Dexus Convenience Retail REIT (ASX:DXC)

ASX release

12 August 2024

2024 Annual Report

Dexus Convenience Retail REIT (ASX:DXC) releases its 2024 Annual Report, which will be mailed to Security holders who have elected to receive a hard copy in September 2024.

Authorised by the Board of Dexus Asset Management Limited

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About Dexus Convenience Retail REIT

Dexus Convenience Retail REIT (ASX code: DXC) is a listed Australian real estate investment trust which owns high quality Australian service stations and convenience retail assets. At 30 June 2024, the fund's portfolio is valued at approximately $741 million, is predominantly located on Australia's eastern seaboard and leased to leading Australian and international convenience retail tenants. The portfolio has a long lease expiry profile and contracted annual rent increases, delivering the fund a sustainable and strong level of income security. The fund has a conservative approach to capital management with a target gearing range of 25 – 40%. Dexus Convenience Retail REIT is governed by a majority Independent Board and managed by Dexus (ASX code: DXS), one of Australia's leading fully integrated real asset groups, with over 35 years of expertise in property investment, funds management, asset management and development. www.dexus.com

Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) (the "Responsible Entity") is the responsible entity and issuer of the financial products in respect of Convenience Retail REIT No. 1 (ARSN 101 227 614), Convenience Retail REIT No. 2 (ARSN 619 527 829) and Convenience Retail REIT No. 3 (ARSN 619 527 856) collectively the Dexus Convenience Retail REIT (ASX code: DXC) stapled group. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX code: DXS).

Level 5, 80 Collins Street (South Tower), Melbourne VIC 3000 Australia. PO Box 18011 Melbourne Collins Street East VIC 8003 Australia

Annual Report
2024

DXC | dexus

Dexus
Convenience Retail REIT

Dexus Convenience Retail REIT is a listed Australian real estate investment trust which owns high-quality Australian service stations and convenience retail assets.

Dexus Convenience Retail REIT

Convenience Retail REIT No. 1
ARSN 101 227 614

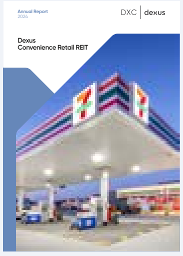
Convenience Retail REIT No. 2
ARSN 619 527 829

Convenience Retail REIT No. 3
ARSN 619 527 856

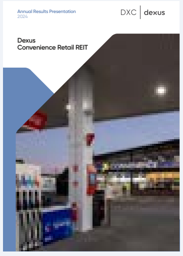
Dexus Asset Management Limited
ACN 080 674 479 AFSL 237 500 as responsible entity for Dexus Convenience Retail REIT (which comprises the above mentioned three trusts which are stapled to each other).

690–694 Lower North East Road, Paradise SA

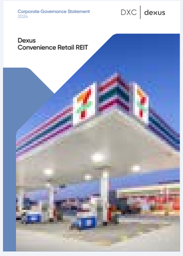
Dexus Convenience Retail REIT Annual Reporting Suite



Annual Report



Annual Results Presentation



Corporate Governance Statement

Management Procedures & Sustainability Data Pack

Acknowledgement of country

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

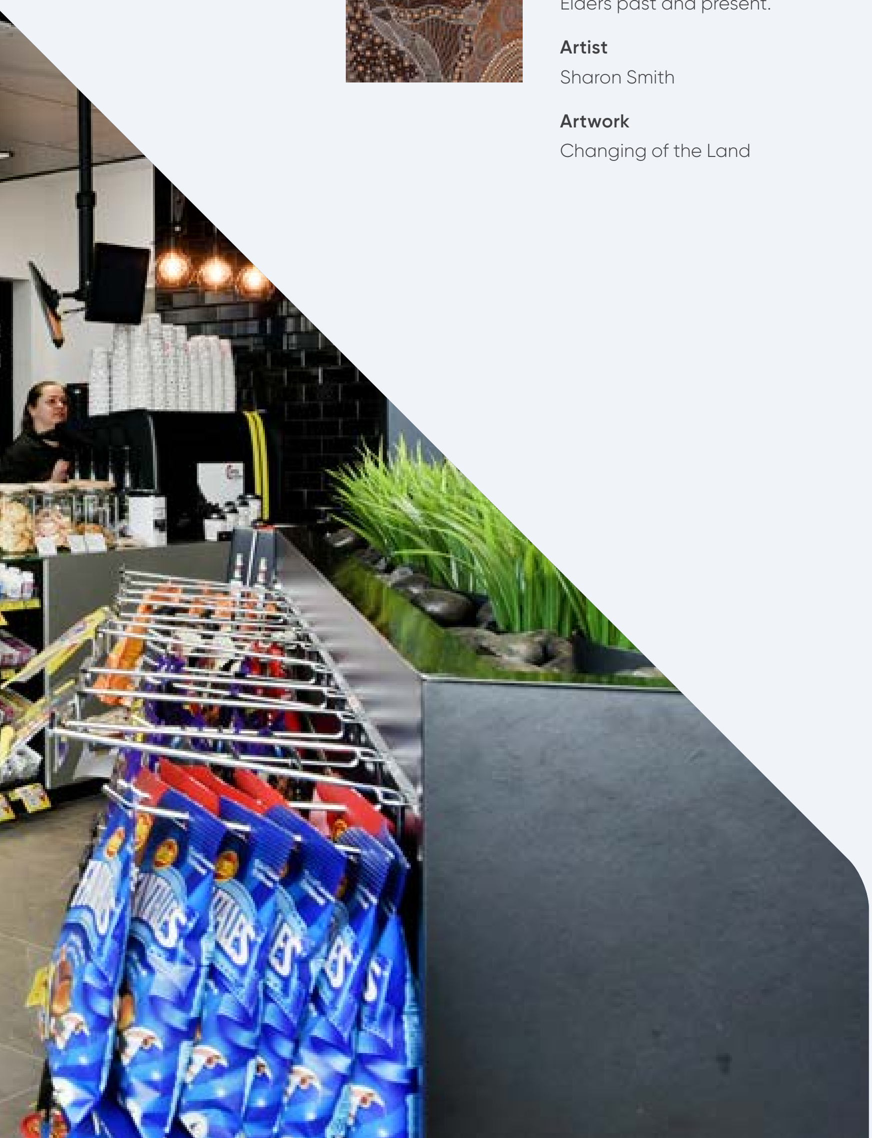
We pay our respects to First Nations Elders past and present.

Artist

Sharon Smith

Artwork

Changing of the Land



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About this Report

The 2024 Annual Report is a consolidated summary of Dexus Convenience Retail REIT's (DXC) performance for the financial year ended 30 June 2024. It should be read in conjunction with the reports that comprise the 2024 Annual Reporting Suite available from www.dexus.com/convenience.

In this report, unless otherwise stated, references to 'DXC', 'the Fund, 'we' and 'our' refer to ASX listed entity of Dexus Convenience Retail REIT. Any reference in this report to a 'year' relates to the financial year ended 30 June 2024. All dollar figures are expressed in Australian dollars unless otherwise stated. The Board acknowledges its responsibility for the 2024 Annual Report and has been involved in its development and direction from the beginning. The Board reviewed, considered and provided feedback during the production process and approved the Annual Report at its August 2024 meeting.

FY24 highlights

FFO and distributions were delivered at the upper end of the guidance range, supported by resilient like-for-like income growth underpinned by a high-quality and diverse tenant base, as well as an active capital management approach.

Financial

21.0cps
FFO per security
FY23: 21.6cps

21.0cps
Distribution per security
FY23: 21.6cps

$3.56
NTA per security
FY23: $3.75

14 Commercial Road,
Shiedow Park SA

Capital management

32.9%
Gearing
FY23: 31.8%[1]

4.2 years
Weighted average debt maturity
FY23: 4.2 years[2]

75%
Average hedged debt
FY23: 64%

Portfolio

+3.4%
Average rent review achieved
FY23: +3.7%

99.7%
Occupancy (by income)
FY23: 99.4%

8.8 years
Weighted average lease expiry (by income)
FY23: 9.7 years

Sustainability

100%
Renewable electricity sourced for managed portfolio assets

5 major tenants
Progressing solar PV and EV charging rollout across 22 sites

Development
Glass House Mountains Northbound redevelopment to include 10 EV charging bays

1. Pro forma for the sale of 656 Bruce Highway, Woree, QLD, 1182 Chapman Road, Glenfield WA, 264 Browns Plains Road, Browns Plains, QLD and 323 North East Road, Hampstead Gardens, SA which settled post 30 June 2023. At 30 June 2023, gearing was 33.4%.
2. Pro forma for $30 million facility extension that occurred on 31 July 2023.

About Dexus Convenience Retail REIT

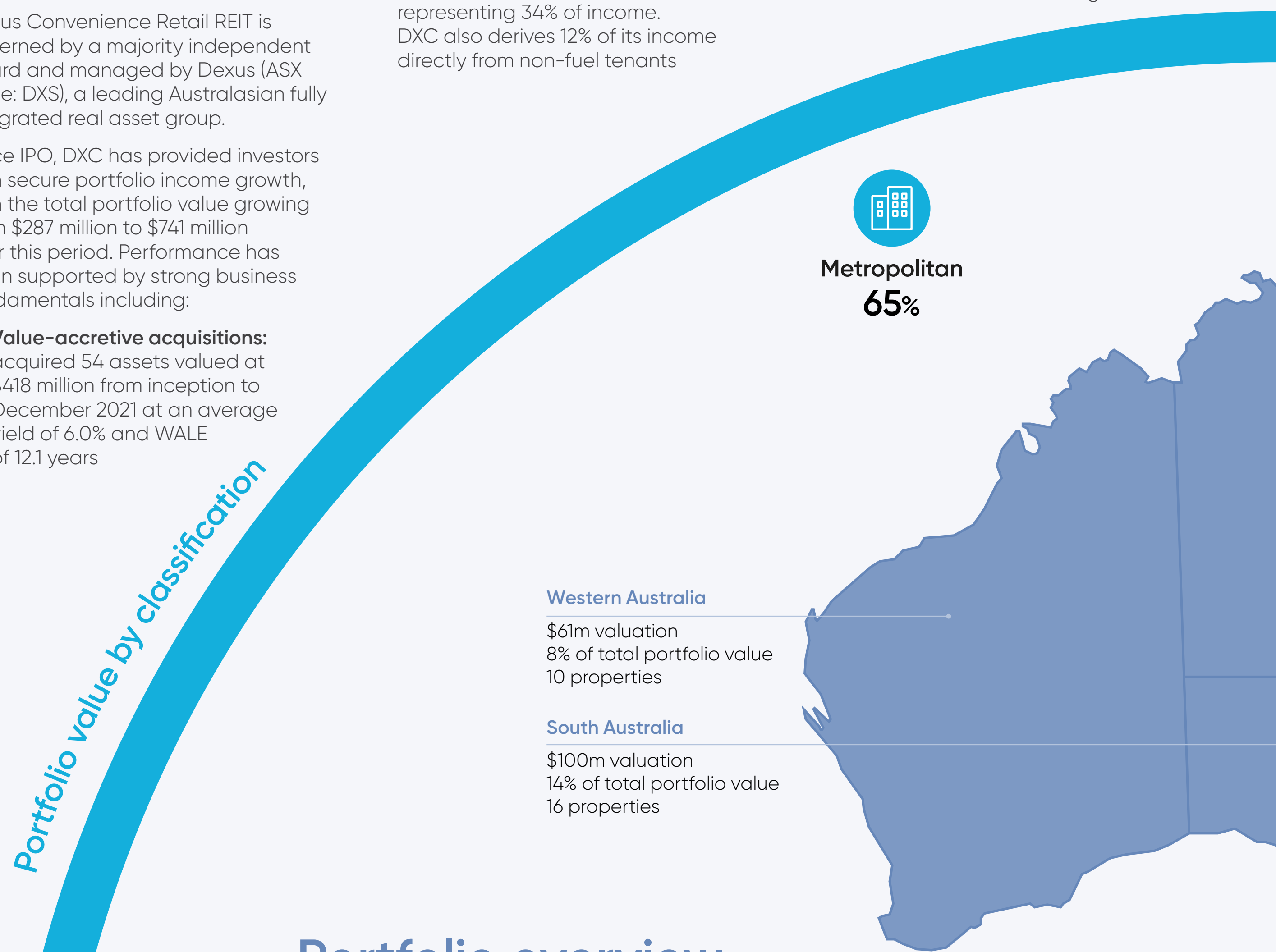
Dexus Convenience Retail REIT is a listed Australian real estate investment trust which owns high-quality Australian service stations and convenience retail assets.

At 30 June 2024, the Fund's portfolio is valued at $741 million, and is predominantly located on Australia's eastern seaboard and leased to leading Australian and international convenience retail tenants. The portfolio has a long weighted average lease expiry and benefits from contracted annual rent increases, providing a high level of income security. The Fund has a conservative approach to capital management with a target gearing range of 25–40%.

Dexus Convenience Retail REIT is governed by a majority independent Board and managed by Dexus (ASX code: DXS), a leading Australasian fully integrated real asset group.

Since IPO, DXC has provided investors with secure portfolio income growth, with the total portfolio value growing from $287 million to $741 million over this period. Performance has been supported by strong business fundamentals including:

- **Value-accretive acquisitions:** acquired 54 assets valued at $418 million from inception to December 2021 at an average yield of 6.0% and WALE of 12.1 years
- **Capital management discipline:** executing divestments (circa $64 million over the past three years) to enhance portfolio quality, and ensure gearing remains appropriately managed within the target range, while providing optionality to redeploy capital into higher-returning opportunities
- **Tenant quality and diversification:** 95% of income is derived from major national and international tenants with top tenant Chevron representing 34% of income. DXC also derives 12% of its income directly from non-fuel tenants
- **Valuable land bank:** national network of 100 well-located sites with 8% exposure to the total Australian motor vehicle fleet daily[1], with low site coverage of 35% and circa 20 value-add opportunities over the long term, subject to commercial considerations
- **Property enhancement initiatives:** working closely with tenants to ensure the long-term sustainability of their sites, including expansion of their convenience retail offerings.



Portfolio overview as at 30 June 2024

Portfolio reflects valuable landbank with national presence

1. Portfolio estimated traffic count data based on portfolio as at 31 January 2024. Australian total motor vehicle data sourced from BITRE.

$741m
Portfolio value

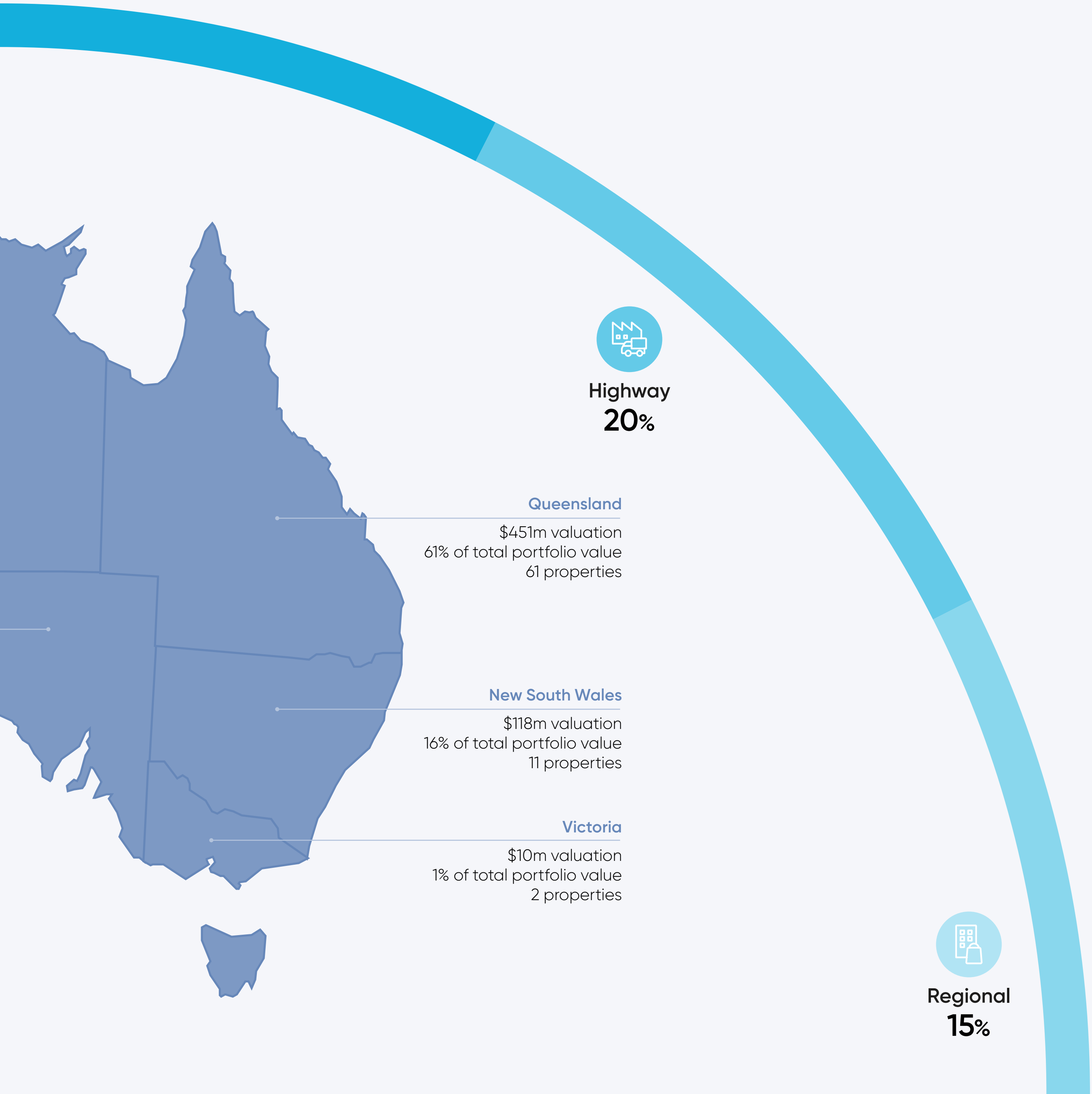
100
Properties

99.7%
Occupancy (by income)

8.8 years
WALE (by income)

6.40%
Weighted average cap rate

78%
Weighting to eastern seaboard



Investment proposition

Providing investors with exposure to defensive income with embedded growth.

Generate defensive income

- High occupancy and long WALE
- Diversified mix of fuel and convenience retail operators
- Secure distribution yield backed by high-quality tenant covenants

Prudent capital structure

- Continuing to manage gearing around the midpoint of the target range
- High interest rate hedge cover
- Significant headroom to covenants

Active portfolio management

- Continuing to explore capital recycling opportunities
- Strategic growth opportunities beyond fuel & convenience

Aligned manager with deep real asset capability

- Dexus is committed to delivering performance for investors across its funds management platform
- Deep capability across transactions, developments, asset management, treasury and sustainability

99.7% occupancy (by income)

8.8year WALE (by income)

7.3% distribution yield[1]

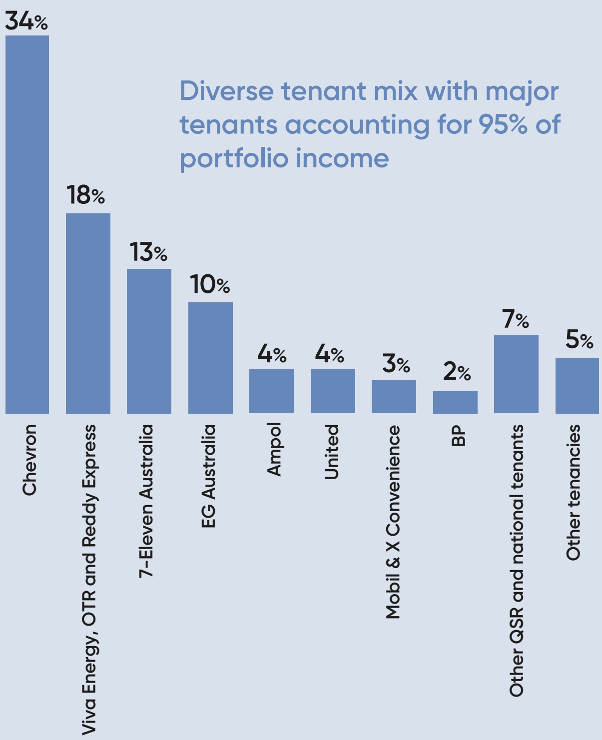
75% average FY24 debt hedged

32.9% gearing

9% Dexus principal ownership

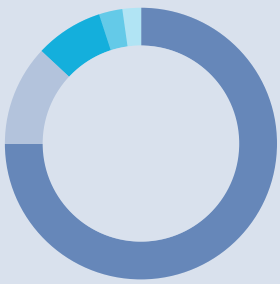
1. Based on closing security price as at 8 August 2024.

Tenancy mix by income



Diverse tenant mix with major tenants accounting for 95% of portfolio income

Rent review type by income



Embedded property income growth with +3.4% weighted average rent review achieved in FY24

75% Fixed review

12% CPI with 3–5% caps

8% Higher of 'agreed fixed amount' or CPI

3% CPI linked review

2% CPI + fixed increase

About Dexus

Dexus is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at circa $57 billion[1].

Dexus is listed on the Australian Securities Exchange (ASX code: DXS) and is supported by more than 37,000 investors from 23 countries.

Dexus believe the strength and quality of its relationships will always be central to success and is deeply connected to its purpose: Unlock potential, create tomorrow.

With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, Dexus has a proven track record in capital and risk management and delivering returns for its investors. Dexus invests in Australia and New Zealand, and directly and indirectly owns $15.8 billion[1] of office, industrial, retail, alternates (including infrastructure and healthcare) and other investments. Dexus manages a further $41.3 billion[1] of investments in its funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. Funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's $16.9 billion[1] real estate development pipeline provides the opportunity to grow portfolios and further enhance portfolio quality.

Dexus's Sustainability Strategy

The Dexus Strategy is underpinned by a commitment to sustainability principles and performance. Dexus acknowledges the impact that ESG and sustainability-related risks and opportunities can have on the value of the assets Dexus invests in and the financial success of Dexus's business.

Adapting Dexus's sustainability approach to changing expectations is important for managing risk and unlocking future value. A key guiding principle of Dexus's Sustainability Strategy is to ensure it prioritises and focuses effort on the issues that are most material to Dexus to drive greater impact in a targeted and effective way.

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

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

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

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

1. As at 31 December 2023.

Fund Manager's letter

Jason Weate,
Fund Manager
Dexus Convenience
Retail REIT

We delivered FFO and distributions at the upper end of our guidance range, as our portfolio continues to deliver a secure and defensive income stream for our investors. We retained balance sheet strength supported by continued asset divestment activity, and we remain focused on redeploying capital into higher-returning opportunities including our Glass House Mountains redevelopment project.

Amidst a continued challenging macroeconomic backdrop, DXC has retained its focus on delivering long-term value for Security holders through:

- generating defensive income with embedded rental growth
- maintaining a prudent capital structure
- an active approach to portfolio optimisation
- leveraging Dexus's capabilities across transactions, developments, asset management and treasury

The DXC portfolio comprises 100 assets valued at $741 million across 665,500 square metres, primarily along the eastern seaboard. Our exposure to metro and highway assets remains at 85%, with these assets benefitting from high traffic flows. These assets are also expected to perform better in the long term, as tenants continue to evolve their convenience retail product offering and increase the provision of service to alternative energy vehicle technology. We are well placed to support our tenants on this journey given low average site coverage of 35% which provides asset expansion opportunities.

Our portfolio is backed by high-quality tenant covenants, with 95% of income derived from major national and international tenants. The remainder is sourced from a range of convenience retail tenancies that are diverse, with 66 specialty retail tenancies across the network. We also retain close to full occupancy with a long weighted average lease term of 8.8 years.

We have sought to diversify our tenant base over time, with our top tenant Chevron representing 34% of total income, down from 59% four years ago. Pleasingly, our top tenants continue to re-invest in the long-term performance of their network, including:

- Chevron's (34% of income) material investment into re-branding its national network from Puma to Caltex
- Viva's (18% of income) recent acquisitions of Reddy Express and On the Run Group to facilitate the transformation of its convenience retail offering
- 7-Eleven International's acquisition of the 7-Eleven Australia business (13% of income) with plans to enhance 7-Eleven Australia's food offering
- BP (2% of income) undertaking acquisition of over 50 X Convenience sites (of which two are in the DXC portfolio) to expand national network and leverage its expertise in convenience retail

We retain an active approach to capital management to reduce near-term expiries and optimise overall debt costs, having executed $130 million of facility extensions and $30 million of facility cancellations during the year.

We delivered solid financial results for the year, with portfolio like-for-like net operating income growth of 2.8% reflecting the blend of fixed and CPI-linked rental escalators embedded within the portfolio. Funds From Operations and distributions per security were 21.0 cents, at the upper end of the 20.8 to 21.1 cents guidance range. Overall, Funds From Operations per security was down 2.9%, primarily due to the impact of higher interest rates. Statutory net profit was $3.4 million, compared to a loss of $8.4 million in the prior year, reflecting lower property devaluations than the prior year.

We settled on five asset sales during the period for $23.3 million at an average discount to book value of 2.3%. We also exchanged contracts to sell two assets in August 2024 for $5.9 million, representing a 2.4% average premium to prior book values. In addition, we are in negotiation to sell up to an additional circa $40 million of assets.

Despite a challenging interest rate environment, fuel and convenience transaction volumes have remained relatively robust, allowing for material price discovery to inform asset valuations and NTA. We have seen this in our portfolio, with 20 basis points of cap rate expansion experienced in the first half reducing to 10 basis points in the second half. Our portfolio cap rate of 6.40% remains above the marginal cost of debt, which is appealing to a broad range of investors in the direct property market.

We retain a disciplined approach to redeploying capital into higher-returning opportunities, including the Glass House Mountains redevelopment. The project presents an opportunity to significantly enhance the convenience retail offering at the 88,000 square metre dual highway site.

On the Northbound side which reflects Stage 1 of the overall project, total costs are expected to be around $20 million over a 12-month construction period. We expect to deliver a yield on cost within a range of 5.5 – 6.0%, and strong development returns in comparison to DXC's cost of capital. Stage 1 will be fully leased upon completion, backed by Viva Energy, and a number of high-quality quick service restaurant tenancies over a 15-year average lease term. Post completion of the first stage, the site's income mix would reflect 45% to quick service restaurant retailers, with the balance to Viva with a new, expanded On The Run convenience retail offering focused on food-on-the-go, grocery convenience and an internal quick service restaurant.

We continue to focus on managing gearing around the midpoint of the target range in parallel with capital deployment initiatives. Our gearing was 32.9% at 30 June 2024, around the midpoint of our 25–40% target range, and is expected to reduce by circa 50 basis points following the asset sales contracted in August 2024. Gearing would reduce by a further 380 basis points on a pro forma basis including the circa $40 million of asset sales currently under negotiation. Hedged debt averaged 75% for the year, providing material protection against rising interest rates.

During the year, we extended $130 million of existing debt facilities at lower margins, with DXC maintaining a long average debt maturity of 4.2 years. We also retired a $30 million facility to optimise overall debt costs.

We continue to align with the Dexus Sustainability Strategy, which includes three Priority Areas being Customer Prosperity, Climate Action, and Enhancing Communities. During the year, we maintained our carbon neutral position and sourced 100% renewable electricity, while also engaging with our tenants on their sustainability journeys. We are currently engaging with five of our major tenants across 22 sites on solar and electric vehicle charging opportunities.

We also continued to enhance the sustainability credentials of the Glass House Mountains redevelopment, which is expected to include 10 additional electric vehicle charging bays on the Northbound site.

We will continue to leverage Dexus's fully-integrated real asset platform to deliver resilient and growing income, backed by high-quality tenant covenants. Dexus has total funds under management of circa $57 billion, with deep sector expertise across office, industrial, retail, healthcare and infrastructure.

For the 12 months ending 30 June 2025, we expect FFO and distributions per security of 20.6 cents, based on contracted property income growth, current interest rate expectations, circa $40 million of asset sales currently under negotiation and barring unforeseen circumstances, reflecting an attractive distribution yield of over 7% for our investors.

Thank you again for your continued investment in Dexus Convenience Retail REIT.

Jason Weate
Fund Manager
Dexus Convenience Retail REIT

ESG overview

Dexus Convenience Retail REIT leverages the Dexus platform to scale its response to material sustainability issues.

Sustainability Strategy

DXC is committed to delivering meaningful sustainability outcomes and aligns to the Dexus Sustainability Strategy, including an aspiration to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow.

Commitments made at the Dexus group level are considered and adopted where relevant for DXC, taking into account the nature of DXC's business and assets.

More sustainability information can be found in the Dexus Annual Reporting Suite, including the Dexus FY24 Integrated Annual Report and accompanying Sustainability Data Pack, both being published on the Dexus website on 20 August 2024.

473 North East Road, Hillcrest SA

DXC sustainability priorities, aligned to the Dexus Sustainability Strategy are:

DXC priority	Near term and ongoing	Future focus
Customer Prosperity Partnering with tenants (customers) to deliver on both theirs and our sustainability goals and strategic priorities	– Actively support and enable tenant requests to add solar and electric vehicle charging infrastructure to assets under their management	– Maximise value creation by supporting tenants with their strategies for the emerging opportunities in convenience retail together with the long-term shift in the energy mix as the transport and mobility sector decarbonises
Climate Action Maintaining carbon neutrality across managed assets and operations	– Source 100% renewable electricity for managed assets and balance remaining managed asset emissions through investment in carbon offsets	– Integrate climate action-related initiatives within new developments, with a focus on renewable energy, water and energy conservation and resilience
Enhancing Communities Aligning with the Dexus platform goal of helping communities around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value	– Amplify social impact through supporting Dexus charity partnerships	
Foundations Leveraging the Dexus platform to drive synergies and continuous improvement in asset operations, supply chain management and a stronger connection to First Nations people	– Maintain asset environmental and work health and safety systems – Supplier due diligence and monitoring – Support and apply the Dexus Reconciliation Action Plan – Ensure continued strong governance and prepare for incoming sustainability reporting	

Implementing the Dexus Sustainability Strategy

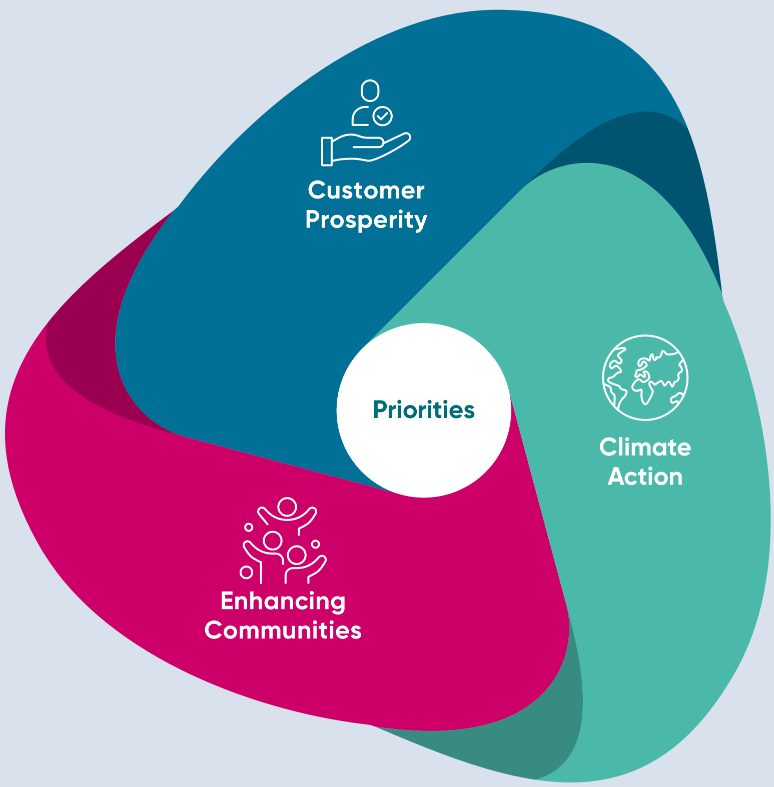
The role of Dexus and DXC in delivering sustainability outcomes across the portfolio is aligned with its ability to directly or indirectly manage assets. Sustainability activity is owned and driven by DXC where it has operational control of the assets.

Operational control is defined by the NGER Act as the corporation with the authority, or the greatest authority, to introduce and implement operating, health and safety, and environmental policies in relation to a facility. DXC has operational control of circa 17% of its portfolio by value.

Where operational control sits with others, such as tenants, DXC does not directly implement sustainability programs, but seeks to influence, work with and support the entity that has operational control in sustainability delivery.

A key focus in FY24 has been to embed the Sustainability Strategy across the DXC platform. This included the development of sustainability roadmaps for each Sustainability Priority Area, which have been integrated into sustainability action plans, asset plans and budgets.

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



Priority Areas

Customer Prosperity

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

Climate Action

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

Enhancing Communities

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

Foundations

- Governance & Reporting
- Diversity, Equality & Inclusion
- First Nations Engagement
- Human Rights
- Circularity
- Nature
- Health & Wellbeing

Sustainability Priority Areas

The Dexus Sustainability Strategy prioritises three areas that we believe will create greater sustainability impact while unlocking increased commercial value. These are Customer Prosperity, Climate Action and Enhancing Communities. These priority areas utilise Dexus's core business activities and assets to elevate the importance of tenants (customers), climate and communities to achieve sustainability outcomes. They also provide a balance across economic, social and environmental sustainability.

Foundations

The Foundations that underpin our Sustainability Strategy incorporate further areas that are important for Dexus's stakeholders. These include Circularity; First Nations Engagement; Health & Wellbeing; Nature; Diversity, Equality & Inclusion; Human Rights; and Governance & Reporting.

Review of material issues

The Dexus Sustainability Strategy, adopted by DXC, has been informed by the latest Dexus materiality assessment. In 2023, a deep dive materiality assessment was undertaken to redefine and prioritise ESG topics that should be addressed through Dexus's strategy and risk management. This year, a materiality review was undertaken with inputs including research and published reports, investor, tenant and employee surveys, upcoming regulation (e.g. Australian Sustainability Reporting Standards), media analysis for relevant high-profile issues or incidents and engagement with key internal stakeholders. While some topics have changed in materiality from this analysis, the top five most material topics for Dexus and DXC remain unchanged. These are:

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

Preparing for incoming mandatory climate reporting

DXC acknowledges the requirement for increased transparency around sustainability-related reporting with the incoming International Sustainability Standards Board's (ISSB), International Financial Reporting Standards (IFRS), and Australia's related approach under the Australian Sustainability Reporting Standards (ASRS).

At the appropriate time and where applicable, DXC will leverage Dexus's earlier adoption as it responds in future reporting. Dexus's preparedness activities during the year included an assessment of the platform position via a gap analysis, and preparatory work to activate the business through working groups and progress on climate-aligned programs.

Dexus has a strong track record of TCFD-aligned reporting and comprehensive reporting on GHG emissions, as well as disclosing its approach to managing material sustainability issues via the Dexus Management Approach and Procedures. Areas where Dexus will drive further action across its value chain include its understanding and reporting on Scope 3 emissions (upfront embodied carbon, downstream tenancy emissions and financed emissions). Dexus will also revisit its assessment of physical and transition risk across the platform to better integrate climate-related decision making throughout the business. This program of work will lead into the next iteration of Dexus's Climate Transition Plan.

2341 Albany Highway, Gosnells WA

Customer Prosperity

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

Accelerating and enabling our tenants in the energy transition

DXC acknowledges the role we play in facilitating the energy transition and we continue to support our tenants to increase their renewable energy and electric vehicle (EV) uptake. This will simultaneously reduce our tenants' carbon footprint and that of our supply chain, while generating significant cost savings.

Throughout FY24, DXC has collaborated with five of our major tenants to progress solar PV and EV charging rollout across 22 sites. Similarly, we have leveraged our partnerships with Evie Networks and Viva to expand the rollout of EV charging bays at our Glasshouse Mountains Development.

Post re-development of the Northbound site, there will be 16 EV charging bays across the Northbound and Southbound sites (up from six currently in place), with charging stations coming online as demand increases.

These activities arise from ongoing engagement with our tenants through regular forums, where our aim is to be an active voice, support and enable their sustainability initiatives, and provide assistance to implement initiatives at scale. This is underpinned by our own property management and sustainability expertise and asset risk management programs.

Leveraging scale to support prosperity and wellbeing

Dexus recognises the importance of mental health and the prevalence of mental health challenges in the workplace, both for tenants and employees. Dexus continued its partnership with Black Dog Institute, Australia's only medical research institute that studies mental health across the lifespan, with the goal of creating a mentally healthier world for everyone. 400 training spaces were offered to executive leaders, managers and employees, with 110 tenancy groups registering to participate in the training across Sydney, Melbourne, Brisbane and Perth, both in person and online.

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

226-228 Bridge Road, Pooraka SA

Climate Action

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

Our role in the mobility sector energy transition

We acknowledge that the convenience retail sector derives revenue through fuel retail sales of which the downstream consumption is a contributor to greenhouse gas emissions and that the sector must decarbonise over time.

We continue to engage on climate action with our major tenants, understand how their commitments align with our priorities and support their journey. Several of our major tenants have publicly expressed their support for the goals of the Paris Agreement to limit global average temperatures to below 2˚C above pre-industrial levels, and established decarbonisation strategies or plans, while another has expressed their commitment to developing a sustainability pathway to net zero emissions.

Each tenant is actioning their commitment in their own way with a focus on addressing direct emissions from asset operations, while also introducing programs to reduce the emissions intensity of their products. Underpinning this approach is the view that the traditional energy forms, such as liquid fuels and lubricants, will continue to play a critical role and provide energy security in Australia's economy as the transition to a lower-carbon future occurs.

From DXC's perspective, we recognise the need for timely climate action, acknowledging that decarbonising the transport sector requires a coordinated approach involving government, businesses, and consumers. We are starting to see a shift in momentum within the passenger vehicle market, however there is still a long way to go. Reducing prices for new electric vehicles, together with the introduction of vehicle emission standards, will drive further activity.

Our focus is on supporting our fuel retail tenants with emerging opportunities in diversifying convenience retail. At the same time, we are supporting our tenants with navigating the long-term shift in the energy mix as the transport and mobility sector decarbonises.

Progress towards carbon neutral

Recognising our role and the need to decarbonise, 100% renewable electricity is sourced for DXC's managed portfolio assets. DXC maintained a carbon neutral position across its operations for FY23 as part of the Dexus group submission under the Climate Active Standard (scope 1, 2 and some scope 3 emissions). DXC will again be seeking Climate Active certification this year as part of the Dexus Group submission with final certification expected to be achieved post-reporting period.

Integrating sustainability within developments

Throughout FY24, DXC continued to work with tenants to adapt our assets to be more resilient to change. This included a strategic approach to increasing retail amenity for customers and the community.

The redevelopment of Glass House Mountains presents an opportunity to meaningfully enhance the customer experience via the delivery of a sophisticated convenience offering, with renowned brands and strong customer service. The redevelopment will incorporate energy efficient lighting and water fixtures, rooftop solar feeding food and beverage retailers, and rainwater harvesting for irrigation and drought tolerant, native landscaping. In addition, ten further electrical vehicle charging bays will be included as part of the Northbound redevelopment.

Enhancing Communities

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

Amplifying social impact through partnerships

Dexus continues to work with community partners to amplify social impact across their assets.

Dexus maintained its partnership with major partners Black Dog Institute and Planet Ark, and more information on these activities can be found in the Customer Prosperity section.

Through Dexus's partnership with Cerebral Palsy Alliance (CPA), employees and tenants across 38 office and industrial sites participated in STEPtember and raised funds, donated goods and packed hampers and gifts. Over 330 Dexus customers and employees participated in the challenge.

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

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

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

473 North East Road, Hillcrest SA

Sustainability Foundations

Foundational sustainability activities support a social license to operate for DXC.

Five

suppliers engaged through Dexus's annual ESG monitoring program

Environmental Management

Responsible supply chain

DXC recognises the importance of ensuring that standards relating to people, environment and communities are maintained and continuously improved throughout our supply chain. This year, 847 of Dexus's suppliers, of which DXC shares 23, including all preferred suppliers, attested to following Dexus's Sustainable Procurement Procedure and Supplier Code of Conduct, demonstrating the strength of the Dexus platform supplier selection processes and ongoing supplier management.

We continue to take a risk-based approach to understanding and monitoring sustainability trends across our supply chain. This year, Dexus expanded their partnership with EcoVadis to provide ESG risk screening across the breadth of their 1179 suppliers and in-depth supplier specific risk assessments of 86 key suppliers (eight for DXC). Dexus now has coverage of 70% of total supplier spend through the use of the EcoVadis ESG risk screening tool, which screens for risks including human rights and modern slavery.

A focus on improving the strength of the procurement and supply chain management program saw 35 suppliers (five for DXC, up from two at FY23) re-assessed through EcoVadis with an overall ratings improvement of 4%. This followed engagement with suppliers on measures to improve their sustainability risk management. Results of the ESG risk screening will be used to expand the in-depth ESG risk assessments for greater coverage of suppliers in FY25. Suppliers also benefit from access to academy training materials across the four EcoVadis pillars of Environmental, Labour & Human Rights, Ethics and Sustainable Procurement, with over 90% taking up access.

Dexus engages with suppliers on sustainability and key suppliers have an overall sustainability score 27% above the EcoVadis global benchmark. In FY24, Dexus introduced new KPIs with more ambitious sustainability targets in recognition of the increased importance of aligning sustainability objectives across the value chain. Through the selection, performance management and re-contracting process Dexus now favourably considers suppliers who have a net zero target of 2030 or earlier, that is verifiable by a recognised reporting standard, and suppliers who have an Elevate Reconciliation Action Plan (RAP).

Social Performance

Indigenous Engagement

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

As part of the Dexus platform, key achievements in FY24 include:

- Dexus's First Nations procurement – in FY24, Dexus procured over $3 million with First Nations businesses. Dexus acknowledge that procurement spend remains a significant opportunity to support First Nations employment through the goods and services Dexus procures and will be looking to expand supplier engagement.
- Reconciliation Week and NAIDOC Week activations across assets, including the annual Share-A-Book Campaign with Dexus's ongoing partner the Australian Literacy and Numeracy Foundation, and Legs on the Wall indigenous acrobat performance at Quay Quarter Tower.

In FY24, Dexus launched its second Reconciliation Australia endorsed Reflect Reconciliation Action Plan (RAP). Dexus's new RAP provides the opportunity to align with the group's new purpose, values and core business, and prioritise areas of impact.

Three areas that have been prioritised include:

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

Strengthening and aligning our approach to health and wellbeing

Our Work Health, Safety and Wellbeing (WHS&W) vision is to achieve a workplace where our people and communities care for each other, everyone goes home safe and well and the environment is preserved, in the successful operation of our business.

Dexus operates a comprehensive management program to identify, evaluate and mitigate WHS&W risk. The WHS&W system is certified under ISO 45001:2018 and the environmental management system is certified under ISO 14001.

DXC's portfolio is required to align with Dexus's WHS&W and environmental management systems. This year, Dexus continued rolling out its work health and safety and environmental risk assessment and audit program. A total of 139 risk assessments and audits were completed as per the agreed schedule. The aim was to identify and assess risks associated with DXC owned assets and operations, and to monitor that controls are effectively implemented. DXC's portfolio varies by geographic location, asset type and management representation. In recognition of this, the program incorporates a risk-based approach to prioritising risk assessments and audits that considers individual asset characteristics as well as grouping by geographic proximity to maximise efficiency.

Governance

Dexus has implemented a corporate governance framework that applies to all funds including Dexus Convenience Retail REIT.

Cnr Weakleys & Glenwood Drives, Thornton NSW

Dexus Asset Management Limited (DXAM) acts as Responsible Entity for Dexus Convenience Retail REIT's managed investment schemes. DXC benefits from leveraging Dexus's funds and property management expertise to drive performance.

Dexus and the Board of DXAM believe that good corporate governance supports:

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

Dexus's governance framework meets the requirements of the ASX Corporate Governance Principles and Recommendations Fourth Edition (ASX Principles) and addresses additional aspects of governance which Dexus considers important. Further details are set out in DXC's 2024 Corporate Governance Statement, which outlines key aspects of DXC's corporate governance framework and practices, which is available at www.dexus.com/dxc-corporate-governance.

Cnr Thompson Road & Victoria Street, Geelong North VIC

Sustainability across the Dexus Platform

Dexus Board Sustainability Committee
Oversees the implementation and management of environmental and social practices and initiatives throughout Dexus, including support of the DXAM Board

Dexus Executive Committee
Coordinates the implementation and management of environmental and social practices and initiatives throughout Dexus

Reconciliation Action Plan Working Group
Responsible for advancing the group's reconciliation journey with Aboriginal and Torres Strait Islander peoples and implementing initiatives aligned to Dexus's Reconciliation Action Plan.

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

Sustainability governance

Dexus's corporate governance framework integrates sound sustainability principles across the breadth and depth of Dexus. Policies and procedures are regularly reviewed and updated to ensure the organisation adapts to shifting risks and opportunities.

Dexus's Board Sustainability Committee considers the material environmental and social issues relevant to the group and supports the maintenance of Dexus's position as a global leader in ESG performance and sustainability impact.

The Dexus Board Sustainability Committee supports the DXAM Board in:

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

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

- Engagement on and approval of Dexus's Materiality Assessment and Material Topics
- Review and setting of Dexus's Sustainability Strategy
- Development and progress against Dexus's Sustainability Strategy priority area roadmaps for Customer Prosperity, Climate Action and Enhancing Communities
- Embedding sustainability into investment and asset plans across the portfolio
- Engagement on ESG and evolving investor and customer expectations, trends and market context and evolving competitor landscape
- Strengthening ESG in Dexus's supply chain through extended supply chain mapping and supplier assessments
- Progressing towards Dexus's public sustainability commitments, including net zero emissions targets
- Addressing climate risk across the portfolio

Board of Directors

The Board of DXAM comprises four Non-Executive Directors (including the Chair) and one Executive Director.

The Board of DXAM regularly assesses the independence of its directors in light of interests disclosed to it and has determined that each Non-Executive Director has maintained independence throughout the year. The Board continues to review its composition, experience and director tenure.

The Board renewal process is ongoing, resulting in an experienced Board of Directors with a broad and diverse skill set. The Board has determined that, along with individual Director performance, diversity is integral to a well-functioning Board.

Board skills and experience

The Board has determined the skills, expertise and experience required as a collective to ensure diversity of thought and vigorous debate on key decisions. The collective experience of the current Directors has been outlined against the areas of skill and expertise in the table below. The Board believes that its composition meets or exceeds the minimum requirements in each category.

Areas of skill, expertise and experience

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

Board of Directors

Jennifer Horrigan

BBus, GradDipMgt, GradDipAppFin, MAICD
Independent Chair

Jennifer has been an Independent Director since 2012 and the Chair since 2022. Jennifer is also a Member of the Audit, Risk & Compliance Committee.

Ms Horrigan is an experienced non-executive director across ASX, unlisted and not-for-profit boards. She brings a diverse set of skills with executive experience across investment banking, investor relations and financial communications, including as Chief Operating Officer of independent investment bank Greenhill Australia (previously Greenhill Caliburn) and Co-Founder and Managing Partner of Savage & Horrigan, an Ogilvy company.

Jennifer is an independent director of Dexus Capital Funds Management Limited and Dexus Capital Investment Services Pty Limited, a non-executive director of Yarra Funds Management Limited and a patron of Redkite (national children's cancer charity). She has previously served as a non-executive director of A2B (ASX: A2B), QV Equities (ASX: QVE) and Generation Healthcare (ASX: GHC).

Emily Smith

BCom, GAICD
Independent Director

Emily was appointed as an Independent Director in 2022 and is the Chair of the Audit, Risk & Compliance Committee.

Ms Smith has over 20 years' experience in the finance sector having worked in senior executive roles at Deutsche Bank AG and Credit Suisse. She has had significant exposure to key sectors including building materials, steel, diversified industrials, REITs and telecommunications both domestically and globally.

Emily is a Senior M&A Advisor and Managing Director at Grant Samuel. She is a member of Chief Executive Women and was a Council Member of the Kambala Girls School. She is also a Graduate of the Australian Institute of Company Directors.

Danielle Carter

BA/BCom, Grad Dip AppFin, CA, GAICD
Independent Director

Danielle was appointed an Independent Director in 2022 and is a Member of the Audit, Risk & Compliance Committee.

Ms Carter has over 25 years' experience in real estate, financial services and property funds management having held senior executive roles at Blackrock, SG Hiscock & Co and Strategic Financial Management. Danielle is also a non-executive director of BWP Management Limited, the responsible entity of BWP Trust (ASX: BWP) and was previously a non-executive director of APN Property Group Limited (ASX: APD).

Jonathan Sweeney

BCom, LLB, CFA, GAICD
Independent Director

Jonathan was appointed an Independent Director in 2022 and is a Member of the Audit, Risk & Compliance Committee.

Mr Sweeney has over 35 years' experience in the investment management, fiduciary, real estate and financial services sectors having held senior executive roles at Folkestone and the Trust Company Limited. Jonathan is Chair of BT Financial Group, and Chair of Perpetual Private's Investment Committee and a member of the Noongar Boodja Trust's Investment Committee. He was previously a director of EP&T Global (ASX: EPX), 8IP Emerging Companies Limited (ASX:8EC), Velocity Rewards Pty Limited, Tennis NSW and Easton Investments (ASX: EAS).

Melanie Bourke

BCom, MBA (Exec), CA, GAICD
Executive Director

Melanie was appointed an Executive Director in 2024.

Melanie Bourke is the Chief Operating Officer (COO) at Dexus where she is responsible for supporting business activity and enhancing decision efficiency across the group. Melanie leads the Risk, Real Estate Services & Procurement, Legal, Compliance & Governance, Corporate Affairs & External Communications, Marketing, Technology and Sustainability functions, as well as leading the Strategic Delivery Office.

Melanie has more than 20 years of experience in the property industry, working across Finance, Investor Relations, Office of the CEO, Asset and Property Management in Dexus's Office division and most recently led the people and culture function.

Brett Cameron

LLB/BA (Science and Technology), GAICD, FGIA
Alternate Executive Director for Melanie Bourke

Brett was appointed an alternate Executive Director in 2022.

Mr Cameron is General Counsel and Company Secretary at Dexus and is responsible for the legal function, company secretarial services and compliance, and governance systems and practices across the Group. He is also the Company Secretary of DXAM.

He has an extensive background in real estate structuring and operations, funds management, mergers and acquisitions, private equity and corporate finance across a number of industries. Brett has held legal counsel roles in-house and in private practice in Australia and in Asia with over 22 years' experience gained in organisations including Macquarie Real Estate (Asia), Macquarie Capital Funds and Minter Ellison.


DRINK + RELAX
SmokesExpress
TOBACCONISTS
Soothers
Immune+
• ZINC
• VITAMIN C
SUPPORT YOUR IMMUNE HEALTH
UR THROAT
WITH VITAMIN C
FAST RELIEF
YOUR THROAT
VITAMIN C
Soothers
SOCIAL DISTANCING
MARKS THE SPOT

Financial Report

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Directors' Report

The Directors of Dexus Asset Management Limited (DXAM) as Responsible Entity of Convenience Retail REIT No. 2 (CRR2 or the Trust and deemed parent entity) and its controlled entities (together DXC or the Group) present their Directors' Report together with the Consolidated Financial Statements for the year ended 30 June 2024.

Directors and Secretaries

Directors

The following persons were Directors of DXAM at all times during the year and to the date of this Directors' Report, unless otherwise stated:

Directors	Appointed
Jennifer Horrigan, BBus, GradDipMgt, GradDipAppFin, MAICD	30 April 2012
Danielle Carter, BA/BCom, GradDipAppFin, CA, GAICD	17 October 2022
Emily Smith, BCom, GAICD	19 April 2022
Jonathan Sweeney, BCom, LLB, CFA, GAICD	17 October 2022
Deborah Coakley, BBus, GAICD[1]	19 August 2021
Melanie Bourke, B.Com, MBA (Exec), CA, GAICD	17 July 2024
Brett Cameron, LLB/BA, GAICD, FGIA – Alternate Director[2]	1 March 2022

1 Resigned from the DXAM Board effective 17 July 2024.
2 Ceased as alternate director for Deborah Coakley on 17 July 2024, and was appointed as alternate director for Melanie Bourke on 17 July 2024.

Company Secretaries

The names and details of the Company Secretaries of DXAM as at 30 June 2024 are as follows:

Brett Cameron LLB/BA (Science and Technology), GAICD, FGIA

Appointed: 16 September 2021

Brett is the General Counsel and a Company Secretary of Dexus companies and is responsible for the legal function, company secretarial services and compliance and governance systems and practices across the Dexus Group.

Prior to joining Dexus, Brett was Head of Legal for Macquarie Real Estate (Asia) and has held senior legal positions at Macquarie Capital Funds in Hong Kong and Minter Ellison in Sydney and Hong Kong. Brett has over 25 years' experience as inhouse counsel and in private practice in Australia and in Asia, where he worked on real estate structuring and operations, funds management, mergers and acquisitions, private equity and corporate finance across a number of industries.

Scott Mahony BBus (Acc), Grad Dip (Business Administration), MBA (eCommerce), Grad Dip (Applied Corporate Governance) FGIA, FCIS

Appointed: 14 October 2022

Scott is the Head of Governance of Dexus and is responsible for the development, implementation and oversight of Dexus's governance policies and practices and internal audit function. Prior to being appointed the Head of Governance in 2018, Scott had oversight of Dexus's risk and compliance programs.

Scott joined Dexus in October 2005 after two years with Commonwealth Bank of Australia as a Senior Compliance Manager. Prior to this, Scott worked for over 11 years for Assure Services & Technology (part of AXA Asia Pacific) where he held various management roles.

Attendance of Directors at Board Meetings and Board Committee Meetings

The number of Directors' meetings held during the year and each Director's attendance at those meetings is set out in the table below. The Directors met 10 times during the year, of which there was one special meeting.

	DXAM Board		Audit, Risk and Compliance Committee	
	Held	Attended	Held	Attended
Jennifer Horrigan	10	10	5	5
Danielle Carter	9	9	5	5
Emily Smith	10	10	5	5
Jonathan Sweeney	10	10	5	5
Deborah Coakley[1]	10	7	–	–
Melanie Bourke[2]	–	–	–	–
Brett Cameron - Alternate Director[3]	3	2	–	–

1 Resigned from the DXAM Board effective 17 July 2024.
2 Appointed as Executive Director effective 17 July 2024.
3 Ceased as alternate director for Deborah Coakley on 17 July 2024, and was appointed as alternate director for Melanie Bourke on 17 July 2024.

Board Sub-committee and special meetings are held at a time to enable the maximum number of Directors to attend and are generally held to consider specific items that cannot be held over to the next scheduled main meeting.

Directors' relevant interests

The relevant interests of each Director in DXC stapled securities as at the date of this Directors' Report are shown below:

Directors	No. of securities
Jennifer Horrigan	33,500
Danielle Carter	8,946
Emily Smith	–
Jonathan Sweeney	20,000
Deborah Coakley[1]	–
Melanie Bourke[2]	–
Brett Cameron - Alternate Director[3]	–

1 Resigned from the DXAM Board effective 17 July 2024.
2 Appointed as Executive Director effective 17 July 2024.
3 Ceased as alternate director for Deborah Coakley on 17 July 2024, and was appointed as alternate director for Melanie Bourke on 17 July 2024.

Operating and Financial Review

Strategy

Dexus Convenience Retail REIT (DXC) has taken an active and disciplined approach to investing in strategically located assets to provide investors with a defensive income stream generated from a $741 million property portfolio. The business assesses opportunities across the broader commercial real estate landscape, with a focus on convenience retail and other assets with a non-discretionary focus, including fuel service stations. Currently, 85% of the portfolio by value is weighted towards high-quality metropolitan and highway service stations which provide long-term opportunities for capturing increased convenience retail spend and potentially alternate uses beyond fuel retailing, with regional properties comprising the remainder. DXC's portfolio is underpinned by strong income visibility, with a weighted average lease expiry of 8.8 years and occupancy of 99.7%. DXC's assets are supported by a strong tenant base, with 95% of income derived from major national and international tenants.

DXC delivers its investment proposition to investors by:

- Generating defensive income with embedded rental growth
- Maintaining a prudent capital structure
- Taking an active approach to portfolio management
- Leveraging Dexus's leading real asset capabilities

Review of operations

The results of DXC's operations are disclosed in the Consolidated Statement of Comprehensive Income. A summary of results for the 12 months to 30 June 2024 is as follows:

Key financial performance metrics	30 June 2024	30 June 2023	Change
Net profit/(loss) after tax ($'000)	**3,407**	(8,380)	n/m
Funds From Operations (FFO) ($'000)	**28,874**	29,750	(2.9)%
FFO per security (cents)	**21.0**	21.6	(2.9)%
Distribution per security (cents)	**21.0**	21.6	(2.9)%

	30 June 2024	30 June 2023	Change
Net tangible asset backing per security ($)	**3.56**	3.75	(5.1)%
Gearing (%)	**32.9**	31.8[a]	1.1ppt

a) Pro forma for the sale of 656 Bruce Highway, Woree, QLD, 1182 Chapman Road, Glenfield WA, 264 Browns Plains Road, Browns Plains, QLD and 323 North East Road, Hampstead Gardens, SA settled post 30 June 2023. At 30 June 2023, gearing was 33.4%.

Profit & loss	30 June 2024 $'000	30 June 2023 $'000	Change
Net rental income	**48,350**	51,914	(6.9)%
Interest income	**155**	59	162.7%
Total revenue	**48,505**	51,973	(6.7)%
Management fees	**(4,920)**	(5,330)	(7.7)%
Finance costs	**(11,123)**	(11,370)	(2.2)%
Corporate costs	**(954)**	(1,329)	(28.2)%
Total expenses	**(16,997)**	(18,029)	(5.7)%
Net operating income	**31,508**	33,944	(7.2)%
Fair value gain/(loss) on derivatives	**(4,440)**	(1,041)	326.5%
Fair value gain/(loss) on investment properties	**(23,661)**	(41,283)	(42.7)%
Statutory net profit/(loss) after tax	**3,407**	(8,380)	n/m

The Responsible Entity uses Funds From Operations (FFO) as its key performance indicator. The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, derivative mark-to-market impacts, 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, rental guarantees and coupon income.

A reconciliation of profit after tax to FFO is outlined as follows:

FFO reconciliation	30 June 2024 $'000	30 June 2023 $'000
Profit/(loss) after tax for the period	**3,407**	(8,380)
Net fair value (gain)/loss on investment properties	**23,661**	41,283
Net fair value (gain)/loss on derivatives	**4,440**	1,041
Incentive amortisation and straight line rent	**(3,343)**	(4,618)
Debt modification	**564**	734
Rental guarantees, coupon income and other	**145**	(310)
FFO	**28,874**	29,750

FFO composition	30 June 2024 $'000	30 June 2023 $'000	Change
Property FFO	**45,152**	46,971	(3.9)%
Management fees	**(4,920)**	(5,330)	(7.7)%
Net finance costs	**(10,404)**	(10,562)	(1.5)%
Other net expenses	**(954)**	(1,329)	(28.2)%
FFO	**28,874**	**29,750**	**(2.9)%**

Financial result

The statutory result reflected a net profit after tax of $3.4 million, compared to a loss of $8.4 million in the prior year, reflecting lower property devaluations than the prior year.

FFO of $28.9 million or 21.0 cents per security was at the upper end of the 20.8 to 21.1 cents guidance range. The result reflected a decline of 2.9% on the prior year, primarily due to the impact of higher cost of debt. Like-for-like net operating income growth of 2.8% reflected the blend of fixed and CPI-linked rental escalators embedded within the portfolio.

Net tangible assets and asset valuations

DXC had 96 of its 100 investment properties independently valued during the year, with the remainder subject to internal valuations. The external and internal valuations resulted in a 3.1% decrease on prior book values, with contracted rental growth partly offsetting the impact of capitalisation rate expansion. NTA per security decreased by 19 cents, or 5.1%, to $3.56. The valuations of metropolitan assets decreased 2.9% on prior book values, while highway assets decreased 3.2% and regional assets decreased 3.9%.

Property portfolio and asset management

DXC's property portfolio includes 100 assets valued at $741 million, skewed to the eastern seaboard. The portfolio is weighted toward high value land uses, with 89% of asset zoning to commercial, industrial, residential and mixed use. In addition, there is potential for circa 20 value-add opportunities over the long term, subject to commercial considerations.

The portfolio is 85% weighted (by value) to metropolitan and highway assets, with regional properties comprising the remainder. Metropolitan and highway assets benefit from higher traffic flow with greater flexibility to explore alternate land usage over time to support consumer trends toward greater convenience retail spend per visit.

The portfolio weighted average capitalisation rate expanded by 30 basis points to 6.40%, remaining above the marginal cost of debt. The portfolio experienced 20 basis points of capitalisation rate expansion in the first half, which reduced to 10 basis points in the second half. This reflects price discovery across relatively robust transaction market volumes in the current interest rate environment.

Portfolio occupancy increased to 99.7% (by income) and is underpinned by experienced national and global tenants, with 95% of income derived from major tenants, while 12% of income is generated from convenience retail tenancies. The portfolio offers strong income security and visibility with a weighted average lease expiry of 8.8 years (by income) and 89% of income expiring in FY30 or beyond.

Developments

The Glass House Mountains project presents an opportunity to utilise excess land and significantly enhance the convenience retail offering across the 88,000 square metre dual highway site. The redevelopment comprises two stages with total project costs expected to be circa $45 million.

Construction on the Northbound site is expected to begin in Q1 FY25. Total redevelopment costs of $20 million is forecast to return a yield on cost of 5.5 – 6.0% and deliver strong development returns for DXC. Following a 12 month construction period, the income mix on the Northbound site would reflect 45% from quick service restaurant retailers, with the balance from Viva Energy on a new, expanded On The Run convenience retail offering focused on food-on-the-go, grocery convenience and an internal quick service restaurant.

Transactions

Five divestments settled during the year for $23.3 million, reflecting an average discount to book value of 2.3%. Divestments included:

- 656 Bruce Highway, Woree, QLD, which settled on 18 August 2023
- 1182 Chapman Road, Glenfield, WA, which settled on 31 August 2023
- 323 North East Road, Hampstead Gardens, SA, which settled on 3 October 2023
- 264 Browns Plains Road, Browns Plains, QLD, which settled on 19 October 2023
- 52 Aldershot Road, Lonsdale, SA, which settled on 25 March 2024

In addition, post 30 June 2024, DXC also exchanged contracts to sell 25 Bolam Street, Garbutt, QLD and 77-79 Bowen Street, Rosslea, QLD for combined proceeds of $5.9 million, representing a 2.4% average premium to prior book values.

Financial position

DXC's net assets decreased $25.5 million (or 19 cents per security to an NTA of $3.56) primarily due to $23.7 million of property devaluations reflecting the higher interest rate environment.

Balance sheet ($'000)	30 June 2024	30 June 2023
Cash and cash equivalents	**1,918**	5,454
Investment properties	**740,680**	781,220
Other assets	**11,260**	16,189
Total assets	**753,858**	802,863
Borrowings	**(243,204)**	(263,420)
Provisions	**(9,113)**	(9,796)
Other liabilities	**(10,625)**	(13,264)
Total liabilities	**(262,942)**	(286,480)
Net assets	**490,916**	516,383
Stapled securities on issue ('000)	**137,757**	137,757
NTA per security ($)	**3.56**	3.75

Capital management

Gearing of 32.9% remains prudent, around the midpoint of the 25 – 40% target range, despite continued asset devaluation pressures. Hedged debt for the year averaged 75%, providing material protection from higher interest rates. During the year, $130 million of existing debt facilities were extended at lower margins, with DXC maintaining a long average debt maturity of 4.2 years. In addition, a $30 million facility was retired to optimise overall debt costs.

Key metrics	30 June 2024	30 June 2023
Gearing[a]	**32.9%**	31.8%[b]
Cost of debt[c]	**4.2%**	3.7%
Average maturity of debt	**4.2 years**	4.2 years[d]
Average hedged debt (including caps)	**75%**	64%
Headroom[e]	**$67.7m**	$80.5m[d]

a) Adjusted for cash.
b) Pro forma for the sale of 656 Bruce Highway, Woree, QLD, 1182 Chapman Road, Glenfield WA, 264 Browns Plains Road, Browns Plains, QLD and 323 North East Road, Hampstead Gardens, SA which settled post 30 June 2023. At 30 June 2023, gearing was 33.4%.
c) Weighted average for the period, inclusive of fees and margins on a drawn basis.
d) Pro forma for $30 million facility extension that occurred on 31 July 2023.
e) Undrawn facilities plus cash.

Environmental, Social and Governance (ESG)

DXC is committed to delivering meaningful sustainability outcomes and aligns to the Dexus Sustainability Strategy, including an aspiration to unlock the potential of real assets to create a lasting positive impact and a more sustainable tomorrow.

Recognising the importance of climate action, 100% renewable electricity is sourced for assets where DXC has operational control. DXC also maintained a carbon neutral position across its business operations and controlled building portfolio for FY23 as part of the Dexus group submission under the Climate Active Standard[1].

DXC supports its tenants' ESG aspirations and their varied approaches to the shift in the energy mix, and DXC is currently engaging with five major tenants to progress solar PV and EV charging rollout across 22 sites.

For the Glass House Mountains Northbound redevelopment, sustainability initiatives have been embedded into the project design including plans for ten additional electric vehicle charging bays, rooftop solar, rainwater harvesting, grey water reuse and new fuel tank technology.

Market outlook

Service station investments remain sought after as a stable and defensive asset class due to their long leases with strong covenants. Fuel and convenience retail businesses play an important role in the community as an essential service, making the asset class resilient and defensive.

Over FY24, fuel and convenience property transaction volumes remained relatively robust despite the higher interest rate environment. This transaction activity reflects the repricing of asset values and capitalisation rates in line with the broader interest rate environment. Fuel and convenience property transaction volumes have been supported by investors taking a long-term view on underlying land value growth and tenant lease renewal potential.

Fuel operators are responding to the shift in the energy mix by exploring additional site enhancements, including investments into convenience retail offerings that capitalise on longer customer visitation.

Summary and guidance

DXC is well placed and will retain its focus on generating defensive income with embedded growth for its investors through:

- enhancing portfolio attributes that deliver income certainty and growth
- preserving balance sheet strength
- executing portfolio optimisation initiatives (including the redevelopment of Glass House Mountains)
- leveraging Dexus's capabilities across transactions, developments, asset management and treasury

In addition, DXC expects continued relative valuation resilience for service station and convenience retail assets due to their predictable cash flows, strong tenant covenants and a weighted average capitalisation rate that provides a positive spread against the marginal cost of debt.

DXC provides FY25 guidance for FFO and distributions of 20.6 cents per security, reflecting an attractive distribution yield of 7.3%[2]. Guidance has been provided based on contracted property income growth, current interest rate expectations, circa $40 million of asset sales currently under negotiation and barring unforeseen circumstances.

[1] Covers scope 1, 2 and some scope 3 emissions. Refer to FY23 Sustainability Data Pack available on Dexus website for scope 3 inclusions.
[2] Based on closing security price as at 8 August 2024.

Key risks

Risk	Potential impact	How DXC is responding
Health, safety and wellbeing Providing an environment that ensures the safety and wellbeing of customers, contractors and the public at DXC properties and responding to events that have the potential to disrupt business continuity	– Death or injury at DXC properties – Loss of broader community confidence – Costs or sanctions associated with regulatory response – Costs associated with remediation and/or restoration, and criminal or civil proceedings – Inability to sustainably perform or deliver objectives – Business disruption	– Dexus implements an ISO 45001 accredited Work Health and Safety Management System including: • Contractor management system and procedures to facilitate safe systems of work • WHS risk assessment and audit program as per the agreed schedule to identify and assess risks associated with DXC owned assets and operations, and to monitor that controls are effectively implemented – Maintain a business continuity management framework to mitigate safety threats, including the adoption of plans relating to crisis management, business continuity and emergency management
Strategic performance Ability to deliver DXC's strategic objectives, generate value and deliver superior performance	– Structural changes to the fuel & convenience industry – Sustained inflation and recessionary pressures on the economy which could impact strategic outcomes – Loss of broader community confidence – Reputational damage – Inability to meet guidance – Inability to sustainably perform or deliver investment objectives	– Processes in place to monitor and manage performance and risks that may impact strategic outcomes and risks – DXC's strategy and risk appetite are approved annually by the Board and reviewed throughout the year by management – Progress against strategy is subject to regular review and reporting to the Board
Investment and financial performance Ability to meet market guidance and deliver DXC's investment proposition to provide defensive income with embedded growth for investors	– Reduced investor sentiment (equity and debt) – Reduced credit ratings and availability of debt financing – Sustained inflation and recessionary pressures on the economy which could impact financial performance – Inability to meet guidance – Inability to sustainably perform or deliver investment objectives – Decline in asset valuations – Reputational damage	– Processes in place to monitor and manage performance and risks that may impact on performance – Investments, divestments and developments must be approved by the Investment Committee and the Dexus Asset Management Limited (DXAM) Board in accordance with the terms of reference and operating limits – Due diligence is undertaken for all investment and divestment proposals, developments and major capital expenditure before approval or endorsement of each investment decision
Capital management Positioning the capital structure of the Fund to withstand unexpected changes in equity and debt markets	– Constrained capacity to execute strategy – Increased cost of funding (equity and debt) – Fluctuations in interest rates which could impact the cost of debt – Fluctuations in foreign exchange rates which could impact profitability – Reduced investor sentiment – Reduced availability of debt financing – Breach of financial covenants leading to default	– Prudent management of capital, including regular sensitivity analysis and periodic independent reviews of the Treasury Policy, assists in positioning DXC's balance sheet in relation to unexpected changes in capital markets – Ongoing monitoring of capital management is undertaken to ensure metrics are within risk appetite thresholds benchmarks and/or limits outlined within the Treasury Policy – Reporting and oversight by the Capital Markets Committee and the DXAM Board

Risk	Potential impact	How DXC is responding
Environmental and social sustainability Ability to meet societal and investor expectations of corporate, environmental and social responsibilities	– Impacts to the community including human health and wellbeing – Increased costs associated with global and domestic energy crisis – Increased difficulty in leasing assets due to heightened risk of climate change impact – Increased costs associated with physical risks (e.g. asset damage from extreme weather) – Increased costs associated with transition risks (e.g. carbon regulation, requirements for building efficiency) – Inability to maintain access to capital due to reputational damage – Increased reputational risk for not supporting the community, environmental and social causes – Inability to address shift in customer preferences due to change in market demand for fuel, electric vehicles and alternative fuel vehicles	– Dexus implements an ISO 14001 accredited Environment Management System including an environment risk assessment and audit program as per the agreed schedule to identify and assess risks associated with DXC owned assets and operations, and to monitor that controls are effectively implemented – Dexus use scenario analysis to understand the broad range of climate-related issues that may impact the business and focus on enhancing the resilience of properties while implementing energy efficiency initiatives and renewable energy projects – DXC are committed to ensuring its operations provide quality jobs with the right conditions and collaborate with its suppliers to understand how it can contribute to upholding human rights across the supply chain, including addressing modern slavery
Compliance and regulator Maintain appropriate governance and compliance practices to support oversight of, and compliance with, applicable laws and regulations	– Reputational damage – Conflicts of interest resulting in loss or reduced performance – Fines and sanctions impacting on business operations – Reduced investor sentiment (equity and debt) – Loss of broader community confidence – Increased compliance costs	– DXC's compliance monitoring program supports its comprehensive compliance policies and procedures that are regularly updated to ensure the business operates in accordance with regulatory expectations – Dexus employees and DXC service providers receive training on their compliance obligations and are encouraged to raise concerns where appropriate – Maintain grievance, complaints and whistleblower mechanisms for Dexus employees and DXC stakeholders to raise concerns safely, confidently and anonymously – Risk-based internal audit program – Independent industry experts are appointed to undertake reviews where appropriate
Development Providing the opportunity to grow DXC's portfolio and enhance future returns	– Reputational damage – Leasing outcomes impacting on completion valuations – Fluctuations in construction costs and project delays, including due to liquidation of third-party contractors, resulting in sub-optimal returns – Financial loss	– Partnering with trusted and high-quality development managers to execute fund-through projects – Appropriate oversight in place for management agreements, developments and third-party developer appointment
Performance of manager Services and activities provided by the manager e.g. cyber and data security, third-party supplier management, people and culture	– Disruption to business impacting key stakeholder groups – Financial loss – Reputation damage – Breach of laws/regulations resulting in sanctions and fines – Decrease in business performance, agility and resilience	– Regular Board reporting including key risk, incident and breach updates – Regular monitoring of key metrics – Engagement with management to ensure visibility and oversight of key business activities and processes – Regular review and oversight of applicable business policies

Remuneration Report

No remuneration or director fees have been paid by the Group to the Directors or key management personnel of DXAM in their capacity as Directors or key management personnel of the Responsible Entity.

No loans have been provided to the Directors or key management personnel of DXAM in the current financial year.

Directors' directorships in other listed entities

The following table sets out directorships of other ASX listed entities (unless otherwise stated), not including DXAM or Industria Company No. 1 Limited (which is part of the DXI stapled group, a fund managed by Dexus), held by the Directors at any time in the three years immediately prior to the end of the year, and the period for which each directorship was held.

Directors	Company	Date appointed	Date resigned
Jennifer Horrigan	QV Equities Limited	26 April 2016	31 March 2023
	A2B Australia Limited	11 September 2020	11 April 2024
Danielle Carter	BWP Management Limited	1 December 2021	–
	APN Property Group Limited	2 March 2020	13 August 2021
Emily Smith	–	–	–
Jonathan Sweeney	EP&T Global Limited	1 March 2021	26 March 2024
Deborah Coakley[1]	–	–	–
Melanie Bourke[2]	–	–	–
Brett Cameron - Alternate Director[3]	–	–	–

1 Resigned from the DXAM Board effective 17 July 2024.
2 Appointed as Executive Director effective 17 July 2024.
3 Ceased as alternate director for Deborah Coakley on 17 July 2024, and was appointed as alternate director for Melanie Bourke on 17 July 2024.

Principal activities

During the year, the principal activity of the Group was to own and manage a quality portfolio of convenience retail properties that offer secure income streams and have the potential for capital growth. The Group consists of three registered managed investment schemes domiciled in Australia and together forms Dexus Convenience Retail REIT which is listed on the Australian Securities Exchange ("ASX") (ASX Ticker: "DXC"). The parent entity of the Group is Convenience Retail REIT No. 2. The Group did not have any employees during the year.

Total value of Group assets

The total value of the assets of the Group as at 30 June 2024 was $753,858,000 (2023: $802,863,000). Details of the basis of this valuation are outlined in the Notes to the Consolidated Financial Statements and form part of this Directors' Report.

Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information regarding business strategies and future developments or results of the Group, other than the information already outlined in this Directors' Report or the Consolidated Financial Statements accompanying this Directors' Report would be unreasonably prejudicial to the Group.

Significant changes in the state of affairs

During the financial year, DXC had no significant changes in its state of affairs.

Matters subsequent to the end of the financial year

During the year ended 30 June 2024, DXC entered into a conditional option contract which is expected to result in the sale of a portfolio of seven investment properties for approximately $32.4m which is equal to the book value at 30 June 2024. Conditions precedent including an equity raise must be satisfied by the potential acquirer by 9 September 2024 or the option will expire and the transaction will not proceed.

On 8 August 2024, contracts were exchanged for the disposal of 25 Bolam Street, Garbutt QLD and 77-79 Bowen Street, Rosslea QLD for $2.9 million and $3.0 million, respectively. The combined proceeds of $5.9 million represent a 2.4% average premium to the 30 June 2024 book values.

On 9 August 2024, DXC entered into a conditional contract which is expected to result in the sale of an investment property for approximately $7.1 million, reflecting a 1% premium to the book value at 30 June 2024. Conditions precedent including the sale being subject to finance must be satisfied by the potential acquirer in order for the transaction to proceed.

Since the end of the year, the Directors are not aware of any other matter or circumstance not otherwise dealt within their Directors' Report or the Consolidated Financial Statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or state of the Group's affairs in future financial periods.

Distributions

Distributions paid or payable by the Group for the year ended 30 June 2024 were 20.96 cents per security which amounted to $28,874,000 (2023: 21.60 cents per security, $29,755,000) as outlined in note 6 of the Notes to the Consolidated Financial Statements.

Interests in DXC securities

The movement in securities on issue in the Group during the year and the number of securities on issue as at 30 June 2024 are detailed in note 12 and form part of this Directors' Report.

Interests held in the Group by DXAM and its related entities at the end of the financial year is 18,497,482 securities (2023: 21,319,368 securities).

The Group did not have any options on issue as at 30 June 2024 (2023: nil).

Environmental regulation

The Responsible Entity, DXAM, is part of the Dexus Group. The Audit, Risk and Compliance Committee oversees the policies, procedures and systems that have been implemented to ensure the adequacy of its environmental risk management practices. It is the opinion of this Committee that adequate systems are in place for the management of its environmental responsibilities and compliance with its various licence requirements and regulations. Further, the Committee is not aware of any material breaches of these requirements.

The Dexus Group is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 (NGER Act). The NGER Act requires the Dexus Group to report its annual greenhouse gas emissions and energy use.

The Dexus Group has implemented systems and processes for the collection and calculation of the data required. The Dexus Group submitted its 2023 report to the Greenhouse and Energy Data Officer on 30 October 2023 and will submit its 2024 report by 31 October 2024. During the 12 month period ending 30 June 2024, the Dexus Group complied with all the relevant requirements as set out by the NGER Act.

Information regarding the Dexus Group's participation in the NGER program is available at: www.dexus.com/sustainability

Indemnification and insurance

The insurance premium for a policy of insurance indemnifying Directors, Officers and others (as defined in the relevant policy of insurance) is paid by DXAM's parent entity, Dexus Holdings Pty Limited (DXH).

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of DXAM, its subsidiaries or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings.

PricewaterhouseCoopers (PwC or the Auditor), is indemnified out of the assets of DXAM pursuant to the Dexus Specific Terms of Business agreed for all engagements with PwC, to the extent that DXAM inappropriately uses or discloses a report prepared by PwC. The Auditor is not indemnified for the provision of services where such an indemnification is prohibited by the Corporations Act 2001.

Audit

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*. In accordance with section 324DAA of the *Corporations Act 2001*, the Group's lead auditor must be rotated every five years unless the Board grants approval to extend the term for up to a further two years.

Non-audit services

The Group may decide to employ the Auditor on assignments, in addition to the statutory audit engagement, where the Auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the Auditor for audit and non-audit services provided during the year are set out in note 14.

The Audit, Risk and Compliance Committee is satisfied that the provision of non-audit services provided during the year by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the *Corporations Act 2001.*

The reasons for the Directors being satisfied are:

- All non-audit services have been reviewed by the Audit, Risk and Compliance Committee to ensure that they do not impact the impartiality and objectivity of the Auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

The above Directors' statements are in accordance with the advice received from the Audit, Risk and Compliance Committee.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13 and forms part of this Directors' Report.

Corporate governance

DXAM's Corporate Governance Statement is available at: www.dexus.com/corporategovernance

Rounding of amounts and currency

As the Group is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the Directors have chosen to round amounts in this Directors' Report and the accompanying Consolidated Financial Statements to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Consolidated Financial Statements, except where otherwise stated, are expressed in Australian dollars.

Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Consolidated Financial Statements were authorised for issue by the Directors on 12 August 2024.

Jennifer Horrigan
Chair
12 August 2024

Auditor's Independence Declaration

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Convenience Retail REIT No. 2 for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Convenience Retail REIT No. 2 and the entities it controlled during the period.

Samantha Johnson
Partner
PricewaterhouseCoopers

Sydney
12 August 2024

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue from ordinary activities			
Property revenue	2	**57,103**	59,376
Total revenue from ordinary activities		**57,103**	59,376
Other income			
Interest revenue		**155**	59
Other income		**–**	15
Total other income		**155**	74
Total income		**57,258**	59,450
Expenses			
Property expenses	2	**(8,753)**	(7,477)
Finance costs	3	**(11,123)**	(11,370)
Management fee expense	16	**(4,920)**	(5,330)
Net fair value loss of investment properties	7	**(23,661)**	(41,283)
Net fair value loss of derivatives	9(c)	**(4,440)**	(1,041)
Other expenses		**(954)**	(1,329)
Total expenses		**(53,851)**	(67,830)
Profit/(loss) for the year		**3,407**	(8,380)
Profit/(loss) for the year attributable to:			
Security holders of the parent entity		**(580)**	(1,826)
Security holders of other stapled entities (non-controlling interests)[1]		**3,987**	(6,554)
Profit/(loss) for the year		**3,407**	(8,380)
Other comprehensive income for the year		**–**	–
Total comprehensive income/(loss) for the year		**3,407**	(8,380)
Total comprehensive income/(loss) for the year attributable to:			
Security holders of the parent entity		**(580)**	(1,826)
Security holders of other stapled entities (non-controlling interests)[1]		**3,987**	(6,554)
Total comprehensive income/(loss) for the year		**3,407**	(8,380)
		Cents	**Cents**
Earnings per stapled security on profit/(loss) attributable to security holders of the Trust (parent entity)			
Basic earnings per security	5	**(0.42)**	(1.32)
Diluted earnings per security	5	**(0.42)**	(1.32)
Earnings per stapled security on profit/(loss) attributable to security holders of other stapled entities[1]			
Basic earnings per security	5	**2.89**	(4.76)
Diluted earnings per security	5	**2.89**	(4.76)

1 Non-controlling interests represent the profit/(loss) and total comprehensive income/(loss) for the year attributable to Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3).

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents		**1,918**	5,454
Receivables	13(b)	**1,429**	1,422
Non-current assets classified as held for sale	8	**–**	7,050
Derivative financial instruments	9(c)	**3,765**	4,996
Other current assets	13(c)	**1,814**	2,183
Total current assets		**8,926**	21,105
Non-current assets			
Investment properties	7	**740,680**	774,170
Derivative financial instruments	9(c)	**4,212**	7,516
Other non-current assets		**40**	72
Total non-current assets		**744,932**	781,758
Total assets		**753,858**	802,863
Current liabilities			
Payables	13(d)	**9,460**	12,004
Provisions	13(e)	**9,113**	9,796
Other current liabilities		**1,000**	–
Total current liabilities		**19,573**	21,800
Non-current liabilities			
Derivative financial instruments	9(c)	**165**	260
Interest bearing liabilities	10	**243,204**	263,420
Other non-current liabilities		**–**	1,000
Total non-current liabilities		**243,369**	264,680
Total liabilities		**262,942**	286,480
Net assets		**490,916**	516,383
Equity			
Equity attributable to security holders of the Trust (parent entity)			
Contributed equity	12	**190,503**	190,503
Retained profits		**27,185**	35,482
Parent entity security holders' interest		**217,688**	225,985
Equity attributable to security holders of other stapled entities (non-controlling interests)[1]			
Contributed equity	12	**216,760**	216,760
Retained profits		**56,468**	73,638
Other stapled security holders' interest		**273,228**	290,398
Total equity		**490,916**	516,383

1 Non-controlling interests represent the net assets attributable to Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3).

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Attributable to security holders of the Trust (parent entity)			Attributable to security holders of other stapled entities[1]			
		Contributed equity $'000	Retained profits $'000	Total $'000	Contributed equity $'000	Retained profits $'000	Total $'000	Total equity $'000
Opening balance as at 1 July 2022		190,503	48,711	239,214	216,760	98,544	315,304	554,518
Net profit/(loss) for the year		–	(1,826)	(1,826)	–	(6,554)	(6,554)	(8,380)
Other comprehensive income/(loss) for the year		–	–	–	–	–	–	–
Total comprehensive income/(loss) for the year		–	(1,826)	(1,826)	–	(6,554)	(6,554)	(8,380)
Transactions with owners in their capacity as owners								
Distributions paid or payable	6	–	(11,403)	(11,403)	–	(18,352)	(18,352)	(29,755)
Total transactions with owners in their capacity as owners		–	(11,403)	(11,403)	–	(18,352)	(18,352)	(29,755)
Closing balance as at 30 June 2023		190,503	35,482	225,985	216,760	73,638	290,398	516,383
Opening balance as at 1 July 2023		**190,503**	**35,482**	**225,985**	**216,760**	**73,638**	**290,398**	**516,383**
Net profit/(loss) for the year		**–**	**(580)**	**(580)**	**–**	**3,987**	**3,987**	**3,407**
Other comprehensive income/(loss) for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(loss) for the year		**–**	**(580)**	**(580)**	**–**	**3,987**	**3,987**	**3,407**
Transactions with owners in their capacity as owners								
Distributions paid or payable	6	**–**	**(7,717)**	**(7,717)**	**–**	**(21,157)**	**(21,157)**	**(28,874)**
Total transactions with owners in their capacity as owners		**–**	**(7,717)**	**(7,717)**	**–**	**(21,157)**	**(21,157)**	**(28,874)**
Closing balance as at 30 June 2024		**190,503**	**27,185**	**217,688**	**216,760**	**56,468**	**273,228**	**490,916**

1 Non-controlling interests represent the equity attributable to Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3).

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**56,544**	62,614
Payments in the course of operations (inclusive of GST)		**(20,331)**	(17,731)
Interest received		**155**	59
Finance costs paid		**(11,194)**	(10,536)
Net cash inflow from operating activities	15(a)	**25,174**	34,406
Cash flows from investing activities			
Proceeds from sale of investment properties		**22,831**	33,437
Payments for capital expenditure on investment properties		**(1,541)**	(84)
Net cash inflow from investing activities		**21,290**	33,353
Cash flows from financing activities			
Proceeds from borrowings		**161,250**	146,943
Repayment of borrowings		**(182,080)**	(184,292)
Distributions paid to security holders		**(29,170)**	(30,134)
Net cash outflow from financing activities		**(50,000)**	(67,483)
Net (decrease)/increase in cash and cash equivalents		**(3,536)**	276
Cash and cash equivalents at the beginning of the year		**5,454**	5,178
Cash and cash equivalents at the end of the year		**1,918**	5,454

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

In this section

This section sets out the basis upon which the Group's Consolidated Financial Statements are prepared.

Specific accounting policies are described in their respective Notes to the Consolidated Financial Statements.

Basis of preparation

These Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with the requirements of the Constitutions of the entities within the Group, the *Corporations Act 2001,* Australian Accounting Standards issued by the Australian Accounting Standards Board and the International Financial Reporting Standards adopted by the International Accounting Standards Board.

Unless otherwise stated, the Consolidated Financial Statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding interim reporting period. Where required, comparative information has been restated for consistency with the current year's presentation.

The Consolidated Financial Statements are presented in Australian dollars, with all values rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated.

The Consolidated Financial Statements have been prepared on a going concern basis using the historical cost convention, except for the following which are stated at their fair value:

- Investment properties
- Non-current assets classified as held for sale
- Derivative financial instruments

DXC stapled securities are quoted on the Australian Securities Exchange under the "DXC" code and comprise one unit in each of CRR1, CRR2 and CRR3. In accordance with Australian Accounting Standards, the entities within the Group must be consolidated for financial reporting purposes. CRR2 is the parent entity and deemed acquirer of CRR1 and CRR3.

These Consolidated Financial Statements therefore represent the consolidated results of DXC and include CRR1, CRR2 and CRR3. All entities within the Group are for-profit entities.

Equity attributable to other trusts stapled to CRR2 is a form of non-controlling interest and represents the equity of CRR1 and CRR3. The amount of non-controlling interests attributable to stapled security holders is disclosed in the Consolidated Statement of Financial Position.

Each entity forming part of the Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards. Dexus Asset Management Limited (DXAM) as Responsible Entity for CRR1, CRR2 and CRR3 may only unstaple the Group if approval is obtained by a special resolution of the stapled security holders.

Net current asset deficiency

As at 30 June 2024, the Group had a net current asset deficiency of $10,647,000 (2023: $695,000). This is primarily due to the distributions payable to stapled security holders of $7,349,00 and, accrued capital expenditures of $ 2,464,000.

Capital risk management is not managed at the individual entity level, but rather holistically as part of the Group. This is done through a centralised treasury function which ensures that entities within the Group will be able to continue as a going concern. The Group has in place both external funding arrangements to support the cash flow requirements of the Group, including undrawn facilities of $65,850,000 (2023: $75,019,000).

In determining the basis of preparation of the Consolidated Financial Statements, the Directors of the Responsible Entity have taken into consideration the unutilised facilities available to the Group. As such, the Group is a going concern and the Consolidated Financial Statements have been prepared on that basis.

Critical accounting estimates

The preparation of the Consolidated Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies.

In the process of applying the Group's accounting policies, management has considered the current economic environment including the impacts of persistent inflation and elevated interest rates and the estimates and assumptions used for the measurement of items such as:

- Investment properties; and
- Derivative financial instruments.

No other key assumptions concerning the future or other estimation uncertainty at the end of the reporting period could have a significant risk of causing material adjustments to the Consolidated Financial Statements.

Climate change

On 26 June 2023, the International Sustainability Standards Board (ISSB) released new sustainability standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Subsequently, the Australian Accounting Standards Board (AASB) issued Exposure Draft "Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information" and on 27 March 2024, the "Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024" was introduced into Parliament. Under the proposed Bill, the new reporting requirements will be mandatory for the year ended 30 June 2028 for the Group. The Group is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance on its Consolidated Financial Statements Refer to specific considerations relating to Investment Properties within note 7.

Principles of consolidation

These Consolidated Financial Statements incorporate the assets, liabilities and results of all subsidiaries as at 30 June 2024.

Controlled entities

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Goods and services tax

Revenues, expenses and capital assets are recognised net of any amount of Australian Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as cash flows from operating activities.

Notes to the Consolidated Financial Statements continued

The Notes include information which is required to understand the Consolidated Financial Statements and is material and relevant to the operations, financial position and performance of the Group.

The Notes are organised into the following sections:

Group performance	Property portfolio assets	Capital and financial risk management and working capital	Other disclosures
1. Operating segment	7. Investment properties	9. Capital and financial risk management	14. Audit, taxation and transaction service fees
2. Property revenue and expenses	8. Non-current assets classified as held for sale	10. Interest bearing liabilities	15. Cash flow information
3. Finance costs		11. Commitments and contingencies	16. Related parties
4. Taxation		12. Contributed equity	17. Controlled entities
5. Earnings per security		13. Working capital	18. Parent entity disclosures
6. Distributions paid and payable			19. Subsequent events

Group performance

In this section

This section explains the results and performance of the Group.

It provides additional information about those individual line items in the Consolidated Financial Statements that the Directors consider most relevant in the context of the operations of the Group, including:

- Results by operating segment
- Property revenue and expenses
- Finance costs
- Taxation
- Earnings per security
- Distributions paid and payable

Note 1 Operating segment

The Group derives its income from investment in properties located in Australia and is deemed to have only one operating segment which is consistent with the reporting reviewed by the chief operating decision makers. The Directors consider the Property Council of Australia (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. A reconciliation of DXC's FFO to profit/(loss) for the year is tabled below:

	2024 $'000	2023 $'000
Segment performance measures		
Property revenue	**57,103**	59,376
Property expenses	**(8,753)**	(7,477)
Management fee expense	**(4,920)**	(5,330)
Other expenses	**(954)**	(1,329)
Interest and other income	**155**	74
Finance costs	**(10,559)**	(10,636)
Incentive amortisation and rent straight line	**(3,343)**	(4,618)
Rental guarantees, coupon income and other	**145**	(310)
Funds From Operations (FFO)	**28,874**	29,750
Net fair value loss of investment properties	**(23,661)**	(41,283)
Net fair value loss of derivatives	**(4,440)**	(1,041)
Incentive amortisation and rent straight line	**3,343**	4,618
Rental guarantees, coupon income and other	**(145)**	310
Debt modification	**(564)**	(734)
Profit/(loss) for the year	**3,407**	(8,380)

Note 2 Property revenue and expenses

The Group's main revenue stream is property rental revenue and is derived from holding properties as investment properties and earning rental yields over time. Rental revenue is recognised on a straight line basis over the lease term for leases with fixed rent review clauses.

Prospective tenants may be offered incentives as an inducement to enter into operating leases. The costs of incentives are recognised as a reduction of rental revenue being incentive amortisation calculated on a straight line basis from the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

Within its lease arrangements, the Group provides certain services to tenants (such as utilities, cleaning, maintenance and certain parking arrangements) which are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. A portion of the consideration within the lease arrangements is therefore allocated to services revenue within property revenue.

	2024 $'000	2023 $'000
Rental income	**51,670**	53,904
Outgoings and direct recoveries	**3,965**	4,120
Services revenue	**1,504**	1,413
Incentive amortisation	**(36)**	(61)
Total property revenue	**57,103**	59,376

Note 2 Property revenue and expenses (continued)

Property expenses

Property expenses include:

- Rates;
- Taxes;
- Expected credit losses on receivables; and
- Other property outgoings incurred in relation to investment properties.

These expenses are recognised in the Consolidated Statement of Comprehensive Income on an accrual basis. If these items are recovered from a tenant by the Group, they are recorded within services revenue or direct recoveries within property revenue.

	2024 $'000	2023 $'000
Recoverable outgoings and direct recoveries	**6,034**	6,029
Other non-recoverable property expenses	**2,719**	1,448
Total property expenses	**8,753**	7,477

Note 3 Finance costs

Finance costs include:

- Interest
- Amortisation or other costs incurred in connection with arrangement of borrowings; and
- Realised gains and losses on interest rate derivatives.

Finance costs are expensed as incurred unless they are directly attributable to qualifying assets which are capitalised to the cost of the asset.

	2024 $'000	2023 $'000
Interest paid/payable[1]	**15,231**	13,280
Amortisation of borrowing costs	**431**	451
Debt modifications	**564**	734
Realised gain on interest rate derivatives	**(5,149)**	(3,154)
Other finance costs	**46**	59
Total finance costs	**11,123**	11,370

1 Includes $2,095,000 (2023: $2,496,000) of line fees expensed during the year.

Note 4 Taxation

All Trusts that comprise DXC are "flow-through" entities for Australian income tax purposes that have elected into the Attribution Managed Investment Trusts rules ("AMIT Funds") on and from 1 July 2017, such that the determined trust components of each AMIT Fund will be taxable in the hands of the beneficiaries (the security holders) on an attribution basis.

Accordingly, deferred taxes associated with these AMIT Funds have not been recognised in the Consolidated Financial Statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains/losses which could arise in the event of a sale of properties for the amount at which they are stated in the Consolidated Financial Statements.

Realised capital losses are not attributed to the security holders but instead are retained within the AMIT Funds to be offset against realised capital gains. The benefit of any carried forward capital losses is also not recognised in the Consolidated Financial Statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income attributed to security holders as noted above. For the year ended 30 June 2024, there were no unrecognised carried forward capital losses (2023: nil).

Note 5 Earnings per security

Earnings per security are determined by dividing the net profit or loss attributable to security holders by the weighted average number of ordinary securities outstanding during the year. Diluted earnings per security are adjusted from the basic earnings per security by taking into account the impact of dilutive potential securities.

	2024	2023
Loss ($'000) attributable to security holders of the Trust (parent entity)	**(580)**	(1,826)
Weighted average number of securities outstanding (thousands)	**137,757**	137,757
Basic and diluted earnings (cents per security)	**(0.42)**	(1.33)
Profit/(loss) ($'000) attributable to security holders of the other stapled entities	**3,987**	(6,554)
Weighted average number of securities outstanding (thousands)	**137,757**	137,757
Basic and diluted earnings (cents per security)	**2.89**	(4.76)

No dilutive securities were issued or on issue during the current year (2023: nil).

Note 6 Distributions paid and payable

Distributions are recognised when declared.

Distribution to security holders

	2024 $'000	2023 $'000
30 September (paid 9 November 2023)	**7,129**	7,301
31 December (paid 22 February 2024)	**7,129**	7,301
31 March (paid 16 May 2024)	**7,267**	7,508
30 June (payable 22 August 2024)	**7,349**	7,645
Total distribution to security holders	**28,874**	29,755

Distribution rate

	2024 Cents per security	2023 Cents per security
30 September (paid 9 November 2023)	**5.175**	5.300
31 December (paid 22 February 2024)	**5.175**	5.300
31 March (paid 16 May 2024)	**5.275**	5.450
30 June (payable 22 August 2024)	**5.335**	5.550
Total distribution rate	**20.960**	21.600

Property portfolio assets

In this section

Property portfolio assets are used to generate the Group's performance. The assets are detailed in the following notes:

- **Investment properties** (note 7): relates to investment properties, both stabilised and under development

Note 7 Investment properties

The Group's investment properties consist of properties held for long-term rental yields and/or capital appreciation and property that is being constructed or developed for future use as investment property. Investment properties are initially recognised at cost including transaction costs. Investment properties are subsequently measured at fair value.

The basis of valuations of investment properties is fair value, being the estimated price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Changes in fair values are recorded in the Consolidated Statement of Comprehensive Income. The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Consolidated Statement of Comprehensive Income in the year of disposal.

Subsequent redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property where they result in an enhancement in the future economic benefits of the property.

Leasing fees incurred and incentives provided are capitalised and amortised over the lease periods to which they relate.

a. Reconciliation

	2024 $'000	2023 $'000
Opening balance	**774,170**	850,050
Additions[1, 2]	**2,933**	1,281
Lease incentives	**125**	294
Amortisation of lease incentives	**(141)**	(161)
Rent straightlining	**3,484**	4,779
Disposals	**(16,230)**	(33,740)
Transfer to non-current assets classified as held for sale	**–**	(7,050)
Net fair value gain/(loss) of investment properties[2]	**(23,661)**	(41,283)
Closing balance	**740,680**	774,170

1 Includes $830,000 (2023: $539,000) of maintenance capital expenditure incurred during the year.
2 Includes $319,000 of transaction costs associated with the disposals of investment properties during the year (2023: $682,000).

b. Disposals

Settlement for the disposals of the following investment properties occurred during the year, totalling $16,230,000 excluding transaction costs:

Date	Property Name
3 October 2023	323 North East Road, Hampstead Gardens, SA
19 October 2023	264 Browns Plains Road, Browns Plains, QLD
25 March 2024	52 Aldershot Road, Lonsdale, SA

During the year ended 30 June 2024, DXC entered into a conditional option contract which is expected to result in the sale of a portfolio of seven investment properties for approximately $32.4m which is equal to the book value at 30 June 2024. Conditions precedent including an equity raise must be satisfied by the potential acquirer by 9 September 2024 or the option will expire and the transaction will not proceed.

Note 7 Investment properties (continued)

c. Valuation process

It is the policy of the Group to obtain independent valuations for each individual property at least once every three years by a member of the Australian Property Institute of Valuers. It has been the Group's practice to have such valuations performed for a selection of properties every six months. Each valuation firm and its signatory valuer are appointed on the basis that they are engaged for no more than three years except for properties under development where it is deemed appropriate to extend beyond this term. Independent valuations may be undertaken more frequently where the Responsible Entity believes there is potential for a change in the fair value of the property, being 5% of the asset value. At 30 June 2024, 51 out of 100 investment properties were independently externally valued.

The Group's policy requires investment properties to be internally valued at least every six months at each reporting period (interim and full-year) unless they have been independently externally valued. Internal valuations are compared to the carrying value of investment properties at the reporting date. Where the Directors determine that the internal valuations present a more reliable estimate of fair value the internal valuation is adopted as book value. Where appropriate, internal valuations are performed by the Group's internal valuers who hold recognised relevant professional qualifications and have previous experience as property valuers from major real estate valuation firms.

An appropriate valuation methodology is utilised according to asset class. In relation to convenience retail assets this includes the capitalisation approach (market approach). The valuation is also compared to, and supported by, direct comparison to recent market transactions. The adopted capitalisation rates are determined based on industry expertise and knowledge and, where possible, a direct comparison to third party rates for similar assets in a comparable location. Rental revenue from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are also factored into each asset assessment of fair value.

In relation to development properties under construction for future use as investment property, where reliably measurable, fair value is determined based on the market value of the property on the assumption it had already been completed at the valuation date (using the methodology as outlined above) less costs still required to complete the project, including an appropriate adjustment for industry benchmarked profit and development risk.

d. Sustainability valuation considerations

The Group engages independent valuation firms to assist in determining fair value of the investment property assets at each reporting period. As qualified valuers, they are required to follow both the *RICS Valuation - Global Standards* and the Australian Property Institute's International Valuation Standards, and accordingly their valuations are required to take into account the sustainability features of properties being valued and the implications such factors could have on property values in the short, medium and longer term.

Where relevant, the Group's independent valuation firms note in their valuation reports that sustainability features are considered as part of the valuation approach and that sustainability features have been influencing value for some time.

Where the independent valuation firms give consideration to the impacts of sustainability, they are incorporating their understanding of how market participants consider the impact of sustainability on market valuations, noting that valuers should reflect markets and not lead them.

e. Fair value measurement, valuation techniques and inputs

The following table represents the level of the fair value hierarchy and the associated unobservable inputs utilised in the fair value measurement of investment property.

Class of property	Fair value hierarchy	Inputs used to measure fair value	Range of unobservable inputs 2024	 2023
Convenience retail	Level 3	Adopted capitalisation rate	**5.50% – 8.25%**	5.25% – 8.00%
		Net market rental (per sqm)	**$248 – $5,090**	$240 – $4,810

Critical accounting estimates: inputs used to measure fair value of investment properties

Judgement is required in determining the following significant unobservable inputs:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- **Net market rental (per sqm):** The net market rent is the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

f. Impact of the current economic environment on the fair value of investment properties

The elevated levels of economic uncertainty has created heightened levels of judgment when deriving the fair value of the Group's investment property portfolio.

Whilst the fair values of investment property can be relied upon at the date of valuation, a higher level of valuation uncertainty than normal is assumed. A sensitivity analysis has been included in note 7(g), showing indicative movements in investment property valuations should certain significant unobservable inputs differ by reasonably possible amounts from those assumed in the valuations.

Note 7 Investment properties (continued)

g. Sensitivity information

Significant movement in any one of the valuation inputs listed in the table above may result in a change in the fair value of the Group's investment properties as shown below.

The estimated impact of a change in certain significant unobservable inputs would result in a change in the fair value as follows:

	2024 $'000	2023 $'000
A decrease of 25 basis points in the adopted capitalisation rate	**30,578**	33,750
An increase of 25 basis points in the adopted capitalisation rate	**(27,552)**	(30,870)
A decrease of 5% in the net market rental (per sqm)	**(39,650)**	(39,090)
An increase of 5% in the net market rental (per sqm)	**34,090**	39,010

Under the capitalisation approach, the net market rental has a strong interrelationship with the adopted capitalisation rate as the fair value of the investment property is derived by capitalising, in perpetuity, the total net market rent receivable. An increase (softening) in the adopted capitalisation rate would offset the impact to fair value of an increase in the net market rent. A decrease (tightening) in the adopted capitalisation rate would also offset the impact to fair value of a decrease in the net market rent. Directionally opposite changes in the net market rent and the adopted capitalisation rate would increase the impact to fair value.

h. Investment properties pledged as security

Refer to note 10 for information on investment properties pledged as security.

Note 8 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable.

Non-current assets classified as held for sale are presented separately from the other assets in the Consolidated Statement of Financial Position. Non-current assets classified as held for sale relate to investment properties measured at fair value.

At 30 June 2024, there were no investment properties held for sale.

At 30 June 2023, the balance related to 656 Bruce Highway, Woree QLD and 1182 Chapman Road, Glenfield WA.

Capital and financial risk management and working capital

In this section

The Group's overall risk management program focuses on reducing volatility from impacts of movements in financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Note 9 *Capital and financial risk management* outlines how the Group manages its exposure to a variety of financial risks (interest rate risk, liquidity risk and credit risk) including details of the various derivative financial instruments entered into by the Group.

The Board of the Responsible Entity determines the appropriate capital structure of the Group, how much is borrowed from financial institutions and capital markets (debt), and how much is raised from security holders (equity) in order to finance the Group's activities both now and in the future. This capital structure is detailed in the following notes:

- **Debt:** *Interest bearing liabilities* in note 10, and *Commitments and contingencies* in note 11
- **Equity:** *Contributed equity* in note 12

Note 13 provides a breakdown of the working capital balances held in the Consolidated Statement of Financial Position.

Note 9 Capital and financial risk management

Capital and financial risk management is carried out through a centralised treasury function which is governed by a Board approved Treasury Policy. The Dexus Group has an established governance structure which consists of the Executive Committee and Capital Markets Committee.

The Dexus Group Executive Committee is responsible for supporting the Group in achieving its goals and objectives, including the prudent financial and risk management of the Group. The Dexus appointed Capital Markets Committee has been established to advise the Dexus Group Executive Committee and the Board.

The Capital Markets Committee is a management committee that is accountable to the Board. It convenes no less than two times per year and conducts a review of financial risk management exposures including liquidity, funding strategies and hedging. It is also responsible for the development of financial risk management policies and funding strategies for recommendation to the Board, and the approval of treasury transactions within delegated limits and powers.

a. Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to security holders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to security holders. The Group continuously monitors its capital structure and it is managed in consideration of the following factors:

- The cost of capital and the financial risks associated with each class of capital
- Gearing levels and other debt covenants
- Potential impacts on net tangible assets and security holders' equity
- Other market factors

The Group has a stated target gearing level of 25% to 40%. As at 30 June 2024, the Group's gearing ratio was 32.9% (2023: 33.4%).

The Group is required to comply with certain financial covenants in respect of its interest bearing liabilities. During the 2024 and 2023 reporting periods, the Group was in compliance with all of its financial covenants.

DXAM is the Responsible Entity for the managed investment schemes that are stapled to form the Group. DXAM has been issued with an Australian Financial Services Licence (AFSL). The licence is subject to certain capital requirements including the requirement to maintain liquidity above specified limits. DXAM must also prepare rolling cash projections over at least the next 12 months and demonstrate it will have access to sufficient financial resources to meet its liabilities that are expected to be payable over that period. Cash projections and assumptions are approved, at least quarterly, by the Board of the Responsible Entity.

b. Financial risk management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's principal financial instruments, other than derivatives, comprise cash and bank and related party loans. The main purpose of financial instruments is to manage liquidity and hedge the Group's exposure to financial risks namely:

- Interest rate risk
- Liquidity risk
- Credit risk

Note 9 Capital and financial risk management (continued)

b. Financial risk management (continued)

The Group uses derivatives to reduce the Group's exposure to fluctuations in interest rates. These derivatives create an obligation or a right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative financial instruments that the Group may use to hedge its risks include Interest rate swaps and interest rate options (together interest rate derivatives).

The Group does not trade in interest rate derivative instruments for speculative purposes. The Group uses different methods to measure the different types of risks to which it is exposed, including monitoring the current and forecast levels of exposure and conducting sensitivity analysis.

i. Market risk

Interest rate risk

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Non-derivative interest bearing financial instruments are predominantly short term liquid assets issued at variable rates which expose the Group to interest rate risk due to movements in variable interest rates. The Group's cash and borrowings which have a variable interest rate give rise to cash flow interest rate risk due to movements in variable interest rates.

The Group's risk management policy for interest rate risk seeks to minimise the effects of interest rate movements on its asset and liability portfolio through active management of the exposures. The policy prescribes minimum and maximum hedging amounts for the Group, which is managed on a portfolio basis.

The Group maintains local currency variable rate debt through a mix of long term and short term debt. The Group primarily enters into interest rate derivatives swap agreements to manage the associated interest rate risk. The derivative contracts are recorded at fair value in the Consolidated Statement of Financial Position, using standard valuation techniques with market inputs.

As at 30 June 2024, 69% (2023: 65%) of the Group's debt was hedged. The average hedged percentage for the financial year was 75% (2023: 64%).

Interest rate derivatives require settlement of net interest receivable or payable generally each 90 or 180 days. The settlement dates coincide with the dates on which the interest is payable on the underlying debt. The receivable and payable legs on interest rate derivative contracts are settled on a net basis. The net notional amount of interest rate derivatives in place in each year and the weighted average effective hedge rate is set out below:

	June 2025 $'000	June 2026 $'000	June 2027 $'000	June 2028 $'000	June 2029 $'000
Interest rate derivatives	163,333	132,083	106,250	57,500	3,333
Hedge rate (%)	**2.01%**	**2.35%**	**3.37%**	**4.14%**	**4.14%**

Sensitivity analysis on interest expense

The table below shows the impact on the Group's net interest expense of a 100 basis point movement in market interest rates. The sensitivity on cash flow arises due to the impact that a change in interest rates will have on the Group's floating rate debt and derivative cash flows on average during the financial year. Net interest expense is only sensitive to movements in market rates to the extent that floating rate debt is not hedged.

	2024 $'000	2023 $'000
+/- 1.00% (100 basis points)	**641**	1,047
Total	**641**	1,047

The movement in interest expense is proportional to the movement in interest rates.

Sensitivity analysis on fair value of interest rate derivatives

The sensitivity analysis on interest rate derivatives below shows the effect on net profit or loss of changes in the fair value of interest rate derivatives for a 100 basis point movement in market interest rates. The sensitivity on fair value arises from the impact that changes in market rates will have on the valuation of the interest rate derivatives.

The fair value of interest rate derivatives is calculated as the present value of estimated future cash flows on the instruments. Although interest rate derivatives are transacted for the purpose of providing the Group with an economic hedge, the Group has elected not to apply hedge accounting to these instruments. Accordingly, gains or losses arising from changes in the fair value are reflected in the profit or loss.

	2024 $'000	2023 $'000
+/- 1.00% (100 basis points)	**3,783**	5,260
Total	**3,783**	5,260

Note 9 Capital and financial risk management (continued)

b. Financial risk management (continued)

ii. Liquidity risk

Liquidity risk is associated with ensuring that there are sufficient funds available to meet the Group's financial commitments as and when they fall due and planning for any unforeseen events which may curtail cash flows. The Group identifies and manages liquidity risk across the following categories:

- Short-term liquidity risk management through ensuring the Group has sufficient liquid assets, working capital and borrowings facilities to cover short-term financial obligations; and
- Funding and refinancing liquidity risk management through ensuring an adequate spread of maturities of borrowing facilities so that refinancing risk is not concentrated in certain time periods and ensuring an adequate diversification of funding sources where possible, subject to market conditions.

Refinancing risk

Refinancing risk is the risk that the Group:

- Will be unable to refinance its debt facilities as they mature
- Will only be able to refinance its debt facilities at unfavourable interest rates and credit market conditions (margin price risk)

The Group's key risk management strategy for margin price risk on refinancing is to spread the maturities of debt facilities over different time periods to reduce the volume of facilities to be refinanced and the exposure to market conditions in any one period.

An analysis of the contractual maturities of the Group's financial liabilities is shown in the table below. The amounts in the table represent undiscounted cash flows.

	2024				2023			
	Within one year $'000	Between one and two years $'000	Between two and five years $'000	After five years $'000	Within one year $'000	Between one and two years $'000	Between two and five years $'000	After five years $'000
Payables	**9,460**	**–**	**–**	**–**	12,004	–	–	–
Provisions	**9,113**	**–**	**–**	**–**	9,796	–	–	–
Interest bearing liabilities	**15,816**	**32,330**	**220,920**	**23,900**	17,542	47,473	252,269	41,636

iii. Credit risk

Credit risk is the risk that the counterparty will not fulfil its obligations under the terms of a financial instrument and will cause financial loss to the Group. The Group has exposure to credit risk on financial assets and derivative instruments included in the Group's Consolidated Statement of Financial Position.

The Group manages this risk by:

- Adopting a process for determining an approved counterparty, with consideration of qualitative factors as well as the counterparty's credit rating
- Regularly monitoring counterparty exposure within approved credit limits that are based on the lower of an S&P and Moody's credit rating. The exposure includes the current market value of in-the-money contracts and the potential exposure, which is measured with reference to credit conversion factors as per APRA guidelines
- Entering into International Swaps and Derivatives Association (ISDA) Master Agreements once a financial institution counterparty is approved
- For some trade receivables, obtaining collateral where necessary in the form of bank guarantees and tenant bonds
- Regularly monitoring loans and receivables on an ongoing basis

A minimum S&P rating of A– (or Moody's equivalent) is required to become or remain an approved counterparty unless otherwise approved by the Responsible Entity's Board.

The Group is exposed to credit risk on cash balances and on derivative financial instruments with financial institutions. The Group has a policy that sets limits as to the amount of credit exposure to each financial institution. New derivatives and cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Group's policy requirements.

Financial instrument transactions are spread among a number of approved financial institutions within specified credit limits to minimise the Group's exposure to any one counterparty. As a result, there is no significant concentration of credit risk for financial instruments. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position.

Note 9 Capital and financial risk management (continued)

b. Financial risk management (continued)

iii. Credit risk (continued)

The Group is exposed to credit risk on trade receivable balances. The Group has a policy to assess and monitor the credit quality of trade debtors on an ongoing basis. Given the historical profile and exposure of the trade receivables, it has been determined that no significant concentrations of credit risk exists for receivables balances. The maximum exposure to credit risk at 30 June 2024 is the carrying amounts of the receivables recognised on the Consolidated Statement of Financial Position.

iv. Fair value

The Group uses the following methods in the determination and disclosure of the fair value of assets and liabilities:

Level 1: the fair value is calculated using quoted prices in active markets.

Level 2: the fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable data.

All derivative financial instruments were measured at Level 2 for the periods presented in this report.

All investment properties were appropriately measured at Level 3 for the periods presented in this report.

During the year, there were no transfers between Level 1, 2 and 3 fair value measurements.

Since cash, receivables and payables are short-term in nature, their fair values are not materially different from their carrying amounts. The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Critical accounting estimates: fair value of derivatives

The fair value of derivatives has been determined based on observable market inputs (interest rates) and applying a credit or debit value adjustment based on the current credit worthiness of counterparties and the Group.

v. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position where there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. No financial assets and liabilities are currently held under netting arrangements.

c. Derivative financial instruments

A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to an underlying benchmark, such as interest rates, exchange rates, or asset values, and is entered into for a fixed period. A hedge is where a derivative is used to manage an underlying exposure.

Written policies and limits are approved by the Board of Directors of the Responsible Entity, in relation to the use of financial instruments to manage financial risks. The Responsible Entity regularly reviews the Group's exposures and updates its treasury policies and procedures. The Group does not trade in interest rate related derivative instruments for speculative purposes.

The Group uses derivative contracts as part of its financial and business strategy. Interest rate derivative contracts are used to manage the risk of movements in variable interest rates on the Group's Australian dollar denominated borrowings.

Derivatives are measured at fair value with any changes in fair value recognised in the Consolidated Statement of Comprehensive Income as none of the derivative contracts have been identified as hedging instruments.

	2024 $'000	2023 $'000
Current assets		
Interest rate derivative contracts	**3,765**	4,996
Total current assets - derivative financial instruments	**3,765**	4,996
Non-current assets		
Interest rate derivative contracts	**4,212**	7,516
Total non-current assets - derivative financial instruments	**4,212**	7,516
Non-current liabilities		
Interest rate derivative contracts	**(165)**	(260)
Total non-current liabilities - derivative financial instruments	**(165)**	(260)
Net derivative financial instruments	**7,812**	12,252

Note 9 Capital and financial risk management (continued)

c. Derivative financial instruments (continued)

The table below details a breakdown of the net fair value gain on derivatives in the Consolidated Statement of Comprehensive Income.

	2024 $'000	2023 $'000
Net fair value loss of derivatives		
Interest rate derivative contracts	**(4,440)**	(1,041)
Total net fair value loss of derivatives	**(4,440)**	(1,041)

Note 10 Interest bearing liabilities

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in the Consolidated Statement of Comprehensive Income over the expected life of the borrowings.

If there is a substantial debt modification, the financial liability is derecognised from the Consolidated Statement of Financial Position and residual capitalised costs expensed to the Consolidated Statement of Comprehensive Income. If there is a non-substantial debt modification, the balance on the Consolidated Statement of Financial Position is adjusted and the difference between the fair value of the new facility and carrying value of the original facility is recognised in the Consolidated Statement of Comprehensive Income.

All borrowings with contractual maturities greater than 12 months after reporting date are classified as non-current liabilities.

The following table summarises the Group's financing arrangements:

	2024 $'000	2023 $'000
Non-current		
Secured		
Bank loans (net of debt modification)	**244,439**	264,706
Capitalised borrowing cost	**(1,235)**	(1,286)
Total secured	**243,204**	263,420
Total non-current liabilities - interest bearing liabilities	**243,204**	263,420

Financing arrangements

The Group has the following revolving credit facilities with four banks.

	2024 $'000	2023 $'000
Loan facility limit	**312,500**	342,500
Amount drawn at balance date	**(246,650)**	(267,481)
Amount undrawn at balance date	**65,850**	75,019

As at 30 June 2024, the following table summarises the maturity profile of the Group's financing arrangements:

Maturity date	Facility limit $'000
Jul-25 to Jun-26	21,250
Jul-26 to Jun-27	57,500
Jul-27 to Jun-28	116,250
Jul-28 to Jun-29	70,000
Jul-29 to Jun-30	17,500
Jul-30 to Jun-31	30,000
Total	**312,500**

The revolving cash advance facilities are secured and cross collateralised over DXC's investment properties (by first registered real property mortgages) and other assets (via a first ranking general "all assets" security agreement), maturing between March 2026 and July 2030 with a weighted average maturity of March 2028.

Note 10 Interest bearing liabilities (continued)

The debt facilities contain both financial and non-financial covenants and undertakings that are customary for secured debt facilities of this nature. The key financial covenants that apply to the Group are as follows:

		2024	2023
Loan to Value Ratio ("LVR")	At all times, LVR does not exceed 50%	**33.1%**	33.8%
Interest Cover Ratio ("ICR")	As at 31 December and 30 June each year, ICR is not less than 2.0 times	**3.9 times**	4.0 times

Note 11 Commitments and contingencies

a. Commitments

Capital commitments

Under some of the lease agreements applicable to the existing investment properties, the Group is responsible for capital and structural repairs to the premises (except to the extent required due to the tenant's act, omissions or particular use). This contractual obligation can include the requirement to replace underground tanks and/or LPG tanks if they become worn out, obsolete, inoperable, or incapable of economic repair. As at the reporting date, there were no requirements to replace underground tanks at any sites (2023: nil).

The following amounts represent capital expenditure commitments at the end of each reporting period but not recognised as liabilities payable:

	2024 $'000	2023 $'000
Investment properties	**154**	23
Total capital commitments	**154**	23

Lease receivable commitments

The future minimum lease payments receivable by the Group are:

	2024 $'000	2023 $'000
Within one year	**45,842**	47,889
Later than one year but not later than five years	**189,917**	201,518
Later than five years	**224,729**	294,854
Total lease receivable commitments	**460,488**	544,261

b. Contingencies

Outgoings are excluded from contingencies as they are expensed when incurred.

The Directors of the Responsible Entity are not aware of any other contingent liabilities in relation to the Group, other than those disclosed in the Notes to the Consolidated Financial Statements, which should be brought to the attention of security holders as at the date of these Consolidated Financial Statements.

Note 12 Contributed equity

	2024 No. of securities	2023 No. of securities
Opening balance	**137,756,563**	137,756,563
Closing balance	**137,756,563**	137,756,563

During the 12 months to 30 June 2024, no DXC securities were issued or cancelled.

Each stapled security ranks equally with all other stapled securities for the purposes of distributions and on termination of the Group.

Each stapled security entitles the holder to vote in accordance with the provisions of the Constitutions and the Corporations Act 2001.

Note 13 Working capital

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Receivables

Rental income is brought to account on an accrual basis.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly.

A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

The calculation of expected credit losses relating to rent and other receivables requires judgement to assess the future uncertainty of tenants' ability to pay their debts. Expected credit losses have been estimated using a provision matrix that has been developed with reference to the Group's historical credit loss experience, general economic conditions and forecasts, assumptions around rent relief that may be provided to tenants and tenant risk factors such as size, industry exposure and the Group's understanding of the ability of tenants to pay their debts. Accordingly, expected credit losses include both the part of the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

For any provisions for expected credit losses, the corresponding expense has been recorded in the Consolidated Statement of Comprehensive Income within property expenses.

	2024 $'000	2023 $'000
Rent receivable[1]	**646**	878
Less: provision for expected credit losses	**(256)**	(357)
Total rent receivables	**390**	521
Other receivables	**1,039**	901
Total other receivables	**1,039**	901
Total receivables	**1,429**	1,422

1 Rent receivable includes outgoings recoveries.

The provision for expected credit losses for rent receivables (which includes outgoings recoveries) as at the end of each reporting period was determined as follows:

Days outstanding	2024 $'000	2023 $'000
0-30 days	**38**	53
31-60 days	**22**	30
61-90 days	**11**	14
91+ days	**185**	260
Total provision for expected credit loss	**256**	357

The provision for expected credit losses for rent receivables as at the reporting date reconciles to the opening loss allowances as follows:

	Expected credit losses	
	2024 $'000	2023 $'000
Opening balance	**357**	520
Provision recognised/(reversed) in profit or loss during the year	**(101)**	(163)
Closing balance	**256**	357

During the period, rent receivable of $237,000 was written off (2023: $57,000) and expensed in the Consolidated Statement of Comprehensive Income. The Group holds $40,000 of security deposits and other collateral (2023: $72,000).

Note 13 Working capital (continued)

c. Other current assets

	2024 $'000	2023 $'000
Other[1]	**1,764**	2,151
Prepayments	**50**	32
Total other current assets	**1,814**	2,183

1 Other current assets includes $1,764,000 (2023: $2,151,000) of land tax. Refer to note 13(e) for details.

d. Payables

	2024 $'000	2023 $'000
Trade payables	**80**	757
Prepaid income	**1,233**	4,127
Accrued interest	**1,453**	1,368
Accrued capital expenditure	**2,464**	1,395
Accrued other expenses	**4,230**	4,357
Total payables	**9,460**	12,004

e. Provisions

A provision is recognised when a present obligation exists as a result of a past event, and it is probable that a future outflow of cash or other benefit will be required to settle the obligation.

In accordance with the Trust Constitutions, the Group distributes its distributable income to security holders by cash or reinvestment. Distributions are provided for when they are approved by the Board of Directors and declared.

A provision for land tax has been recognised in accordance with the requirements of *AASB Interpretation 21 Levies* which requires a provision to be recognised for land tax obligations on properties owned in Queensland, Western Australia and South Australia that are due during the following period.

	2024 $'000	2023 $'000
Provision for distribution	**7,349**	7,645
Provision for land tax	**1,764**	2,151
Total provisions	**9,113**	9,796

Movements in material provisions during the financial year are set out below:

	2024 $'000	2023 $'000
Provisions for distributions for distribution		
Opening balance at the beginning of the year	**7,645**	8,024
Additional provisions	**28,874**	29,755
Payments	**(29,170)**	(30,134)
Closing balance at the end of the year	**7,349**	7,645

	2024 $'000	2023 $'000
Provision for land tax		
Opening balance at the beginning of the year	**2,151**	3,232
Additional provisions	**2,089**	2,412
Payments	**(2,476)**	(3,493)
Closing balance at the end of the year	**1,764**	2,151

A provision for distribution has been raised for the period ended 30 June 2024. This distribution is to be paid on 22 August 2024.

Other disclosures

In this section

This section includes other information that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the Corporations Regulations.

Note 14 Audit, taxation and transaction service fees

During the year, the Auditor and its related practices earned the following remuneration:

	2024 $	2023 $
Audit and review services		
Auditors of the Group - PwC		
Financial statement audit and review services	**97,439**	98,597
Audit and review fees paid to PwC	**97,439**	98,597
Assurance services		
Auditors of the Group - PwC		
Outgoings audits	**40,768**	28,700
Compliance assurance services	**15,780**	15,174
Assurance fees paid to PwC	**56,548**	43,874
Total audit, review and assurance fees paid to PwC	**153,987**	142,471
Other services		
Auditors of the Group - PwC		
Taxation services	**2,225**	37,331
Other services fees paid to PwC	**2,225**	37,331
Total audit, review, assurance and other services fees paid to PwC	**156,212**	179,802

Note 15 Cash flow information

a. Reconciliation of cash flows from operating activities

Reconciliation of net profit/(loss) for the year to net cash flows from operating activities.

	2024 $'000	2023 $'000
Net profit/(loss) for the year	**3,407**	(8,380)
Straight line lease revenue recognition	**(3,484)**	(4,779)
(Reversal of impairment)/impairment of rental receivables	**(101)**	(163)
Amortisation of borrowing costs	**431**	451
Debt modifications	**564**	734
Movement in lease incentives	**122**	(75)
Net fair value (gain)/loss of derivatives	**4,440**	1,041
Net fair value (gain)/loss of investment properties	**23,661**	41,283
Change in operating assets and liabilities	**(3,866)**	4,294
Net cash inflow from operating activities	**25,174**	34,406

b. Net debt reconciliation

	2024 $'000	2023 $'000
Opening balance	**263,420**	299,611
Changes from financing cash flows:		
Proceeds from borrowings	**161,250**	146,943
Repayment of borrowings	**(182,080)**	(184,292)
Debt modifications	**564**	734
Additional capitalised borrowing costs paid	**(381)**	(27)
Non-cash changes:		
Amortisation of deferred borrowing costs	**431**	451
Closing balance	**243,204**	263,420

Note 16 Related parties

Transactions with key management personnel

The Group does not employ personnel in its own right. However, it is required to have a Responsible Entity to manage the activities of the Group. As such there are no staff costs (including fees paid to Directors of the Responsible Entity) included in the Consolidated Statement of Comprehensive Income.

Transactions with the Responsible Entity and related body corporate

The Responsible Entity of the stapled entities that form DXC is DXAM. Dexus PG Limited (DXPG) (ACN 109 846 068), the immediate parent entity of DXAM, and its controlled entities are wholly owned subsidiaries of Dexus. Convenience Retail Management Pty Limited is the appointed Fund Manager (the "Manager") to provide investment management services. The Manager is a related body corporate of DXAM and a wholly owned subsidiary of DXPG.

Accordingly, transactions with entities related to DXPG are disclosed below:

	2024		2023	
	Paid $'000	Payable $'000	Paid $'000	Payable $'000
Management fees[1,2]	**4,523**	**983**	4,888	1,232
Custody fees	**141**	**13**	156	13
Reimbursement of costs paid[3]	**–**	**–**	–	64
Total	**4,664**	**996**	5,044	1,309

1 Management fees includes investment (base) management fees as well as property management fees and leasing fees which are included within property expenses in the Consolidated Statement of Comprehensive Income. The Manager is entitled to a base management fee of 0.65% per annum of the Gross Asset Value of the Group (reducing to 0.60% p.a. of Gross Asset Value between $0.5 billion and $1.0 billion, 0.55% p.a. of Gross Asset Value between $1.0 billion and $1.5 billion and 0.50% of Gross Asset Value in excess of $1.5 billion).

2 DXAM is party to a property management agreement with Dexus Property Services Pty Ltd a wholly owned subsidiary of Dexus. Under this agreement, Dexus Property Services Pty Limited is entitled to an average property management fee of approximately ~2.2% of gross income, which may change over time, depending on the portfolio composition and management intensity of the assets.

3 The Manager and Responsible Entity are entitled to be reimbursed for all reasonable expenses properly incurred in the performance of services.

Security holdings and associated transactions with related parties

The below table shows the number of DXC securities held by related parties (including other managed investment schemes for which DXAM is the Responsible Entity or Investment Manager) and the distributions paid, or payable:

	2024		2023	
	Number of securities	Distributions $	Number of securities	Distributions $
Dexus Asset Management Limited	**2,402,816**	**503,630**	2,402,816	519,008
APD Trust	**10,011,224**	**2,098,353**	10,011,224	2,162,424
Dexus AREIT Fund	**5,912,184**	**1,328,017**	7,110,327	1,703,406
Dexus Property for Income Fund	**–**	**77,031**	570,261	130,247
Dexus Property for Income Fund No.2	**–**	**23,541**	174,166	39,447
CFS Dexus AREIT Mandate	**108,812**	**71,158**	993,128	224,026
Jennifer Horrigan	**33,500**	**7,021**	33,500	7,236
Howard Brenchley[1]	**–**	**–**	–	5,282
Danielle Carter[2]	**8,946**	**1,875**	8,946	984
Jonathan Sweeney[2]	**20,000**	**3,675**	15,000	1,650
Total	**18,497,482**	**4,114,301**	21,319,368	4,793,710

1 Resigned, effective 17 October 2022.

2 Appointed, effective 17 October 2022.

As at 30 June 2024, 13.43% (30 June 2023: 15.48%) of DXC's stapled securities were held by related parties.

Note 17 Controlled entities

	Country of incorporation	Percentage owned %	
		2024	2023
Parent entity			
Convenience Retail REIT No. 2	Australia	**–**	–
Non-controlling interests			
Convenience Retail REIT No. 1	Australia	**–**	–
Convenience Retail REIT No. 3	Australia	**–**	–
Total		**–**	–

Note 17 Controlled entities (continued)

Convenience Retail REIT No. 1 and Convenience Retail REIT No. 3 were acquired through a stapling arrangement, and therefore no ownership has been obtained. The financial results and financial position attributable to these entities are disclosed as non-controlling interests in the Consolidated Financial Statements.

Note 18 Parent entity disclosures

The financial information for the parent entity of Convenience Retail REIT No. 2 has been prepared on the same basis as the Consolidated Financial Statements.

Summary financial information

The individual Financial Statements for the parent entity show the following aggregate amounts:

	2024 $'000	2023 $'000
Total current assets	**139,143**	94,051
Total assets	**444,803**	409,729
Total current liabilities	**7,027**	9,663
Total liabilities	**227,114**	183,744
Equity		
Contributed equity	**190,503**	190,503
Retained profits	**27,185**	35,482
Total equity	**217,688**	225,985
Net loss for the year	**(580)**	(1,826)
Total comprehensive loss for the year	**(580)**	(1,826)

b. Guarantees entered into by the parent entity

At 30 June 2024, the parent entity had not provided guarantees (2023: nil).

c. Contingent liabilities

At 30 June 2024, the parent entity had no contingent liabilities (2023: nil).

d. Capital commitments

The following amounts represent capital expenditure of the parent entity on investment properties contracted at the end of the reporting period but not recognised as liabilities payable:

	2024 $'000	2023 $'000
Investment properties	**13**	14
Total capital commitments	**13**	14

Note 19 Subsequent events

During the year ended 30 June 2024, DXC entered into a conditional option contract which is expected to result in the sale of a portfolio of seven investment properties for approximately $32.4 million which is equal to the book value at 30 June 2024. Conditions precedent including an equity raise must be satisfied by the potential acquirer by 9 September 2024 or the option will expire and the transaction will not proceed.

On 8 August 2024, contracts were exchanged for the disposal of 25 Bolam Street, Garbutt QLD and 77-79 Bowen Street, Rosslea QLD for $2.9 million and $3.0 million, respectively. The combined proceeds of $5.9 million represent a 2.4% average premium to the 30 June 2024 book values.

On 9 August 2024, DXC entered into a conditional contract which is expected to result in the sale of an investment property for approximately $7.1 million, reflecting a 1% premium to the book value at 30 June 2024. Conditions precedent including the sale being subject to finance must be satisfied by the potential acquirer in order for the transaction to proceed.

Since the end of the year, the Directors are not aware of any other matter or circumstance not otherwise dealt within the Consolidated Financial Statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or state of the Group's affairs in future financial periods.

Directors' Declaration

The Directors of Dexus Asset Management Limited as Responsible Entity of Dexus Convenience Retail REIT declare that the Consolidated Financial Statements and Notes set out on pages 14 to 37:

i. Comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

ii. Give a true and fair view of the Group's consolidated financial position as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date.

In the Directors' opinion:

a. The Consolidated Financial Statements and Notes are in accordance with the *Corporations Act 2001; and*

b. There are reasonable grounds to believe that Convenience Retail REIT No. 2 will be able to pay its debts as and when they become due and payable.

The Consolidated Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Fund Manager, who performs the Chief Executive Officer function, and the General Manager - Funds Finance, who performs the Chief Financial Officer function, required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

Jennifer Horrigan
Chair
12 August 2024

Independent auditor's report

To the stapled security holders of Convenience Retail REIT No. 2

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Convenience Retail REIT No. 2 (the Trust) and its controlled entities (together the Group, or Dexus Convenience Retail REIT) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

For the purposes of consolidation accounting, the Trust is the deemed parent entity and acquirer of Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3). The financial report represents the consolidated financial results of the Trust, CRR1 and CRR3.

The financial report comprises:

- the Consolidated Statement of Financial Position as at 30 June 2024
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information
- the Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	*Key audit matter*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matter to the Audit, Risk and Compliance Committee: • Valuation of investment properties • This is further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties (Refer to note 7) The Group's investment property portfolio comprises directly held properties included in the Consolidated Statement of Financial Position as Investment properties, valued at $740.7 million as at 30 June 2024 (2023: $774.2 million). Investment properties are carried at fair value at reporting date using the Group's policy as described in Note 7. The value of investment properties is dependent on the valuation methodology adopted and the inputs and assumptions in the valuation models. Significant assumptions in establishing fair value include the: • Capitalisation rate, and • Net market rental.	To assess the fair value of investment properties, we performed the following procedures, amongst others: • Developed an understanding of the valuation policy and methodology used by the Group in determining the fair value of investment properties and assessed whether it was accordance with Australian Accounting Standards. • Developed an understanding of the control activities relevant to our audit and assessed whether they were appropriately designed and implemented. • Evaluated whether certain control activities relevant to our audit were operating effectively throughout the year using sampling methodology.

Key audit matter	*How our audit addressed the key audit matter*
At each reporting period, the Group determines the fair value of its investment property portfolio in line with the Group's valuation policy, which requires all properties to be independently valued by a member of the Australian Property Institute of Valuers at least once every three years. We considered the valuation of investment properties to be a key audit matter due to the: • Financial significance of investment properties in the Consolidated Statement of Financial Position. • Potential for changes in the fair value of investment properties to have a significant effect on the Consolidated Statement of Comprehensive Income. • The inherently subjective nature of the significant assumptions that underpin the valuations given the impact of the uncertain economic environment on investment property valuations.	• Assessed the scope, competence and objectivity of the internal and external valuation experts used by the Group to prepare the valuation models at the reporting date. • To develop an understanding of prevailing market conditions and their expected impact on the fair value of the Group's investment properties, we read relevant external valuation expert property market reports. • Agreed the adopted investment property fair values in the Group's accounting records to their respective valuation models. • For selected data inputs to the valuation models, on a sample basis we agreed relevant details to tenancy schedules. • Assessed the reasonableness of the disclosures against the requirements of Australian Accounting Standards. For a risk-based sample of investment properties we performed the following procedures, amongst others: • Tested the mathematical accuracy of the relevant valuation calculations. • Assessed the appropriateness of certain significant assumptions, with reference to market data and comparable transactions where relevant.

Other information

The Directors of Dexus Asset Management Limited, the Responsible Entity of the Trust (the Directors), are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Samantha Johnson

Samantha Johnson
Partner

Sydney
12 August 2024

Investor information

Dexus Convenience Retail REIT recognises the importance of effective communication with existing and potential institutional investors, sell-side analysts, financial adviser groups and retail investors.

Management and the Investor Relations team maintain a strong rapport with the investment community through proactive and regular engagement initiatives.

We are committed to delivering high levels of transparency and disclosure by:

- Releasing accurate and relevant information to all investors to ensure they can make informed investment decisions
- Providing regular access to senior management through a variety of forums depending on investor type including one-on-one meetings, presentations, property tours, conferences, dedicated investor roadshows, conference calls and webcasts

We adopt strong governance practices including a policy that ensures a minimum of two Dexus representatives participate in any institutional investor or sell-side broker meetings and that a record of the meeting is maintained on an internal customer relationship management database.

342 Albany Highway,
Orana WA

DXC's Security Registrar

Our security registrar Link Market Services Limited (part of the Link Group) was acquired by Mitsubishi UFJ Trust & Banking Corporation (the Trust Bank), a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG), on 16 May 2024. In the coming months, Link Market Services' name will change to MUFG Pension & Market Services. The registry services they provide Security holders will continue as normal.

Distribution payments

Distributions are paid quarterly for the three-month periods to 30 September, 31 December, 31 March and 30 June each year. Distribution statements are available in print and electronic formats and distributions are paid only by direct credit into nominated bank accounts for all Australian Security holders and by cheque for other international Security holders. To update the method of receiving distributions, please visit the investor login facility at www.dexus.com/convenience.

Unclaimed distribution income

Unpresented cheques or unclaimed distribution income can be claimed by contacting the DXC Infoline on +61 1800 819 675. For monies outstanding greater than seven years, please contact the NSW Office of State Revenue on +61 1300 366 016, 8.30am–5.00pm Monday to Friday or use their search facility available at www.revenue.nsw.gov.au/unclaimedmoney or email unclaimedmoney@revenue.nsw.gov.au.

AMMA Statement

An Attribution Managed Investment Trust Member Annual Statement (AMMA) is sent to investors in August each year. The statement summarises distributions provided during the financial year and includes information required to complete your tax return. AMMA statements are also available online at www.dexus.com/convenience.

Go electronic for convenience and speed

Did you know that you can receive all or part of your Security holder communications electronically? You can change your communication preferences at any time by logging in at www.linkmarketservices.com.au or by contacting Link Market Services on +61 1800 819 675.

Investor communications

We are committed to ensuring all investors have equal access to information. In line with our commitment to long term integration of sustainable business practices, investor communications are provided via various electronic methods including:

DXC's website

www.dexus.com/convenience

Online enquiry

www.dexus.com/get-in-touch

Scroll down to the investor section to get in touch with us.

Investor login

https://www.linkmarketservices.com.au

Enables investors to update their details and download statements.

Subscribe for news

https://www.dexus.com/investor-centre/listed-funds/dexus-convenience-retail-reit/asx-announcements

Click Subscribe to receive our ASX announcements as they are released.

Key dates

Notifies investors on key events and reporting dates.

Calendar

Reporting calendar[1]	
2025 Half year results	10 February 2025
2025 Annual results	11 August 2025

Distribution calendar[1]				
Period end	30 September 2024	31 December 2024	31 March 2025	30 June 2025
Ex-distribution date	27 September 2024	30 December 2024	28 March 2025	27 June 2025
Record date	30 September 2024	31 December 2024	31 March 2025	30 June 2025
Payment date	November 2024	February 2025	May 2025	August 2025

1. These dates are indicative and are subject to change without prior notice. Any changes in our key dates will be published on our website at www.dexus.com/convenience.

Complaint handling process

Dexus Asset Management Limited has a complaint handling policy to ensure that all Security holders are dealt with fairly, promptly and consistently. A Complaints Guide is available at https://www.dexus.com/complaints-management. Any Security holder wishing to lodge a complaint can do so verbally by calling the Dexus Infoline on +61 1800 819 675 or by email to dexus@linkmarketservices.com.au. Should you wish to contact us directly please use the details below:

Complaints Officer
Dexus Asset Management Limited

PO Box R1822
Royal Exchange NSW 1225

Phone: +612 9017 1100
Email: complaints@dexus.com

Dexus Asset Management Limited is a member of the Australian Financial Complaints Authority (AFCA), an independent dispute resolution scheme which may be contacted at:

Australian Financial Complaints Authority Limited

GPO Box 3
Melbourne VIC 3001

Phone: +61 1800 931 678
(free call within Australia)
Fax: +61 3 9613 6399

Email: info@afca.org.au

Website: www.afca.org.au

Making contact

If you have any questions regarding your Security holding or wish to update your personal or distribution payment details, please contact the Registry by calling the DXC Infoline on +61 1800 819 675.

This service is available from 8.30am to 5.30pm (Sydney time) on all business days.

All correspondence should be addressed to:

Dexus Convenience Retail REIT

C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Phone: +61 1800 819 675

Email: dexus@linkmarketservices.com.au

We are committed to delivering a high level of service to all investors. If you feel we could improve our service or you would like to make a suggestion or a complaint, your feedback is appreciated. Our contact details are:

Investor Relations

Dexus Convenience Retail REIT
PO Box R1822
Royal Exchange NSW 1225

Email: ir@dexus.com

Additional information

Top 20 Security holders as at 31 July 2024

Rank	Name	No. of stapled securities	% of issued capital
1	HSBC Custody Nominees (Australia) Limited	16,004,832	11.62
2	BNP Paribas Noms Pty Ltd	12,966,285	9.41
3	Perpetual Corporate Trust Ltd <APD A/C>	10,011,224	7.27
4	Citicorp Nominees Pty Ltd	8,754,779	6.36
5	J P Morgan Nominees Australia Pty Limited	7,601,419	5.52
6	BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	4,770,698	3.46
7	APN Funds Management Ltd	2,402,816	1.74
8	SCJ Pty Limited <Jermyn Family A/C>	1,447,566	1.05
9	BNP Paribas Noms (NZ) Ltd	1,343,096	0.97
10	Mirrabooka Investments Limited	1,220,406	0.89
11	Netwealth Investments Limited <Wrap Services A/C>	1,152,756	0.84
12	Mr Stephen Craig Jermyn <Jermyn Family S/Fund A/C>	1,009,538	0.73
13	The CASS Foundation Limited	1,000,000	0.73
14	National Nominees Limited	923,293	0.67
15	Lauren Investments Pty Ltd <The Aylward Super Fund A/C>	900,000	0.65
16	GEAT Incorporated <GEAT-Preservation-Fund A/C>	690,173	0.50
17	Strategic Value Pty Ltd <TAL Super A/C>	663,324	0.48
18	Mr Michael Kenneth Hansen & Mrs Alison Betty Hansen <MAKAH A/C>	576,500	0.42
19	Farcrest Holdings Pty Ltd	486,172	0.35
20	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	449,058	0.33
Total Top 20		**74,373,935**	**53.99**
Balance of register		63,382,628	46.01
Total issued capital		**137,756,563**	**100**

Spread of securities at 31 July 2024

Range	Securities	No. of holders	%
100,001 and over	86,179,848	87	62.56
10,001 to 100,000	38,930,199	1,609	28.26
5,001 to 10,000	8,577,144	1,148	6.23
1,001 to 5,000	3,870,367	1,235	2.81
1 to 1,000	199,005	526	0.14
Total	**137,756,563**	**4,605**	**100**
Unmarketable parcels	5,921	153	n.a

Substantial Holder Notices as at 31 July 2024

The names of substantial holders at 31 July 2024 that have notified the Responsible Entity in accordance with section 671B of the *Corporations Act 2001*, are:

Date	Name	Number of securities	% voting
22-Dec-23	Dexus Nominees Pty Limited and Dexus Funds Management Ltd as responsible entity for Dexus Diversified Trust	19,807,606	14.38
2-Sept-21	MA Financial Group and related entities (Moelis)	7,697,840	5.65

On-market buy back

Dexus Convenience Retail REIT announced an on-market securities buy-back program on 8 February 2022 for up to 5% of securities. The buy-back was extended for 12 months on 2 February 2023 and 31 January 2024. As at the date of this report the buy-back program is still open.

Cost base apportionment

For capital gains tax purposes, the cost base apportionment details for DXC's securities for the 12 months ended 30 June 2024 are:

Date	Convenience Retail REIT No. 1	Convenience Retail REIT No. 2	Convenience Retail REIT No. 3
1 Jul 2023 to 31 Dec 2023	29.99%	43.94%	26.07%
1 Jan 2024 to 30 Jun 2024	29.31%	44.67%	26.02%

Historical cost base details are available at www.dexus.com/convenience.

Class of securities

DXC has one class of stapled security trading on the ASX with Security holders holding stapled securities at 31 July 2024.

Voting rights

At meetings of the Security holders of Convenience Retail REIT No. 1, Convenience Retail REIT No. 2 and Convenience Retail REIT No. 3, together being the trusts that comprise the stapled group Dexus Convenience Retail REIT, on a poll each Security holder has one vote for each Security held.

There are no stapled securities that are restricted or subject to voluntary escrow.

Directory

Dexus Convenience Retail REIT

Convenience Retail REIT No. 1 ARSN 101 227 614
Convenience Retail REIT No. 2 ARSN 619 527 829
Convenience Retail REIT No. 3 ARSN 619 527 856

Responsible Entity

Dexus Asset Management Limited
ACN 080 674 479
AFSL No: 237500

Directors of the Responsible Entity

Jennifer Horrigan, Independent Chair
Emily Smith, Independent Director
Danielle Carter, Independent Director
Jonathan Sweeney, Independent Director
Melanie Bourke, Executive Director
Brett Cameron, Alternate Director for Melanie Bourke

Secretaries of the Responsible Entity

Brett Cameron
Scott Mahony

Manager

Convenience Retail Management Pty Ltd

Registered Office

Level 30, 50 Bridge Street
Sydney NSW 2000

T: +61 2 9017 1100

E: ir@dexus.com
W: www.dexus.com

Auditors

PricewaterhouseCoopers
Chartered Accountants
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Investor Enquiries

Registry Infoline: +61 1800 819 675
Investor Relations: +612 9017 1330
Email: dexus@linkmarketservices.com.au

Security Registry

Link Market Services Limited
Level 12, 680 George Street
Locked Bag A14
Sydney South NSW 1235

T: +61 1800 819 675 (free call)
F: +61 2 9287 0303

E: dexus@linkmarketservices.com.au

Open Monday to Friday between 8.30am and 5.30pm (Sydney time). For enquiries regarding security holdings, contact the security registry, or access security holding details at www.dexus.com/convenience

Stock Exchange Listing

Dexus Convenience Retail REIT stapled securities are listed on the Australian Securities Exchange (ASX: DXC)

DXC dexus

dexus.com