

Dexus (ASX: DXS)

ASX release



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

14 November 2022

New Exchangeable Notes issue and repurchase of existing Exchangeable Notes

Dexus is committed to maintaining a prudent capital structure with diversified sources of capital. Consistent with Dexus's ongoing capital management strategy, Dexus will launch a fully underwritten offering of A\$500 million Guaranteed Exchangeable Notes ("New Notes") due November 2027, which will be exchangeable into Dexus securities at the election of the holder any time starting 41 days from closing date until 10 days prior to maturity and a reverse bookbuilding process to receive indications of interest from certain eligible holders of Dexus's existing outstanding exchangeable notes due June 2026 ("Existing Notes") to purchase for cash ("Concurrent Repurchase") of up to A\$100 million of the Existing Notes".

The New Notes further diversify Dexus's funding sources. The net proceeds from the issue of the New Notes will be used to fund the Concurrent Repurchase, with any surplus used for general corporate purposes. The New Notes are being offered at a coupon of 3.50% and at a premium of approximately 30.0% to 32.5% to the Reference Price described in Appendix A. The final coupon and exchange price is expected to be announced on 15 November 2022, following completion of the offer bookbuild.

The New Notes will rank as unsubordinated and unsecured obligations of Dexus in line with Dexus's existing indebtedness. Any New Notes not exchanged before their maturity will be redeemed by Dexus at 101.37% to 104.15% of their principal amount (to be confirmed following completion of the offer bookbuild) on the maturity date.

Key terms of New Notes are outlined in Appendix A.

The price payable under the Concurrent Repurchase is a fixed price of 96.25% per A\$100,000 in principal amount of Existing Notes, plus any accrued interest to the settlement date of the Concurrent Repurchase. The Issuer is not under any obligation to accept any offer of Existing Notes for repurchase pursuant to the Concurrent Repurchase. Offers of Existing Notes for repurchase may be rejected in the sole discretion of the Issuer for any reason and none of the Issuer or the Sole Lead Manager are under any obligation to holders of Existing Notes to furnish any reason or justification for refusing to accept an offer of Existing Notes for repurchase or the termination of the Concurrent Repurchase. The Issuer will retain absolute discretion on repurchase allocations and may preferentially allocate those investors who participate in the New Notes offering. The settlement of the Concurrent Repurchase is subject to, among other things, the settlement of the New Notes. To the extent any Existing Notes offered by the holders thereof are accepted for purchase by the Issuer, the trading markets for the Existing Notes that remain outstanding may be significantly more limited.

Merrill Lynch Equities (Australia) Limited is acting as Sole Lead Manager and Underwriter to the issue of the New Notes and as Dealer Manager to the Concurrent Repurchase.

Given the New Notes are exchangeable into Dexus securities, key risks of being a Dexus security holder are set out in Appendix B.

Pro-forma financial impact

The issue of the New Notes, and the Concurrent Repurchase, are not expected to have a material impact on Dexus's gearing and Dexus maintains its guidance to deliver distributions of 50.0 – 51.5 cents per security for the 12 months ended 30 June 2023¹.

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¹ Based on current expectations regarding interest rates, continued asset sales and barring unforeseen circumstances. Assumes current interest rate expectations of 2.75% - 3.75% based on an average floating interest rate (90-day BBSW), the transition of circa \$18 billion of FUM from the acquisition of the AMP Capital real estate and domestic infrastructure equity platform and circa \$50 - \$55 million of trading profits (post-tax).

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 \$44.3 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 in Australia, and directly own \$18.4 billion of office, industrial and healthcare properties and investments. We manage a further \$25.9 billion of office, retail, industrial and healthcare properties in our funds management business, which provides third party capital with exposure to quality sector specific and diversified real estate investment products. The funds within this business have a strong track record of delivering outperformance and benefit from Dexus's capabilities. The group's \$17.7 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Dexus is listed on the Australian Securities Exchange and is supported by more than 29,000 investors from 24 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. We consider sustainability (ESG) to be an integral part of our business with the objectives of Leading Cities, Future Enabled Customers, Strong Communities, Thriving People and an Enriched Environment supporting our overarching goal of Sustained Value. www.dexus.com

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New Notes Offer Restrictions

This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the Securities Act)) (U.S. Person) and may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. Person. The New Notes to be offered and sold have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account of any U.S. Person, except in compliance with the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States (which Dexus has no obligation to do or procure) or pursuant to an exemption from, or in a transaction exempt from or not subject to, such registration requirements and any other applicable securities laws.

Appendix A – Key terms of the New Exchangeable Notes

Issuer	Dexus Finance Pty Ltd
Guarantors	The Guarantors are the same Guarantors as for Dexus's existing Australian Dollar MTNs and exchangeable notes
Currency	AUD
Issue Size	A\$500 million
Status	Direct, unsubordinated and unsecured obligations of the Issuer and Guarantors (pari passu with all other unsecured and unsubordinated obligations of the Issuer and the Guarantors)
Maturity	5.0 years from Settlement Date
Redemption Price at Maturity	101.37% to 104.15% of the principal amount (to be confirmed following completion of the offer bookbuild)
Early Redemption Amount	The amount that would provide a holder who purchased the New Notes at the principal amount on the closing date with a gross yield of 3.75% to 4.25% per annum (calculated on a quarterly basis)
Coupon	3.50% per annum, payable quarterly in arrears
Exchange Premium	Approximately 30.0% to 32.5% premium to the Reference Price
Exchange Period	Exchangeable at any time on or after 41 days from closing date until 10 days prior to the Maturity, unless previously redeemed, exchanged, or repurchased and cancelled (excluding closed periods)
Reference Price	<p>The clearing price of a concurrent delta placement, with the Sole Lead Manager having underwritten this at no less than A\$7.53, representing a 3.71% discount to the A\$7.82 closing price of Dexus Stapled Securities on 14 November 2022.</p> <p>Under a concurrent delta placement, the Sole Lead Manager is expecting to sell existing Dexus Stapled Securities to facilitate hedging activity by investors in relation to the New Notes. The Sole Lead Manager or their affiliates may acquire Dexus Stapled Securities under the concurrent delta placement, with the manner of conduct otherwise being determined by the Sole Lead Manager in consultation with the Issuer.</p> <p>The number of securities transferred under the concurrent delta placement, and the discount that the placement represents, will not be known until the bookbuild has been finalised.</p>
Distribution Protection	Exchange Price adjustments for all distributions paid on the Stapled Securities
Cash Alternative Election	Yes, the Issuer may, in full or in part, elect to make payment of the Cash Alternative Amount to exchanging Noteholders in lieu of delivering Stapled Securities
Covenants / Provisions	Standard provisions including negative pledge, anti-dilution protection, change of control, and cross default
Listing Exchange	Application will be made to list on the Open Market segment of the Frankfurt Stock Exchange

Appendix B – Risk Factors

An investment in Dexus has a number of risks. Key risks relating to this investment are summarised in the table below. This is a non-exhaustive list of risks. Dexus stapled security holders (“**Stapled Security holders**”) and prospective investors should seek their own professional tax, financial and legal advice about the risks that may be associated with an investment in Dexus.

Dexus specific risks

<p>Impact of interest rates</p>	<p>Dexus’s interest cost on floating rate debt will increase if benchmark interest rates increase. This would reduce earnings and cash flow available for distribution to Stapled Security holders.</p> <p>Dexus manages some of its exposure to adverse fluctuations in floating interest rates by entering into interest rate hedge instruments, however the impact of interest rate hedging may be negative, depending on the extent, timing or direction of movements in underlying rates.</p>
<p>Transaction and business opportunities</p>	<p>At any time, Dexus may be undertaking due diligence on a number of potential transaction opportunities both on its own account, with joint venture parties, or on behalf of fund clients. When Dexus proceeds with any opportunity, it is possible that Dexus may not uncover issues that may later have an adverse impact on Dexus, joint venture partners or fund clients. Risks which may arise in pursuing new opportunities or acquisitions which may adversely affect future value or profitability, include:</p> <ul style="list-style-type: none"> • any acquisition or business opportunities performing below expectations; • capital expenditure required in any of the acquisition or business opportunities being greater than expected; • a breakdown in the relationship with a joint venture partner or fund client; • delay in realising the full benefits of an acquisition and/or business opportunity; • a downturn in the relevant local market conditions, including if interest rates are higher than expected; or • In relation to potential divestments, there is no guarantee that divestments will be secured on the terms expected by Dexus and any divestments may be subject to settlement risk.
<p>Development activities</p>	<p>Dexus has several development projects underway. These development projects have inherent risks, including market risk, valuation risk, latent liabilities or contingencies emerge such as the existence of hazardous substances (for example, asbestos) or other environmental liabilities, completion delays and cost overruns. Dexus endeavours to manage these risks using policies, procedures and contracts. For example, under certain contracts entered into under these development projects, the contractors assume certain financial risks relating to completion delays and cost overruns except for tenant and owner requested contract variations. Dexus has also obtained performance guarantees from its contractors. However, there can be no assurance that Dexus will not be adversely impacted by the failure of a contractor to deliver the project as agreed. Where certain development projects are only partially leased, there is no income guarantee on any remaining vacancies at practical completion.</p> <p>Dexus has entered into several tenancy agreements for certain development projects. While Dexus believes that it will be able to secure tenants for the remaining vacancies, there can be no guarantee that Dexus will be able to do so.</p> <p>The earnings, cash flows and valuations of certain development projects are impacted by a number of factors including construction costs, actual completion dates, post-completion occupancy, rentals achieved and the ability of tenants to meet rental obligations. Dexus has a pipeline of future and prospective development projects which have not yet commenced and in some instances, have not yet secured necessary authority approvals and</p>

	<p>consents. There is no certainty that these approvals will be secured or that the projects will be activated.</p>
Refinancing requirements	<p>Dexus is exposed to risks relating to the refinancing of existing debt instruments and facilities.</p> <p>Dexus has approximately \$160 million of debt maturing in the 12 months from the date of this announcement (including Dexus's share of repayment obligations from its ownership share in Dexus Office Trust Australia and Dexus Real Estate Partnership No. 1, on a look-through basis). It may be difficult for Dexus to refinance all or some of these and other debt maturities.</p> <p>Further, if some or all of these debt maturities can be refinanced, these may be on less favourable terms than is currently the case.</p>
Availability of capital (including debt finance)	<p>Dexus operates in a sector which is highly capital intensive.</p> <p>Dexus's ability to raise funds in the future (including obtaining additional debt finance to fund acquisitions and ensuring sufficient debt funding headroom is retained within its capital management policies) on favourable terms depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of Dexus's business. Many of these factors are outside Dexus's control and may increase the cost and availability of capital.</p> <p>Dexus is also exposed to risks commonly associated with refinancing debt. Such risks include the credit or financial market becoming subject to adverse economic or industry conditions.</p> <p>Dexus holds an investment grade credit rating from Standard & Poor's of A- (Stable) and holds an investment grade credit rating of A3 from Moody's. Any downgrade to Dexus's credit rating may impact access to capital.</p>
Impact of financing covenants	<p>Dexus's financiers require it to maintain certain gearing and other ratios under various debt covenants. As at the date of this announcement, Dexus was in compliance with all covenants under its debt facilities. However, should Dexus become non-compliant, this may have a negative impact on Dexus's financial condition, and on its ability to meet its debt obligations. For example, lenders may seek to exercise enforcement rights under debt documentation immediately which may have a material adverse impact on Dexus's performance and the execution of its business strategy.</p>
Acquisition of AMP Capital's real estate and domestic infrastructure equity business	<p>On 27 April 2022, Dexus announced entry into a share purchase agreement to acquire the AMP Capital domestic infrastructure and real estate funds management business from AMP Limited. The completion of the acquisition is subject to AMP Limited receiving various regulatory approvals that satisfy conditions precedent for the acquisition. There is no certainty that all conditions precedent for the acquisition will be met.</p> <p>The success of the acquisition is also subject to Dexus being able to integrate the AMP Capital domestic infrastructure and real estate funds management business into the Dexus funds management platform. A number of risks may arise if this does not occur including loss of funds under management, impacts on reputation of the Dexus Group and risks of loss of key personnel that were expected to transition to Dexus on completion of the acquisition.</p>
Financial forecasts and forward looking statements	<p>There is no guarantee that the assumptions contained within forward-looking statements or estimates (including as to Dexus's future earnings and earnings guidance) released to the market will ultimately prove to be accurate. The forward-looking statements and forecasts depend on a variety of factors, many of which are beyond Dexus's control.</p>

Australian Real Estate Investment Trust ("A-REIT") sector risks

Inflation	<p>Higher than expected inflation rates generally or specific to the property sector could be expected to increase operating costs and/or development costs.</p>
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Illiquid assets	Property assets are by their nature illiquid investments. If property assets are required to be disposed in order to raise liquidity, it may not be possible to dispose of assets in a timely manner or at an optimal price. This may affect net tangible assets or the market price of Stapled Securities. A-REITs with broad geographical diversity may be less exposed to this risk than those concentrated in one location.
Returns from investments	<p>The value, expectations of capital growth, and returns from Dexus's property assets will fluctuate depending on property market conditions. Rental and occupancy levels may change as a result of changes in the property market and general economic conditions (including conditions relating to retail, office, logistics, healthcare and development assets), and this may affect the distributions paid by Dexus and the market price of Stapled Securities.</p> <p>The ability to procure tenants (including timing and rental paid), demand for property from investors and the expenses in operating, refurbishing and maintaining properties, may influence the value of Dexus's assets. The supply of competing buildings, both existing and new, may also affect the ability to secure lease renewals, retain existing tenants or obtain new tenants. If Dexus cannot negotiate lease renewals or maintain existing lease terms, income and book values may be adversely impacted.</p>
Changing investor demand for property investments	<p>The demand for property and listed property securities may change as investor preferences for particular sectors and asset classes change.</p> <p>The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates, inflation, stock market cycles and exchange rates.</p>
Asset and land values	<p>Independent valuations are carried out for each individual property on a periodic basis to determine their fair market value.</p> <p>Asset values are affected by many factors including prevailing market conditions, risk appetite, volume of sales, the ability to procure tenants, contracted rental returns, operating, maintenance and refurbishment expenses and the funding environment. Changes in the fair market value of Dexus's properties determined by independent valuations may have an adverse effect on Dexus's financial results where there is a significant decrease in the valuation of Dexus's properties.</p> <p>From time to time unanticipated events occur that affect the value of land or development costs which may in turn affect the financial returns from property investment, projects and property related business.</p>
Time delays and cost escalation	<p>Development approvals, slow decision making by counterparties, complex construction specifications and changes to design briefs, legal issues and other documentation changes may give rise to delays in completion of projects, loss of revenue and cost overruns. Delays in completing projects may also result in increased construction and funding costs as result of inflation and may also adversely impact contracted builders (including increased risk of builder default). Additionally, delays in completion of projects may in turn, result in liquidated damages and termination of lease agreements and pre-sale agreements which may have a negative effect on a property developer's financial returns.</p> <p>Other time delays which may arise in relation to construction and development projects include supply of labour, scarcity of construction materials, lower than expected productivity levels, inclement weather conditions, land contamination, difficult site access or industrial relations issues.</p> <p>Objections raised by community interest groups, environmental groups and neighbours may also delay the granting of planning approvals or the overall progress of a project. Major infrastructure requirements or unanticipated environmental issues may affect financial returns.</p>
Third party capital partners	Dexus manages properties on behalf of several third party capital partners in its funds management business. A change in strategy and/or capacity of existing third party capital partners, the inability to attract new third party capital partners, the loss of confidence in Dexus's governance structure (including conflict management) and service delivery could result in the loss

	the management of properties and a subsequent reduction in funds management income.
Property leasing	<p>There is a risk that tenants default on their rent or other obligations under leases, leading to capital losses or a reduction in income from those assets. This risk can be greater where there is a higher tenant concentration.</p> <p>There is also a risk that it may not be possible to negotiate lease renewals or maintain existing lease terms. If this occurs, income, book values, timings of projects and Dexus's financial condition may be adversely impacted.</p>
Counterparty / credit risk	A-REITs are exposed to the risk that third parties, such as tenants, developers, service providers and financial counterparties (including in relation to debt and foreign exchange and interest rate hedging instruments) and other contracts may not be willing or able to perform their obligations.
Fixed nature of costs	Many costs associated with the ownership and management of property assets are fixed in nature. The value of assets may be adversely affected if the income from the asset declines and these fixed costs remain unchanged.
Capital expenditure	A-REITs are exposed to the risk of higher or unforeseen capital expenditure requirements in order to maintain the quality of the buildings and tenants.
Environmental matters	<p>A-REITs are exposed to a range of environmental risks which may result in damage to the environment, project delays or additional expenditure. In such situations, they may be required to undertake remedial works and potentially be exposed to third party liability claims and/or environmental liabilities such as penalties and fines.</p> <p>A-REITs are also subject to extensive regulation under environmental laws, including in respect of contamination and pollution. These laws vary by jurisdiction and are subject to change, and therefore require continuous monitoring from a risk control perspective.</p>
Insurance	<p>A-REITs purchase insurance, customarily carried by property owners, managers, developers and construction entities that provides a degree of protection for its assets, liabilities and people. Such policies include material damage of assets, contract works, business interruption, general and professional liability and workers compensation. There are however certain risks that are uninsurable (e.g. nuclear, chemical or biological incidents) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake).</p> <p>A-REITs may face risk associated with the financial strength of their insurers to meet indemnity obligations when called upon which could have an adverse impact on earnings.</p> <p>Further, insurance may be materially detrimentally affected by economic conditions so that insurance becomes more expensive or in some cases, unavailable. If an uninsured loss occurs, the purchaser could lose both its invested capital in, and anticipated profits from, the affected property.</p>
Regulatory issues	<p>Dexus operates in a highly regulated environment and is subject to a range of industry specific and general legal and other regulatory controls. Regulatory breaches may affect Dexus's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs.</p> <p>Changes in relevant laws, accounting standards, other legal, legislative and administrative regimes, and government policies (including Government fiscal, monetary and regulatory policies), may have an adverse effect on the assets, operations and ultimately, the financial performance of Dexus.</p> <p>These factors may ultimately affect Dexus's financial position and performance and the market price of Stapled Securities.</p>
Taxation	Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the future tax liabilities of Dexus and/or Stapled Security holders. Under current income tax legislation, Dexus's "flow-through" trust, Dexus Property Trust ("DPT"), is generally not liable for Australian income tax, including capital gains tax. Should the actions or activities of DPT (or its controlled entities) cause the relevant trust to fall within the operative provisions of Division 6C of Part III of

	<p>the <i>Income Tax Assessment Act 1936</i> (Cth), the relevant trust, together with any “flow through” trusts that control the trust, may be taxed on its taxable income at a rate which is currently equivalent to the corporate income tax rate of 30%.</p> <p>DPT currently qualifies as a withholding managed investment trust such that the taxable part of the distributions to non-residents in certain jurisdictions, are generally subject to a withholding tax rate of 15% (but that rate can be higher or lower in certain circumstances). Some requirements to qualify as a withholding managed investment trust are outside of Dexus’s control, including the requirement that no non-resident individual has a 10% or greater stake in the group. Although Dexus does not expect this to occur, if DPT ceases to qualify as a withholding managed investment trust then the rate of tax imposed on non-resident Stapled Securityholders could increase.</p> <p>The attribution managed investment trusts (“AMITs”) regime under the <i>Income Tax Assessment Act 1997</i> (Cth) is intended to improve the operation of the taxation law for AMITs by increasing certainty, allowing greater flexibility and reducing compliance costs. The RE of DPT, Dexus’s “flow-through” trust, has elected for DPT to be an AMIT from the income year commencing 1 July 2021.</p> <p>Under the AMIT regime it is not a requirement that Stapled Securityholders be presently entitled to all of the income of DPT in order to prevent the trustee of the AMIT (i.e. the RE of DPT) being subject to tax. The AMIT regime imposes the liability for income tax upon Stapled Securityholders by reference to fair and reasonable allocations made by the trustee of the AMIT and continues to treat DPT as a “flow-through” trust. The AMIT regime also includes provisions which can impose tax on the trustee of an AMIT, including in respect of certain non-arm’s length income or where the trustee of the AMIT fails to fully attribute the determined trust components of the AMIT to Stapled Securityholders.</p>
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Other general risks

Litigation and disputes	Legal and other disputes (including industrial disputes and class actions) may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect financial performance and security value.
Competition	<p>Dexus faces competition from other property groups active in Australia. Such competition could lead to the following adverse outcomes:</p> <ul style="list-style-type: none"> • loss of tenants to competitors; • a reduction in rents and/or higher incentives; and • an inability to secure new tenants resulting in an oversupply of space.
Reliance on key personnel	Dexus is reliant on a number of key personnel. Loss of such personnel, or inability to attract suitably qualified personnel, may have a material adverse impact on Dexus’s performance.
Work safety	Failure to ensure the safety and wellbeing of employees, customers, contractors and the public at Dexus properties could result in death or injury to individuals at Dexus properties, fines, penalties, compensation for damages and industrial action. It may also lead to reputational damage, poor staff morale and loss of broader community confidence.
Cyber security and data governance	<p>Dexus’s operations depend on the reliability and availability of its IT infrastructure networks. Dexus’s IT systems may be vulnerable to a variety of interruptions due to events that may be beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunication failures, computer viruses, phishing attacks, hackers and other security issues.</p> <p>Any disruptions in an IT network which Dexus use or unexpected system or computer network interruptions could disrupt Dexus’s operations and consequently its overall profitability</p>

Market risks	<p>Investors should be aware that the market price of Stapled Securities and future distributions made to security holders will be influenced by a number of factors that are common to most listed investments. At any point in time, these may include:</p> <ul style="list-style-type: none"> • changes in economic conditions including inflation, recessions and interest rates; • the Australian and international economic outlook; • movements in the general level of prices on international and local equity and credit markets; • changes in market regulators' policies and practice in relation to regulatory legislation; • changes in Government, fiscal, monetary and regulatory policies; and • the demand for Stapled Securities.
General economic and business conditions	<p>Dexus's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, commodity prices, ability to access funding, supply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a material adverse impact on Dexus's operating and financial performance.</p>
Equity market conditions	<p>The market price of Dexus's Stapled Securities will be affected by the financial and non-financial performance of Dexus and also varied and often unpredictable factors influencing equity and credit markets generally. These factors include international stock markets, interest rates, commodity prices, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the supply and demand for equities generally.</p>
Effects of Health Crises and Other Catastrophic Events	<p>Health crises, such as pandemic and epidemic diseases, as well as other catastrophes such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, that result in disrupted markets and/or interrupt the expected course of events, and public response to or fear of such crisis or events, may have an adverse effect on the operations and ultimately, the financial performance of Dexus. For example, any preventative or protective actions taken by governments in response to such crises or events may result in periods of regional, national or international business disruption. Such actions may significantly disrupt the operations of Dexus and other service providers to Dexus. Further, the occurrence and duration of such crises or events could adversely affect economies and financial markets either in specific countries or worldwide. The impact of such crises or events could heighten the other risks detailed in this Appendix B, in particular market risks, equity market conditions and general economic and business conditions.</p> <p>Furthermore, as a consequence of the COVID-19 pandemic, Dexus may face certain difficulties in renewing lease agreements or executing new lease agreements at or above current market rates due to financial difficulties affecting current or prospective tenants. Commentary on working from home versus the office has increased as a consequence of the pandemic, but the impact on both near term and longer-term tenant leasing demand is not yet clear.</p>
Other factors	<p>Other factors may impact on an entity's performance including changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets.</p>