

# Dexus (ASX: DXS)

## ASX release



15 February 2022

### 2022 Half year results presentation

Dexus provides its 2022 half year results presentation.

An investor conference call will be held at 9.30am (AEDT) today, which will be webcast via the Dexus website at [www.dexus.com/investor-centre](http://www.dexus.com/investor-centre) and available for download later today.

The property synopsis spreadsheet is also available at [www.dexus.com/financialresults](http://www.dexus.com/financialresults)

This presentation should be read in conjunction with the HY22 results release and the HY22 Appendix 4D and Financial Statements.

*Authorised by the Board of Dexus Funds Management Limited*

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### About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$45.3 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$18.3 billion of office, industrial and healthcare properties, and investments. We manage a further \$27.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$17.8 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across our business, and our sustainability approach is the lens we use to manage emerging ESG risks and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 30,000 investors from 23 countries. With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering superior risk-adjusted returns for investors.

[www.dexus.com](http://www.dexus.com)

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)  
Level 25, 264 George Street, Sydney NSW 2000

# 2022 Half Year Results

15 February 2022

# 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, present and emerging.

**Artist:** Amy Allerton, Indigico Creative, a Gumbaynggir and Bundjalung 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 find new ways to build and expand, as they dream and innovate to create the places where we thrive.



# Agenda

Overview

Darren Steinberg, CEO

Financial results

Keir Barnes, CFO

Funds management

Deborah Coakley, EGM Funds Management

Office portfolio

Kevin George, EGM Office

Industrial portfolio

Stewart Hutcheon, EGM Industrial, Retail & Healthcare

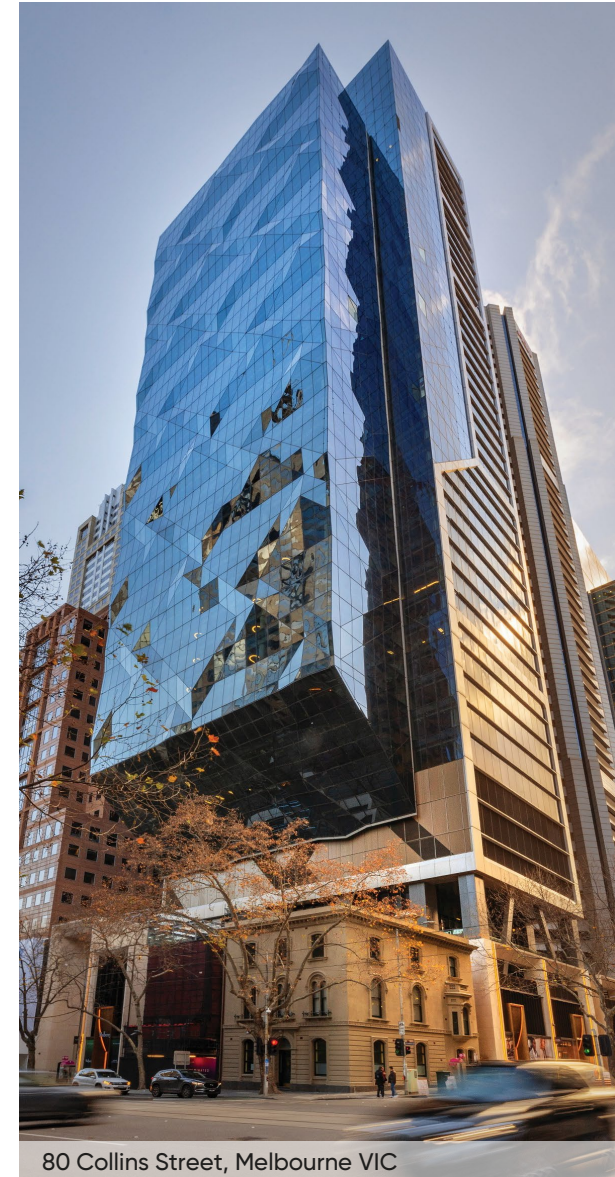
Investments and Developments

Ross Du Vernet, CIO

Summary

Darren Steinberg, CEO

Appendices



80 Collins Street, Melbourne VIC

# Active six months embeds future growth

- › Continued growth and strong performance across the **funds management business**
  - Raised circa **\$1.3 billion** across funds<sup>1</sup> in HY22
- › Secured **heads of agreement at city-shaping Waterfront Brisbane** development and 154,534sqm industrial development leasing
- › Maintained **high occupancy levels** through leasing activity, reinforcing the resilience of the portfolio
- › Undertook **\$9.3 billion of property transactions** across the group, recycling capital into higher returning opportunities
- › Dexus outperformed real estate companies globally to achieve an **S&P Global Gold Class distinction** in the S&P Global Sustainability Yearbook 2022

<sup>1</sup> Including expected settlement of Jandakot Airport, Perth and including the introduction of Cbus Super into the joint venture.



Jandakot Airport, Perth WA



# Our strategy

Well positioned to leverage key megatrends

|                               |   |   |
|-------------------------------|---|---|
| <b>Purpose</b> >              | To create spaces where people thrive  |   |
| <b>Vision</b> >               | To be globally recognised as Australia's leading real estate company  |   |
| <b>Strategy</b> >             | To deliver superior risk-adjusted returns for investors from high-quality real estate in Australia's major cities |   |
| <b>Strategic objectives</b> > | <b>Sustainable income streams</b>   | <b>Real estate investment partner of choice</b> |

## Strategy underpinned by key megatrends:



# Fully integrated real estate platform

Across multiple sectors

**\$45.3 billion<sup>1</sup> real estate platform**

**Office  
\$24.9bn**

**Industrial  
\$11.0bn<sup>1</sup>**

**Retail  
\$6.6bn**

**Healthcare  
\$1.4bn**

**Dexus  
\$13.7bn**  
(HY21 \$13.8bn)

**Funds  
\$11.2bn**  
(HY21 \$8.7bn)

**Dexus  
\$4.0bn<sup>1</sup>**  
(HY21 \$2.4bn)

**Funds  
\$7.0bn<sup>1</sup>**  
(HY21 \$3.1bn)

**Dexus  
\$0.1bn**  
(HY21 \$0bn)

**Funds  
\$6.5bn**  
(HY21 \$3.3bn)

**Dexus  
\$0.5bn**  
(HY21 \$0.3bn)

**Funds  
\$0.9bn**  
(HY21 \$0.5bn)



1. Funds under management as at 31 December 2021 is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture. Dexus group funds under management includes \$1.4 billion funds under management in real estate securities funds.

# Environmental, Social and Governance update

## 2021 Global ESG benchmark performance

**Sustainability Award**  
Gold Class 2022  
**S&P Global**

**Global real estate leader**  
S&P Global Sustainability  
Yearbook



**#4 Global**  
Listed Office for Dexus  
Office Trust



**A-**  
CDP Climate Change

## ESG update

### Targeting Net Zero by 30 June 2022

- › Reducing emissions and undertaking property upgrades
- › Transitioning to renewables and carbon offsets for managed assets

### Reflect Reconciliation Action Plan (RAP)

- › Supporting the implementation of Dexus's Reflect RAP to engage and drive opportunities for First Nations people within the property industry

### Enhancing awareness

- › Conducting workshops and education sessions across our employee and customer base with community partners, Black Dog Institute and Planet Ark





# Financial results



# Key earnings drivers and valuations

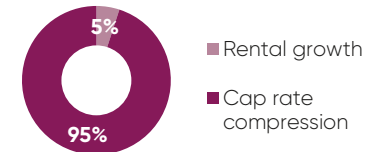
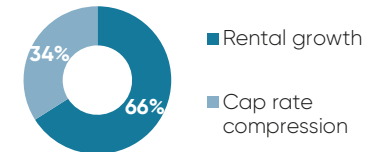
Property portfolio valuations remain robust

## Key earnings drivers

| Earnings driver           | HY22 result   |
|---------------------------|---|
| <b>Property portfolio</b> | Property AFFO <sup>1</sup> of \$313.4 million<br>+4.4% office LFL income <sup>2</sup><br>-2.3% industrial LFL income <sup>3</sup>         |
| <b>Funds management</b>   | Management operations FFO of \$37.2 million – comprising earnings from funds management, property and development management              |
| <b>Trading</b>            | Trading profits of \$21.6 million <sup>4</sup> secured from settlement of Gladesville, Truganina, Ravenhall and Botany trading properties |

## Property portfolio valuations

|                             | 31 Dec 2021 value <sup>5</sup> | Valuation six-month movement <sup>6</sup> | Capitalisation rate six-month movement |
|-----------------------------|--------------------------------|---|--|
| <b>Total portfolio</b>      | \$18.3bn                       | ↑ \$486.6m<br>2.8%                        | 4.76%<br>↓ 15bps                       |
| <b>Office portfolio</b>     | \$13.7bn                       | ↑ \$147.0m<br>1.1%                        | 4.85%<br>↓ 6bps                        |
| <b>Industrial portfolio</b> | \$4.0bn                        | ↑ \$330.1m<br>8.9%                        | 4.42%<br>↓ 50bps                       |



1. AFFO contribution is calculated before net finance costs, group corporate costs and tax. Property AFFO is equal to Property FFO of \$407.9m less total portfolio AFFO capex of \$94.5m.  
 2. Office LFL income was +8.4% including the impact of rent relief and provision for expected credit losses.  
 3. Industrial LFL income was -1.8% including the impact of rent relief and provision for expected credit losses.

4. Post tax.  
 5. Total portfolio value of \$18.3bn includes \$0.8bn co-investments in pooled funds and financial assets, and is comprised of office portfolio \$13.7bn, industrial portfolio \$4.0bn, healthcare portfolio \$0.5bn and retail \$0.1bn.  
 6. Valuation movement excludes co-investments in pooled funds and financial assets. Includes healthcare and other property revaluation gain of \$9.5m and excludes leased assets revaluation loss of \$0.4m.

# HY22 financial results

Strong underlying growth in a complex operating environment

|  | HY22<br>\$m  | HY21 <sup>4</sup><br>\$m | Change<br>%    |
|--|--------------|--------------------------|----------------|
| Office property FFO                          | 338.7        | 330.5                    | ↑ 2.5%         |
| Industrial property FFO                      | 69.2         | 57.5                     | ↑ 20.3%        |
| <b>Total property FFO</b>                    | <b>407.9</b> | <b>388.0</b>             | <b>↑ 5.1%</b>  |
| Management operations <sup>1</sup>           | 37.2         | 27.3                     | ↑ 36.3%        |
| Group corporate                              | (22.4)       | (16.6)                   | ↑ 34.9%        |
| Net finance costs                            | (54.7)       | (64.4)                   | ↓ 15.1%        |
| Co-investments in pooled funds <sup>2</sup>  | 13.8         | 3.1                      | ↑ 345.2%       |
| Other <sup>3</sup>                           | (6.7)        | (8.9)                    | ↓ 24.7%        |
| <b>Underlying FFO</b>                        | <b>375.1</b> | <b>328.5</b>             | <b>↑ 14.2%</b> |
| Trading profits (post tax)                   | 21.6         | 47.1                     | ↓ 54.1%        |
| <b>FFO</b>                                   | <b>396.7</b> | <b>375.6</b>             | <b>↑ 5.6%</b>  |
| <b>Adjusted Funds from Operations (AFFO)</b> | <b>302.2</b> | <b>313.8</b>             | <b>↓ 3.6%</b>  |
| Distribution payout (% AFFO)                 | 99.7%        | 99.9%                    |                |
| <b>Distribution</b>                          | <b>301.2</b> | <b>313.6</b>             | <b>↓ 4.0%</b>  |

- Management operations FFO includes development management fees.
- Includes distribution income from Dexus's co-investment stake in pooled funds and excludes joint venture and partnership income which is proportionately consolidated in Note 1 Operating Segments within Dexus's Financial Statements. See page 46 in Appendices for further detail.
- Other FFO includes non-trading related tax expense, directly owned healthcare property and other miscellaneous items.
- HY21 amounts have been restated to align with HY22 categorisations including the new 'Co-investments in pooled funds' category and includes restatement for IFRIC SaaS customisation expenses.
- Underlying FFO excludes trading profits post tax.

- › **Office property FFO** increased primarily due to fixed rent increases and the acquisition of Capital Square, Perth partly offset by the impact of divestments
- › **Industrial property FFO** increased primarily due to acquisitions including Jandakot Airport, Perth and recently completed developments
- › **Management operations FFO** increased significantly, driven by the merger of ADPF with DWPF, the acquisition of the APN funds platform and other successful funds management initiatives
- › **Net finance costs** reduced primarily due to interest reimbursement for the delayed settlement of Grosvenor Place and interest income from Capital Square
- › **Co-investments in pooled funds** new disclosure enhancement which includes Dexus's co-investments in pooled funds and excludes joint venture and partnership income which remain proportionately consolidated in Note 1 Operating Segments within Dexus's Financial Statements. HY21 composition has been restated for consistency

| Key per security metrics                 | HY22       | HY21       | Change  |
|--|------------|------------|---------|
| Underlying FFO per security <sup>5</sup> | 34.9 cents | 30.1 cents | ↑ 15.9% |
| FFO per security                         | 36.9 cents | 34.4 cents | ↑ 7.3%  |
| AFFO per security                        | 28.1 cents | 28.8 cents | ↓ 2.4%  |
| Distribution per security                | 28.0 cents | 28.8 cents | ↓ 2.8%  |
|  | HY22       | FY21       | Change  |
| Net Tangible Assets (NTA) per security   | \$11.77    | \$11.42    | ↑ 3.1%  |

# COVID-19 impacts

## Rent collections of 97.9% for HY22

### HY22 rent collections

- › **Strong cash collection** while ensuring the viability of small business customer base
- › **Continuing to work with customers** on rent relief requests, but receiving fewer requests
- › Most rent relief **requests from inner city retail customers** due to impact of COVID lockdowns

| Rent collections <sup>1</sup> | Office | Industrial | Total |
|-------------------------------|--------|------------|-------|
| Total HY22                    | 97.8%  | 98.3%      | 97.9% |
| Total January-22              | 96.3%  | 93.9%      | 95.8% |

### HY22 direct COVID-19 AFFO impacts<sup>2</sup>

| Direct COVID-19 AFFO impacts <sup>2</sup> | HY22 total | HY21 total | HY22 Est. rent waivers | HY21 Est. rent waivers | HY22 provisions | HY21 provisions |
|---|------------|------------|------------------------|------------------------|-----------------|-----------------|
| Office                                    | -\$11.4m   | -\$16.1m   | -\$13.2m <sup>3</sup>  | -\$11.8m               | +\$1.8m         | -\$4.3m         |
| Industrial                                | -\$2.9m    | +\$0.6m    | -\$2.1m <sup>4</sup>   | +\$0.5m                | -\$0.8m         | +\$0.1m         |
| Total <sup>5</sup>                        | -\$14.3m   | -\$15.5m   | -\$15.3m               | -\$11.3m               | +\$1.0m         | -\$4.2m         |

1. Dexus share.

2. Estimated rent waivers and provisions for the 6 months to 31 December 2021. In addition, rent deferrals of \$2.6m, which do not directly impact FFO or AFFO, have been agreed or estimated during the 6 months to 31 December 2021.

3. Cumulative rent waivers within AFFO as at 31 December 2021 is \$32.8m, of which \$13.2m was recognised in HY22.

4. Cumulative rent waivers within AFFO as at 31 December 2021 is \$4.2m, of which \$2.1m was recognised in HY22.

5. The HY22 statutory impact is \$9.3m. The difference between the statutory impact and AFFO impact of \$5.0m relates to a HY22 adjustment for actual and estimated rent waivers for tenants that were not in arrears.

# Strong financial position

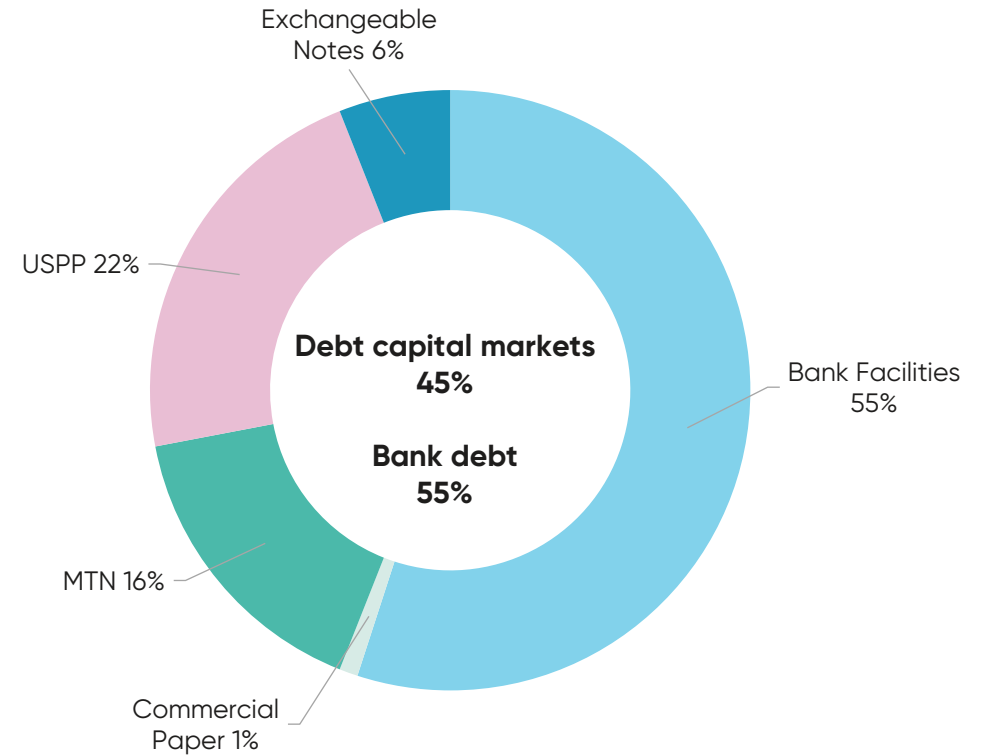
Contracted asset sale proceeds to maintain robust balance sheet

- › **Gearing of 31.1%<sup>1</sup>**, at the lower end of the 30–40% target range
- › Implemented a **simplified corporate structure** from 6 July 2021
- › **Staggered settlement dates on contracted divestments** to support development pipeline and growth opportunities

| Key metrics                          | 31 December 2021   | 30 June 2021 |
|--------------------------------------|--------------------|--------------|
| Gearing <sup>1</sup>                 | 31.1% <sup>2</sup> | 26.7%        |
| Headroom <sup>3</sup>                | \$1.6bn            | \$1.1bn      |
| Cost of debt <sup>4</sup>            | 2.7%               | 3.2%         |
| Duration of debt                     | 5.4 years          | 6.2 years    |
| Hedged debt (incl caps) <sup>5</sup> | 64%                | 81%          |
| S&P/Moody's credit rating            | A-/A3              | A-/A3        |

1. Adjusted for cash and debt in equity accounted investments.  
 2. Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds was 31.5% as at 31 December 2021.  
 3. Undrawn facilities plus cash.  
 4. Weighted average for the period, inclusive of fees and margins on a drawn basis.  
 5. Average for the period. Hedged debt (excluding caps) was 56% for the six months to 31 December 2021 and 68% for the 12 months to 30 June 2021.

Diversified sources of debt



# Funds management



# Dexus funds platform

## Key characteristics

- ✓

**Broad capital base**

  - › Established capital partners in Australia and offshore
  - › Access to all pools of capital including wholesale, retail, unlisted and listed investors
  
- ✓

**Access to Dexus's capabilities**

  - › Supported by fully-integrated platform across the real estate sector with leading capability set
  - › Ability to drive growth through established vehicles at speed
  
- ✓

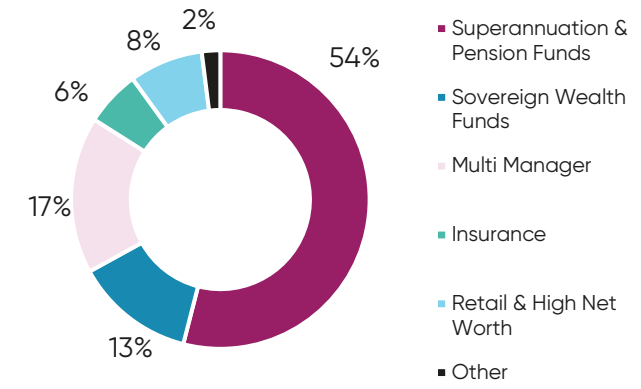
**Strong governance**

  - › Strong, established governance frameworks across vehicles
  - › Underpins our responsibility to deliver outcomes in the best interest of investors
  
- ✓

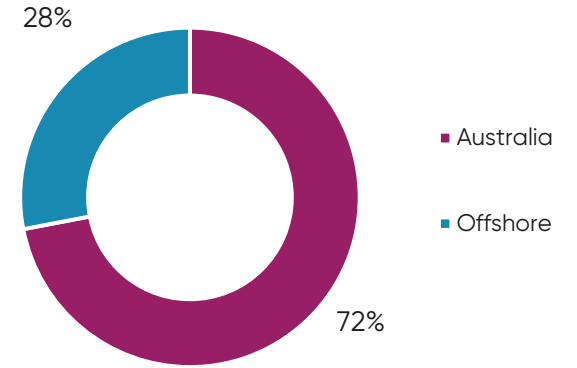
**Sustainability leader**

  - › Focused on long-term creation of sustained value for investors
  - › 2021 GRESB Sector Leader for diversified office/retail entities in Oceania (DWPF)

### Large diversified investor base



### From Australia and Offshore



# Wide offering across the platform

Diversified management business across a number of vehicles

## Institutional Joint Ventures

External FUM  
\$6.4bn



DOTA



DACT



MDAP



DALT



AIP



DITA

Newly established  
Jandakot joint venture

Dexus FUM in JVs \$5.1bn

## Direct Unlisted

External FUM  
\$0.1bn



DNPF



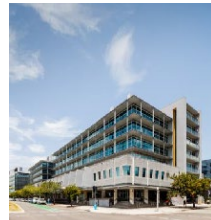
DDF2



DWPF



DHPF



DRPF



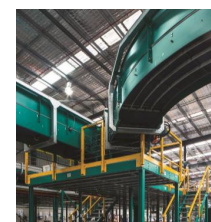
DREP1

## Unlisted Institutional Pooled Funds

External FUM  
\$16.9bn

## Listed Funds

External FUM  
\$2.2bn



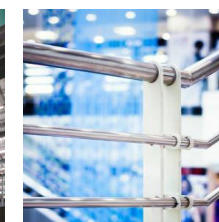
DXI



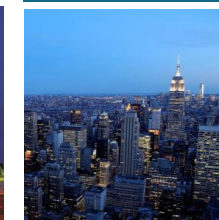
DXC

## Real Estate Securities

External FUM  
\$1.4bn



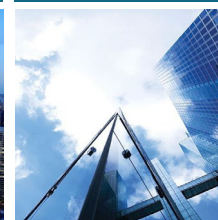
AREIT Fund



Global REIT  
Income Fund



Asian REIT Fund



Property for  
Income Funds 1 & 2

## Venture Capital

TARONGAVENTURES

Taronga Ventures  
Partnership

Broadly classified as 'pooled funds'

Dexus FUM in pooled funds \$0.8bn<sup>1</sup>

1. Reflects Dexus's share of FUM within pooled funds, except for Real Estate Securities funds and AUHPT, which are reflected at Dexus's equity stake in each fund.



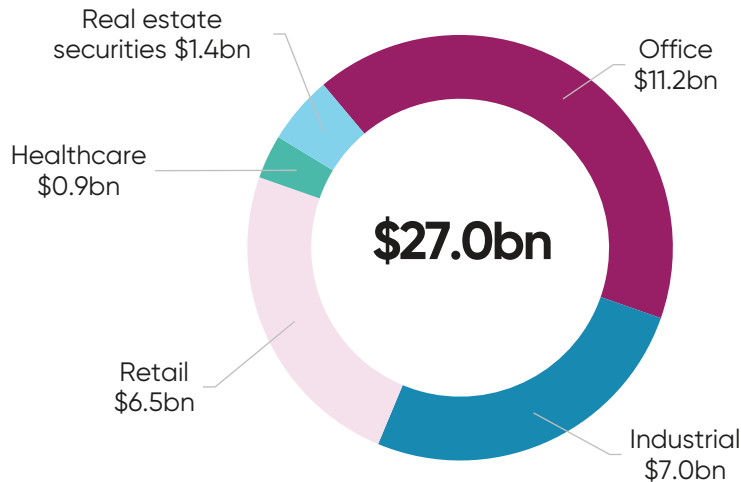
# Funds management

## HY22 highlights

### Strong track record of performance

- › Dexus Wholesale Property Fund (DWPF) outperforming over 3, 5, 7 and 10 years<sup>1</sup>
- › Dexus Healthcare Property Fund (DHPF) delivering a 18.0% one-year return
- › Dexus Australian Logistics Trust (DALT) delivering a 39.2% one-year return and 21.3% return since inception

### Diversified Funds Management business



### Raised \$1.3 billion equity<sup>3</sup> with major raisings for:

|             |              |                          |
|-------------|--------------|--------------------------|
| DXI \$350m  | DXC \$56m    | DHPF <sup>2</sup> \$250m |
| DALT \$142m | DREP1 \$100m | AREIT Fund \$70m         |

### Executing on capital partners' investment strategies

- › Secured a transformational portfolio for Dexus Industria REIT (DXI), value-adding acquisitions for Dexus Convenience Retail REIT (DXC) and DHPF, as well as first three investments for DREP1
- › Introduced Blackstone as new DALT capital partner
- › Secured Cbus Super as a new capital partner<sup>3</sup> for the Jandakot Airport joint venture (33.3% interest)
- › Continued to progress the \$8.3 billion funds management development pipeline
- › Completed over \$1.7 billion<sup>4</sup> of asset sales to fulfil ADPF redemption requests
  - On track to fulfil all requests before October 2022 deadline

### Grown FUM by an average of 21% per annum over the past five years

1. Benchmark: MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index (Net returns, Net Asset weighted).
2. Includes participation by Dexus in fund equity raisings.
3. Including expected settlement of Jandakot Airport, Perth and the introduction of Cbus Super into the joint venture.
4. Representative of all sales to date, including Macquarie Centre, Pacific Fair and Milton Green, exchanged in December 2021.

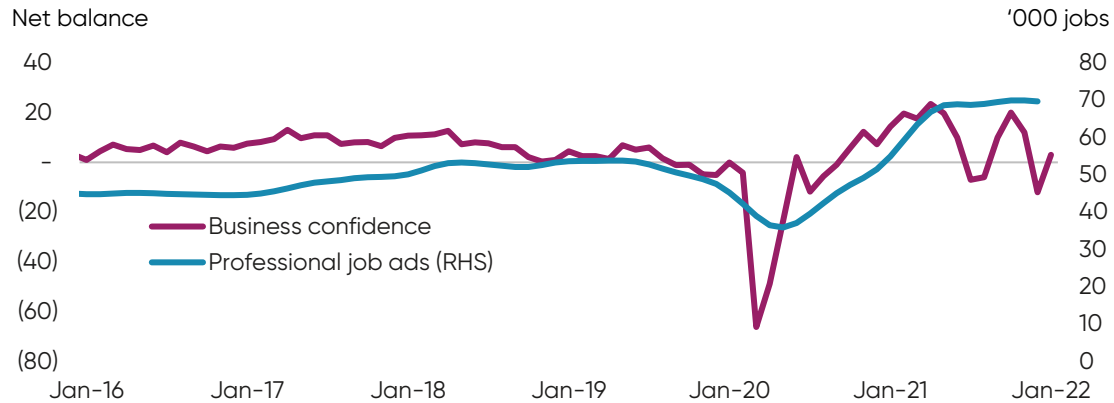
# Office portfolio



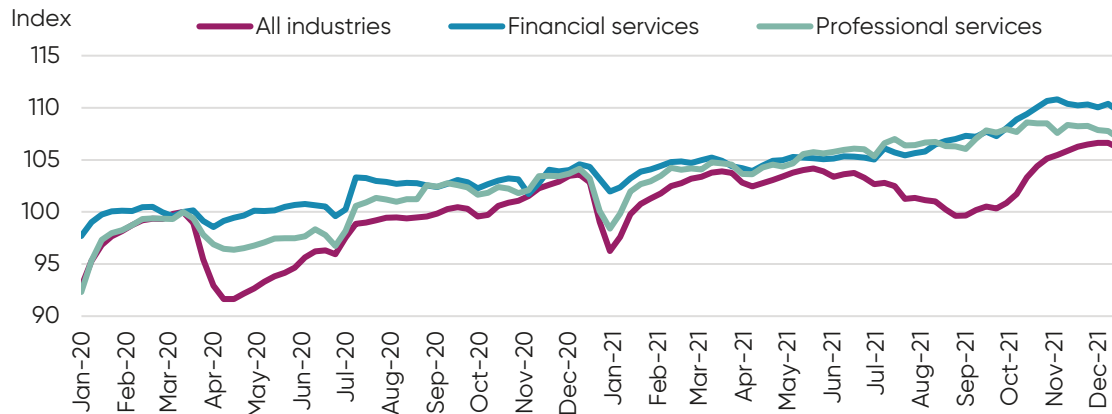
# Office demand indicators are positive

Office to benefit from buoyant conditions in white collar industries

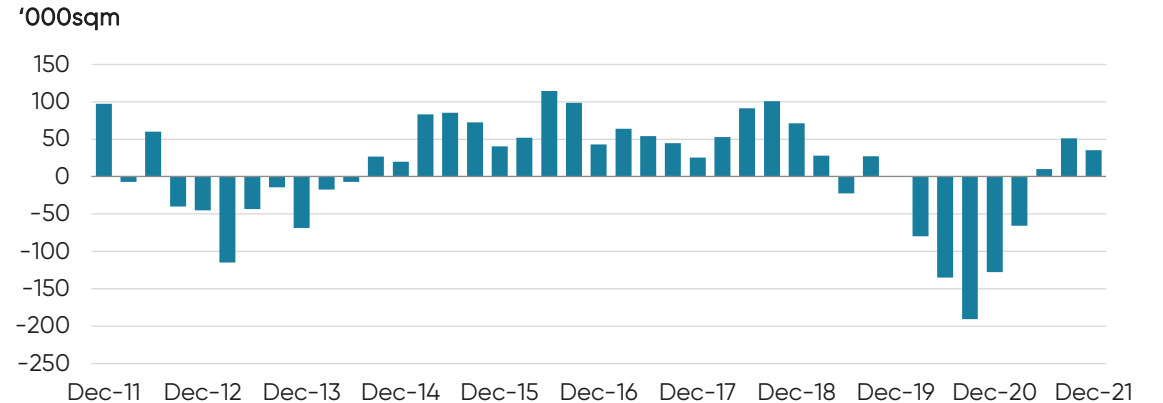
## Hiring intentions are positive amid current wave



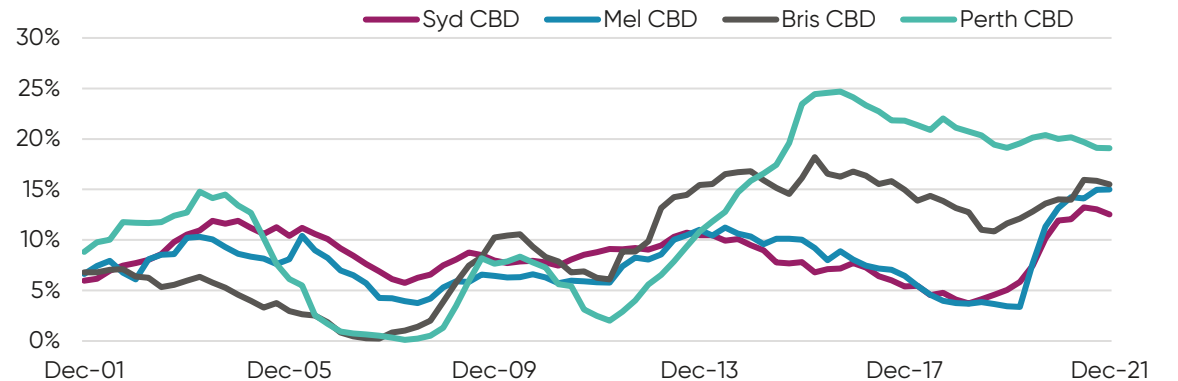
## White collar payroll jobs most resilient of all industries



## Net absorption positive in the 4 major CBDs\*



## Vacancy rates in CBD office markets plateauing, falling in Sydney



Source: Westpac, ABS Index Nov-10=100, JLL Research (\*Sydney CBD, Melbourne CBD, Brisbane CBD, Perth CBD).

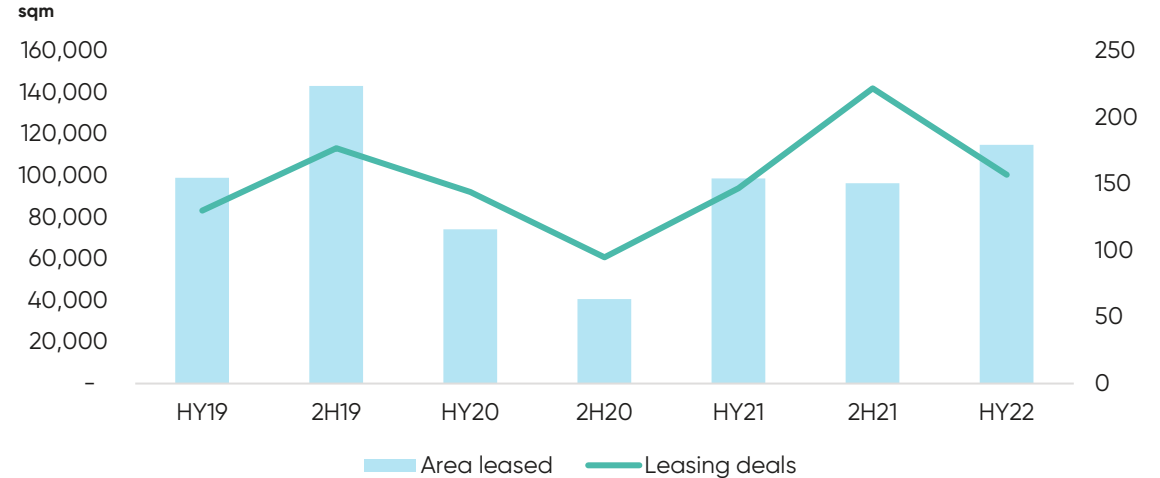
# Office portfolio performance

High occupancy maintained despite difficult operating environment

|   |  |   |
|---|--|---|
| <p><b>\$24.9 billion</b><br/>Dexus group office portfolio</p> <p><b>&gt;1,350</b><br/>Customers</p> <p><b>52 properties</b><br/>Across key CBDs</p> <p><b>1.7 million</b><br/>Square metres</p> <p><b>3.5-4.0%</b><br/>Average fixed rental increases</p> | <p><b>\$13.7 billion</b><br/>Dexus balance sheet office portfolio</p>                |   |
|   | <p><b>Leased by area<sup>1,3</sup></b><br/><b>112,601sqm</b><br/>HY21: 93,691sqm</p> | <p><b>Average incentives<sup>1,3</sup></b><br/><b>29.7%</b><br/>FY21: 24.9%</p>                   |
|   | <p><b>Occupancy<sup>3</sup></b><br/><b>95.1%</b><br/>FY21: 95.2%</p>                 | <p><b>WALE<sup>3</sup></b><br/><b>5.0 years</b><br/>FY21: 4.6 years</p>                           |
|   | <p><b>Effective LFL income<sup>2,3</sup></b><br/><b>+4.4%</b><br/>Face: +1.5%</p>    | <p><b>Portfolio one-year total return<sup>3</sup></b><br/><b>6.3%</b><br/>at 31 December 2021</p> |

- › **Strong leasing activity** despite conditions, maintaining occupancy and increasing WALE along with the Capital Square acquisition
- › **Incentives in line** with levels experienced since 2Q21 (1Q21 incentives weighing down the FY21 average incentive figure)
  - **Expect incentives in Sydney to moderate** as return to office takes hold during CY22
- › Dexus well placed with its **94% prime grade<sup>4</sup> portfolio**

Historical leasing (including development leasing)

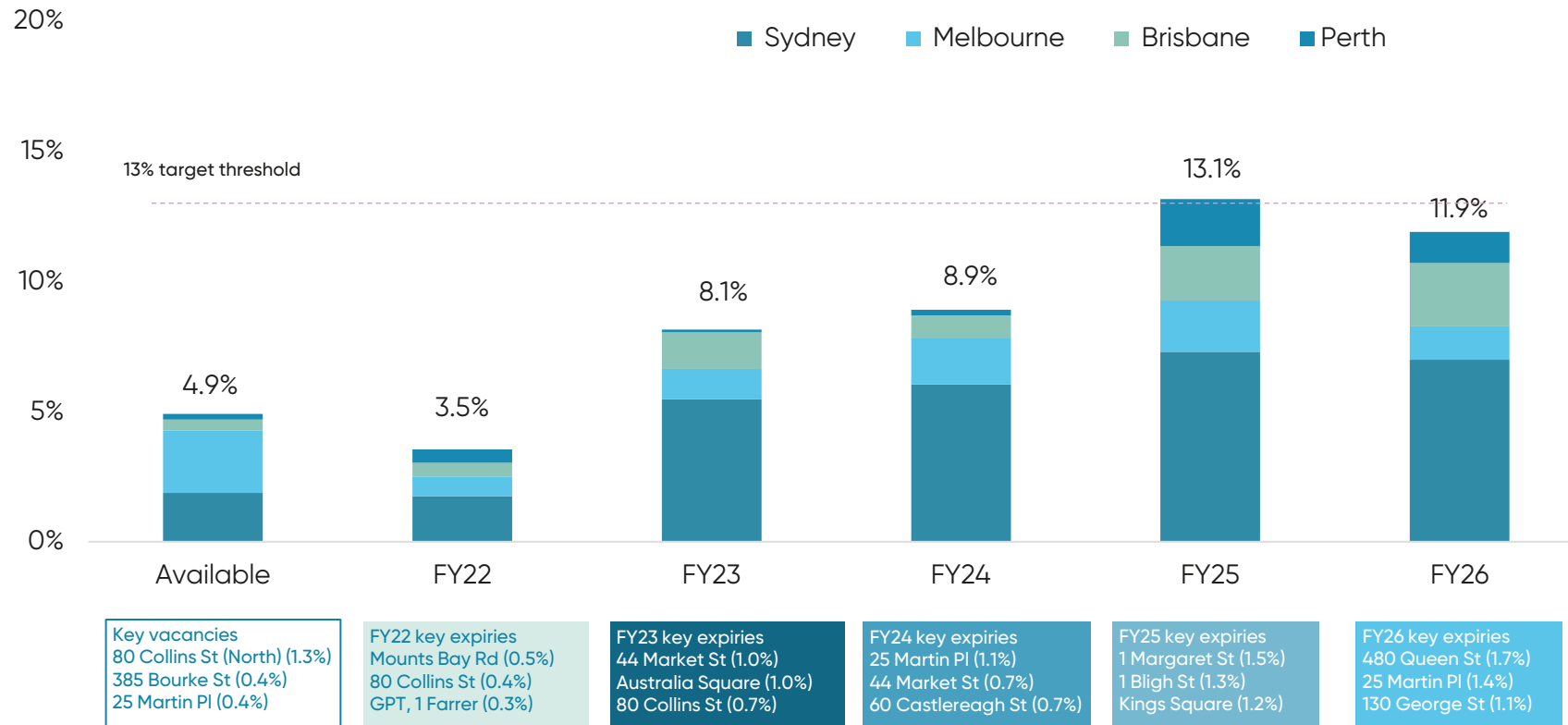


1. Excludes development leasing of 2,273sqm across 6 transactions.  
 2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective +8.4% and Face +4.9%.  
 3. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.  
 4. Prime grade buildings represent 94% of the office portfolio excluding assets held for sale and including development-affected assets.

# Staggered expiry profile and diversified tenant base

Dexus office portfolio well placed

Dexus office portfolio lease expiry profile (by income)<sup>1</sup>



Diversified tenant base with limited concentration risk

Top customer – Victoria State Government represents **3.3%** of property portfolio income

Top 10 tenants represent **17%** of property portfolio income

Top office customer industry groups  
 Financial/Insurance – **15%**  
 Legal services – **14%**  
 Public Admin/Safety – **13%**

<sup>1</sup> Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.

# Leasing observations

Positive indicators for leasing and large tenants active

## Dexus leasing observations

- › Sydney premium office **occupancy costs<sup>1</sup> are one-third of top global cities** (Hong Kong Central and New York midtown), ranking Sydney the 34th most expensive city in the world
- › **Strong demand from small to medium customers** (sub 1,000sqm) and government sectors
- › **Seeing resilience** in finance (particularly fintech), technology and professional services sectors
- › **Increased requirement for flexibility** to increase or decrease the size of tenancies during the term
- › **More companies are growing and taking more space** than those that are decreasing in size
- › **Companies are still looking through the current environment** to the future
  - Secured a number of large customers on lease extensions mid-term
  - Strong interest in our development pipeline, with two large tenants conditionally secured across 19,300 square metres at Waterfront Brisbane



Artist impression: Waterfront, Brisbane QLD

1. Source: JLL Global Premium Office Rent Tracker December 2021.



# Industrial portfolio

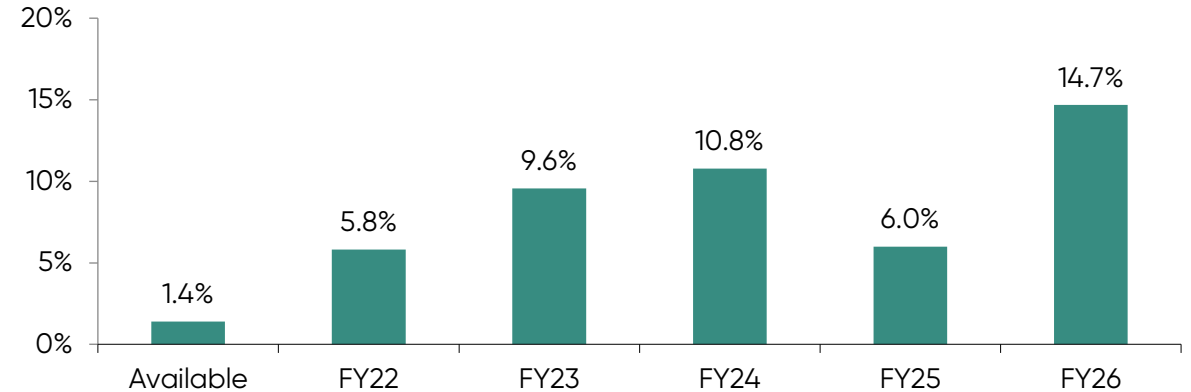
# Industrial portfolio performance

Strong leasing across core and development properties

|  |   |   |
|--|---|---|
| <p><b>\$11.0 billion</b><br/>Dexus group industrial portfolio</p> <p><b>&gt;500</b><br/>Customers</p> <p><b>212</b><br/>properties</p> <p><b>3.5 million</b><br/>Square metres</p> <p><b>3.0-3.5%</b><br/>Average fixed rental increases</p> | <p><b>\$4.0 billion</b><br/>Dexus balance sheet industrial portfolio</p>                                  |   |
|  | <p>Leased by area<sup>1,3</sup><br/><b>115,664sqm</b><br/>across 40 transactions<br/>HY21: 168,749sqm</p> | <p>Occupancy<sup>3</sup><br/><b>98.6%</b><br/>FY21: 97.7%</p>                               |
|  | <p>Average incentives<sup>1,3</sup><br/><b>10.6%</b><br/>FY21: 17.8%</p>                                  | <p>WALE<sup>3</sup><br/><b>5.1 years</b><br/>FY21: 4.4 years</p>                            |
|  | <p>Effective LFL income<sup>2,3</sup><br/><b>-2.3%</b><br/>Face: +0.1%</p>                                | <p>Portfolio one-year total return<sup>3</sup><br/><b>26.3%</b><br/>at 31 December 2021</p> |

- › Significant **leasing volumes drove occupancy improvement** and development commitments
- › **Portfolio over-renting has reduced** from 6% at FY21 to 0.3%, as a result of strong market rent growth
- › **Strong one-year total return** driven by cap rate compression and associated valuation uplifts

Dexus industrial lease expiry profile (by income)<sup>3</sup>



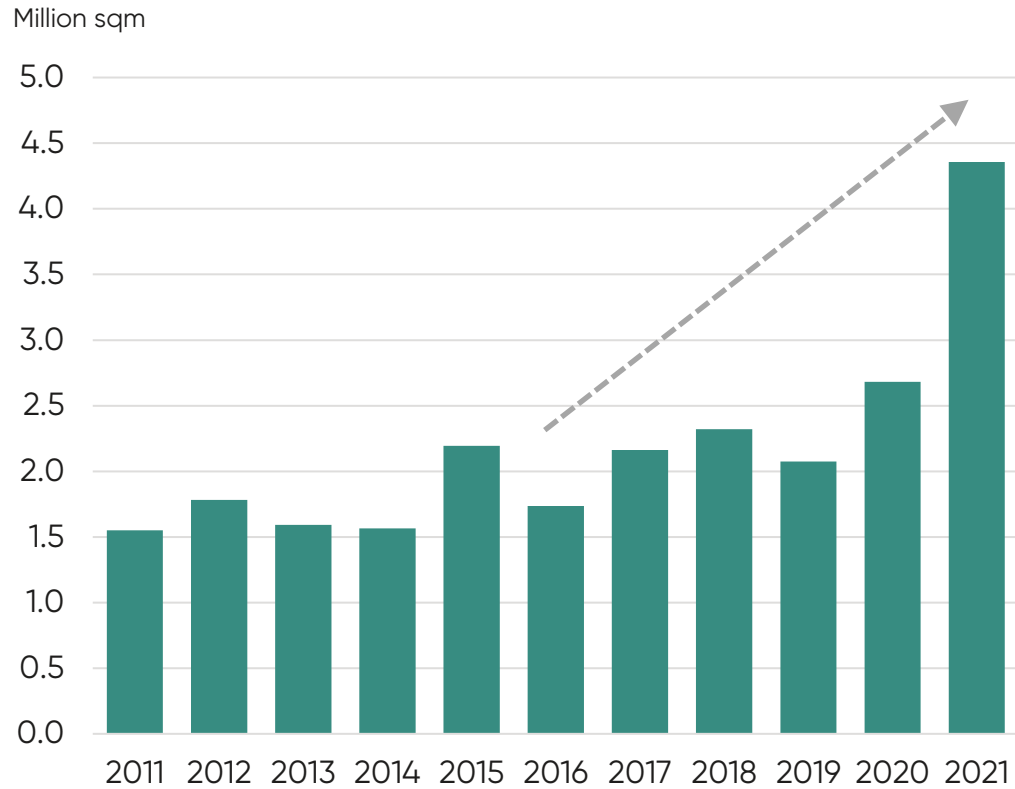
1. Excludes development leasing of 154,534sqm across 9 transactions.  
 2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective -1.8% and Face +0.5%.  
 3. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.



# Industrial take-up boosted by multiple sectors

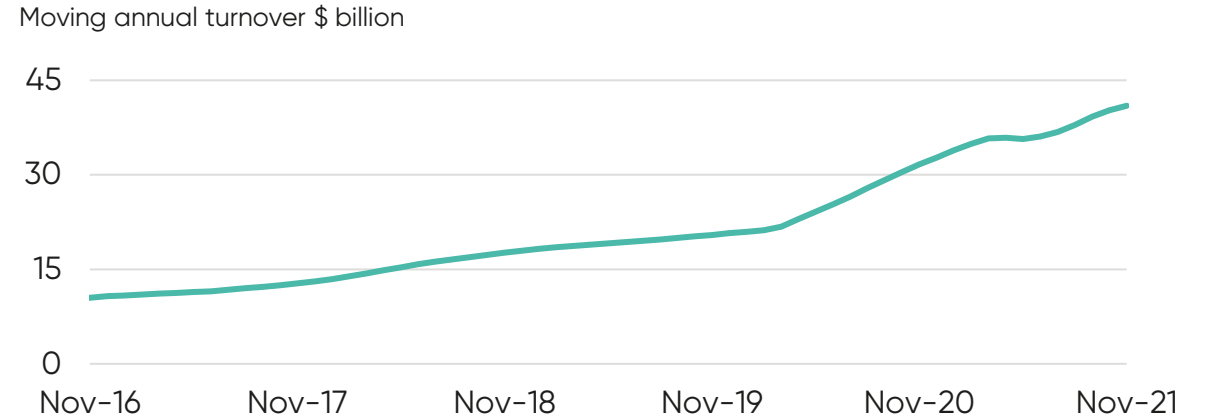
Dexus's customer strategy nods to integration between sectors

## National industrial take-up running strongly



Source: ABS, JLL Research.

## Rapid growth across multiple sectors driving demand



### Dexus leasing observations

- › Logistics firms and retailers **investing in extra distribution space** to cater for last mile fulfilment and need to house extra inventory
- › **Continued ecommerce tailwinds**, with pure play ecommerce operators requiring three times the space of a regular retailer
- › **Dexus's development capability supports customers' growth requirements**, with new leasing already secured at Jandakot Airport

# Investments and Developments



# Significant transactional activity

Recycling into high-returning opportunities

**\$9.3 billion**

Total group transactions across office, industrial, healthcare and convenience retail sectors

**\$4.4 billion**

Group property acquisitions sourced predominantly off-market



Capital Square, Perth WA



Jandakot Airport, Perth WA



Artist impression: Mamre Rd, Kemps Creek NSW



Bethesda Clinic, Claremont WA

**\$4.9 billion**

Group property divestments



Grosvenor Place, Sydney NSW



383 Kent Street, Sydney NSW



150 George Street, Parramatta NSW



60 Miller Street, North Sydney NSW



Victoria Road, Gladesville NSW

# Progressing the \$17.8 billion development pipeline

Progressed planning and leasing at a number of city-shaping projects (\$9.3 billion)



**Brisbane**

Waterfront Brisbane | Target project timing: Stage 1 - 2022 to 2027



**Sydney**

Central Place Sydney

Target project timing: Stage 1 - 2023 to 2026



**Sydney**

Pitt and Bridge precinct

Target project timing: 2024 to 2029



**Sydney**

Atlassian tower

Target project timing: 2022 to 2026

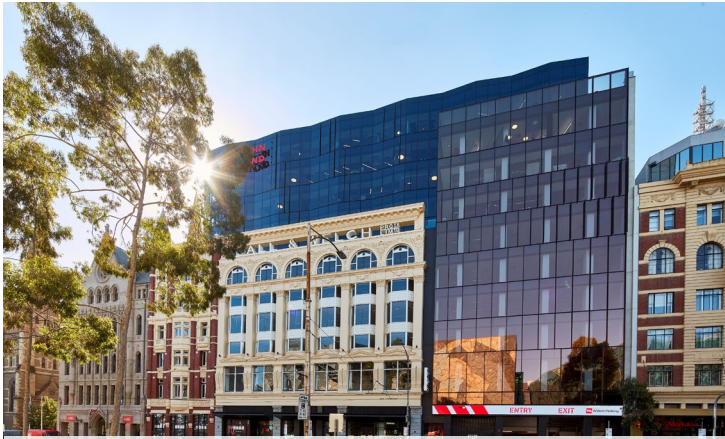


**Melbourne**

60 Collins Street

Target project timing: 2023 to 2026

# Development track record across multiple sectors



180-189 Flinders Street, Melbourne VIC



175 Pitt Street, Sydney NSW



18 Momentum Way, Ravenhall VIC



Australia Bragg Centre, Adelaide SA



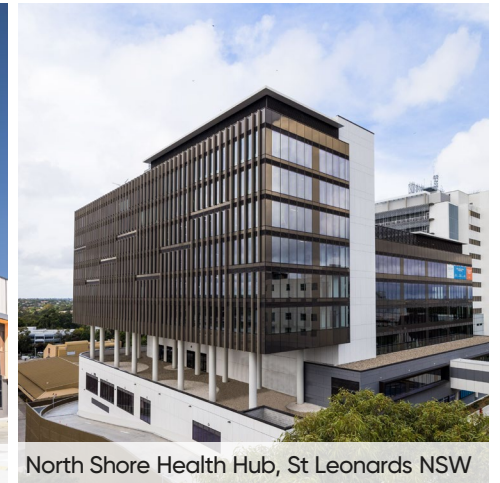
80 Collins Street, Melbourne VIC



25 Martin Place, Sydney NSW



62 Ferndell Street, South Granville NSW



North Shore Health Hub, St Leonards NSW

# Key development pipeline projects

Diversified across eastern seaboard cities

Focus on ultra-prime assets and locations

Optionality on timing on uncommitted projects



| Development                           | Sector     | Development status          | Project cost est. <sup>1</sup> | Est. yield on cost | Commencement | FY22 | FY23 | FY24 | FY25 |
|---------------------------------------|------------|-----------------------------|--------------------------------|--------------------|--------------|------|------|------|------|
| <b>Committed</b>                      |            |                             |                                |                    |              |      |      |      |      |
| 123 Albert Street, Brisbane QLD       | Office     | Construction                | \$0.6bn                        | 5-6%               | FY22         |      |      |      |      |
| Ravenhall VIC                         | Industrial | Construction                | \$0.3bn                        | 6-7%               | FY21         |      |      |      |      |
| Jandakot Airport, Perth WA            | Industrial | Construction                | \$0.2bn                        | 5-6%               | FY22         |      |      |      |      |
| Australian Bragg Centre, Adelaide SA  | Healthcare | Construction                | \$0.5bn                        | n/a                | FY21         |      |      |      |      |
| <b>Uncommitted</b>                    |            |                             |                                |                    |              |      |      |      |      |
| Waterfront, Brisbane QLD              | Office     | Active leasing              | \$2.3bn                        | 5-6%               | FY23         |      |      |      |      |
| Central Place Sydney NSW <sup>3</sup> | Office     | Active leasing and planning | \$1.4bn                        | 5-6%               | FY23         |      |      |      |      |
| Atlassian, Sydney NSW <sup>2</sup>    | Office     | DA approved                 | \$1.4bn                        | 4-5%               | FY22         |      |      |      |      |
| 60 Collins Street, Melbourne VIC      | Office     | Active leasing and planning | \$0.9bn                        | 5-6%               | FY23         |      |      |      |      |
| Pitt and Bridge Precinct, Sydney NSW  | Office     | Planning phase              | \$3.3bn                        | 5-6%               | FY25         |      |      |      |      |
| Ravenhall VIC                         | Industrial | Active leasing and planning | \$0.3bn                        | 6-7%               | FY23         |      |      |      |      |
| Jandakot Airport, Perth WA            | Industrial | Active leasing and planning | \$0.6bn                        | 5-6%               | FY23         |      |      |      |      |

Development phase

1. Dexus group share in development cost (including land and excludes downtime and income earned through development).  
 2. Represents funding obligation for 100% of the project cost (ex land).  
 3. Excluding external party share of project. External JV partner owns 50% of this project.

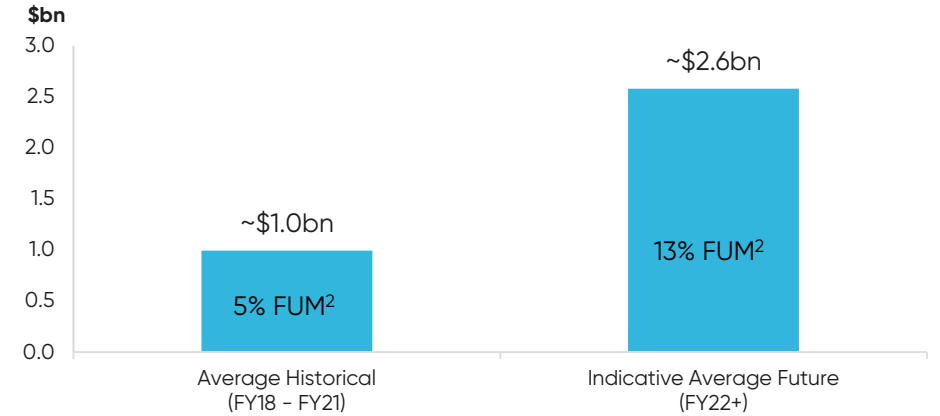
# Developments

Increasing relevance as a driver of returns

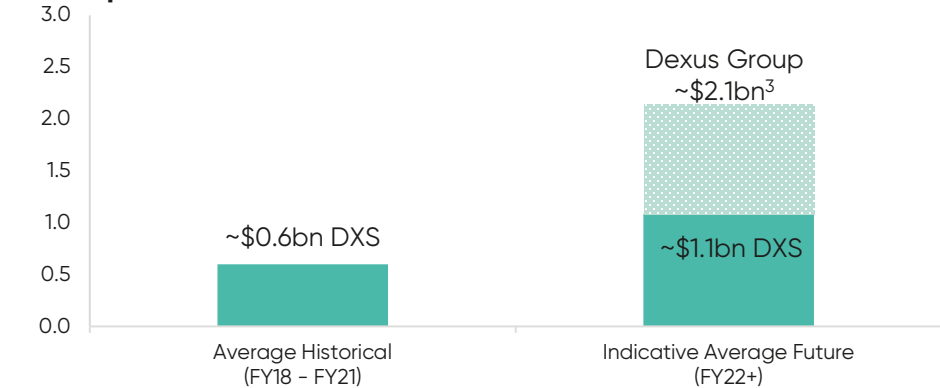


- › **Dexus development WIP is expected to more than double** going forward
  - Incremental development spend forecast \$0.7 billion p.a. on average (excluding existing land)
- › **Average development margins expected to remain strong above 25%**<sup>1,3</sup> (avg historical margin c. 28%)
- › **Average target yield on cost 5-6%**
- › **Minimal upfront capital with a range of funding options:**
  - \$1.6bn existing headroom (undrawn debt facilities plus cash)
  - Stabilised asset sales
  - Selective sell down of de-risked projects

**Dexus annual development WIP (incl. land cost)<sup>1</sup>**



**Dexus group average p.a. development production (completions)<sup>1</sup>**



1. Excludes fund-through and concept developments and assumes restocking of existing industrial landbank beyond FY25 with minimum 200,000sqm of completions p.a.

2. Project cost as a proportion of balance sheet FUM plus estimated committed cost to completion at 31 December 2021.

3. The forecast completion value assumes fully leased at market rents with cap rates at circa 4% for office and industrial.

# Consistent delivery of trading profits over time

## Replenishment of pipeline underway

- › **\$21.6 million<sup>1</sup> of trading profits (post tax)** realised during HY22 across 4 trading projects
- › **Working on securing FY23 trading profits**, with potential contributions from 12 Frederick Street, St Leonards and 149 Orchard Road, Chester Hill, recently acquired in partnership with DREP1
- › **Additional three opportunities within existing portfolio** identified to replenish the pipeline



Trading profit track record since 2012

**\$472 million**  
total trading profits

**30%**  
average IRR



1. Post tax trading profits including contribution from Truganina properties and Lakes Business Park South, Botany, 436-484 Victoria Road, Gladesville and 22 Business Park Drive, Ravenhall.



# Summary



# Dexus investment case

High-quality portfolio with embedded upside from funds management and development

**Fully integrated platform will support generation of superior risk adjusted returns**

## Investment

**\$18.3bn**

of capital invested directly

**High-quality property portfolio across major cities**

**Active balance sheet to capitalise on new initiatives**

**Track record of strong performance**

## Funds Management

**\$27.0bn**

of managed third-party funds

**Diverse platform across multiple sectors and capital sources**

**Relationships with major global real estate investors**

**Grown FUM by an average of 21% per annum over the past five years**

## Development

**\$17.8bn**

development pipeline with embedded upside

**Portfolio of city-shaping development projects**

**Improves quality of Dexus portfolio and embeds growth in funds**

**Ability to develop industry leading product to build sustainable cities**

Note: Funds under management as at 31 December 2021 is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture.

# Summary

## Positioned for the recovery

- › The pandemic continues to impact on business and consumer confidence, and we are **well placed in this environment**
- › **Demonstrated ability to capitalise on opportunities** while also being able to address challenges
- › Ability to **deliver long-term performance beyond the recovery** is a function of:
  - our scale and capability across key real estate sectors
  - our funds management business which provides a capital efficient way to increase our exposure to growth sectors
  - our substantial city-shaping development pipeline
- › Based on current market conditions and barring unforeseen circumstances, Dexus retains its guidance to **deliver distribution per security growth of not less than 2%** for the 12 months ended 30 June 2022



Artist impression: Atlassian Central, Sydney NSW

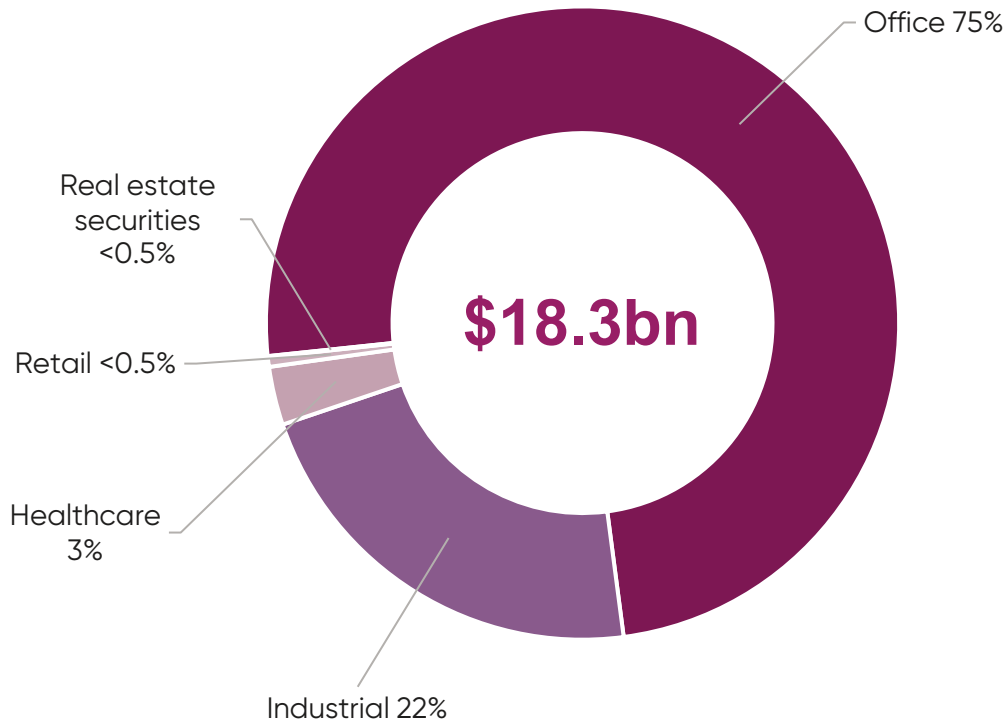
# Appendices



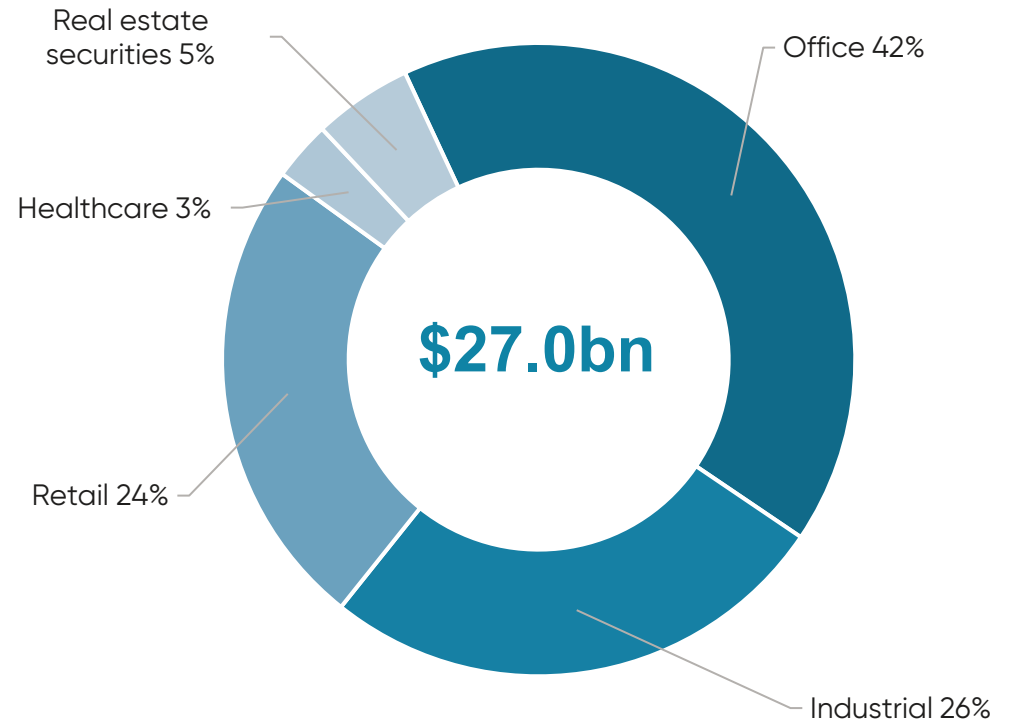
# Dexus today

\$45.3 billion – total funds under management<sup>1</sup>

Dexus portfolio



Funds Management portfolio



1. Funds under management as at 31 December 2021 is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture.

# Alignment with megatrends

to support long-term growth

1

## Urbanisation

Population growth and infrastructure investment will support the ongoing urbanisation of major Australian cities and the development of vibrant communities around major transport nodes

2

## Technological advances

Technological advancements in artificial intelligence, automation, big data and analytics will drive the continual evolution in how individuals and groups work, live and play

3

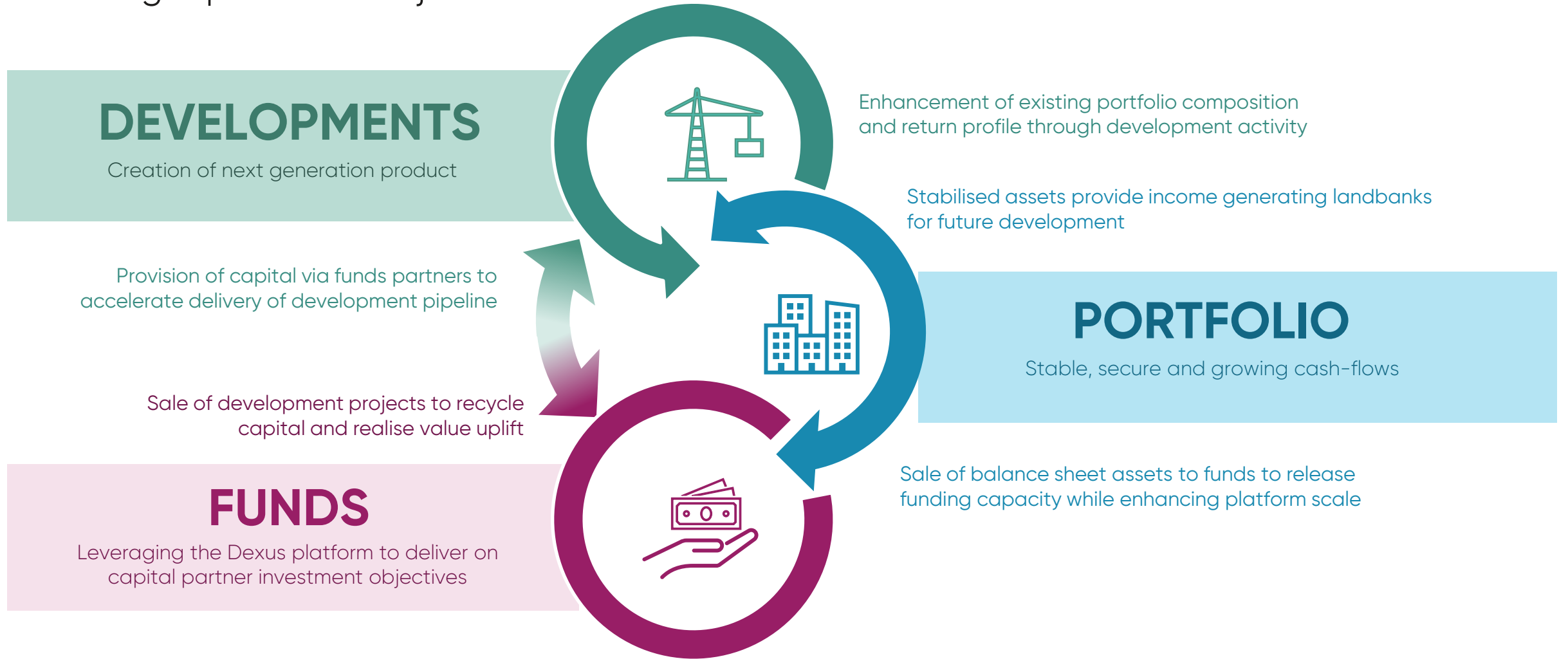
## Growth in pension fund flows

Assets under management from pension funds are expected to increase significantly as populations in developed nations continue to age and allocations to alternatives continue to increase

**Megatrends will drive the integration of real estate asset classes and customer uses**

# Investment strategy and business model

Delivering superior risk-adjusted returns from core Australian real estate



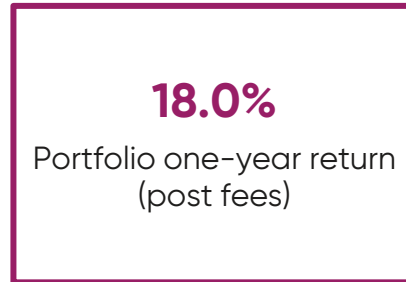
# Case study on growth in funds management

Delivering high quality healthcare product for DHPF's investors

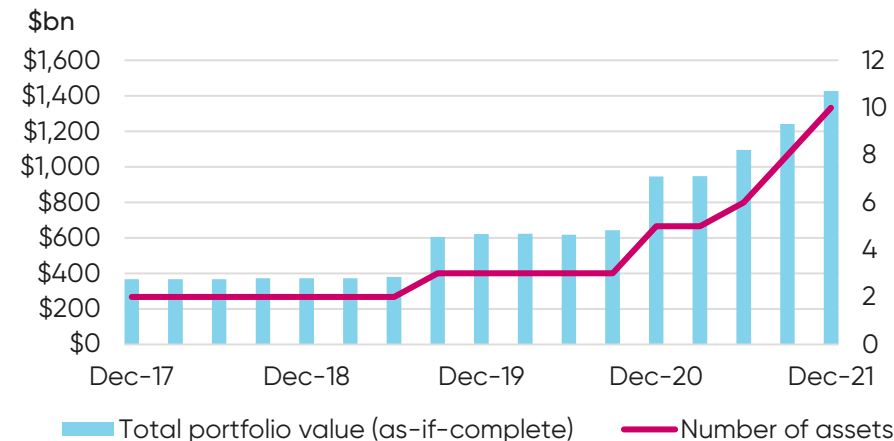
- › **Launched in 2017** to capitalise on trends and unprecedented growth of the Australian healthcare sector, underpinned by strong demand drivers and market fundamentals
- › **Leverages Dexus's scale and platform** to attract capital and build a \$1.4 billion<sup>3</sup> high-quality healthcare real estate portfolio
- › **Raised \$250 million equity** further diversifying the investor base and strengthening the DHPF's ability to continue to acquire and develop product
- › **Growing demand from institutional investors** in Australia, Asia, Europe and North America
- › **Expect further strong growth** in the healthcare sector

1. All figures as at 31 December 2021, unless otherwise stated.  
 2. Includes co-investment by Dexus.  
 3. Based on an as-if-complete basis.  
 4. Total equity raised for DHPF includes equity transactions, secondary transfers and co-investment by Dexus.

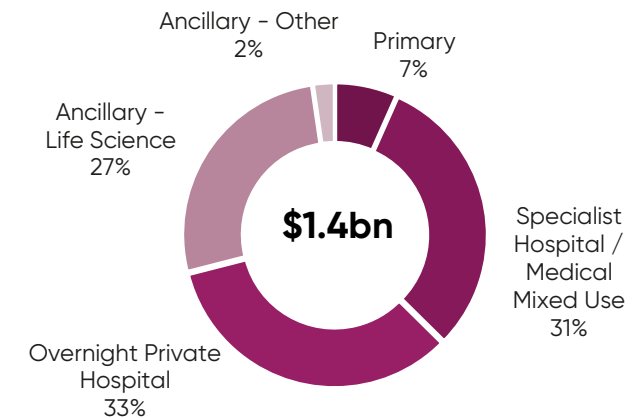
## HY22 highlights



## Significant growth while maintaining high-quality portfolio<sup>1,3</sup>



## DHPF composition<sup>1,3</sup>





# Financial results

## Reconciliation to statutory profit

| Reference                                      | Item   | 31 Dec 2021<br>\$m | 31 Dec 2020 <sup>1</sup><br>\$m |
|--|--|--------------------|---------------------------------|
| Statutory AIFRS net profit after tax           |  | 803.2              | 441.3                           |
| Investment property and inventory              | (Gains)/losses from sales of investment property                         | -                  | (0.7)                           |
|  | Fair value gain on investment properties                                 | (486.2)            | (144.7)                         |
| Financial instruments                          | Fair value (gain)/loss on the mark-to-market of derivatives              | (1.0)              | 65.7                            |
| Incentives and rent straight-lining            | Amortisation of cash and fit out incentives                              | 31.8               | 28.9                            |
|  | Amortisation of lease fees   | 7.0                | 7.0                             |
|  | Amortisation of rent-free incentives                                     | 42.2               | 40.9                            |
|  | Rent straight-lining   | (3.9)              | (0.6)                           |
| Tax  | Non-FFO tax expense  | (12.1)             | (3.1)                           |
| Co-investments                                 | Share of net profit of investments accounted for using the equity method | (45.4)             | (18.2)                          |
|  | Distributions from financial assets at fair value through profit or loss | (3.8)              | -                               |
|  | Distributions from co-investments  | 13.8               | 3.1                             |
| Other unrealised or one-off items <sup>2</sup> | Other unrealised or one-off items  | 51.1               | (44.0)                          |
| <b>Funds From Operations (FFO)</b>             |  | <b>396.7</b>       | <b>375.6</b>                    |
| Maintenance and leasing capex                  | Maintenance capital expenditure  | (24.4)             | (18.9)                          |
|  | Cash incentives and leasing costs paid                                   | (25.6)             | (12.6)                          |
|  | Rent free incentives <sup>3</sup>  | (44.5)             | (30.3)                          |
| <b>Adjusted Funds From Operations (AFFO)</b>   |  | <b>302.2</b>       | <b>313.8</b>                    |
| Distribution                                   |  | <b>301.2</b>       | <b>313.6</b>                    |
| <b>AFFO Payout ratio</b>                       |  | <b>99.7%</b>       | <b>99.9%</b>                    |

1. Restatement of prior year comparatives required to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) regarding the treatment of "Configuration or Customisation Costs in a Cloud Computing Arrangement". Comparatives have also been restated to reflect the impacts resulting from presentational changes made during the half year to 31 December 2021, to separately disclose segment information relating to Co-investments.

2. HY22 other unrealised or one-off items includes \$30.8m of unrealised fair value gains on interest bearing liabilities, offset by \$68.6m transaction costs and one-off significant items (including costs associated with the implementation of the Simplification, APN acquisition, other successful transactions and one off significant items (\$63.3m) and IFRIC SaaS customisation expenses (\$5.3m)), \$2.4m net fair value loss of investments at fair value, \$1.1m amortisation of intangible assets, \$9.8m rental guarantees, coupon income and other items.

3. As at 31 December 2021, cumulative actual and estimated rent waivers within rent free incentives is \$7.7m for tenants not in arrears, of which \$5.0m was recognised during the period.

# Financial results

## Management operations profit

| HY22 (\$m)         | Funds Management | Property Management | Development Management | Management Operations |
|--------------------|------------------|---------------------|------------------------|-----------------------|
| Revenue            | 56.9             | 34.7                | 7.7                    | 99.3                  |
| Operating expenses | (21.3)           | (29.6)              | (11.2)                 | (62.1)                |
| HY22 net profit    | 35.6             | 5.1                 | (3.5)                  | 37.2                  |
| HY22 margin        | 63%              | 15%                 | (45%)                  | 37%                   |
| HY21 margin        | 62%              | 19%                 | (3%)                   | 38%                   |



# Financial results

## Cash flow reconciliation

|  | 31 Dec 2021<br>\$m | 31 Dec 2020 <sup>1</sup><br>\$m |
|--|--------------------|---------------------------------|
| Cash flow from operating activities                                      | 344.2              | 493.6                           |
| add back: payment for inventory acquisition and capex                    | 2.3                | 57.5                            |
| less: cost of sale of inventory  | (139.3)            | (220.9)                         |
| less: tax on trading profits not yet paid                                | (9.2)              | (20.2)                          |
| add back: capitalised interest   | 3.3                | 1.3                             |
| add back: adjustments for equity accounted distributions                 | 80.2               | 56.7                            |
| less: other working capital movements                                    | 26.8               | (16.5)                          |
| add back: transaction costs <sup>2</sup>                                 | 52.1               | 2.4                             |
| <b>Adjusted cash flow from operating activities</b>                      | <b>360.4</b>       | <b>353.9</b>                    |
| Add back: Rent free income   | 44.5               | 30.3                            |
| Less: Depreciation and amortisation (including deferred borrowing costs) | (8.2)              | (8.6)                           |
| <b>FFO</b>   | <b>396.7</b>       | <b>375.6</b>                    |
| Less: payments from maintenance capex and incentives <sup>3</sup>        | (94.5)             | (61.8)                          |
| <b>AFFO</b>  | <b>302.2</b>       | <b>313.8</b>                    |
| Less: gross distribution   | (301.2)            | (313.6)                         |
| <b>Cash surplus/(deficit)</b>  | <b>1.0</b>         | <b>0.2</b>                      |

1. Restatement of prior year comparatives required to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) regarding the treatment of "Configuration or Customisation Costs in a Cloud Computing Arrangement". Comparatives have also been restated to reflect the impacts resulting from presentational changes made during the half year to 31 December 2021, to separately disclose segment information relating to Co-investments.

2. Includes costs associated with the implementation of the Simplification, APN acquisition and other successful transactions.

3. Includes cash and fitout incentives, lease fees and rent-free incentives. As at 31 December 2021, cumulative actual and estimated rent waivers within rent free incentives is \$7.7m for tenants not in arrears, of which \$5.0m was recognised during the period.

# Financial results

## Interest reconciliation

|  | 31 Dec 2021<br>\$m | 31 Dec 2020 <sup>1</sup><br>\$m |
|--|--------------------|---------------------------------|
| Total statutory finance costs  | 71.5               | 71.5                            |
| Less: Debt modification and amortisation of exchangeable notes                                     | (2.1)              | (1.8)                           |
| Less: Finance costs attributable to investments accounted for using the equity method <sup>2</sup> | (0.3)              | (4.4)                           |
| Less: AASB 16 interest expense   | (0.4)              | (0.4)                           |
| Gross finance costs for FFO <sup>3</sup>   | 68.7               | 64.9                            |
| Add: Interest capitalised  | 9.7                | 7.2                             |
| Gross finance costs for cost of debt purpose   | 78.4               | 72.1                            |

1. Comparatives have also been restated to reflect the impacts resulting from presentational changes made during the half year to 31 December 2021, to separately disclose segment information relating to co-investments.
2. Includes finance costs associated with properties held in investments accounted for using the equity method.
3. Excludes interest income of \$14.0m (HY21: \$0.4m) primarily due to interest reimbursement for the delayed settlement of Grosvenor Place and interest income from Capital Square.



100 Mount Street, North Sydney NSW

# Financial results

## Change in net tangible assets and revaluations

|  | \$m             | \$ps           |   | Investment portfolio                     | Valuation change<br>\$m | Weighted average cap rate | % of portfolio FUM |
|--|-----------------|----------------|---|--|-------------------------|---------------------------|--------------------|
| <b>Opening net tangible assets<sup>1</sup> (1 Jul 21)</b>  | <b>12,280.2</b> | <b>\$11.42</b> | ➔ | Dexus office portfolio                   | 147                     | 4.85%                     | 75%                |
| Revaluation of real estate                                 | 486.2           | 0.45           |   | Dexus industrial portfolio               | 330                     | 4.42%                     | 22%                |
| Retained earnings <sup>2</sup>                             | 95.5            | 0.09           |   | <b>Total Dexus portfolio<sup>5</sup></b> | <b>487</b>              | <b>4.76%</b>              | <b>100%</b>        |
| Amortisation of tenant incentives <sup>3</sup>             | (77.1)          | (0.07)         |   |  |                         |                           |                    |
| Fair value and other movements <sup>4</sup>                | (128.3)         | (0.12)         |   |  |                         |                           |                    |
| <b>Closing net tangible assets<sup>1</sup> (31 Dec 21)</b> | <b>12,656.5</b> | <b>\$11.77</b> |   |  |                         |                           |                    |

1. Net tangible assets exclude \$118.0m (FY21: \$76.6m) deferred tax liability relating to management rights.
2. Represents HY22 FFO less distributions.
3. Includes rent straight-lining.
4. Includes fair value movements of derivatives and interest-bearing liabilities, deferred tax and movement in reserves and other.
5. Includes healthcare and other property revaluation gain of \$9.5m and excludes leased assets revaluation loss of \$0.4m.

# Financial results

## Direct property portfolio book value movements

|   | Office <sup>1</sup><br>\$m | Industrial <sup>1</sup><br>\$m | Healthcare<br>and other <sup>1</sup><br>\$m | Dexus total <sup>1</sup><br>\$m | Trading<br>assets <sup>2</sup><br>(inventory)<br>\$m |
|---|----------------------------|--------------------------------|---|---------------------------------|--|
| <b>Opening direct property</b>                  | <b>13,895.3</b>            | <b>2,903.6</b>                 | <b>66.5</b>                                 | <b>16,865.4</b>                 | <b>178.2</b>   |
| Lease incentives <sup>3</sup>                   | 58.4                       | 7.9                            | -   | 66.3                            | 0.6  |
| Maintenance capex                               | 22.0                       | 2.4                            | -   | 24.4                            | -  |
| Acquisitions                                    | 516.5                      | 884.8                          | 17.9  | 1,419.2                         | -  |
| Developments <sup>4</sup>                       | 73.1                       | 47.8                           | 12.5  | 133.4                           | 2.4  |
| Disposals <sup>5</sup>                          | (961.4)                    | (138.6)                        | -   | (1,100.0)                       | (138.6)  |
| Revaluations                                    | 147.0                      | 330.1                          | 9.5   | 486.6                           | -  |
| Amortisation                                    | (73.3)                     | (7.7)                          | -   | (81.0)                          | (0.4)  |
| Rent straight lining                            | 2.7                        | 1.0                            | 0.2   | 3.9                             | 0.2  |
| <b>Closing balance at the end of the period</b> | <b>13,680.3</b>            | <b>4,031.3</b>                 | <b>106.6</b>                                | <b>17,818.2</b>                 | <b>42.4</b>  |

1. Includes Dexus's share of equity accounted investments except those classified as co-investments and excludes leased assets.
2. Trading assets are included in Industrial and Dexus total amounts.
3. Includes rent free incentives.
4. Includes capitalised interest.
5. At book value and includes internal transfers to and from investment property.



5 Martin Place, Sydney NSW

# Financial results

## Co-investments in pooled funds

|                                   | Ownership stake (%) | Dexus co-investment value (\$m) <sup>1</sup> | Dexus HY22 co-investment income (\$m) | Passing distribution yield (%) <sup>2</sup> | Number of properties | Total assets (\$m) | Occupancy (%)      | WALE (years) | WACR (%) | Fund look-through gearing (%) |
|-----------------------------------|---------------------|--|---------------------------------------|---|----------------------|--------------------|--------------------|--------------|----------|-------------------------------|
| <b>Healthcare</b>                 |                     |  |                                       |   |                      |                    |                    |              |          |                               |
| DHPF                              | 23.1%               | \$235.8                                      | \$4.3                                 | 4.2%  | 10                   | \$1,134            | 100%               | 18.4         | 4.5%     | 9.3%                          |
| AUHPT <sup>3</sup>                | ~7%                 | \$177.6                                      | \$3.8                                 | 5.6% <sup>4</sup>                           | 75                   | \$3,090            | 98.5%              | 16.3         | 4.7%     | 17.2%                         |
| <b>Industrial</b>                 |                     |  |                                       |   |                      |                    |                    |              |          |                               |
| DXI                               | 17.4%               | \$199.1                                      | \$4.0                                 | 4.9%  | 93                   | \$1,776            | 96.7% <sup>5</sup> | 5.9          | 5.1%     | 33.9%                         |
| <b>Other real estate classes</b>  |                     |  |                                       |   |                      |                    |                    |              |          |                               |
| DREP1                             | 38.1%               | \$2.5  | \$0.2                                 | n/a   | 3                    | \$8.2              | n/a                | n/a          | n/a      | 45-55% <sup>7</sup>           |
| DXC                               | 8.9%                | \$47.6                                       | \$1.4                                 | 6.4%  | 112                  | \$803              | 99.7%              | 11.5         | 5.8%     | 32.0%                         |
| Securities and other <sup>1</sup> | n/a                 | \$20.1                                       | \$0.1                                 | n/a   | n/a                  | n/a                | n/a                | n/a          | n/a      | n/a                           |
| <b>Total</b>                      |                     | <b>\$682.7</b>                               | <b>\$13.8</b>                         |   |                      |                    |                    |              |          |                               |

1. Represents the equity accounted investment value recognised on Dexus balance sheet.

2. With reference to the last announced distribution annualised (except for DHPF which refers to CY21 distributions), and the closing unit price at 31 December 2021.

3. As reported by Australian Unity Healthcare Property Trust at 31 December 2021.

4. Returns stated are for the 12-month period to 31 December 2021 for AUHPT's Wholesale Units.

5. DXI occupancy by area.

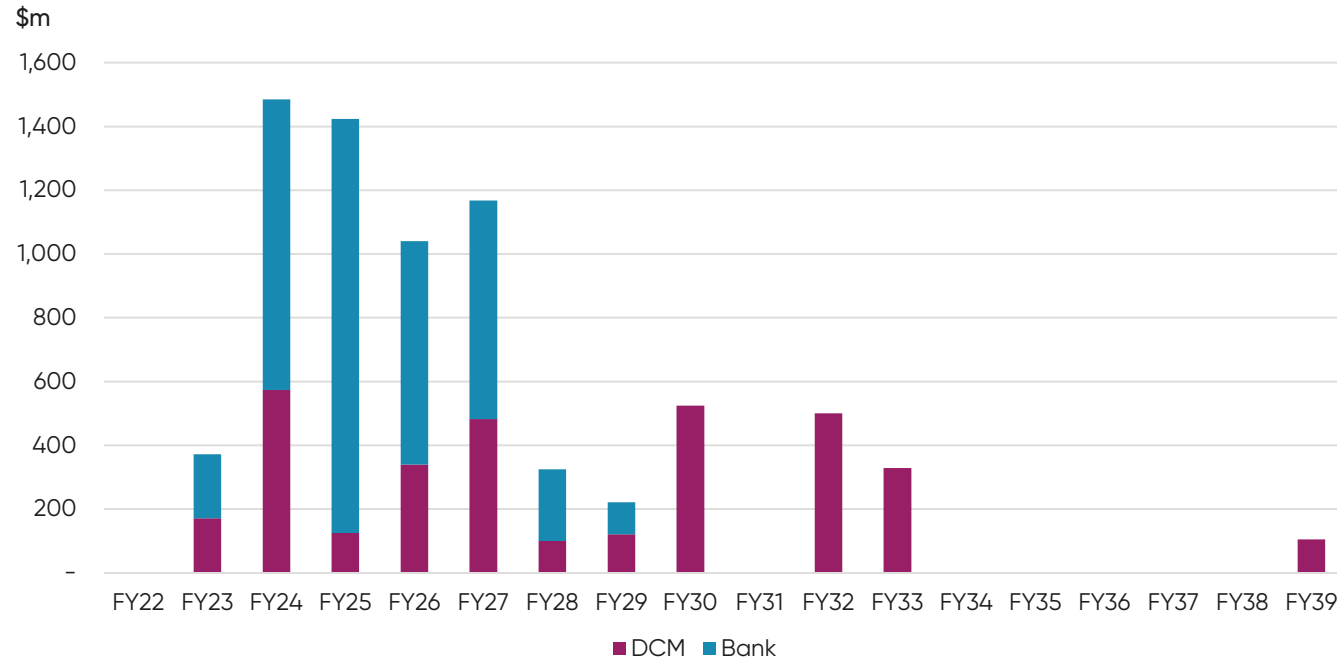
6. Includes investments in APN Asian REIT Fund, APN Global REIT Income Fund, Dexus Development Fund No. 2, Dexus Regional Property Fund, RealTech Ventures and Divvy Parking Pty Limited.

7. Target gearing range for Fund.

# Capital management

## HY22 position

### Debt maturity profile<sup>1</sup>



| Key metrics                                   | 31 Dec 2021        | 30 June 2021 |
|---|--------------------|--------------|
| Total debt <sup>2</sup>                       | \$5,591m           | \$4,925m     |
| Headroom (approximately) <sup>3</sup>         | \$1.6bn            | \$1.1bn      |
| Gearing <sup>4</sup>                          | 31.1% <sup>5</sup> | 26.7%        |
| Covenant gearing (covenant <sup>6</sup> <55%) | 30.3%              | 26.5%        |
| Interest cover (covenant <sup>6</sup> >2.0x)  | 5.2x               | 5.1x         |
| Priority debt (covenant <sup>6</sup> <30%)    | 0%                 | 0%           |

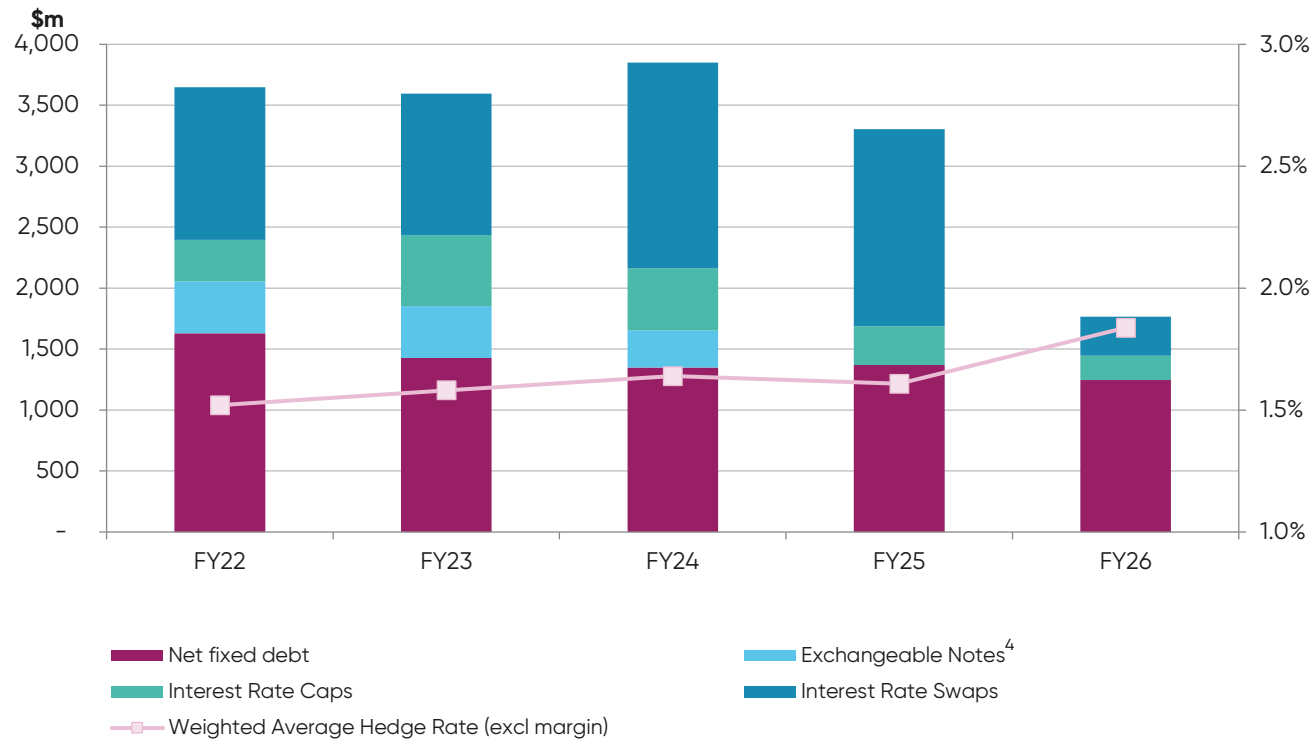
- Includes \$425m Exchangeable Notes based on investor put date in FY24. Includes \$100m bank debt facility extension executed post 31 December 2021.
- Total debt does not include debt in equity accounted investments or Dexus's share of co-investments in pooled funds.
- Undrawn facilities plus cash.
- Adjusted for cash and debt in equity accounted investments.
- Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds was 31.5% as at 31 December 2021.
- As per public bond covenants.



# Capital management

## Interest rate hedging profile

### Hedge profile



1. Average amount hedged for the period (including caps).
2. Including fixed rate debt (without credit margin).
3. Weighted average for the period, inclusive of fees and margins on a drawn basis.
4. Based on investor put date in FY24.

| Hedging profile  | 31 Dec 2021 | 30 June 2021 |
|--|-------------|--------------|
| Average amount of debt hedged <sup>1</sup>                 | 64%         | 81%          |
| Average amount of debt hedged excluding caps               | 56%         | 68%          |
| Weighted average interest rate on hedged debt <sup>2</sup> | 1.5%        | 1.7%         |
| Cost of debt <sup>3</sup>                                  | 2.7%        | 3.2%         |
| Weighted average maturity of hedges                        | 5.6 years   | 5.1 years    |

# Capital management

## Debt facilities<sup>1</sup>

|   | Facility limit<br>A\$m | Drawn<br>A\$m | Maturity      | Currency |
|---|------------------------|---------------|---------------|----------|
| <b>Bilateral bank debt</b>                | 200                    | 200           | FY23          | A\$      |
|   | 600                    | 600           | FY24          | A\$      |
|   | 1,150                  | 600           | FY25          | A\$      |
|   | 700                    | 308           | FY26          | A\$      |
|   | 550                    | 125           | FY27          | A\$      |
|   | 225                    | -             | FY28          | A\$      |
|   | 100                    | 100           | FY29          | A\$      |
| <b>Commercial paper<sup>2</sup></b>       | 100                    | 100           | FY24          | A\$      |
| <b>Medium term notes</b>                  | 160                    | 160           | FY23          | A\$      |
|   | 185                    | 185           | FY26          | A\$      |
|   | 130                    | 130           | FY27          | A\$      |
|   | 200                    | 200           | FY30          | A\$      |
|   | 500                    | 500           | FY32          | A\$      |
|   | 30                     | 30            | FY39          | A\$      |
| <b>US senior notes (USPP)<sup>3</sup></b> |                        |               |               |          |
| Series 1                                  | 291                    | 291           | Jul-23-Jul-28 | US\$     |
| Series 2                                  | 225                    | 225           | Feb-24-Feb-27 | US\$     |
| Series 3                                  | 286                    | 286           | Dec-24-Dec-26 | US\$     |
| Series 4 (A\$)                            | 100                    | 100           | Jun-28        | A\$      |
| Series 5                                  | 503                    | 503           | Nov-29-Nov-32 | US\$     |
| Series 5 (A\$)                            | 150                    | 150           | Nov-29-Nov-32 | A\$      |
| Series 6 (A\$)                            | 75                     | 75            | Oct-38        | A\$      |
| <b>Exchangeable notes<sup>4</sup></b>     | 425                    | 425           | Mar-24        | A\$      |

|   | Facility limit<br>A\$m | Drawn<br>A\$m |
|---|------------------------|---------------|
| <b>Sub total</b>                                | 6,885                  | 5,292         |
| Currency translation and fair value adjustments | 352                    | 352           |
| Deferred borrowing costs and debt modifications | (33)                   | (33)          |
| Exchangeable notes adjustments                  | (20)                   | (20)          |
| <b>Total interest bearing liabilities</b>       | 7,184                  | 5,591         |
| Bank guarantee utilised                         |                        | (74)          |
| Cash  |                        | 62            |
| <b>Headroom including cash</b>                  |                        | 1,580         |

- Does not include debt facilities in equity accounted investments or Dexus's share of co-investments in pooled funds. Includes \$100m bank debt facility extension executed post 31 December 2021.
- Based on maturity date of commercial paper standby facility.
- USPP US\$ amount shown at the cross-currency swap contract rate.
- Based on investor put date in FY24.

# Funds management

## Development pipeline

**\$8.3 billion**  
Funds management development pipeline

**\$2.7 billion**  
Committed projects

**\$4.9 billion**  
Uncommitted projects

**\$0.7 billion**  
Concept projects

### Project cost on uncommitted projects in funds management business

| Uncommitted projects   | FY23 | FY24           | FY25+ |
|--|------|----------------|-------|
| Office - 4 properties  |      | \$3.7bn        |       |
| Industrial - 7 properties                                    |      | \$1.0bn        |       |
| Retail - 1 property  |      | \$0.2bn        |       |
| <b>Project cost on uncommitted funds management projects</b> |      | <b>\$4.9bn</b> |       |

# Property portfolio

## Office and industrial key metrics



44 Market Street, Sydney NSW



180-189 Flinders Street, Melbourne VIC



Botany Quarter, 11-13 Lord Street, Botany NSW



9 Custom Place, Truganina VIC

| Key metrics  | Office                       | Industrial                   |
|--|------------------------------|------------------------------|
| Amount of space leased <sup>1</sup>  | 112,601sqm <sup>2</sup>      | 115,664sqm <sup>3</sup>      |
| No. of leasing transactions  | 151 <sup>2</sup>             | 40 <sup>3</sup>              |
| Occupancy by income  | 95.1%                        | 98.6%                        |
| Occupancy by area  | 94.5%                        | 99.2%                        |
| Average incentives   | 29.7% <sup>4</sup>           | 10.6% <sup>5</sup>           |
| No. of effective deals   | 19                           | 15                           |
| Weighted average lease expiry <sup>6</sup> (WALE)  | 5.0 years                    | 5.1 years                    |
| Like-for-like income growth<br>(excluding rent relief and provision for<br>expected credit losses) | Face +1.5% <sup>7</sup>      | Face +0.1% <sup>8</sup>      |
|  | Effective +4.4% <sup>7</sup> | Effective -2.3% <sup>8</sup> |

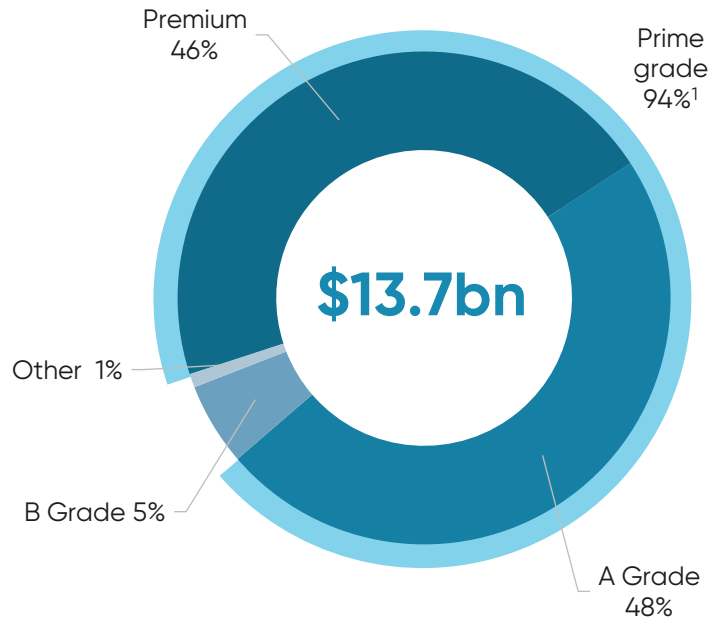
1. Including Heads of Agreement.  
 2. Excluding development leasing of 2,273sqm across 6 transactions.  
 3. Excluding development leasing of 154,534sqm across 9 transactions.  
 4. Gross basis excluding development leasing.  
 5. Net basis excluding development leasing.

6. By income.  
 7. Including rent relief and provision for expected credit losses office LFL growth was Effective +8.4% and Face was +4.9%.  
 8. Including rent relief and provision for expected credit losses industrial LFL growth was Effective -1.8% and Face was +0.5%.

# Property portfolio

## Office portfolio diversification

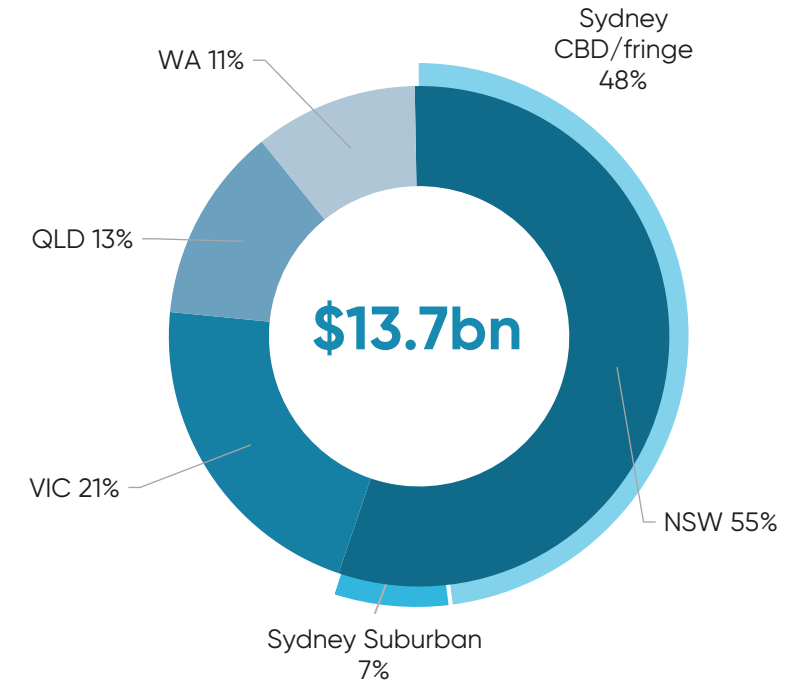
Office by asset type



1. Prime grade buildings represent 94% of the office portfolio including stabilised assets only and excluding development affected assets and land.

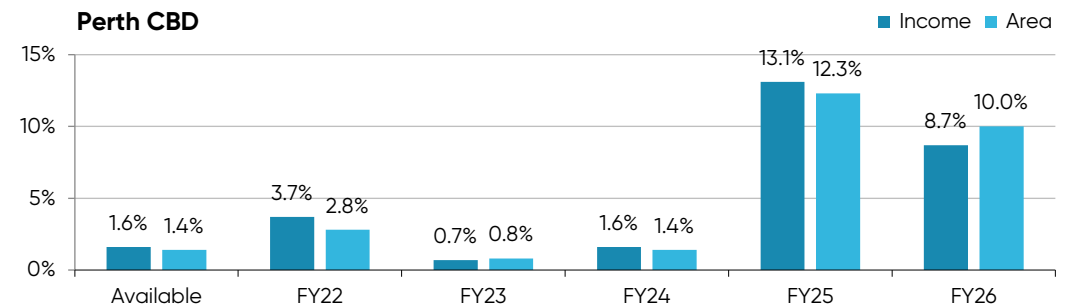
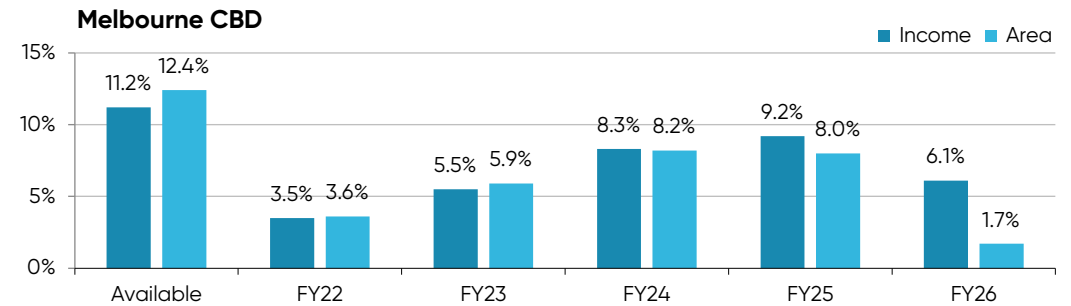
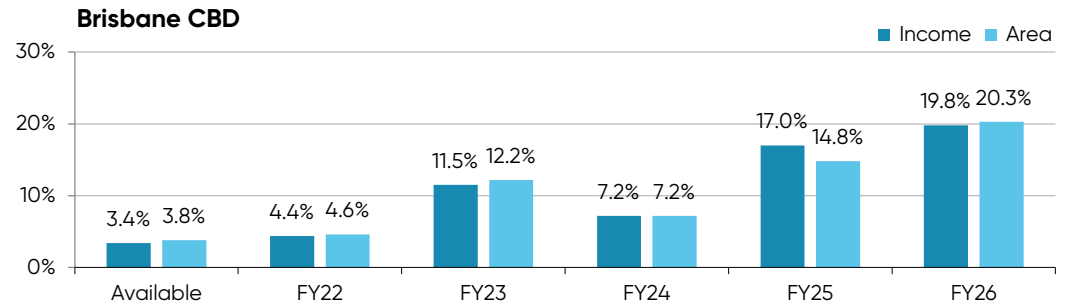
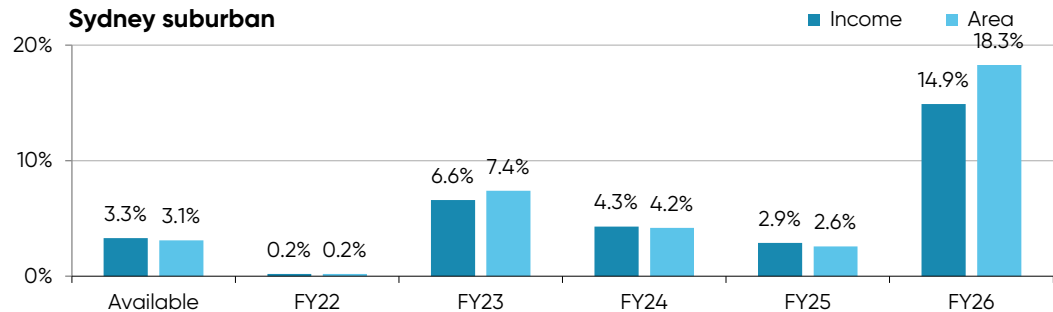
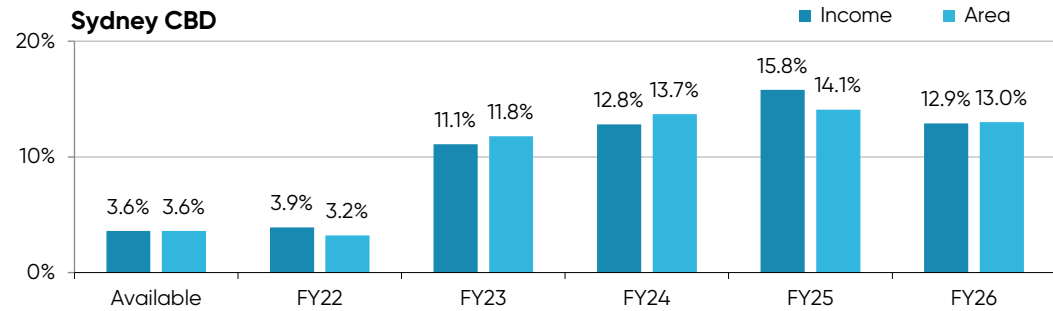


Office by location



# Property portfolio

## Office portfolio lease expiry profiles by region



| Dexus Office <sup>1</sup> | Value (\$m) | Cap rate (%) | Yield <sup>2</sup> (%) |
|---------------------------|-------------|--------------|------------------------|
| Sydney CBD                | 6,026       | 4.65%        | 4.55%                  |
| Sydney suburban           | 939         | 4.84%        | 4.87%                  |
| Melbourne CBD             | 2,690       | 4.75%        | 3.87%                  |
| Brisbane CBD              | 1,234       | 5.13%        | 5.38%                  |
| Perth CBD                 | 1,337       | 5.50%        | 5.91%                  |

1. Includes stabilised properties only.  
 2. Passing FFO yield based on annualised income excluding the effects of COVID-19 rent waivers and one-off income.

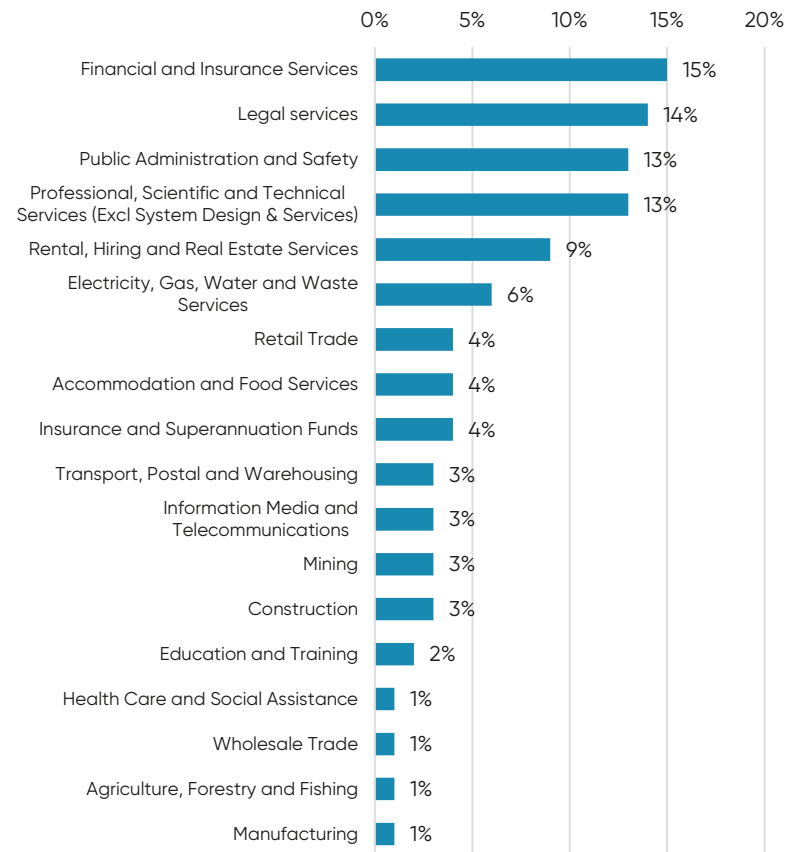
# Property portfolio

Office top 10 customers represents 17% of property portfolio income

## Office top 10 customers

| Office customers <sup>1</sup> | Credit rating <sup>2</sup> | % of income <sup>3</sup> |
|-------------------------------|----------------------------|--------------------------|
| State Of Victoria             | AA                         | 3.3%                     |
| Woodside                      | BBB+                       | 2.9%                     |
| Commonwealth of Australia     | AAA                        | 2.8%                     |
| Wilson Parking                | Not rated                  | 1.8%                     |
| BDO Services                  | Not rated                  | 1.1%                     |
| Herbert Smith Freehills       | Not rated                  | 1.1%                     |
| NBN                           | A+                         | 1.1%                     |
| HWL Ebsworth                  | Not rated                  | 1.0%                     |
| John Holland                  | Not rated                  | 1.0%                     |
| King & Wood & Mallesons       | Not rated                  | 0.9%                     |

## Diversity of office customers (by income)



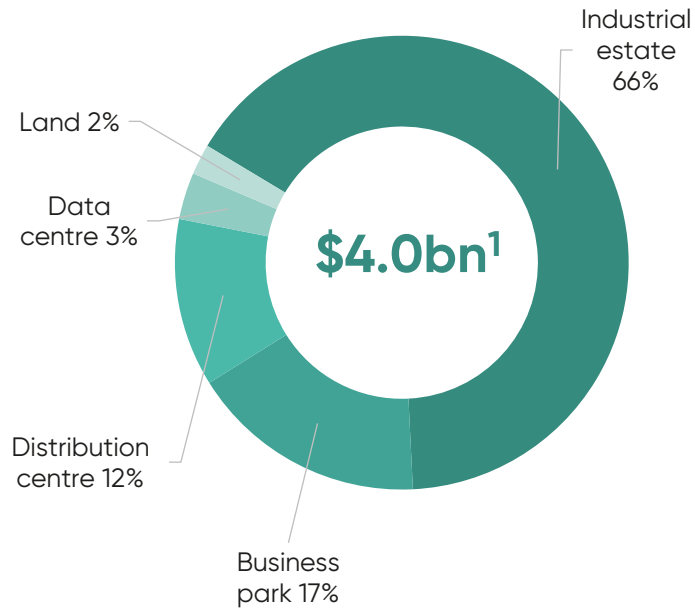
1 Bligh Street, Sydney NSW

1. Total Dexus portfolio includes executed heads of agreement at 31 December 2021.  
 2. Highest equivalent S&P rating.  
 3. Annualised income is based on the sum of the passing gross rental and secured gross rental (for signed leases and for signed Heads of Agreement).

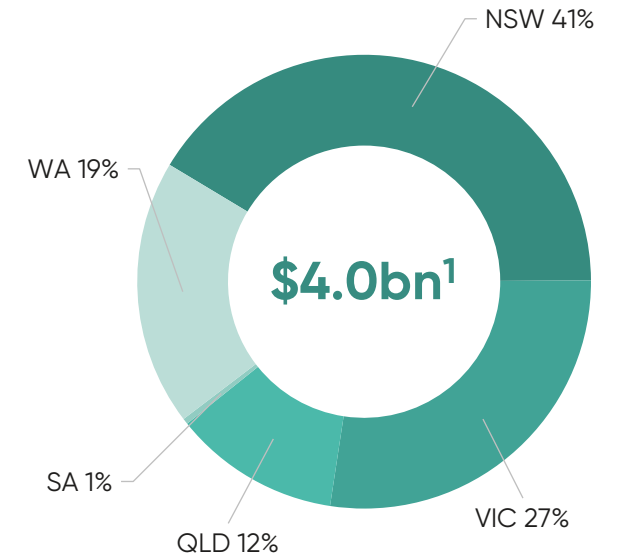
# Property portfolio

## Industrial portfolio diversification

Industrial by asset type



Industrial by location



1. Asset type and location composition are as at 31 December 2021 and is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture.



# Property portfolio

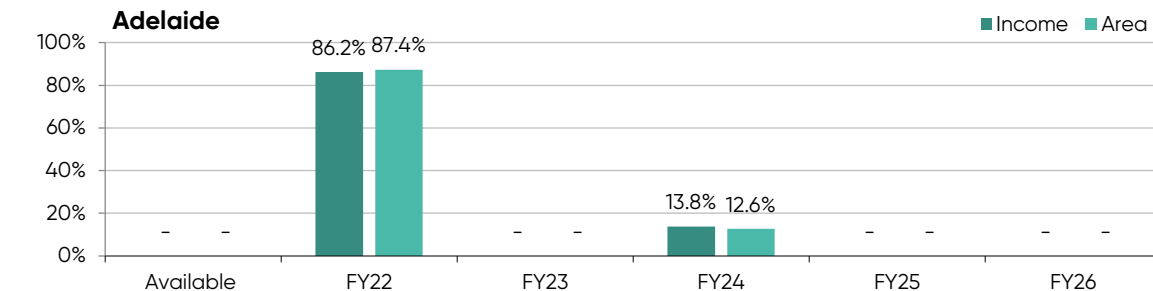
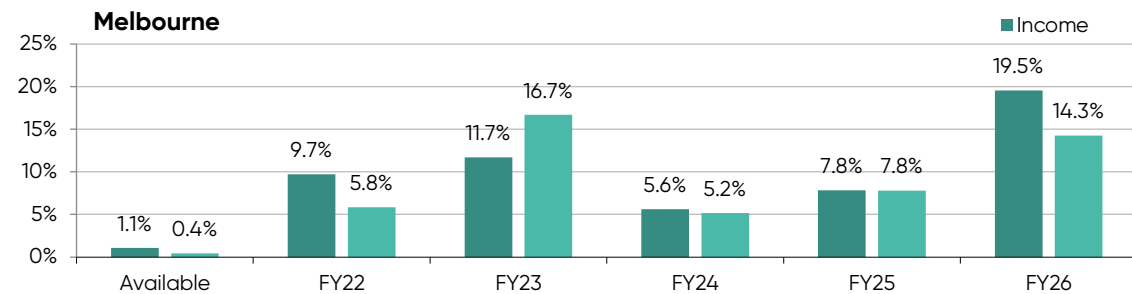
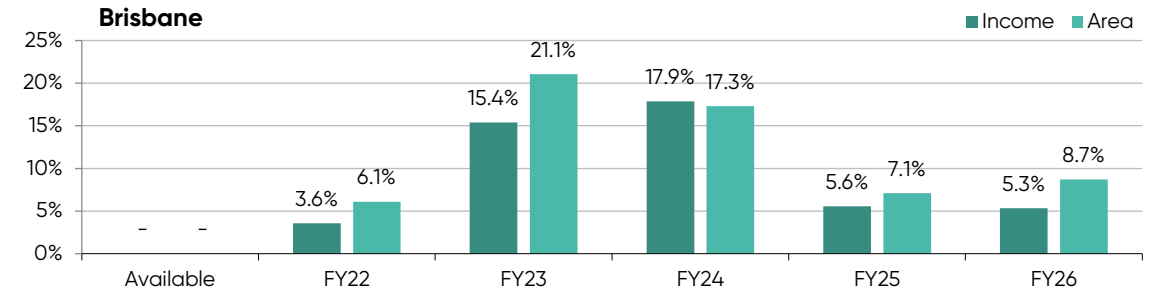
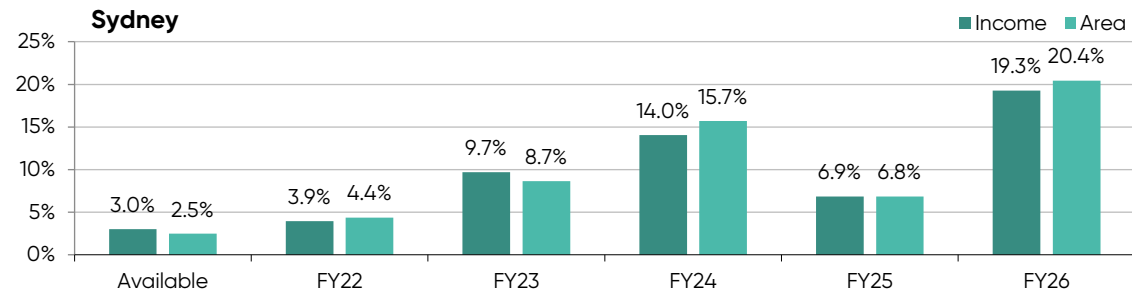
## Industrial portfolio lease expiry profile<sup>1</sup>



1. By industrial income.

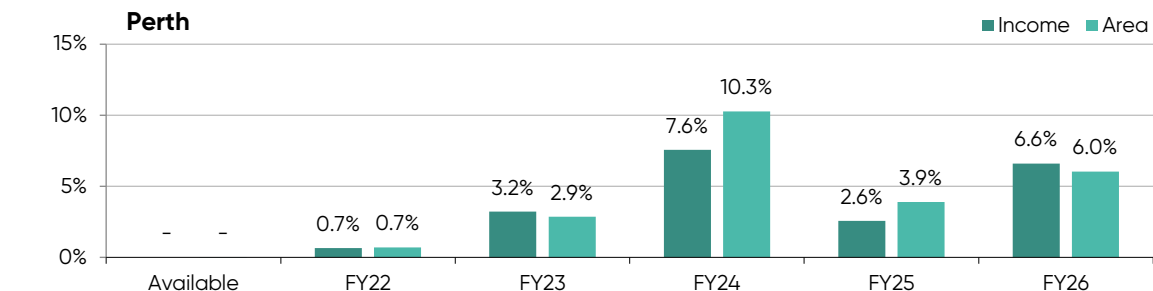
# Property portfolio

## Industrial portfolio lease expiry profiles by region



| Dexus Industrial <sup>1</sup> | Value (\$m) | Cap rate (%) | Yield <sup>2</sup> (%) |
|-------------------------------|-------------|--------------|------------------------|
| Sydney                        | 1,641       | 3.99%        | 3.93%                  |
| Melbourne                     | 1,092       | 4.58%        | 4.91%                  |
| Brisbane                      | 470         | 5.09%        | 4.96%                  |
| Adelaide                      | 16          | 9.75%        | 9.83%                  |
| Perth                         | 783         | 4.50%        | 5.20%                  |

1. Includes stabilised properties only.  
 2. Passing FFO yield based on annualised income excluding the effects of COVID-19 rent waivers and one-off income.



# Property portfolio

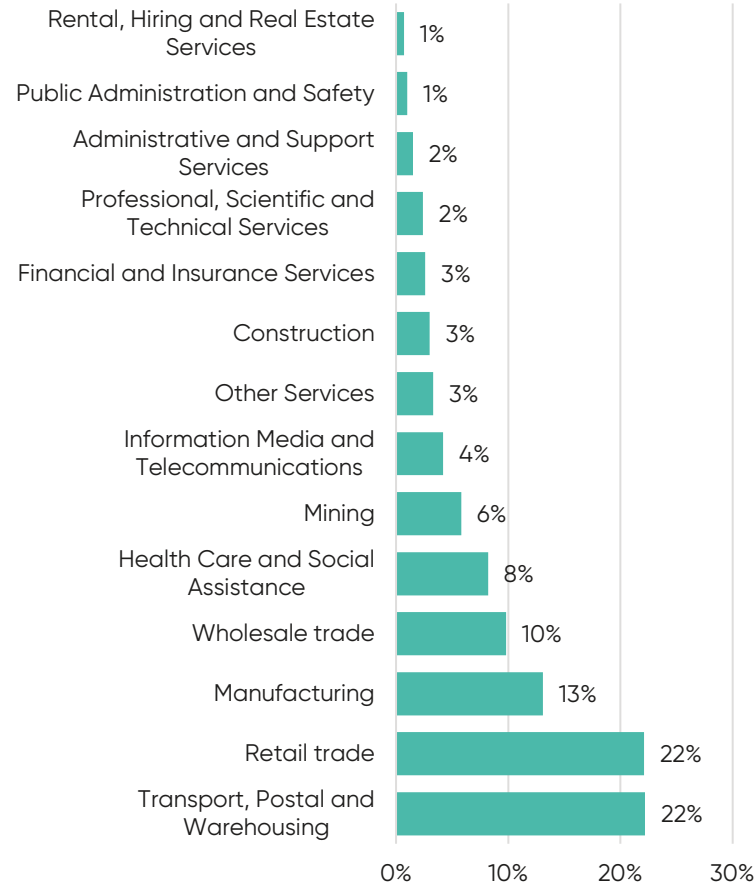
Industrial top 10 customers represent 3.9% of property portfolio income

## Industrial top 10 customers

| Industrial customers <sup>1</sup> | % of income <sup>2</sup> |
|-----------------------------------|--------------------------|
| Autosports Group                  | 0.7%                     |
| IBM Australia                     | 0.5%                     |
| Kmart Australia Ltd               | 0.4%                     |
| Reece                             | 0.4%                     |
| Coles                             | 0.3%                     |
| AWH                               | 0.3%                     |
| Symbion Health                    | 0.3%                     |
| Linfox                            | 0.3%                     |
| McPhee Distribution Services      | 0.3%                     |
| Bapcor                            | 0.3%                     |

1. Total Dexus portfolio includes executed Heads of Agreement at 31 December 2021.  
 2. Annualised income is based on the sum of the passing gross rental and secured gross rental (for signed leases and for signed Heads of Agreement).

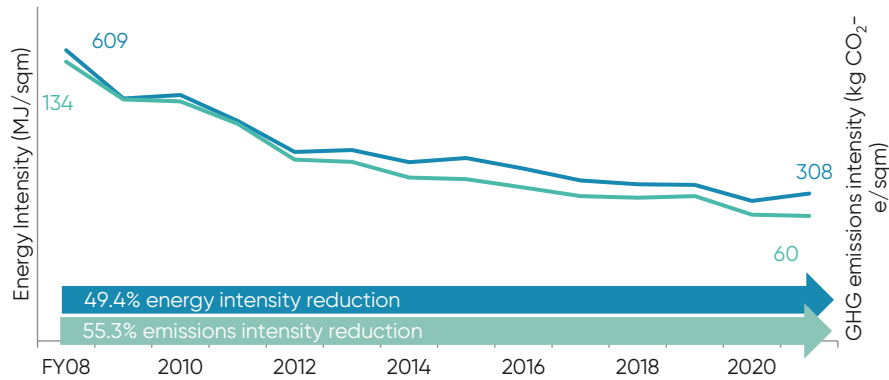
## Diversity of industrial customers (by income)



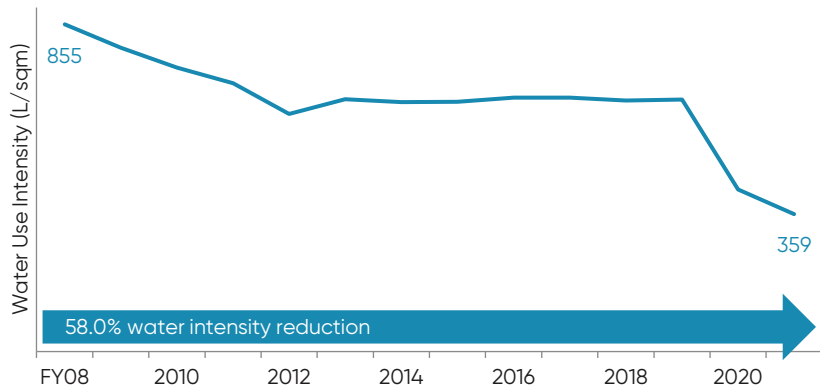
# Environmental metrics

## Office portfolio sustainability metrics

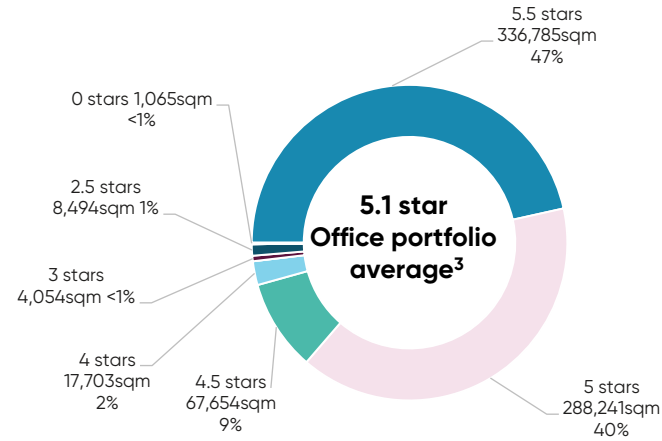
Dexus Office Energy and GHG Emissions Intensity



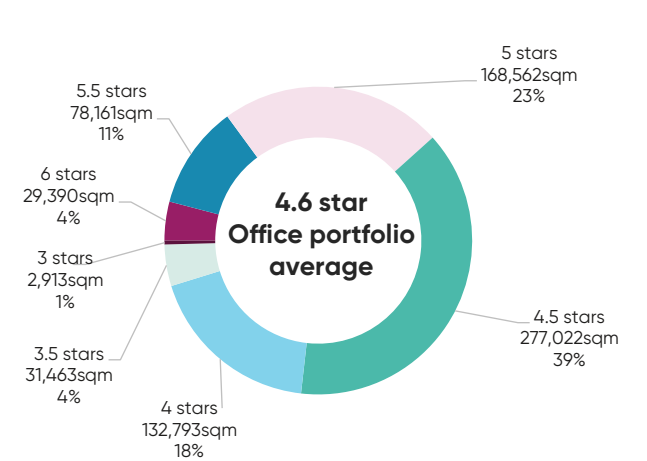
Dexus Office Water Intensity



Dexus Office NABERS Energy ratings



Dexus Office NABERS Water ratings



Dexus Office NABERS portfolio average ratings (stars)

|               | Energy with GreenPower | Energy     | Water      | Waste                      | Indoor Environment         |
|---------------|------------------------|------------|------------|----------------------------|----------------------------|
| Jun 17        | 4.8                    | 4.5        | 3.6        | -                          | -                          |
| Jun 18        | 4.9                    | 4.7        | 3.6        | -                          | -                          |
| Jun 19        | 5.0                    | 4.8        | 3.6        | -                          | -                          |
| Jun 20        | 5.0                    | 4.8        | 3.7        | 2.6                        | 4.1                        |
| Jun 21        | 5.1                    | 5.0        | 4.5        | 2.6                        | 4.8                        |
| <b>Dec 21</b> | <b>5.2</b>             | <b>5.1</b> | <b>4.6</b> | <b>2.6</b><br>66% coverage | <b>4.7</b><br>79% coverage |

1. GHG = greenhouse gas.  
2. Location-based GHG emissions are calculated using published emissions coefficients and do not consider voluntary renewable electricity purchases made by Dexus.  
3. Excluding GreenPower.

# Development

## Dexus completed developments

| Pipeline  | Building area <sup>1</sup><br>sqm | Project cost <sup>2</sup><br>\$m | Yield on cost<br>% | Leased<br>% | Final<br>completion | Third party<br>partner interest % |
|---|-----------------------------------|----------------------------------|--------------------|-------------|---------------------|-----------------------------------|
| <b>Industrial</b> 31 Innovation Drive, Merrifield VIC | 51,600                            | 37                               | n/a                | 100%        | Aug-21              | 49%                               |
| <b>Total developments completed</b>                   | <b>51,600</b>                     | <b>37</b>                        |                    |             |                     |                                   |

1. At 100% ownership.

2. Dexus share in development cost (including land and excludes downtime and income earned through development).

# Development

## Dexus committed developments and fund-throughs

| Pipeline                            |   | Building area <sup>1</sup><br>sqm | Project cost<br>est. <sup>2</sup><br>\$m | Est. cost to<br>completion <sup>2</sup><br>\$m | Yield on<br>cost <sup>3</sup><br>% | Leased<br>% | Completion due | Third party partner<br>interest<br>% |
|-------------------------------------|---|-----------------------------------|--|--|------------------------------------|-------------|----------------|--------------------------------------|
| <b>Office</b>                       | 123 Albert Street, Brisbane QLD                     | 39,300                            | 560                                      | 173  | 5-6%                               | 17%         | Mid 2023       | -                                    |
| <b>Total office</b>                 |   | <b>39,300</b>                     | <b>560</b>                               | <b>173</b>                                     |                                    |             |                |                                      |
| <b>Industrial</b>                   | Palm Springs Road, Ravenhall VIC                    | 208,300                           | 72                                       | 41   | 6-7%                               | 100%        | Late 2022      | 75%                                  |
|                                     | Lot 501 Innovation Drive, Merrifield VIC            | 21,400                            | 14                                       | 5  | n/a                                | -           | Early 2022     | 49%                                  |
|                                     | 12 Frederick Street, St Leonards NSW - Stage 2      | 17,600                            | 66                                       | 23   | 6-7%                               | 46%         | Mid 2022       | -                                    |
|                                     | Jandakot Airport, Perth WA                          | 75,700                            | 59                                       | 45   | 5-6%                               | 100%        | Late 2022      | 67% <sup>4</sup>                     |
|                                     | Stage 2 1-21 McPhee Drive, Berrinba QLD             | 13,800                            | 42                                       | 33   | n/a                                | 100%        | Mid 2023       | -                                    |
|                                     | 884 Mamre Road, Kemps Creek NSW                     | 42,500                            | 69                                       | 52   | n/a                                | -           | Early 2023     | 50%                                  |
| <b>Total industrial</b>             |   | <b>379,300</b>                    | <b>322</b>                               | <b>199</b>                                     |                                    |             |                |                                      |
| <b>City retail/<br/>healthcare</b>  | 25 Martin Place, Sydney NSW                         | 10,800                            | 191                                      | 20   | 5-6%                               | 96%         | Mid 2022       | 50%                                  |
|                                     | Australian Bragg Centre, North Terrace, Adelaide SA | 24,500                            | 231                                      | 152  | n/a                                | 77%         | Mid 2023       | 50%                                  |
| <b>Total city retail/healthcare</b> |   | <b>35,300</b>                     | <b>422</b>                               | <b>172</b>                                     |                                    |             |                |                                      |
| <b>Total committed developments</b> |   | <b>453,900</b>                    | <b>1,304</b>                             | <b>544</b>                                     |                                    |             |                |                                      |

1. At 100% ownership.

2. Dexus share in development cost (including land and excludes downtime and income earned through development).

3. Target yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.

4. Reflects DXI 33.3% stake as well as Cbus Super new 33.3% stake secured on 27 January 2022.

# Development

## Dexus uncommitted developments and fund-throughs

| Pipeline                              |   | Building area <sup>1,5</sup><br>sqm | Project cost est. <sup>2,5</sup><br>\$m | Est. yield on est. project cost <sup>3</sup><br>% | Third party partner interest % |
|---------------------------------------|---|-------------------------------------|---|---|--------------------------------|
| <b>Office</b>                         | Waterfront, Brisbane QLD                | 128,900                             | c.1,150                                 | 5-6%  | 50%                            |
|                                       | 60 Collins Street, Melbourne VIC        | 42,800                              | c.950                                   | 5-6%  | -                              |
|                                       | Central Place Sydney NSW <sup>4</sup>   | 138,200                             | c.700                                   | 5-6%  | 25%                            |
|                                       | Pitt and Bridge Precinct, Sydney NSW    | 93,400                              | c.1,650                                 | 5-6%  | 50%                            |
|                                       | Atlassian, Sydney NSW <sup>6</sup>      | 58,000                              | c. 1,400                                | 4-5%  | n/a                            |
| <b>Total office</b>                   |   | <b>461,300</b>                      | <b>c.5,850</b>                          |   |                                |
| <b>Industrial</b>                     | 11-167 Palm Springs, Ravenhall VIC      | 166,100                             | c.50                                    | 6-7%  | 75%                            |
|                                       | 20 Distribution Drive, Truganina VIC    | 21,000                              | c.50                                    | 5-6%  | -                              |
|                                       | 141 Anton Road, Hemmant NSW             | 66,000                              | c.100                                   | 5-6%  | -                              |
|                                       | 113-153 Aldington Road, Kemps Creek NSW | 155,000                             | c.200                                   | 4-5%  | 50%                            |
|                                       | 311 South Street, Marsden Park NSW      | 41,800                              | c.50                                    | 4-5%  | 49%                            |
|                                       | 12 Church Road, Moorebank NSW           | 34,000                              | c.50                                    | c.5%  | 50%                            |
|                                       | Jandakot Airport, Perth WA              | 304,100                             | c.200                                   | 5-6%  | 67% <sup>7</sup>               |
|                                       | 149 Orchard Road, Chester Hill NSW      | 21,100                              | c.50                                    | c.5%  | 50%                            |
| <b>Total industrial</b>               |   | <b>809,100</b>                      | <b>c.750</b>                            |   |                                |
| <b>Total uncommitted developments</b> |   | <b>1,270,400</b>                    | <b>c.6,600</b>                          |   |                                |

1. At 100% ownership.

2. Dexus share in development cost (including land and excludes downtime and income earned through development).

3. Target yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.

4. Excluding external party share of project. External JV partner owns 50% of this project.

5. Amounts have been rounded.

6. Represents funding obligation for 100% of the project cost (ex land).

7. Reflects DXI 33.3% stake as well as Cbus Super new 33.3% stake secured on 27 January 2022.

# Consistent delivery of trading profits over time

Replenishment of pipeline underway

| Trading projects  | Trading strategy       | FY22 | FY23 | FY24+ |
|---|------------------------|------|------|-------|
| Truganina (Laverton) properties <sup>1,2</sup>                  | Development            | ✓    |      |       |
| Botany Quarter (Lakes Business Park South), Botany <sup>2</sup> | Development            | ✓    |      |       |
| 436-484 Victoria Road, Gladesville <sup>3</sup>                 | Rezoning               | ✓    |      |       |
| 22 Business Park Drive, Ravenhall <sup>4</sup>                  | Repositioning          | ✓    |      |       |
| 12 Frederick Street, St Leonards – Stage 2                      | Industrial development |      |      |       |
| 149 Orchard Road, Chester Hill                                  | Industrial development |      |      |       |
| Other identified opportunities (Four projects)                  | Mixed use, office      |      |      |       |

Key

✓ Secured

Unsecured

| Track record      | FY15    | FY16    | FY17     | FY18     | FY19     | FY20     | FY21    | HY22    |
|-------------------|---------|---------|----------|----------|----------|----------|---------|---------|
| Post tax profit   | \$42.6m | \$63.3m | \$47.2m  | \$36.6m  | \$34.7m  | \$35.3m  | \$50.4m | \$21.6m |
| Post tax guidance | \$40m   | \$60m   | \$45-50m | \$35-40m | \$35-40m | \$35-40m | N/A     | N/A     |

1. Share of Truganina (Laverton) lots which sit in inventory.

2. During FY21, Dexus contracted to sell six trading assets to DALT, which realised tranche 1 trading profits (pre-tax) of \$19.8m in FY21 and tranche 2 trading profits (pre-tax) of \$16.4m in FY22. Tranche 2 trading profits may be subject to change (increase) depending on the final outcome of a retention adjustment and rental guarantee which form part of the tranche 2 transaction terms.

3. Dexus settled on the sale of 436-484 Victoria Road, Gladesville on 9 August 2021.

4. On 13 August 2021, Dexus entered into a put and call option arrangement to sell 22 Business Park Drive, Ravenhall. Dexus subsequently exercised its put option and on 17 November 2021 settlement occurred.



# Transactions

## Dexus<sup>8</sup>

| Dexus acquisitions                                       | Purchase price <sup>9</sup><br>\$m | Interest | Settlement        | Dexus divestments  | Sale price <sup>9</sup><br>\$m | Interest | Settlement          |
|--|------------------------------------|----------|-------------------|--|--------------------------------|----------|---------------------|
| 1 Bligh Street, Sydney NSW <sup>1</sup>                  | \$37.5                             | 33%      | 8-Jul-21          | 60 Miller Street, North Sydney NSW                                 | \$275.0                        | 100%     | 3-Aug-21            |
| Capital Square Tower 1, Perth WA <sup>2</sup>            | \$475.3                            | 49%      | 22-Jul-21         | 436-484 Victoria Road, Gladesville NSW                             | \$55.0                         | 100%     | 9-Aug-21            |
| 733 Nudgee Road, Nundah QLD                              | \$20.4                             | 51%      | 3-Aug-21          | 22 Business Park Drive, Ravenhall VIC                              | \$13.5                         | 100%     | 17-Nov-21           |
| 53 Old Pacific Highway, North Pimpama QLD                | \$6.8                              | 100%     | 5-Oct-21          | Grosvenor Place, 225 George Street, Sydney NSW                     | \$693.8                        | 37.5%    | 2-Dec-21            |
| 18 Andrews Street, Cannon Hill QLD                       | \$8.4                              | 100%     | 5-Oct-21          | Truganina VIC & Lakes Business Park South, Botany NSW <sup>7</sup> | \$269.4                        | 100%     | 4-Nov-21 & 2-Dec-21 |
| 12 Church Road, Moorebank NSW                            | \$20.7                             | 50%      | 25-Oct-21         | 201 Miller Street, North Sydney NSW                                | \$76.2                         | 50%      | Feb-22              |
| Jandakot Airport, Perth WA <sup>3</sup>                  | \$1,300                            | 100%     | 1-Nov-21 & Mar-22 | Jandakot Airport, Peth WA <sup>3</sup>                             | \$432.9                        | 33.3%    | 22-Nov-21           |
| 1-21 McPhee Drive, Berrinba QLD <sup>4</sup>             | \$69.3                             | 100%     | 7-Dec-21          | Jandakot Airport, Peth WA <sup>3</sup>                             | \$432.9                        | 33.3%    | Mar-22              |
| 116-130 Gilmore Road, Berrinba QLD                       | \$37.5                             | 100%     | Feb-22            | 309-321 Kent Street, Sydney NSW                                    | \$401.3                        | 50%      | Apr-22              |
| Lot 2, 884-928 Mamre Road, Kempas Creek NSW <sup>5</sup> | \$62.7                             | 50%      | Jul-22            | 383-395 Kent Street, Sydney NSW                                    | \$385.0                        | 100%     | Jul-22              |
| 149 Orchard Road, Chester Hill NSW <sup>6</sup>          | \$22.5                             | 50%      | Jul-22            | 140 & 150 George Street, Parramatta NSW                            | \$77.3                         | 50%      | Aug-22              |
| 3 Spring, 58 Pitt and 60 Pitt Street, Sydney NSW         | \$177.0                            | 50%      | Aug-18-Jul-22     |  |                                |          |                     |
| 311 South Street, Marsden Park NSW                       | \$23.0                             | 51%      | Jul-22            |  |                                |          |                     |
| 113-153 Aldington Road, Kempas Creek NSW <sup>6</sup>    | \$125.5                            | 100%     | Apr-23            |  |                                |          |                     |

- Reflecting the DXS share of the acquisition price for the 33.33% interest in 1 Bligh Street (of which Mercatus will hold a 90% share and Dexus a 10% share).
- Dexus paid \$339m for its 49% equity stake in the trust owning the property valued at \$970m, a \$157m loan receivable and \$450 million of senior secured debt.
- On 1 November 2021, Dexus acquired 100% of Jandakot City Holdings Pty Ltd (JCH) and 49% of Jandakot Airport Holdings (JAH). On 19 November 2021, Dexus Industria REIT (DXI) acquired a 33.3% interest in each of JCH and JAH. On 27 January 2022, Dexus secured Australian superannuation fund Cbus Super as a new joint venture investor on its funds management platform, with Cbus Super agreeing to purchase a 33.3% interest in the Jandakot joint venture which will own 100% of JCH and JAH. Cbus Super's investment in the Jandakot joint venture and the final settlement of the remaining Jandakot interest are expected to occur in March 2022 following the receipt of required regulatory approvals. Following final settlement, the Jandakot joint venture will be held in the following proportions: Dexus 33.4%; DXI 33.3% and Cbus Super 33.3%. The combined acquisition price was \$1.3 billion excluding acquisition costs. The existing structure includes senior asset-level debt of \$405 million which has remained in place at acquisition, reflecting a combined equity commitment of \$895 million excluding acquisition costs.

- The purchase price reflects both the stabilised Stage 1 warehouse and the development completion price of the Stage 2 land acquired via a fund-through arrangement with practical completion expected March 2023.
- The purchase price reflects the development completion price. The property will be acquired via a fund-through arrangement with development payments commencing from July 2022 and practical completion expected in May 2023.
- Settlement subject to exercise of put and call option.
- Dexus settled the first tranche of the industrial assets in October 2020 and December 2020. The put and call options were exercised for tranche 2 in September 2021, with the Laverton assets settling in November 2021 and Botany settling in December 2021.
- Excludes Dexus's share of transactions in its co-investments in pooled funds.
- Excludes transaction costs.

# Transactions

## Funds management

| Funds Management acquisitions                                   | Purchase price <sup>8</sup><br>\$m | Interest | Settlement         |
|---|------------------------------------|----------|--------------------|
| Bethesda Mental Health Clinic, Cockburn Central WA <sup>1</sup> | \$58.3                             | 100%     | 07-Jul-21          |
| 57-67 Mark Anthony Drive, Dandenong South VIC                   | \$13.5                             | 100%     | 28-Jul-21          |
| 137-143 Fitzgerald Road, Laverton North VIC                     | \$24.1                             | 100%     | 29-Jul-21          |
| 733 Nudgee Road, Nundah QLD                                     | \$19.6                             | 49%      | 03-Aug-21          |
| 193-195 Jubilee Highway East, Mount Gambier SA                  | \$6.6                              | 100%     | 13-Oct-21          |
| 1-3 Juers Street, Kingston QLD                                  | \$10.2                             | 100%     | 09-Aug-21          |
| 105-115 Cairns Road, Gordonvale QLD                             | \$18.4                             | 100%     | 19-Aug-21          |
| 591 Grand Junction Road, Gepps Cross SA                         | \$7.5                              | 100%     | 17-Aug-21          |
| 1 Pub Lane, Greenbank QLD                                       | \$6.6                              | 100%     | 31-Aug-21          |
| 1 Tesch Road, Griffin QLD                                       | \$16.6                             | 100%     | 31-Aug-21          |
| 1 Cawdor Road, Highfields QLD                                   | \$6.2                              | 100%     | 31-Aug-21          |
| 324-326 Logan River Road, Holmview QLD                          | \$12.0                             | 100%     | 31-Aug-21          |
| 43 Stapylton Street, North Lakes QLD                            | \$10.8                             | 100%     | 31-Aug-21          |
| 5/1 Brygon Creek Drive, Upper Coomera QLD                       | \$6.9                              | 100%     | 31-Aug-21          |
| Arcadia Pittwater Private Hospital, Sydney NSW                  | \$50.5                             | 100%     | 24-Aug-21          |
| Warrego Travel Centre, 219 Westphalen Drive, Riverview QLD      | \$16.0                             | 100%     | 28-Sep-21          |
| Dubbo Service Centre, 235 Cobra Close, Dubbo NSW                | \$4.0                              | 100%     | 15-Oct-21          |
| 2 Maker Place, Truganina VIC                                    | \$69.0                             | 100%     | 07-Oct-21          |
| 233-247 Glen Huntley Road, Elsternwick VIC <sup>2</sup>         | \$31.4                             | 50%      | 21-Oct-21          |
| 12 Church Road, Moorebank NSW                                   | \$20.7                             | 50%      | 25-Oct-21          |
| 3201 Old Cleveland Road, Chandler QLD                           | \$11.7                             | 100%     | 05-Nov-21          |
| Jandakot Airport, Perth WA <sup>3</sup>                         | \$865.8                            | 66.6%    | 22-Nov-21 & Mar-22 |
| 525 Boundary Street, Spring Hill QLD <sup>4</sup>               | \$97.4                             | 100%     | 17-Nov-21          |

1. The purchase price reflects the development completion price. This property will be acquired via a fund-through arrangement.

2. The purchase price reflects DREP's 50% share of the syndicated loan facility investment. The other 50% is provided by an external party, Solido Capital Partners Pty Ltd.

3. On 1 November 2021, Dexus acquired 100% of Jandakot City Holdings Pty Ltd (JCH) and 49% of Jandakot Airport Holdings (JAH). On 19 November 2021, Dexus Industria REIT (DXI) acquired a 33.3% interest in each of JCH and JAH. On 27 January 2022, Dexus secured Australian superannuation fund Cbus Super as a new joint venture investor on its funds management platform, with Cbus Super agreeing to purchase a 33.3% interest in the Jandakot joint venture which will own 100% of JCH and JAH. Cbus Super's investment in the Jandakot joint venture and the final settlement of the remaining Jandakot interest are expected to occur in March 2022 following the receipt of required regulatory approvals. Following final settlement, the Jandakot joint venture will be held in the following proportions: Dexus 33.4%; DXI 33.3% and Cbus Super 33.3%. The combined acquisition price was \$1.3 billion excluding acquisition costs. The existing structure includes senior asset-level debt of \$405 million which has remained in place at acquisition, reflecting a combined equity commitment of \$895 million excluding acquisition costs.

| Funds Management acquisitions (cont'd)                                | Purchase price <sup>8</sup><br>\$m | Interest | Settlement            |
|---|------------------------------------|----------|-----------------------|
| 43 Butterfield Street, Herston QLD <sup>4</sup>                       | \$33.3                             | 100%     | 17-Nov-21             |
| Warringah Mall Shopping Centre, 180 Old Pittwater Road, Brookvale NSW | \$410.0                            | 25%      | 02-Dec-21             |
| Truganina VIC and Lakes Business Park South, Botany NSW <sup>5</sup>  | \$269.4                            | 100%     | 04-Nov-21 & 02-Dec-21 |
| 9 Boron Street, Narangba QLD  | \$44.5                             | 100%     | 16-Dec-21             |
| 187 South Pine Road, Brendale QLD                                     | \$9.1                              | 100%     | 4-Feb-22              |
| 3 Spring, 58 Pitt and 60 Pitt Streets, Sydney NSW                     | \$177.0                            | 50%      | Aug-18 – Jul-22       |
| 311 South Street, Marsden Park NSW                                    | \$22.1                             | 49%      | Jul-22                |
| Lot 2 884-928 Mamre Road, Kempas Creek NSW <sup>6</sup>               | \$62.7                             | 50%      | Jul-22                |
| 149 Orchard Road, Chester Hill NSW                                    | \$22.5                             | 50%      | Jul-22                |
| 9-15 Brighton Street, Richmond VIC                                    | \$35.0                             | 100%     | Nov-22                |
| 2 Rose Street, Hurstville NSW   | \$5.5                              | 50%      | 19-Jan-22             |

| Funds Management divestments                                   | Sale price <sup>8</sup><br>\$m | Interest | Settlement |
|--|--------------------------------|----------|------------|
| 10 Brandl Street, Eight Mile Plains QLD                        | \$12.6                         | 100%     | 01-Sep-21  |
| 140 St George Terrace, Perth WA                                | \$254.9                        | 100%     | 22-Sep-21  |
| 56-88 Lisbon Street, Fairfield East NSW                        | \$200.2                        | 100%     | 12-Oct-21  |
| Grosvenor Place, 225 George Street, Sydney NSW                 | \$231.3                        | 12.5%    | 02-Dec-21  |
| Macquarie Centre, Cnr Herring & Waterloo Roads, North Ryde NSW | \$422.5                        | 25%      | 31-Jan-22  |
| Pacific Fair, Hooker Boulevard, Broadbeach Waters QLD          | \$336.4                        | 20%      | 31-Jan-22  |
| 201 Miller Street, North Sydney NSW                            | \$76.2                         | 50%      | Feb-22     |
| Milton Green Business Park, Milton QLD <sup>7</sup>            | \$213.1                        | 50%      | Feb-22     |

4. The purchase price reflects the development completion price. The property has been acquired via a fund-through arrangement with development expected to complete at the end of 2022.

5. Dexus settled the first tranche of the industrial assets in October 2020 and December 2020. The put and call options were exercised for tranche 2 in September 2021, with the Truganina assets settling in November 2021 and Botany settling in December 2021.

6. The purchase price reflects the development completion price and excludes acquisition costs. The property will be acquired via a fund-through arrangement with development payments commencing from July 2022 and practical completion expected in May 2023.

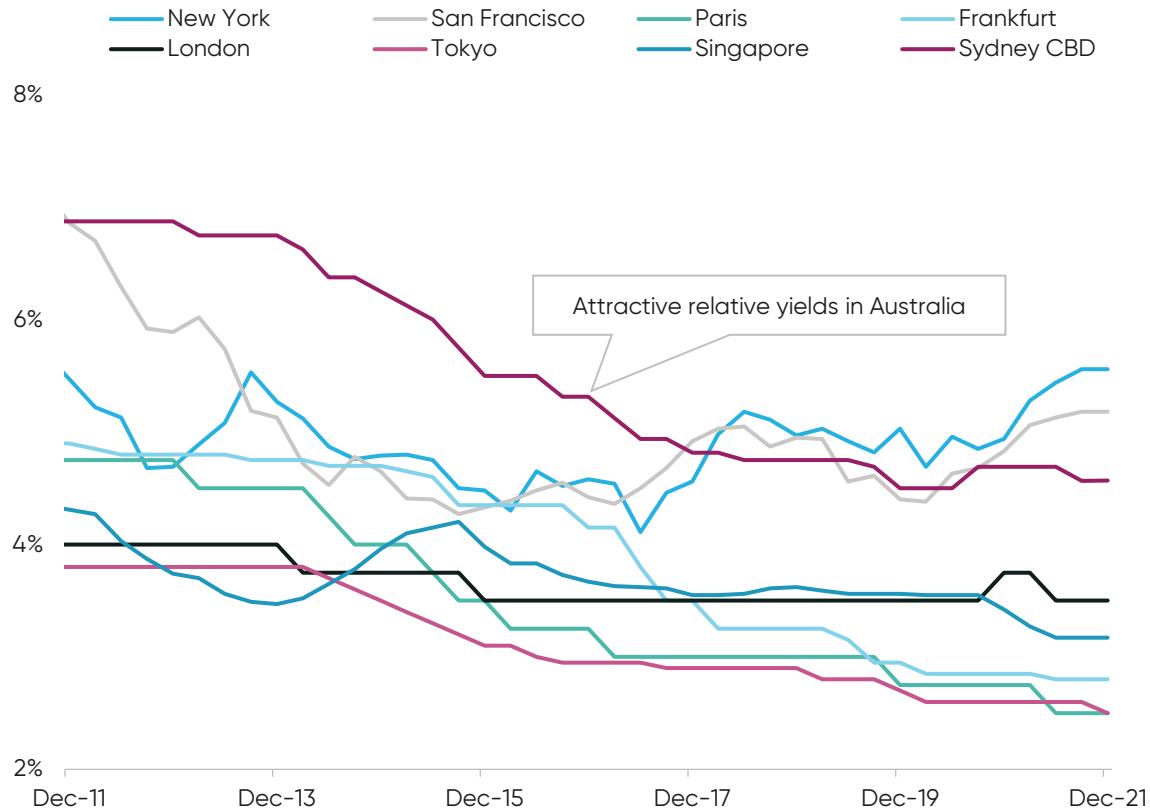
7. Milton Green Business Park comprises the following properties: 135-147 Coronation Drive, Milton and 6, 7, 18, 19-23, 30 and 45 Little Cribb Street, Milton.

8. Excludes transaction costs.

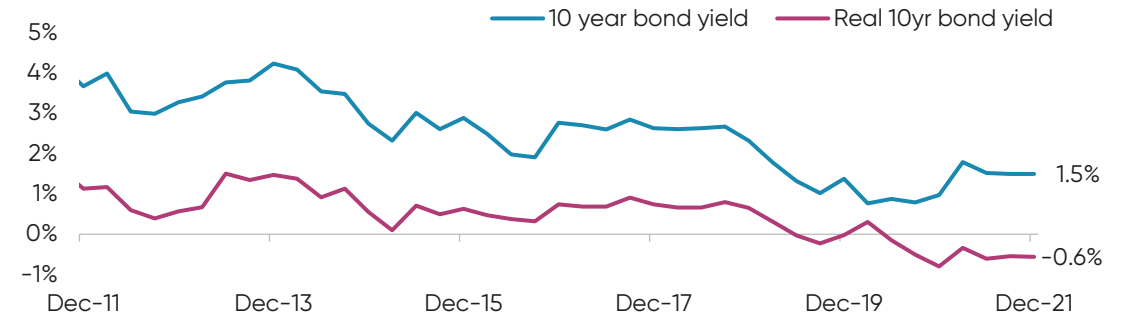
# Yield is a positive thematic driving investor demand for real estate

Low interest rate environment supportive of investment demand

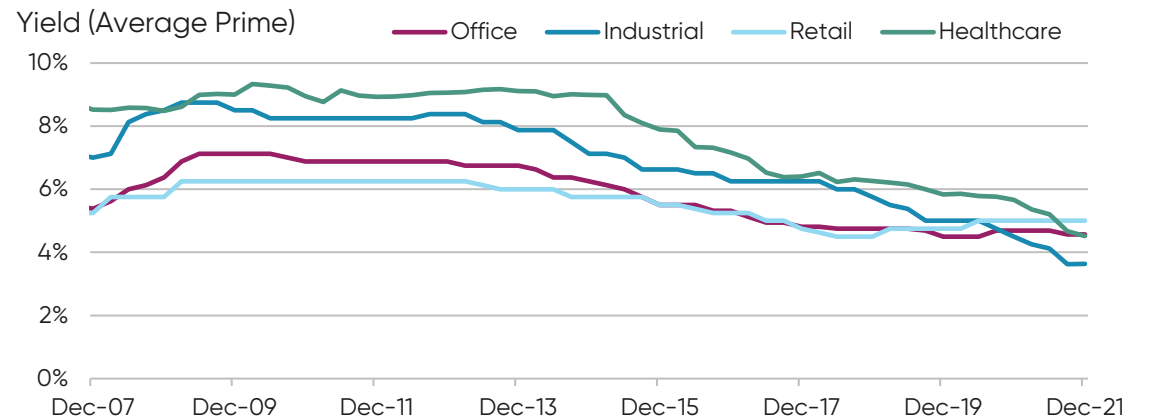
## Australia has attractive office yields on relative global basis<sup>1</sup>



## Negative real interest rates support demand for real assets



## Search for defensive yield driving cap rate compression<sup>2</sup>

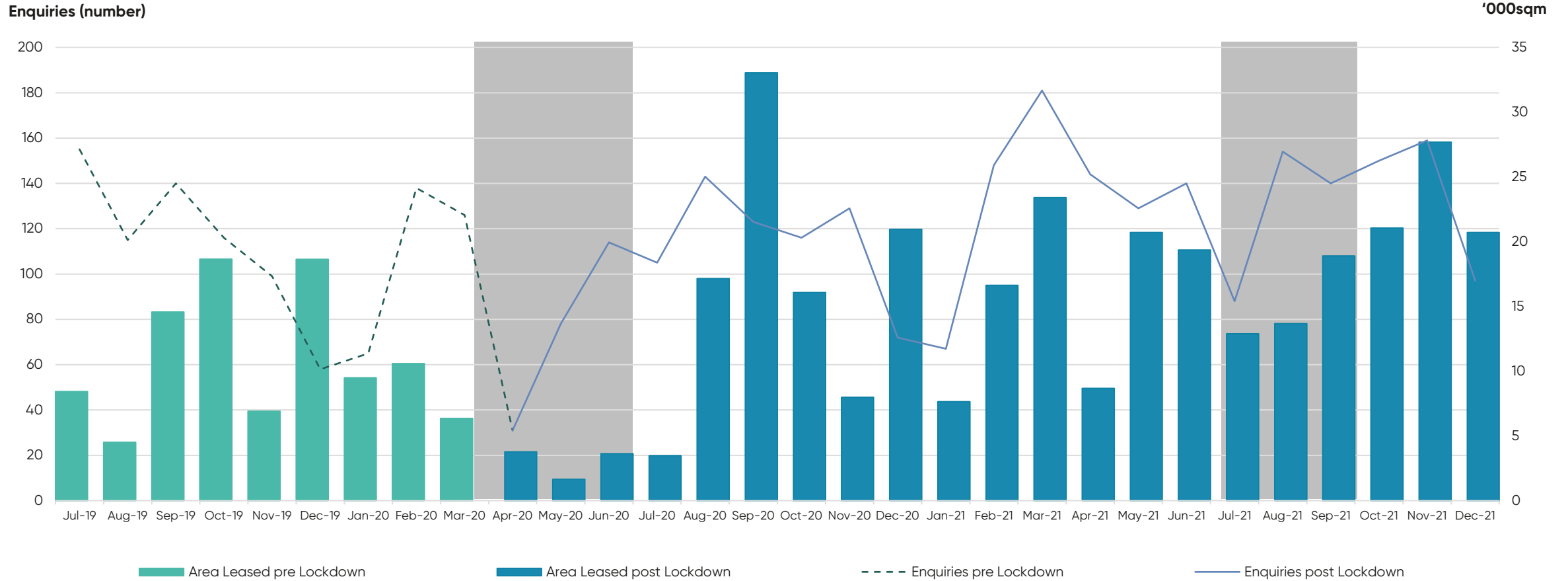


Source: MSCI, Dexus Research, RBA, JLL Research.

1. Office cap rates.

2. Cap rates series are for Sydney markets (office, retail and healthcare) and the Melbourne market (industrial). The Healthcare series is the hospital income return from MSCI.

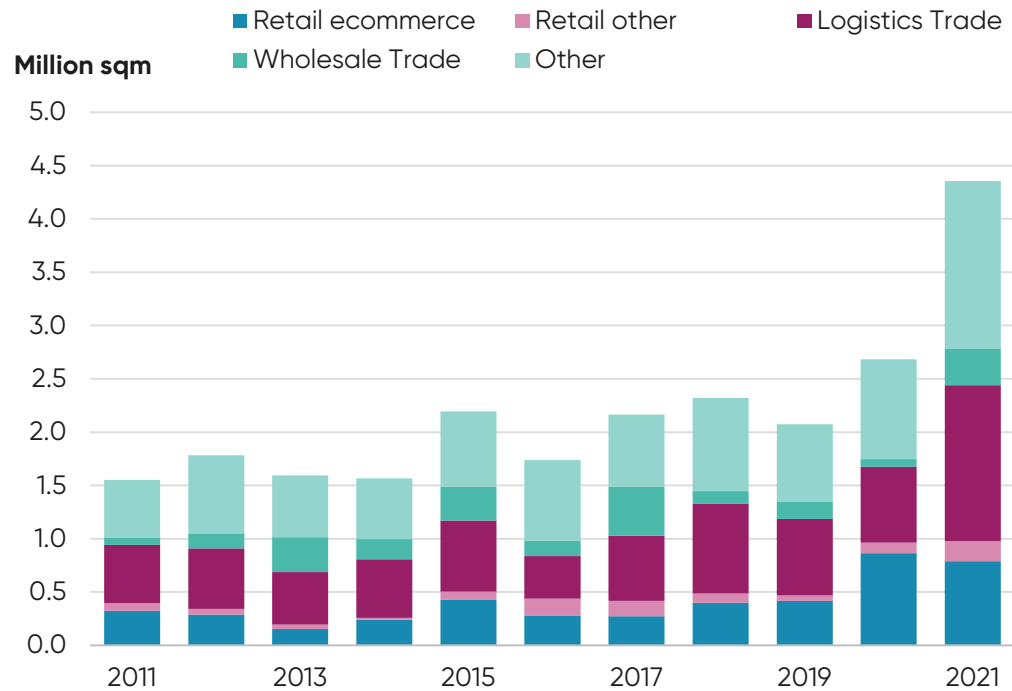
# Sydney portfolio leasing recovery after past lockdowns



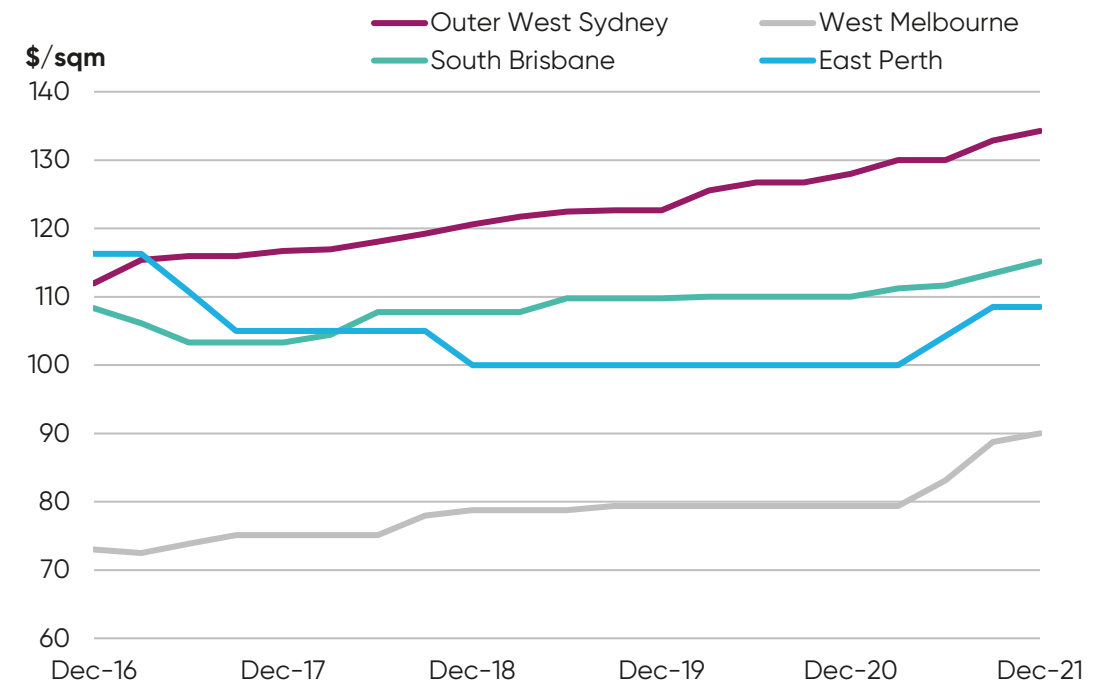
# Industrial sector

Very strong demand leading to significant rent growth

## Ecommerce, logistics and wholesale trade driving total take-up



## Industrial rents increasing nationally

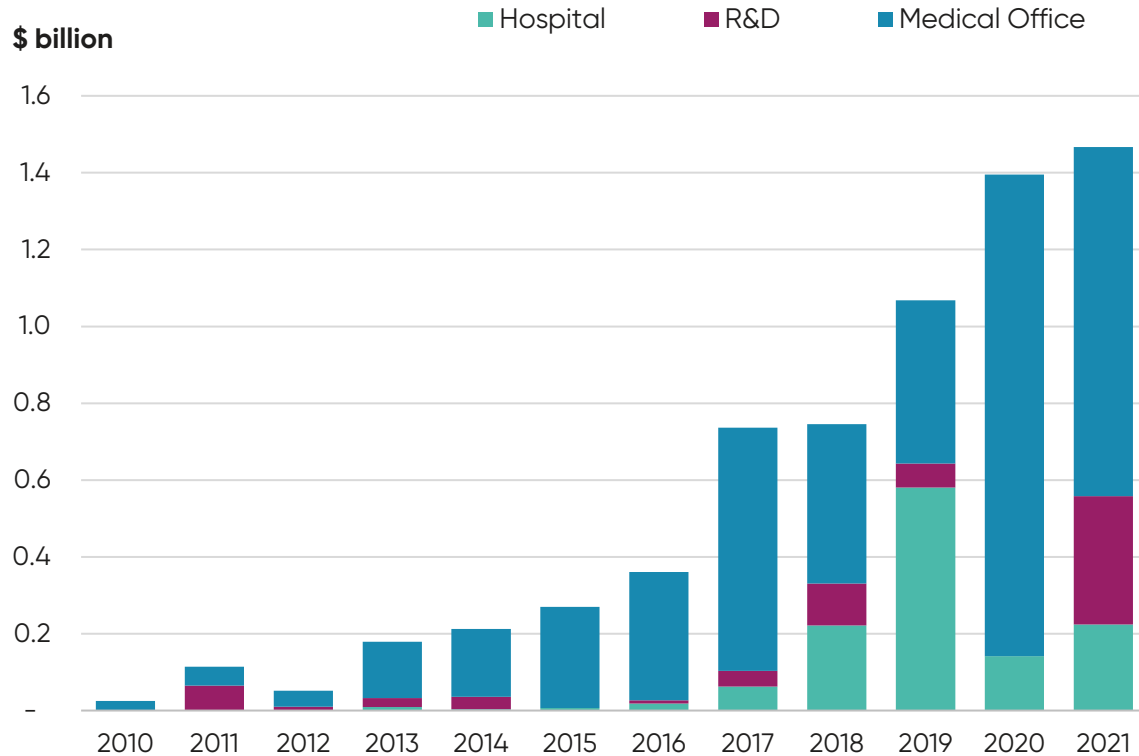


Source: Dexus Research JLL Research.

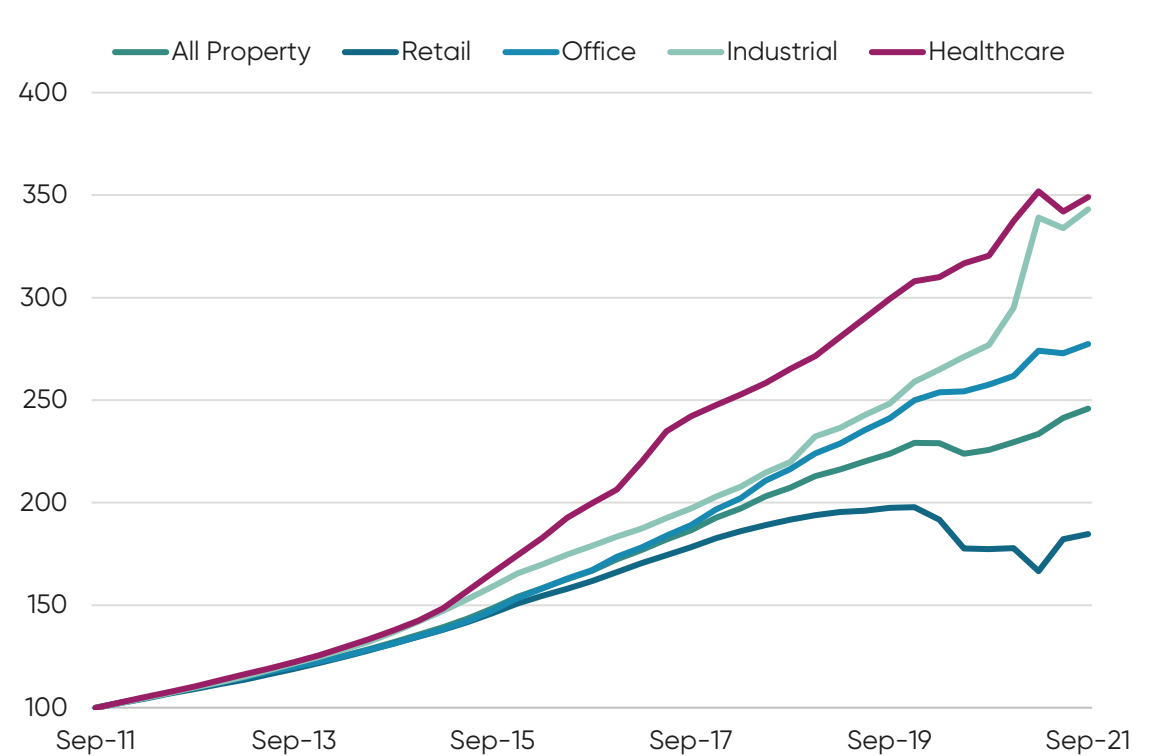
# Healthcare sector

Healthcare has outperformed other sectors over the past decade

Institutional demand drives healthcare transactions to record high levels



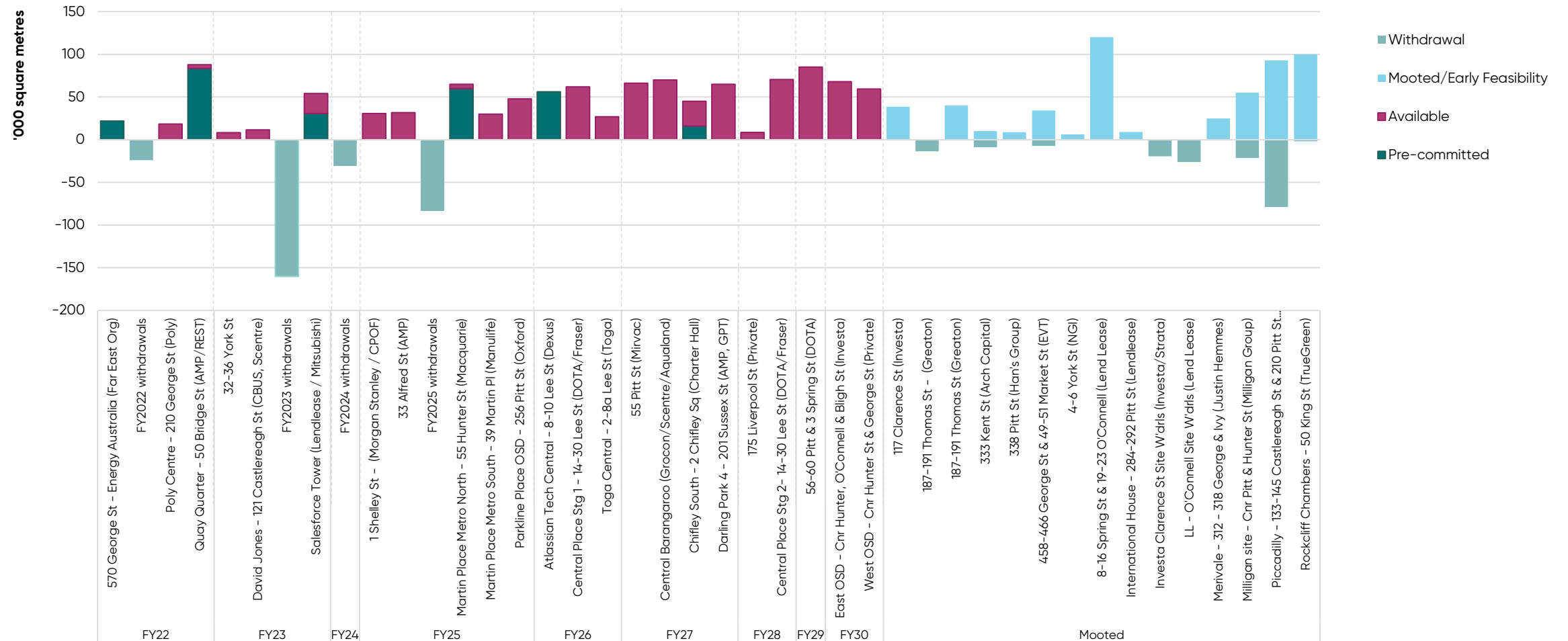
Indexed returns by sector (10yrs) (September 2011=100)



Source: Real Capital Analytics, MSCI , Dexus Research.

# Market outlook

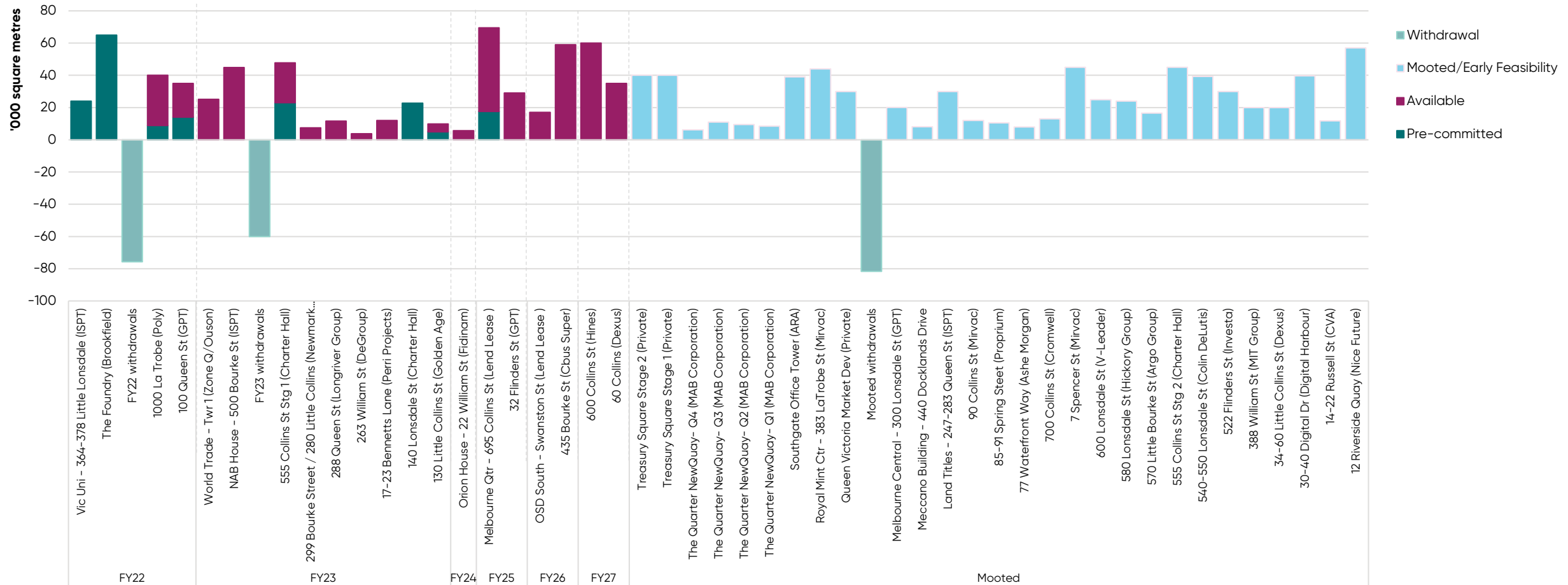
Sydney CBD – short-term supply substantially offset by withdrawals



Source: JLL Research, Dexus Research.

# Market outlook

Melbourne CBD – many projects will require pre-commitment in order to proceed



Source: JLL Research, Dexus Research.



# Office markets

## Dexus's position in CBD office

| CBD office market         | Sydney       | Melbourne    | Brisbane     | Perth        |
|---------------------------|--------------|--------------|--------------|--------------|
| Total NLA                 | 5,175,793sqm | 5,202,656sqm | 2,310,516sqm | 1,794,088sqm |
| Prime vacancy average     | 11.4%        | 15.3%        | 15.7%        | 14.0%        |
| <b>Dexus CBD exposure</b> |              |              |              |              |
| Total NLA                 | 530,137sqm   | 422,429sqm   | 191,753sqm   | 189,339sqm   |
| Number of properties      | 17           | 9            | 5            | 4            |
| Occupancy (by area)       | 96.1%        | 87.6%        | 96.2%        | 98.6%        |
| Occupancy (by income)     | 96.2%        | 88.7%        | 96.6%        | 98.4%        |
| WALE                      | 4.5 years    | 5.2 years    | 4.0 years    | 7.1 years    |



# Other information

## Exchange and securities used in statutory accounts

|   |     | 31 Dec 2021 | 30 Jun 2021 | 31 Dec 2020 |
|---|-----|-------------|-------------|-------------|
| Closing rates for Statement of Financial Position   | USD | 0.7256      | 0.7518      | 0.7702      |
| Average rates for Statement of Comprehensive Income | USD | 0.7319      | 0.7468      | 0.7302      |

### Post consolidation equivalent amounts

|  | 6 mths to<br>31 Dec 2021 | 12 mths to<br>30 Jun 2021 | 6 mths to<br>31 Dec 2020 |
|--|--------------------------|---------------------------|--------------------------|
| Average weighted number of securities <sup>1</sup> | 1,075,565,246            | 1,084,536,777             | 1,090,472,045            |
| Closing number of securities                       | 1,075,565,246            | 1,075,565,246             | 1,089,055,137            |

1. Used to calculate FFO, Underlying FFO and AFFO per security.

# Glossary

|                                       |  |
|---------------------------------------|--|
| Distribution payout policy:           | Policy is to distribute in line with free cash flow.   |
| Funds From Operations (FFO):          | FFO is in line with Property Council of Australia definition and 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 financial assets held at fair value through profit or loss, 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 (including write off of IFRIC SaaS customisation expenses), amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.   |
| Adjusted FFO (AFFO):                  | AFFO in accordance with guidelines provided by the Property Council of Australia (PCA): 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 financial assets held at fair value through profit or loss, 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 (including write off of IFRIC SaaS customisation expenses), amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income, less maintenance capital expenditure and lease incentives. |
| Gearing:                              | Gearing is represented by Interest Bearing Liabilities (excluding deferred borrowing costs and including the currency gains and losses of cross currency swaps) less cash divided by Total Tangible Assets (excluding derivatives and deferred tax assets) less cash. Interest Bearing Liabilities and Total Tangible Assets are both adjusted for debt in equity accounted investments (other than Dexus's share of co-investments in pooled funds).  |
| Covenant gearing:                     | Represents Gearing defined above but not adjusted for cash or debt in equity accounted investments (including co-investments in pooled funds).   |
| Portfolio Value:                      | Unless otherwise stated, portfolio value is represented by investment properties, inventories and investments accounted for using the equity method, and excludes cash and other assets.   |
| Weighted Average Lease Expiry (WALE): | A measure in years of the average term to expiry of in-place rent. Includes vacancies.   |

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