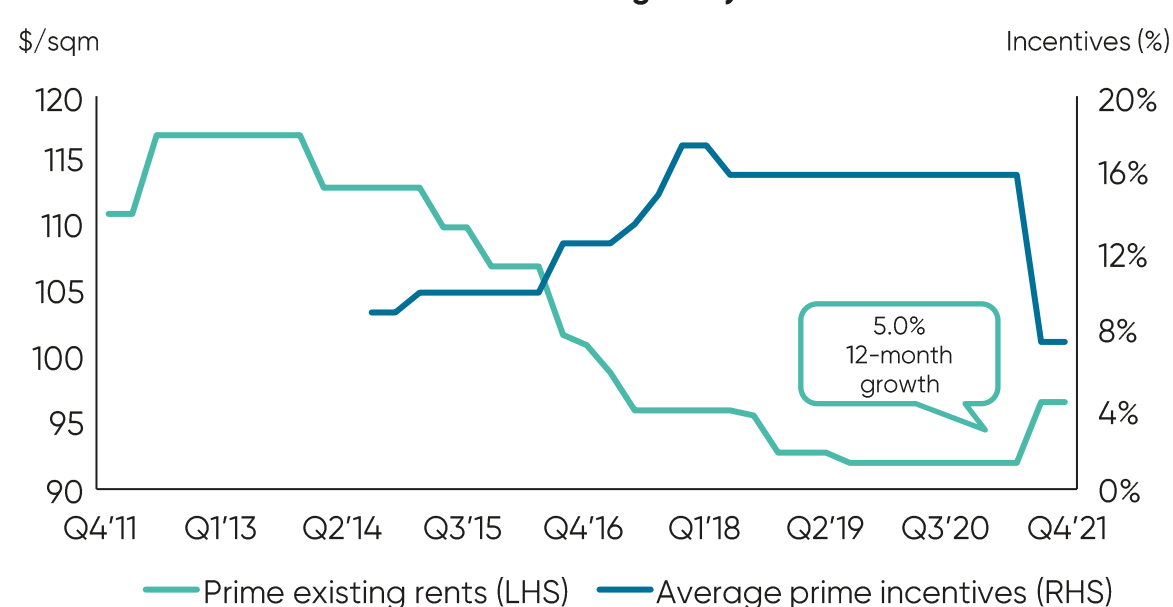
Assets well positioned to capture value from supportive industry thematics

- › Tenant demand supported by **shift from just-in-time inventory management to just-in-case**
- › **Perth rents beginning to show significant upside to historical levels** to support approximately \$260 million development projects at Jandakot as they complete

'Just in case' business model pushes national vacancy to 1.3%



South Perth rents coming off cyclical lows¹



Source: Monthly Trade Reports (Port Botany, Port of Brisbane, Port of Melbourne), Dexus Research, JLL Research, CBRE Research.
 1. Average prime incentives not shown prior to Q2'14 due to data availability.

Business parks performance

Delivering strong leasing outcomes

Brisbane Technology Park

Performance underpinned by strategy of targeting sub-200sqm

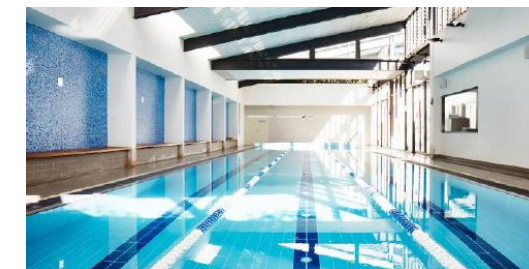
- › Location and product continues to underpin retention levels at 81%
- › Life science occupiers continue to expand at BTP, driving over 2,000sqm of deals
- › Recognising demand from small businesses, a new serviced office concept was created in 2021 over ~1,400sqm, which is now generating income above the full-floor equivalent rent
- › Continued to build relationships with universities and education providers to unlock research partnerships with occupiers at BTP



Rhodes Corporate Park

Best-in-class product is well positioned to drive growth

- › Leveraging Dexus's capabilities to continue leasing success:
 - Building A has sweeping views of Sydney Harbour, a 5.5-star NABERS Energy and carbon neutral rating, and market leading amenity
 - Completed 2,100sqm lease to Booktopia, with negotiations continuing for another 2 floors
 - Major growth driver – with each vacant floor representing ~\$1.2 million (0.43 cents per security) of FFO p.a.
- › Actively creating product for small businesses seeking metro presence, and leasing above prior passing rents with limited downtime





Summary



Summary and FY22 guidance

Delivering long-term value to securityholders



\$1.8 billion high-quality portfolio predominantly weighted to industrial properties supported by \$378 million development pipeline



Track record of disciplined growth and delivering securityholder returns, with a focus on deploying capital to the most attractive opportunities



Demonstrated ability to leverage Dexus's capabilities across transactions, development, leasing and customer relationships

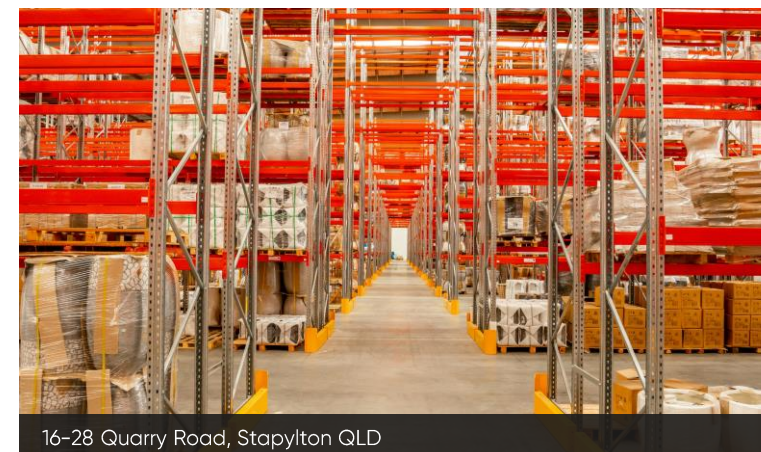


Retain FY22 guidance¹: FFO 18.1 – 18.5 cps and distribution of 17.3 cps

1. Subject to current market conditions and no unforeseen events.



13 Ricky Way, Epping VIC



16-28 Quarry Road, Stapylton QLD

Appendices



Leveraging Dexus's capabilities to enhance growth

Activating investment and asset management opportunities to create value

Member of the Dexus group, benefitting from deep acquisition, development and asset management capabilities

Realising scale benefits with Dexus group industrial assets under management of approximately \$11 billion¹

Strong industrial development track record, with \$1.1 billion of industrial developments completed in the last 5 years¹

Aligned objectives through Dexus's 17.4% principal ownership of DXI and partnerships via Dexus's direct asset co-investments

Leveraging Dexus's sustainability approach across environment, social & governance (ESG) to support long-term value creation



Ravenhall development, Melbourne VIC



Orchard Road, Richlands QLD

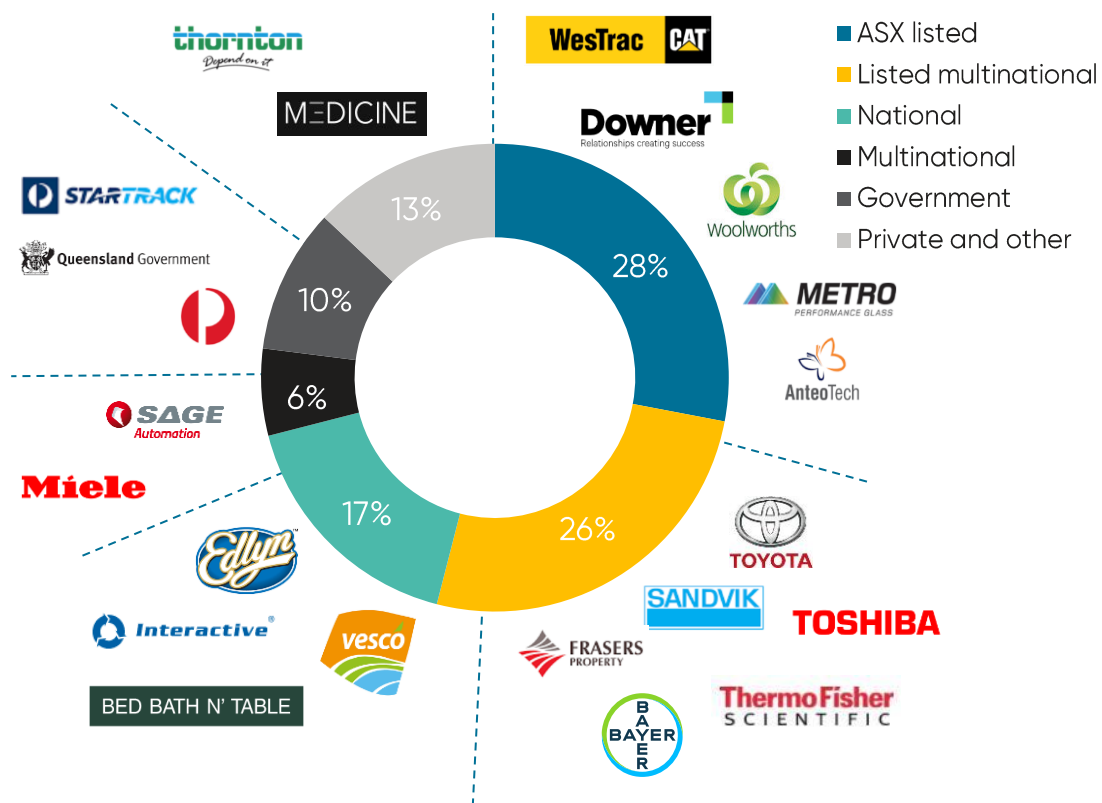


Jandakot Airport, Perth WA

1. As at 30 June 2021.

Portfolio tenancy mix

Tenant type (by income, %)



Tenant concentration (%)

Tenant	% portfolio income
WesTrac	16%
Australian Postal Corporation	6%
Sandvik	3%
Woolworths Group	3%
Frasers Property	2%
Mitre 10	2%
Thornton Engineering Australia	2%
Interactive	2%
Vesco	2%
Autopact Victoria	2%
Top 10	40%
Other	60%
Total	100%

Brisbane Technology Park

HY22 key statistics



\$178m
book value
as at 31 Dec 2021

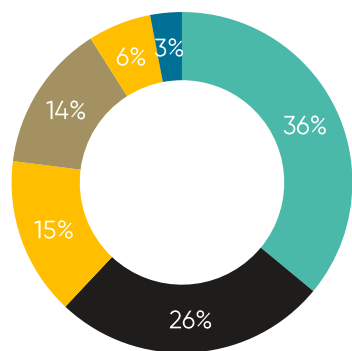


3,000sqm
leasing
agreed



6.81%
WACR

Tenant type (by income, %)



- Technology and life sciences
- Infrastructure
- Health and wellness
- Financial and professional services
- Education
- Other

Key life science occupiers at BTP

AnteoTech

Johnson & Johnson

COOK®

Symbio LABORATORIES
Proudly AUSTRALIAN

BAYER

IDEXX LABORATORIES

ZIMMER BIOMET

PROVET®
A covetrus Company

Rhodes Corporate Park

HY22 key statistics



\$188m

book value
as at 31 Dec 2021



2,800sqm

leasing
achieved



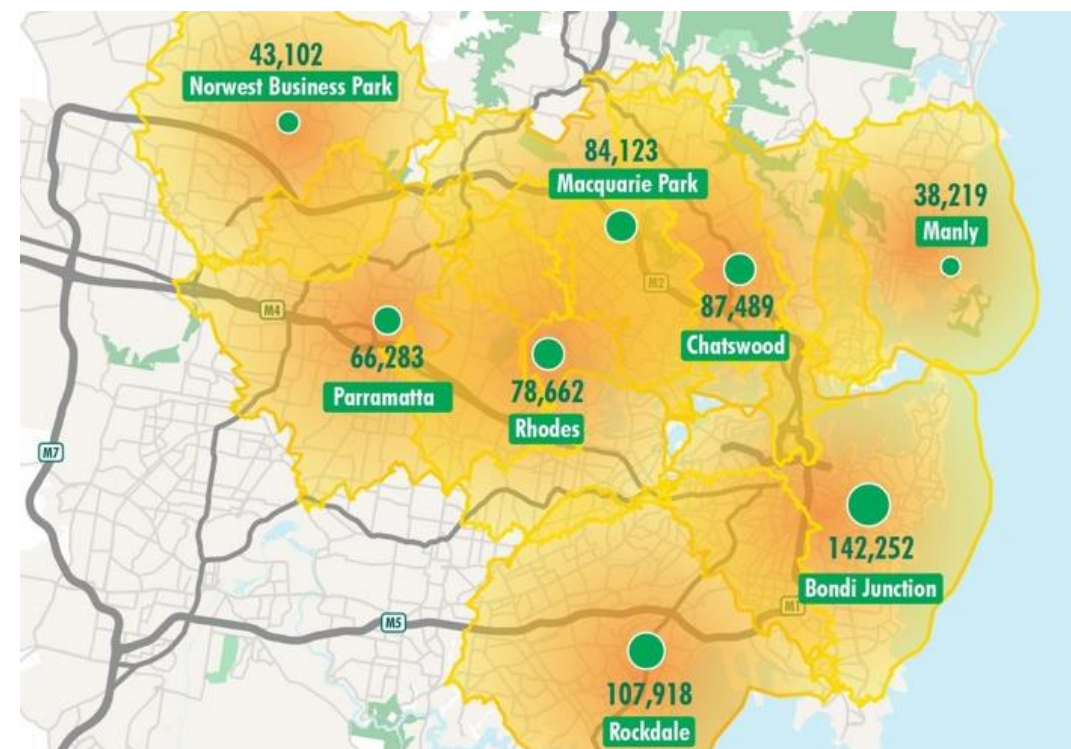
5.82%

WACR

High-quality and well-located properties

- ✓ Adjacent to sub-regional shopping centre
- ✓ CBD train and bus service every 15 minutes
- ✓ Complimentary lap pool and gym
- ✓ Located close to key arterial roads
- ✓ Attractive rental spreads to CBDs
- ✓ New end of trip facilities

Population within 20 minutes drive of metro office locations¹



1. CBRE Research.

Independent valuations

Property	Book value (\$m)	Reval gain ¹ (\$m)	Cap rate (%)	Cap rate mvmt (%)
34 Australis Drive, Derrimut VIC	\$37.8	\$2.2	4.50%	(0.50)%
80-96 South Park Drive, Dandenong South VIC	\$36.4	\$0.8	4.75%	-
1 West Park Drive, Derrimut VIC	\$16.0	\$2.3	4.75%	(0.50)%
89 West Park Drive, Derrimut VIC	\$30.3	\$6.3	4.25%	(0.75)%
32-40 Garden Street, Kilsyth VIC	\$30.0	\$5.0	4.25%	(0.75)%
140 Sharps Road, Tullamarine VIC	\$16.5	\$3.1	6.85%	(0.65)%
13 Ricky Way & 10 Jersey Drive, Epping VIC	\$24.3	\$0.9	4.50%	(0.25)%
147-153 Canterbury Road, Kilsyth VIC	\$19.0	\$5.6	4.50%	(1.25)%
81-83 Rushdale Street, Knoxfield VIC	\$12.0	\$0.5	4.75%	(0.75)%
3 & 4 Forbes Close, Knoxfield VIC	\$23.0	\$1.4	4.50%	(0.75)%
45-55 O'Briens Road, Corio VIC	\$39.3	\$3.3	5.00%	(0.50)%
57-67 Mark Anthony Drive, Dandenong VIC	\$14.2	-	4.75%	(0.25)%
137-147 Fitzgerald Road, Laverton North VIC	\$27.3	-	4.50%	(0.50)%
78 Henderson Road, Rowville VIC	\$20.2	\$2.2	4.50%	(0.50)%
350 & 356 Cooper Street, Epping VIC	\$32.8	\$0.3	5.00%	(0.50)%
1-3 Westrac Drive, Tomago NSW	\$291.0	\$37.6	4.75%	(0.50)%
16-28 Quarry Road, Stapylton QLD	\$66.0	\$0.4	5.25%	(0.25)%
60 Grindle Road, Wacol QLD	\$27.2	\$1.8	5.75%	(0.75)%

1. Before rent straight lining adjustments.

Independent valuations (cont'd)

Property	Book value (\$m)	Reval gain ¹ (\$m)	Cap rate (%)	Cap rate mvmt (%)
5 Butler Boulevard, Adelaide Airport SA	\$20.0	\$4.9	6.16%	(1.90)%
5b Butler Boulevard, Adelaide Airport SA	\$13.8	\$4.6	5.91%	(2.64)%
18-20 Butler Boulevard, Adelaide Airport SA	\$9.4	\$1.5	5.91%	(2.64)%
20-22 Butler Boulevard, Adelaide Airport SA	\$17.5	\$5.0	5.91%	(2.64)%
Total Industrial	\$823.9	\$89.6	4.90%	(0.60)%
7 Clunies Ross Court & 17-19 McKechnie Drive, BTP QLD	\$58.5	\$2.8	6.50%	-
BTP Central, BTP QLD	\$45.8	\$1.7	6.92%	(0.19)%
8 Clunies Ross Court & 9 McKechnie Drive, BTP QLD	\$26.0	\$1.9	7.00%	(0.50)%
37 Brandl Street, BTP QLD	\$15.8	-	7.00%	-
18 Brandl Street, BTP QLD	\$15.2	-	7.00%	(0.25)%
88 Brandl Street, BTP QLD	\$16.5	-	7.00%	(0.25)%
Total Brisbane Technology Park	\$177.7	\$6.4	6.81%	(0.17)%
Rhodes A, Rhodes NSW	\$102.0	\$(2.3)	5.88%	-
Rhodes C, Rhodes NSW	\$86.0	\$(2.6)	5.75%	-
Total Rhodes Corporate Park	\$188.0	\$(4.9)	5.82%	-
Total – Existing portfolio independent valuations	\$1,189.6	\$91.0	5.32%	(0.48)%

1. Before rent straight lining adjustments.

Developments

Project status

Project duration

Project	Building area (sqm)	Development status	Project cost est. ¹	Remaining spend ¹	Est. yield on cost ²	FY22	FY23	FY24	FY25	FY26
Committed										
Jandakot, WA	75,700	Construction	\$59m	\$38m	5-6%					
Kemps Creek, NSW ³	42,500	Active leasing and planning	\$69m	\$52m	n.a.					
Uncommitted										
Jandakot, WA	304,100	Active leasing and planning	\$200m	n.a.	5-6%					
Moorebank, NSW	34,000	Planning phase	\$50m	n.a.	c. 5%					

1. Reflects costs at DXI ownership. Uncommitted projects have been rounded.
2. Yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.
3. Fund-through development with settlement expected in July 2022.

Summary balance sheet and look-through gearing

Summary balance sheet

\$'000	31 Dec 2021	30 June 2021
Cash and cash equivalents	5,007	5,762
Investment properties	1,303,075	1,051,008
Equity accounted investments	328,982	-
Other assets	49,410	56,789
Total assets	1,686,474	1,113,559
Borrowings	(468,033)	(343,003)
Distributions payable	(13,804)	(9,440)
Other liabilities	(73,115)	(65,695)
Total liabilities	(554,952)	(418,138)
Net assets	1,131,522	695,421
Stapled securities on issue (thousands)	319,163	209,763
NTA per security¹ (\$)	\$3.55	\$3.20

Look-through gearing reconciliation

\$'000	31 Dec 2021	30 June 2021
Balance sheet		
Drawn debt less cash	468,215	338,175
Total tangible assets less cash	1,640,764	1,067,134
Balance sheet gearing (%)	28.5%	31.7%
Look-through		
Drawn debt less cash	601,986	338,175
Total tangible assets less cash	1,773,822	1,067,134
Look-through gearing (%)	33.9%	31.7%

› A review of the carrying value for Jandakot Airport Holdings² (JAH) was undertaken as part of the preparation of the 31 December 2021 statutory accounts. The value of JAH's assets largely represent a long-term lease receivable on the airport ground lease and property, plant & equipment. As a result, the value of JAH has been included in the calculation of NTA.

1. Calculated as total net assets less intangible assets on a look-through basis, divided by total securities on issue. NTA per security as at 31 December 2021 includes capitalised estimated transaction costs equating to 6 cents per security.

2. JAH's income is attributed to ground rent from JCH, infrastructure services, apron licences and airside parking from more than 100 tenants, predominantly associated with the aeronautical industry and private individuals. The stabilised portfolio and development land at Jandakot Airport is owned within Jandakot City Holdings Pty Ltd (JCH).

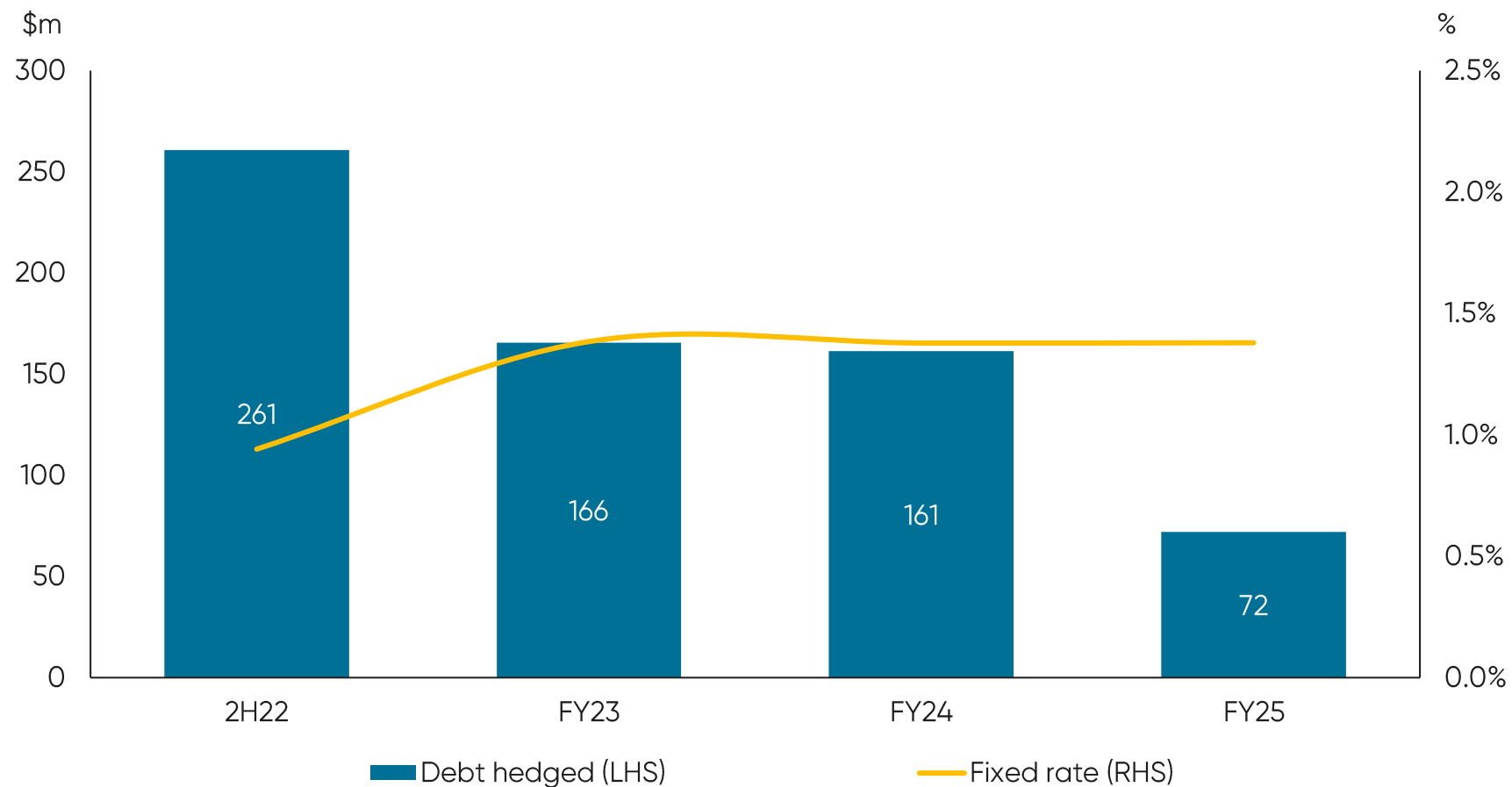
Consolidated profit & loss statement

\$'000	HY22	HY21
Net rental income	36,227	30,864
Straight line rental income recognition	954	904
Total revenue	37,181	31,768
Property costs	(7,147)	(5,780)
Trust management fees	(3,159)	(2,319)
Other expenses	(634)	(503)
Expenses	(10,940)	(8,602)
Net operating income (EBIT)	26,241	23,166
Net fair value gain / (loss) on investment properties	86,673	13,779
Net fair value gain / (loss) on investment properties – ROU	(146)	(62)
Net fair value gain / (loss) on derivatives	3,718	719
Share of net profit of investments accounted for using the equity method	1,883	-
Net interest expense	(2,177)	(4,162)
Net income before tax	116,192	33,440
Income tax expense	(2,495)	(1,590)
Statutory net profit after tax	113,697	31,850

FFO reconciliation

\$'000	HY22	HY21
Statutory net profit after tax	113,697	31,850
Adjusted for:		
Reversal of straight-line lease revenue recognition	(954)	(904)
Reversal of fair value (gain) / loss on investment properties	(86,673)	(13,779)
Reversal of fair value (gain) / loss on investment properties - ROU assets	146	62
Reversal of fair value (gain) / loss on derivatives	(3,718)	(719)
Reversal of movement in lease liabilities	(134)	(48)
Reversal of finance costs – gain on debt modifications	(2,869)	-
Add back amortised leasing costs and rent-free adjustments	2,839	2,415
Add back income tax expense	2,495	1,590
Other one-off items	-	(679)
FFO	24,829	19,788
Distribution declared	23,196	17,513
Weighted securities on issue (thousands)	262,423	198,590
Payout ratio (distribution per security / FFO per security)	91.4%	86.3%
Distribution per security (cents per Security)	8.7	8.6
FFO (cents per security)	9.5	10.0

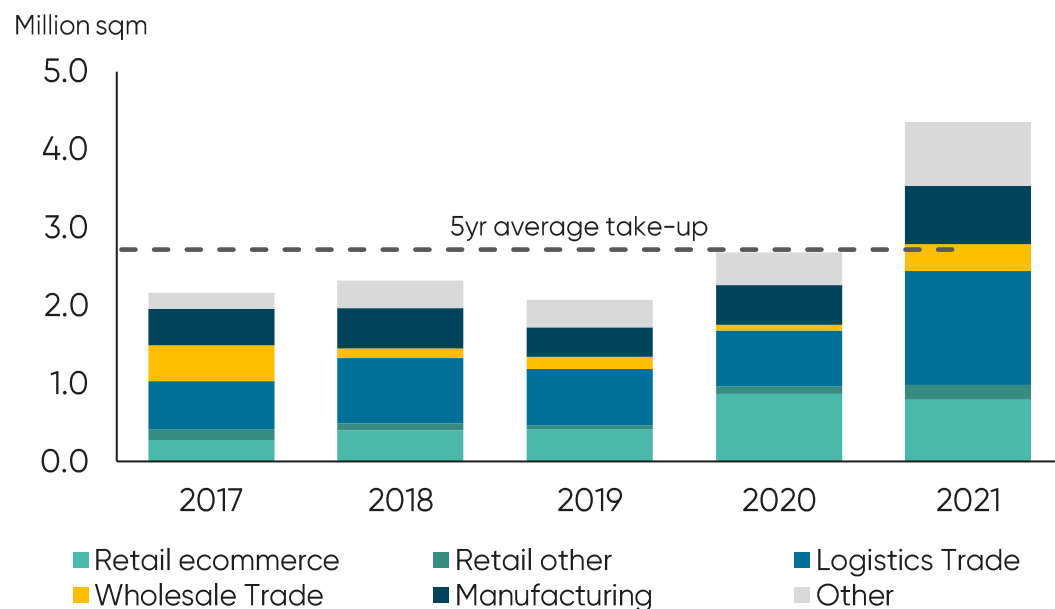
Interest rate hedging profile



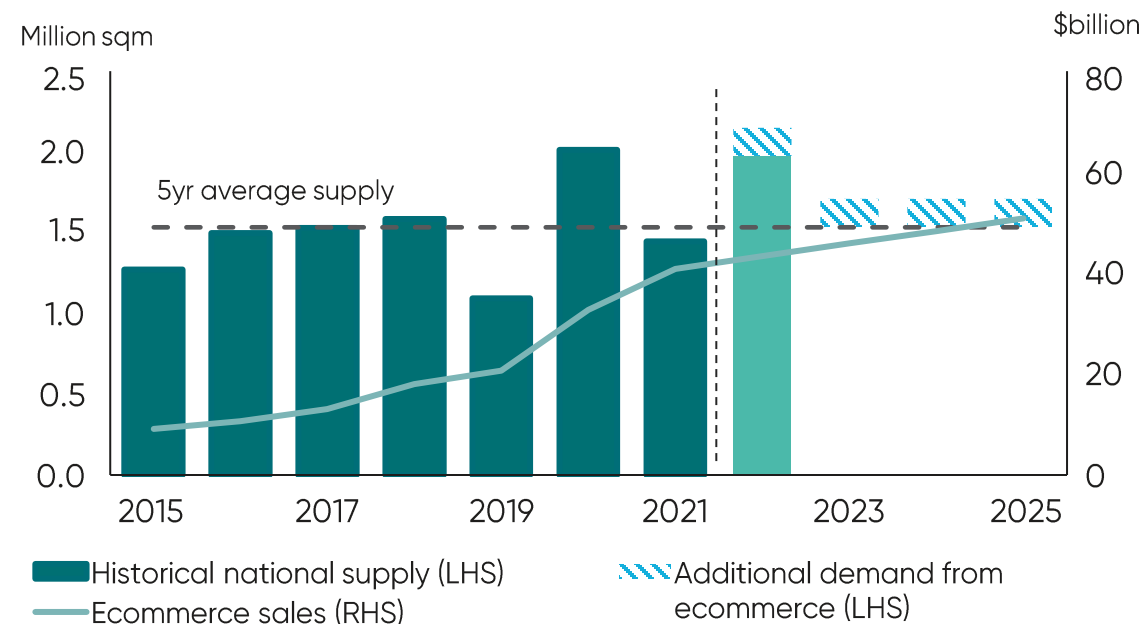
Market dynamics

- › **Demand approximately 1.6x the five-year average** driven by rapid growth in ecommerce, leading to significant supply chain investment
- › **An extra 700,000sqm required** over next 4 years to support ecommerce

Demand running nearly double the average rate of take-up



Historical supply and additional ecommerce driven demand



Source: Dexus Research, JLL Research, ABS, CBRE Research.

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