

Dexus (ASX: DXS) Appendix 4D

Results for announcement to the market

Dexus

ARSN 648 526 470

Financial reporting for the half year ended 31 December 2024

Dexus Property Trust¹			
	31 Dec 2024	31 Dec 2023	%
	\$m	\$m	Change
Revenue from ordinary activities	434.7	480.6	(9.6)%
Statutory net loss attributable to security holders after tax	10.3	(597.2)	101.7 %
Funds from operations (FFO) ²	337.8	364.8	(7.4)%
Underlying FFO ³	336.9	355.8	(5.3)%
Adjusted funds from operations (AFFO) ⁴	251.8	292.4	(13.9)%
Distribution to security holders ⁵	204.4	287.2	(28.8)%
	CPS	CPS	
FFO per security ²	31.4	33.9	(7.4)%
AFFO per security ⁴	23.4	27.2	(14.0)%
Distribution per security for the period ⁵	19.0	26.7	(28.8)%
Payout ratio (distribution per security as a % of AFFO)	81.2%	98.2%	(17.3)%
Basic earnings per security	0.96	(55.5)	101.7 %
Diluted earnings per security	0.96	(55.5)	101.7 %
Franked distribution amount per security	–	–	– %
Record date	31 Dec 2024	29 Dec 2023	
Payment date	28 Feb 2025	29 Feb 2024	
	31 Dec 2024	30 Jun 2024	%
	\$m	\$m	
Total assets	15,580.5	15,822.4	(1.5)%
Total borrowings	4,863.0	4,909.6	(0.9)%
Security holders equity	9,982.8	10,164.8	(1.8)%
Market capitalisation	7,163.3	6,969.7	2.8 %
	\$ per security	\$ per security	
Net tangible assets	8.81	8.97	(1.8)%
Securities price	6.66	6.48	2.8 %
Securities on issue	1,075,565,246	1,075,565,246	

Details of joint ventures and associates

Name of entity	Ownership interest			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	%	%	\$m	\$m
Dexus Office Trust Australia (DOTA)	50.0	50.0	1,591.8	1,715.9
Dexus 80C Trust	75.0	75.0	943.8	991.4
Dexus Martin Place Trust	50.0	50.0	830.8	832.4
Dexus Australian Logistics Trust (DALT)	51.0	51.0	743.0	731.5
Dexus Australian Logistics Trust No.2 (DALT2)	51.0	51.0	593.1	580.7
Jandakot City Holdings Trust (JCH)	33.4	33.4	345.3	318.0
Bent Street Trust	33.3	33.3	333.5	338.3
Dexus Wholesale Australian Property Fund (DWAPF)	28.1	25.0	325.1	323.4
Dexus 480 Q Holding Trust	50.0	50.0	311.0	316.8
AAIG Holding Trust	49.4	49.4	303.8	315.8
Dexus Industrial Trust Australia (DITA)	50.0	50.0	299.1	299.8
Dexus Healthcare Property Fund (DHPF)	16.1	16.1	211.7	219.8
Dexus Kings Square Trust	50.0	50.0	205.0	211.2
Dexus Industria REIT (DXI)	17.5	17.5	186.8	181.8
Dexus Australian Logistics Trust No.3 (DALT3)	51.0	51.0	141.9	134.5
Dexus Eagle Street Pier Trust	50.0	50.0	130.3	102.5
Dexus Wholesale Shopping Centre Fund (DWSF)	6.1	5.3	127.0	123.8
Dexus Community Infrastructure Fund (COMMIF)	9.3	9.3	126.3	128.1
Dexus Diversified Infrastructure Trust (DDIT)	5.1	5.1	104.6	102.7
Other			634.6	637.1
Total assets - investments accounted for using the equity method			8,488.5	8,605.5

Distribution Reinvestment Plan (DRP)

The DRP continues to remain inactive. As a consequence, the DRP will not operate for this distribution payment.

- 1 For the purposes of statutory reporting, the stapled entity, known as DXS, must be accounted for as a consolidated group. Accordingly, one of the stapled entities must be the "deemed acquirer" of all other entities in the group. Dexus Property Trust has been chosen as the deemed acquirer of the balance of the DXS stapled entities, comprising Dexus Operations Trust and its consolidated entities.
- 2 The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.
- 3 Underlying FFO excludes trading profits (net of tax).
- 4 AFFO in accordance with guidelines provided by the Property Council of Australia (PCA); comprises FFO (refer to Note 2 above) less maintenance capital expenditure and lease incentives.
- 5 Reflects revised distribution policy to payout 80-100% of AFFO.

Authorised by the Board of Dexus Funds Management Limited.

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About Dexus

Dexus (ASX: DXS) is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$53.4 billion. The Dexus platform includes the Dexus investment portfolio and the funds management business. We directly and indirectly own \$14.5 billion of office, industrial, retail, healthcare, infrastructure and alternatives. We manage a further \$38.9 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's \$15.6 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose Unlock potential, create tomorrow. Our sustainability approach is focused on the priority areas where we believe we can make significant impact: Customer Prosperity, Climate Action and Enhancing Communities. Dexus is supported by more than 38,000 investors from 24 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors.

www.dexus.com

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS) Level 30, 50 Bridge Street, Sydney NSW 2000

Dexus (ASX: DXS)
Interim Report
31 December 2024

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Dexus consists of two stapled managed investment schemes, Dexus Property Trust and Dexus Operations Trust, collectively referred to as "DXS" or the "Group". Dexus stapled securities are listed on the Australian Securities Exchange under the "DXS" code.

The registered office of the Group is Level 30, Quay Quarter Tower, 50 Bridge Street, Sydney, NSW 2000.

HY25 Operating and Financial Review

The Group's financial performance for the six months ended 31 December 2024 is summarised in the following section. In order to fully understand the results, the Interim Consolidated Financial Statements included in this Interim Report should be referred to.

Review of operations

The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investments accounted for at fair value, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

Strategy

Our purpose to *Unlock potential, create tomorrow* reflects our unique ability to create value for our people, customers, investors and communities over the long term. Our vision is to be globally recognised as Australasia's leading real asset manager.

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

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

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

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

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

Building competitive advantage in these areas will enable us to deliver improved risk-adjusted returns over the long term. We evolved our capital allocation framework to establish a holistic approach to allocating capital across a broader, more diverse opportunity set.

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

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

Consistent with our strategy, our updated distribution policy provides a sustainable source of capital to invest through the cycle into return-enhancing investment opportunities. With a preference to co-invest alongside capital partners, we see attractive opportunities in the industrial, infrastructure and alternative investment sectors.

HY25 Operating and Financial Review

Operating result

Group performance

Dexus has progressed its medium-term priorities of transitioning the balance sheet, maximising the contribution from the funds business and unlocking our deep local sector expertise.

Dexus contracted over \$515 million of balance sheet divestments since the FY24 result and committed \$50 million of retained earnings in DREP2 alongside further external capital. Dexus finalised key executive appointments, reduced costs, closed two sub-scale products, and is in the process of reviewing opportunities to launch new products. Infrastructure opportunities are being actively assessed and Dexus remains focused on modernising and stabilising funds to position the platform for when the cycle turns.

Operationally AFFO¹ was \$251.8 million, 13.9% below the previous corresponding period, largely as a result of higher interest rates, lower trading profits and continued impact of higher incentives flowing through the portfolio. Rent collections for the Dexus office and industrial portfolio remained strong at 99.6%.

Key drivers of the movement in AFFO included:

- Office and industrial property FFO both decreased this half, primarily due to the impact of divestments and lower industrial one-off income, partially offset by completion of 123 Albert Street and contracted rent growth across the portfolio
- Income from co-investments in pooled funds grew due to the impact of new co-investments made during and post HY24
- Management operations FFO increased driven by higher performance fees (\$23.5m in HY25 compared to \$14.0m in HY24) and net cost savings, partly offset by the impact of redemptions, disposals and lower valuations on average FUM. The impact of redemptions and disposals is expected to continue into next year. Dexus expects further performance fees in the second half of FY25 and has secured circa \$20 million of performance fees for FY26.
- Group corporate costs decreased by \$4.4 million driven by active management of the cost base
- Net finance costs increased by \$16.8 million largely as a result of higher interest rates and cessation of capitalised interest at 123 Albert Street. Higher funding costs are expected to impact in FY26
- Trading profits were lower following reduced trading volume. Circa \$35 million of trading profits (post tax) have been secured for FY26
- Maintenance and leasing capex increased due to the continued impact of higher incentives from deals struck in prior periods flowing through the portfolio this half

Dexus's statutory net profit after tax was \$10.3 million, compared to a statutory net loss after tax of \$597.2 million in HY24. This movement was primarily driven by lower fair valuation losses on investment property as a result of stabilising capitalisation rates across the portfolio compared to HY24.

The weighted average capitalisation rate softened 12 basis points from 6.05% at 30 June 2024 to 6.17% at 31 December 2024 for the Dexus stabilised office portfolio, and softened 9 basis points from 5.45% at 30 June 2024 to 5.54% at 31 December 2024 for the Dexus stabilised industrial portfolio.

The portfolio valuations resulted in a total 1.6% decrease on prior book values for the six months to 31 December 2024. These revaluation losses primarily drove the 16 cent or 1.8% decrease in net tangible asset (NTA) backing per security during the half to \$8.81 at 31 December 2024.

Valuation movements	31 Dec 2024	30 Jun 2024
Office portfolio	\$(253.2)m	\$(1,790)m
Industrial portfolio	\$43.7m	\$(110.1)m
Total portfolio ²	\$(210.4)m	\$(1,901)m
Weighted average capitalisation rate		
Office portfolio	6.17%	6.05%
Industrial portfolio	5.54%	5.45%
Total portfolio	6.02%	5.90%

1 AFFO (Adjusted Funds from Operations) is in line with the Property Council of Australia definition.

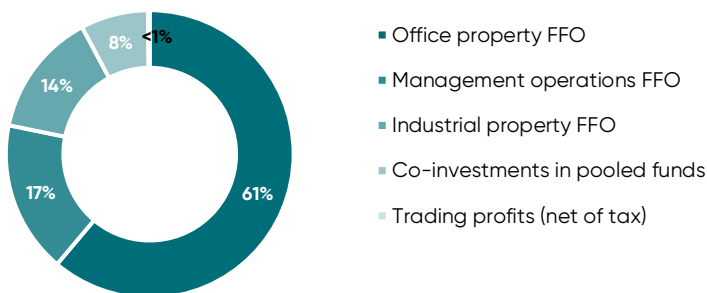
2 Valuation movement excludes co-investments in pooled funds. Includes the impact of investments classified as debt in Australian trusts, other property revaluation loss of \$0.9m (FY24: \$1.2m) and excludes leased assets and right of use asset revaluation gain of \$0.5m (FY24: \$0.9m).

HY25 Operating and Financial Review

Key financials	31 Dec 2024	31 Dec 2023	Change
Statutory net profit/(loss) after tax (\$m)	10.3	(597.2)	102%
Funds From Operations (FFO) (\$m)	337.8	364.8	(7.4)%
AFFO (\$m)	251.8	292.4	(13.9)%
AFFO per security (cents)	23.4	27.2	(13.9)%
Distribution per security (cents)	19.0	26.7	(28.8)%
Distribution payout (% AFFO)	81.2	98.2	(17)ppt
	31 Dec 2024	30 Jun 2024	Change
Net tangible asset backing per security (\$)	8.81	8.97	(1.8)%
Pro forma gearing (look-through) ³ (%)	31.3	32.0 ⁴	(0.7)ppt

FFO composition	31 Dec 2024 (\$m)	31 Dec 2023 (\$m)	Change
Office property FFO	278.7	283.9	(1.8)%
Industrial property FFO	63.9	74.4	(14.1)%
Co-investments in pooled funds ⁵	34.5	32.1	7.5%
Total investments FFO	377.1	390.4	(3.4)%
Management operations	77.7	72.5	7.2%
Group corporate costs	(31.5)	(35.9)	(12.3)%
Net finance costs	(79.0)	(62.2)	27.0%
Other (including tax) ⁶	(7.4)	(9.0)	(17.8)%
Underlying FFO	336.9	355.8	(5.3)%
Trading profits (net of tax)	0.9	9.0	(90.0)%
FFO	337.8	364.8	(7.4)%
Maintenance and leasing capex	(86.0)	(72.4)	(18.8)%
Adjusted Funds From Operations (AFFO)	251.8	292.4	(13.9)%

83% of FFO from Investment portfolio⁷



³ Adjusted for cash and debt in equity accounted investments and excluding Dexu's share of co-investments in pooled funds. Pro forma gearing includes committed transactions post 31 December 2024. Look-through gearing at 31 December 2024 was 32.4%. Pro forma look-through gearing including Dexu's share of equity accounted co-investments in pooled funds was 33.0% at 31 December 2024.

⁴ Pro forma gearing included committed transactions post 30 June 2024.

⁵ Includes distribution income from Dexu's co-investment stakes in pooled funds and excludes joint venture and partnership income which is proportionately consolidated in Note 1 Operating Segments within Dexu's Financial Report.

⁶ Other includes non-trading related tax expense and other miscellaneous items.

⁷ FFO contribution is calculated before net finance costs, group corporate costs and other FFO.

HY25 Operating and Financial Review

A reconciliation of Statutory profit/(loss) after tax to FFO and AFFO is set out below.

Statutory profit/(loss) reconciliation	31 Dec 2024 (\$m)	31 Dec 2023 (\$m)
Statutory AIFRS net profit/(loss) after tax	10.3	(597.2)
(Gain)/loss from sales of investment property	0.3	(0.1)
Fair value (gain)/loss on investment property	138.0	630.6
Fair value (gain)/loss on leased assets	(0.5)	(1.9)
Fair value (gain)/loss of investments at fair value ⁸	83.8	73.1
Fair value (gain)/loss on mark-to-market of derivatives	39.8	28.8
Incentives amortisation and rent straight-line ⁹	80.8	76.5
Non-FFO tax expense/(benefit)	4.0	(11.8)
Share of co-investment adjustments	(2.4)	79.6
Amortisation of intangible assets	2.3	1.6
Other unrealised or one-off items ¹⁰	(18.6)	85.6
Funds From Operations (FFO)¹¹	337.8	364.8
Maintenance capital expenditure and lessor works	(11.5)	(13.4)
Cash incentives and leasing costs paid	(31.7)	(19.4)
Rent free incentives	(42.8)	(39.6)
Adjusted Funds From Operations (AFFO)¹²	251.8	292.4
Distribution	204.4	287.2
AFFO payout ratio (%)	81.2%	98.2%

Financial position

Look-through net tangible assets decreased by \$180 million primarily due to property devaluations of \$210 million.

\$m	31 Dec 2024	30 Jun 2024
Office properties	9,420	9,670
Industrial properties	3,199	3,187
Other properties	-	22
Co-investment assets	1,854	1,791
Borrowings	(4,747)	(4,872)
Other ¹³	(255)	(147)
Net tangible assets	9,471	9,651
Total number of securities on issue	1,075,565,246	1,075,565,246
NTA (\$ per security)	8.81	8.97

⁸ Includes fair value movement on investments classified as debt in Australian trusts.

⁹ Including cash, rent free and fit out incentives amortisation.

¹⁰ HY25 other unrealised or one-off items includes \$39.1m of performance fees recognised in statutory profit but not FFO, partially offset by \$12.2m of unrealised fair value losses on interest bearing liabilities and \$8.8m of other amortisation mainly relating to exchangeable notes and debt modifications. The remaining \$0.5m net income relates to various immaterial items.

¹¹ Including Dexsus's share of equity accounted investments.

¹² AFFO is in line with the Property Council of Australia definition.

¹³ Adjusted for cash and debt in equity accounted investments. Excludes \$165.7m (FY24: \$165.5m) of deferred tax liabilities relating to management rights.

HY25 Operating and Financial Review

Capital management

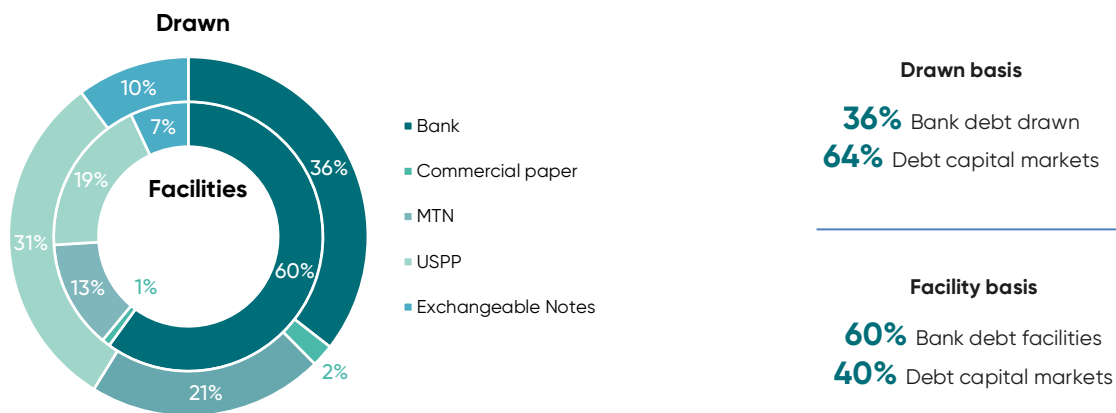
Dexus maintained a strong balance sheet with pro forma gearing (look-through)¹⁴ at 31.3%, remaining at the lower end the target range of 30-40%, and \$2.9 billion of cash and undrawn debt facilities.

Dexus has a weighted average debt maturity of 4.5 years, manageable near-term debt expiries and remains within all of its debt covenant limits, retaining its credit ratings of A-/A3 from S&P and Moody's respectively.

On average 83% of Dexus's debt was hedged throughout HY25, providing material interest rate protection.

Key metrics	31 Dec 2024	30 Jun 2024
Pro forma gearing (look-through) ¹⁴	31.3%	32.0% ¹⁵
Cost of debt ¹⁶	4.3%	4.1%
Average maturity of debt	4.5 years	4.8 years
Hedged debt (incl caps) ¹⁷	83%	92%
S&P/Moody's credit rating	A-/A3	A-/A3

Diversified sources of debt



Environmental, Social and Governance (ESG) update

Dexus's commitment to delivering strong sustainability outcomes underpins long-term performance. During the half, Dexus progressed the priority areas of its sustainability strategy:

- **Customer prosperity:** Activations held across 17 assets with partners such as Banish, Planet Ark and Friendly to improve customer engagements and waste diversion rates. The GreenPower Buyers Group program which supports customers' climate transition, has collectively purchased 4,687 megawatt-hours of renewable electricity since inception and avoided over 3,246 tonnes of greenhouse gas emissions, equivalent to 1,943 Sydney to Melbourne return flights.
- **Climate action:** Continued to source 100% renewable energy for the managed portfolio and play a role in the energy transition through our funds' investments in Macarthur Windfarm and PowerCo. Dexus is well progressed in its preparation for the new FY26 ASRS climate related financial disclosure regulations.
- **Enhancing communities:** A focus on activating community programs at scale saw close to 300 participants, including staff and customer teams across assets, take part in STEPtember and raise funds in support of Cerebral Palsy Alliance. Alongside Foodbank food was collected across office, industrial and health assets, raising awareness on the challenges of food insecurity and donating the equivalent of 20,000 meals.

Dexus has continued its strong sustainability performance in the Global Real Estate Sustainability Benchmark 2024 Real Estate and Infrastructure Assessments with seven entities achieving 5-Star GRESB ratings for 2024. Dexus Office Trust, Dexus Office Partnership and Dexus Wholesale Shopping Centre Fund also ranked in the top 10% of participants globally. All participating infrastructure assets maintained or improved their GRESB star ratings.

¹⁴ Adjusted for cash and debt in equity accounted investments and excluding Dexus's share of co-investments in pooled funds. Pro forma gearing includes committed transactions post 31 December 2024. Look-through gearing at 31 December 2024 was 32.4%. Pro forma look-through gearing including Dexus's share of equity accounted co-investments in pooled funds was 33.0% at 31 December 2024.

¹⁵ Pro forma gearing included committed transactions post 30 June 2024.

¹⁶ Weighted average for the period, inclusive of fees and margins on a drawn basis.

¹⁷ Average for the period. Hedged debt (excluding caps) was 71% for the 6 months to 31 Dec 2024 and 75% for the 12 months to 30 June 2024.

HY25 Operating and Financial Review

Group outlook

Barring unforeseen circumstances, for the 12 months ended 30 June 2025¹⁸, Dexus reiterates its expectation for AFFO of circa 44.5–45.5 cents per security and distributions of circa 37.0 cents per security, aligned with our updated distribution policy announced at the full-year results.

The high-quality assets we own, manage and develop, the capabilities we build, and the relationships we forge with clients and customers continue to position us to deliver superior risk-adjusted returns for Dexus Security holders and our capital partners over the long term. Markets move in cycles, and we are now reaching a turning point for real asset markets. Longer-term trends remain sound with demand underpinned by strong population growth.

Segment performance

The following sections review the HY25 performance of the Group's key financial drivers including the property portfolio, co-investment income, trading and funds management.

Property portfolio performance

Dexus remains focused on maximising the performance of the property portfolio through leasing and active asset management strategies, with the property portfolio contributing to 75% of FFO¹⁹ in HY25.

Dexus office portfolio performance²⁰

93.5%

Occupancy²¹

FY24: 94.8%

4.4 years

WALE²¹

FY24: 4.7 years

48,500sqm

Space leased

+1.6%

Effective LFL income²²

HY24: +1.5%

26.4%

Average incentives

FY24: 27.9%

Dexus manages a high-quality \$20.2 billion office portfolio across its platform, \$9.6 billion of which sits in the Dexus portfolio.

In office, location remains a key differentiator for asset performance, with the Sydney core and Melbourne eastern core again reporting materially lower vacancy compared with their respective market CBD averages. Dexus continues to benefit from this dynamic, with 76% of its office portfolio located in core CBD locations. The Brisbane market continues to improve, benefiting from strong demand and limited medium-term supply.

Dexus's portfolio occupancy remains well above market average at 93.5%, albeit reducing since the full year predominantly as a result of the Victorian Government departing 80 Collins Street in Melbourne.

Leasing volumes of 48,500 square metres for the half were weighted towards smaller deals in the Sydney CBD, and incentives on deals in Brisbane and Sydney CBD Premium assets reduced. As a result, Dexus's average incentives reduced to 26.4%. Effective like-for-like income²² improved by 1.6%, with fixed rent increases partially offset by amortisation impacts and downtime on vacancies. On a face basis, excluding amortisation, like-for-like growth was 2.1%.

We are seeing a positive shift in tenant confidence for high quality product, for example in our leasing experience at managed property 33 Alfred Street in Sydney (50% owned by DWPF), where the vast majority of the tenants are expanding their footprint.

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

¹⁸ Based on current expectations relating to asset sales, performance fees and trading profits, and subject to no material deterioration in conditions.

¹⁹ FFO contribution is calculated before finance costs, group corporate costs and other FFO.

²⁰ Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds and excludes development.

²¹ By income.

²² Includes provision for expected credit losses.

HY25 Operating and Financial Review

Dexus industrial portfolio performance²³

95.7%

Occupancy²⁴

FY24: 96.8%

4.5 years

WALE²⁴

FY24: 4.3 years

239,700sqm

Space leased²⁵

(1.2)%

Effective LFL income²⁶

HY24: +3.7%

21.1%

Average incentives

FY24: 16.5%

Dexus manages a growing, high-quality \$10.5 billion industrial portfolio across its platform, \$3.5 billion of which sits in the Dexus portfolio.

Leasing momentum was strong across Dexus's industrial portfolio during the half, with leasing volumes more than double that achieved in HY24. There was a reduction in portfolio occupancy due to vacancy at select assets and the impact of disposals.

Effective like-for-like income²⁶ declined by 1.2%, impacted by a reduction in portfolio occupancy due to vacancy at select assets. Dexus is in active leasing discussions on the vacant space and remains focused on delivering strong total returns across the lifecycle of its assets. The 38% releasing spreads achieved in this period included lease up of some previously vacant space, providing support to this approach.

Incentives rose to 21.1%, which is in line with what is being observed across most markets as customers look to invest more in automation and sustainability initiatives.

The portfolio remains materially under-rented at 13.5%, creating the opportunity to grow income by resetting the rents on vacancy and upcoming lease expiries across approximately one-third of the portfolio by FY27.

Property market outlook

2024 was a year of mixed signals for the office sector with demand varying between cities and building types and vacancy remaining elevated.

The office outlook is expected to improve in 2025 with the factors needed for a recovery in office markets now in place, namely a fall in the supply pipeline and growth in services employment. Demand in Sydney, Brisbane and Perth was positive year on year in 2024, reflecting a turning point in the market. The adjustment to hybrid working models is now well advanced and the merits of offices for collaboration are well understood. Office tenants across the market are engaged in both flight-to-quality and a flight-to-value. Higher quality buildings and central locations are showing stronger metrics than the rest of the market.

The industrial sector has seen a year of slowing rent growth after a strong run, with net face rent growth flattening in the past quarter. Take-up in 2024 was a little higher than the previous year, with several large prelease deals boosting take-up despite a subdued but firming retail environment. There are some positive signs for 2025, as retail spending has been firming in the past few months and online spending is rising again. These trends should lead to increasing demand from retailers and third-party logistics providers in the year ahead. While vacancy rates have risen in a number of markets, they remain low in absolute terms.

Co-investment income

Dexus receives distribution income from investments in pooled real asset funds and funds invested in securities. Investments in pooled funds are predominantly represented by investments in quality property portfolios.

In HY25, Dexus earned \$34.5 million in co-investment income, increasing from \$32.1 million in HY24, driven by the impact of new co-investments made during and post HY24.

²³ Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds and excludes development.

²⁴ By income.

²⁵ Excludes development leasing of 58,830sqm across 5 transactions.

²⁶ Includes provision for expected credit losses.

HY25 Operating and Financial Review

Developments

Dexus has a proven track record and significant capabilities in developing office, industrial, retail and healthcare properties.

The platform's real estate development pipeline now stands at a cost of \$15.6 billion²⁷, of which \$7.6 billion²⁷ sits within the Dexus portfolio and \$8.0 billion²⁷ within third party funds. The real estate development pipeline benefits the group by improving portfolio quality, provides high quality product for third party capital partners and can enhance returns for both Dexus and third party capital partners.

Dexus has circa \$1 billion remaining committed spend on its pipeline until the end of FY26. Dexus's city-shaping office developments have been materially de-risked via fixed price contracts and 71% of weighted average leasing pre-committments. Atlassian Central (completing FY27) and Waterfront Brisbane (completing FY28) will become next generation assets and enhance portfolio quality for Dexus and its capital partners.

At the flagship industrial development precincts of Horizon 3023, Ravenhall and ASCEND Industrial Estate, Jandakot Airport, Dexus progressed construction across 150,300 square metres across nine projects, five of which are fully leased. Dexus completed construction at 5 Spartan Street in ASCEND at Jandakot Airport across 20,300 square metres and is 100% leased. Construction also progressed at development projects at Moorebank and Marsden Park in NSW.

Transactions and trading

Despite a challenging transactions market, Dexus undertook circa \$1.7 billion of transactions²⁸ across the platform, comprising \$1.5 billion of divestments and \$0.2 billion of acquisitions. This includes circa \$665 million of exchanged or settled Dexus divestments since 30 June 2024.

Since the FY24 result announcement, Dexus has secured circa \$515 million of balance sheet divestments including the sale of 100-130 Harris Street, Pyrmont for \$229 million, 145 Ann Street, Brisbane for \$107 million (reflecting Dexus's 50% leasehold interest) and 3 Brookhollow Avenue, Baulkham Hills²⁹ for circa \$110 million, contributing toward Dexus's circa \$2 billion divestments earmarked across FY25-FY27. The divestment of 3 Brookhollow Avenue has secured circa \$35 million of trading profits (post tax) for FY26.

Funds management performance

Dexus manages \$38.9 billion of funds across its diversified funds management business. We are an investment partner of choice for a deep network of domestic and global investors. We provide a broad range of quality investment exposure and invest alongside our capital partners with a view to performance over the long term.

The funds platform continues to deliver performance for investors. Flagship funds Dexus Wholesale Property Fund (DWPF) and Dexus Wholesale Shopping Centre Fund (DWSF) outperformed their benchmark across all time periods, while Dexus Diversified Infrastructure Trust (DDIT) outperformed its benchmark over the past 12 months.

Dexus has secured circa \$975 million of transactions across the funds platform during the half, the vast majority of which were divestments on behalf of a number of funds to enhance portfolio quality, maintain strong gearing levels and facilitate circa \$800 million of redemption requests to meet client needs, which is an important part of its proposition as a leading fund manager.

Despite the subdued capital raising market, Dexus continued to harness pockets of opportunity where there is investor appetite. DREP2 raised circa \$470 million in equity commitments across its first two closes, with further equity commitments expected in FY25. Funds from DREP1 and 2 were also deployed, including the acquisition of an office conversion to student accommodation opportunity.

²⁷ Includes Central Place Sydney scheme which is under review.

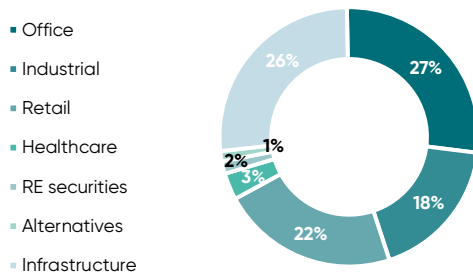
²⁸ Includes disposals of \$1.3 billion real assets and \$0.2 billion of real asset securities.

²⁹ Divestment exchanged post 31 December 2024.

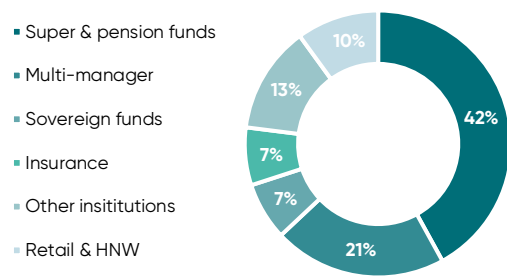
HY25 Operating and Financial Review

Dexus continues to modernise and stabilise funds and retains its focus on delivering strong investment outcomes over the long term for its clients.

FUM by sector exposure

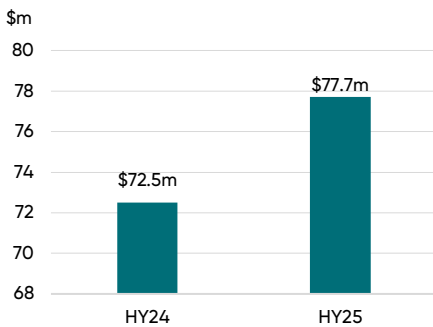


FUM by investor type



Management operations FFO

Management operations earnings increased in HY25, driven by higher performance fees and net cost savings, partly offset by the impact of redemptions, disposals and lower valuations on average FUM.



Funds management outlook

The past year was a challenging one for real assets with rising interest rates weighing on investor sentiment. However, the start of 2025 is poised to be a pivotal moment as the interest rate cycle shifts towards easing. The re-pricing that has occurred in recent years has reset values and increased yields, enhancing the appeal of real assets to investors. Assuming interest rates remain stable or decline, deal flow is anticipated to improve significantly in 2025. Longer-term trends remain sound with demand for real assets to be underpinned by strong population growth.

Key risks

Dexus's key risks are provided in its 2024 Annual Report on pages 20-25 and available at www.dexus.com/financialresults

Directors' Report

The Directors of Dexu Funds Management Limited (DXFM) as Responsible Entity of Dexu Property Trust (DPT or the Trust) present their Directors' Report together with the Interim Consolidated Financial Statements for the half-year ended 31 December 2024. The Interim Consolidated Financial Statements represents DPT and its consolidated entities, which are referred to as Dexu (DXS or the Group).

The Trust, together with Dexu Operations Trust (DXO), form the Dexu stapled security.

Directors

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

Directors	Appointed
Warwick Negus, BBus, MCom, SF Fin	1 February 2021
Ross Du Vernet, BBus, MBA	28 March 2024
Paula Dwyer, BCom, FCA, SF Fin, FAICD	1 February 2023
Mark Ford, Dip. Tech (Commerce), CA, FAICD	1 November 2016
Peeyush Gupta AM, BA (CompSc), MBA (Finance), FAICD	24 April 2024
Rhoda Phillippo, MSc (Telecommunications Business), GAICD	1 February 2023
The Hon. Nicola Roxon, BA/LLB (Hons), GAICD	1 September 2017
Elana Rubin AM, BA (Hons), MA, SF Fin, FAICD	28 September 2022

Review of results and operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Operating and Financial Review on pages 2 to 10 of this Interim Report and forms part of this Directors' Report.

Significant changes in the state of affairs

During the financial period, DXS had no significant changes in its state of affairs.

Auditor's Independence Declaration

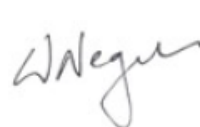
A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12 and forms part of this Directors' Report.

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 Interim Consolidated Financial Statements to the nearest hundred thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Interim 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 Interim Consolidated Financial Statements were authorised for issue by the Directors on 17 February 2025.



Warwick Negus
Chair
17 February 2025



Ross Du Vernet
Group CEO & Managing Director
17 February 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Dexus Funds Management Limited (the Responsible Entity
of Dexus Property Trust)

I declare that, to the best of my knowledge and belief, in relation to the review of Dexus Property Trust
for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Eileen Hoggett

Partner

Sydney

17 February 2025

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$m	31 Dec 2023 \$m
Revenue from ordinary activities			
Property revenue	2	159.1	170.0
Development revenue		20.2	88.8
Management fees and other revenue	3	242.3	212.5
Interest revenue		13.1	9.3
Total revenue from ordinary activities		434.7	480.6
Share of net profit of investments accounted for using the equity method	8	112.1	–
Other income		13.4	9.7
Total income		560.2	490.3
Expenses			
Property expenses	2	(57.4)	(56.3)
Development costs		(16.0)	(75.1)
Management operations, corporate and administration expenses		(147.2)	(160.3)
Finance costs	4	(109.1)	(87.5)
Share of net loss of investments accounted for using the equity method	8	–	(252.8)
Net fair value loss of derivatives		(37.1)	(25.6)
Net fair value loss of investment properties	7	(69.8)	(277.4)
Net fair value loss of investments accounted for at fair value	9	(83.7)	(73.1)
Net fair value loss of foreign currency interest bearing liabilities		(12.2)	(34.6)
Net loss on sale of investment properties		(0.3)	–
Transaction costs		–	(40.3)
Total expenses		(532.8)	(1,083.0)
Profit/(loss) for the period before tax		27.4	(592.7)
Income tax benefit/(expense)	5	(17.1)	(4.5)
Profit/(loss) for the period		10.3	(597.2)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges		2.6	(5.3)
Changes in the foreign currency basis spread reserve		(0.6)	(1.3)
Exchange differences on translation of foreign operations		(0.2)	(0.1)
Total comprehensive income/(loss) for the period		12.1	(603.9)
Profit/(loss) for the period attributable to:			
Unitholders of the parent entity		(49.3)	(601.2)
Unitholders of other stapled entity (non-controlling interests)		59.6	4.0
Profit/(loss) for the period		10.3	(597.2)
Total comprehensive income/(loss) for the period attributable to:			
Unitholders of the parent entity		(47.3)	(607.8)
Unitholders of other stapled entity (non-controlling interests)		59.4	3.9
Total comprehensive income/(loss) for the period		12.1	(603.9)
		Cents	Cents
Earnings per unit on profit/(loss) attributable to unitholders of the Trust (parent entity)			
Basic earnings per unit		(4.59)	(55.90)
Diluted earnings per unit		(4.59)	(55.90)
Earnings per stapled security on profit/(loss) attributable to stapled security holders			
Basic earnings per security		0.96	(55.52)
Diluted earnings per security		0.96	(55.52)

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

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	31 Dec 2024 \$m	30 Jun 2024 \$m
Current assets			
Cash and cash equivalents		55.5	54.0
Receivables		281.4	218.6
Non-current assets classified as held for sale	11	244.7	104.2
Inventories	10	60.6	60.2
Derivative financial instruments	14	196.4	128.5
Current tax receivable		38.1	20.1
Other		69.8	76.3
Total current assets		946.5	661.9
Non-current assets			
Investment properties	7	4,770.5	5,117.9
Right-of-use assets		77.7	82.0
Investments accounted for using the equity method	8	8,488.5	8,605.5
Investments accounted for at fair value	9	315.6	353.6
Derivative financial instruments	14	301.3	321.1
Deferred tax assets		0.3	0.7
Intangible assets	17	665.6	667.8
Plant and equipment		9.0	9.9
Other		5.5	2.0
Total non-current assets		14,634.0	15,160.5
Total assets		15,580.5	15,822.4
Current liabilities			
Payables		219.7	194.8
Interest bearing liabilities	12	1,004.9	625.7
Lease liabilities	13	11.9	11.8
Derivative financial instruments	14	16.1	21.7
Provisions		251.4	305.4
Loans with related parties	18	2.3	2.3
Total current liabilities		1,506.3	1,161.7
Non-current liabilities			
Interest bearing liabilities	12	3,858.1	4,283.9
Lease liabilities	13	77.8	80.8
Derivative financial instruments	14	37.9	34.1
Deferred tax liabilities		110.7	89.3
Provisions		6.9	7.8
Total non-current liabilities		4,091.4	4,495.9
Total liabilities		5,597.7	5,657.6
Net assets		9,982.8	10,164.8
Equity			
Equity attributable to unitholders of the Trust (parent entity)			
Contributed equity	16	7,048.0	7,048.0
Reserves		16.1	14.1
Retained profits		2,660.3	2,914.0
Parent entity unitholders' interest		9,724.4	9,976.1
Equity attributable to unitholders of other stapled entity			
Contributed equity	16	107.1	107.1
Reserves		3.4	(0.3)
Retained profits		147.9	81.9
Other stapled entity unitholders' interest		258.4	188.7
Total equity		9,982.8	10,164.8

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

	Note	Equity attributable to unitholders of the Trust (parent entity)				Equity attributable to unitholders of other stapled entity				Total equity \$m
		Contributed equity \$m	Reserves \$m	Retained profits \$m	Total \$m	Contributed equity \$m	Reserves \$m	Retained profits \$m	Total \$m	
Opening balance as at 1 July 2023		7,048.0	19.2	4,969.2	12,036.4	107.1	36.7	84.1	227.9	12,264.3
Net profit/(loss) for the period		–	–	(601.2)	(601.2)	–	–	4.0	4.0	(597.2)
Other comprehensive income/(loss) for the period		–	(6.6)	–	(6.6)	–	(0.1)	–	(0.1)	(6.7)
Total comprehensive income/(loss) for the period		–	(6.6)	(601.2)	(607.8)	–	(0.1)	4.0	3.9	(603.9)
Transfer (from)/to retained profits			–	–	–		–	–		–
Transactions with owners in their capacity as owners										
Movement of securities, net of transaction costs		–	–	–	–	–	(11.5)	–	(11.5)	(11.5)
Security-based payments expense		–	–	–	–	–	7.9	–	7.9	7.9
Distributions paid or provided for	6	–	–	(287.2)	(287.2)	–	–	–	–	(287.2)
Total transactions with owners in their capacity as owners		–	–	(287.2)	(287.2)	–	(3.6)	–	(3.6)	(290.8)
Closing balance as at 31 December 2023		7,048.0	12.6	4,080.8	11,141.4	107.1	33.0	88.1	228.2	11,369.6
Opening balance as at 1 July 2024		7,048.0	14.1	2,914.0	9,976.1	107.1	(0.3)	81.9	188.7	10,164.8
Net profit/(loss) for the period		–	–	(49.3)	(49.3)	–	–	59.6	59.6	10.3
Other comprehensive income/(loss) for the period		–	2.0	–	2.0	–	(0.2)	–	(0.2)	1.8
Total comprehensive income/(loss) for the period		–	2.0	(49.3)	(47.3)	–	(0.2)	59.6	59.4	12.1
Transfer (from)/to retained profits		–	–	–	–	–	–	6.4	6.4	6.4
Transactions with owners in their capacity as owners										
Security-based payments expense		–	–	–	–	–	3.9	–	3.9	3.9
Distributions paid or provided for	6	–	–	(204.4)	(204.4)	–	–	–	–	(204.4)
Total transactions with owners in their capacity as owners		–	–	(204.4)	(204.4)	–	3.9	–	3.9	(200.5)
Closing balance as at 31 December 2024		7,048.0	16.1	2,660.3	9,724.4	107.1	3.4	147.9	258.4	9,982.8

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$m	31 Dec 2023 \$m
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		351.3	415.4
Payments in the course of operations (inclusive of GST)		(294.1)	(390.4)
Interest received		22.8	9.3
Finance costs paid		(121.2)	(72.0)
Distributions received		272.8	165.8
Income and withholding taxes paid		(13.3)	(28.0)
Proceeds from sale of property classified as inventory and development services		67.0	45.9
Payments for property classified as inventory and development services		(21.2)	(37.8)
Net cash inflow/(outflow) from operating activities		264.1	108.2
Cash flows from investing activities			
Proceeds from sale of investment properties		277.7	1,260.2
Proceeds from sale of investments accounted for using the equity method		–	12.8
Proceeds from sale of investments accounted for at fair value		32.5	–
Payments for capital expenditure on investment properties		(43.0)	(51.6)
Payments for investments accounted for using the equity method		(90.3)	(396.6)
Payments for investments accounted for at fair value		–	(72.5)
Payments for investments accounted for at fair value		(103.5)	–
Proceeds from return of capital		50.4	2.5
Payments for plant and equipment		(0.1)	(0.9)
Payments for intangibles		(0.1)	(0.3)
Payment for acquisition of subsidiary, net of cash acquired		–	(51.8)
Net cash inflow/(outflow) from investing activities		123.6	701.8
Cash flows from financing activities			
Borrowings provided to related parties		–	(0.2)
Proceeds from borrowings		989.0	2,759.5
Repayment of borrowings		(1,141.2)	(3,347.5)
Payment of lease liabilities		(5.6)	(2.9)
Purchase of securities for security-based payments plans		–	(11.4)
Distributions paid to security holders		(228.4)	(253.8)
Net cash inflow/(outflow) from financing activities		(386.2)	(856.3)
Net increase/(decrease) in cash and cash equivalents		1.5	(46.3)
Cash and cash equivalents at the beginning of the period		54.0	123.9
Cash and cash equivalents at the end of the period		55.5	77.6

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

Notes to the Interim Consolidated Financial Statements

In this section

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

Basis of preparation

These Interim Consolidated Financial Statements have been prepared in accordance with the requirements of the Constitutions of the entities within the Group, the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* issued by the Australian Accounting Standards Board.

These Interim Consolidated Financial Statements do not include notes of the type normally included in an annual financial report. Accordingly, these Interim Consolidated Financial Statements should be read in conjunction with the annual Consolidated Financial Statements for the year ended 30 June 2024 and any public announcements made by the Group during the half-year, and up to the date of issuance of this Interim Report, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Unless otherwise stated, the Interim 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 period's presentation.

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

The Group is a for-profit entity for the purpose of preparing the Interim Consolidated Financial Statements.

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

- Investment properties;
- Investment properties within equity accounted investments;
- Investments accounted for at fair value;
- Non-current assets classified as held for sale;
- Derivative financial instruments; and
- Security-based payments.

Refer to the specific accounting policies within the Notes to the annual Consolidated Financial Statements for the year ended 30 June 2024 for the basis of valuation of assets and liabilities measured at fair value.

Critical accounting estimates

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

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

- Investment properties;
- Investment properties within equity accounted investments;
- Investments accounted for at fair value;
- Non-current assets classified as held for sale;
- Derivative financial instruments;
- Security-based payments;
- Inventories;
- Intangible assets; and
- Performance fees.

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

New and amended accounting standards adopted by the Group

The Group has retrospectively applied the amendments to AASB 101 *Presentation of Financial Statements* (AASB 101) for the first time from 1 July 2024.

The amendments clarify certain requirements for determining whether a liability should be classified as current or non-current, depending on the rights that exist at the end of the reporting period. The amendments specify how entities should classify a convertible debt liability that can be settled by an entity's own equity instruments at the option of the counterparty and require conversion options classified as liabilities to be assessed when determining the appropriate current and non-current classification.

As a result of adopting the amendments to AASB 101, the Group's exchangeable notes of \$469.9 million (June 2024: \$462.0 million), which contractually mature in November 2027, have been reclassified from a non-current liability to a current liability in both the current and comparative period, as they can be exchanged at the election of the holder at any time until 10 days prior to maturity. The reclassification has not impacted the Group's covenant calculations.

The Group has updated its accounting policy on the classification of borrowings as follows:

"All borrowings where the Group has a right to defer settlement for at least 12 months after the reporting period are classified as non-current liabilities."

Net current asset deficiency

As at 31 December 2024, the Group had a net current asset deficiency of \$559.8 million (30 June 2024: deficiency of \$499.8 million). This is primarily due to interest bearing liabilities of \$1,004.9 million due within 12 months (30 June 2024: \$625.7 million) and a distribution provision of \$204.4 million (30 June 2024: \$229.2 million). Current interest bearing liabilities include exchangeable notes of \$469.9 million (June 2024: \$462.0 million) which were reclassified as a result of the Group adopting the amendments to AASB 101.

Capital risk management is managed through a centralised treasury function. The Group has in place both external and internal funding arrangements to support the cash flow requirements of the Group, including undrawn facilities of \$2,857.0 million (30 June 2024: \$2,462.0 million).

In determining the basis of preparation of the Interim 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 Interim Consolidated Financial Statements have been prepared on that basis.

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*. In September 2024, the Australian Accounting Standards Board (AASB) released Australian Sustainability Reporting Standards, AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*; and the "Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024" was passed by Parliament. Under the Act, the new reporting requirements will be mandatory for the year ended 30 June 2026 for the Group. The Group is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance on its Consolidated Financial Statements.

Notes to the Interim Consolidated Financial Statements

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

The Notes are organised into the following sections:

Group performance	Investments	Capital and financial risk management	Other disclosures
1. Operating segments	7. Investment properties	12. Interest bearing liabilities	17. Intangible assets
2. Property revenue and expenses	8. Investments accounted for using the equity method	13. Lease liabilities	18. Related parties
3. Management fees and other revenue	9. Investments accounted for at fair value	14. Fair value measurement	19. Subsequent events
4. Finance costs	10. Inventories	15. Commitments and contingencies	
5. Taxation	11. Non-current assets classified as held for sale	16. Contributed equity	
6. Distributions paid and payable			

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 Interim Consolidated Financial Statements that the Directors consider most relevant in the context of the operations of the Group, including:

- Operating segments
- Property revenue and expenses
- Management fees and other revenue
- Finance costs
- Taxation
- Distributions paid and payable

Note 1 Operating segments

Description of segments

The Group's operating segments have been identified based on the sectors analysed within the management reports in order to monitor performance across the Group and to appropriately allocate resources. Refer to the table below for a brief description of the Group's operating segments.

Segment	Description
Office	Domestic office space with any associated retail space; as well as car parks and office developments owned directly or in joint ventures or partnerships.
Industrial	Domestic industrial properties, industrial estates and industrial developments owned directly or in joint ventures or partnerships.
Co-investments	Distribution income earned from investments in pooled real asset funds and funds invested in securities.
Property management	Property management services for third party clients and owned assets.
Funds management	Funds management of third party client assets.
Development and trading	Revenue earned and costs incurred by the Group on development services for third party clients and inventory.
All other segments	Corporate expenses associated with maintaining and operating the Group. This segment also includes the real assets portfolio value of other investments.

Note 1 Operating segments (continued)

31 December 2024	Office \$m	Industrial \$m
Segment performance measures		
Property revenue	310.7	79.8
Property management fees	–	–
Development revenue	–	16.0
Management fee revenue	–	–
Co-investment income	–	–
Total operating segment revenue	310.7	95.8
Property expenses and property management salaries	(99.0)	(25.0)
Management operations expenses	–	–
Development costs	–	(13.1)
Corporate and administration expenses	(6.0)	(2.1)
Incentive amortisation and rent straightlining	73.0	8.0
Foreign exchange gains/(losses)	–	–
Interest revenue	–	–
Finance costs	–	–
Rental guarantees, coupon income and other	–	0.3
FFO tax expense	–	–
Funds From Operations (FFO)	278.7	63.9
Net fair value gain/(loss) of investment properties	(180.8)	43.7
Net fair value gain/(loss) of leased assets	–	–
Net gain/(loss) on sale of investment properties	(0.3)	–
Share of net profit/(loss) of investments accounted for using the equity method	–	–
Net fair value gain/(loss) of investments accounted for at fair value	(72.4)	–
Net fair value gain/(loss) of derivatives	–	–
Net fair value gain/(loss) of interest bearing liabilities	–	–
Transaction costs and other significant items	–	–
Incentive amortisation and rent straightlining	(73.0)	(8.0)
Amortisation of intangible assets	–	–
Rental guarantees, coupon income and other	–	(0.3)
Distribution income	–	–
Co-investment income	–	–
Non FFO tax (expense)/benefit	–	–
Net profit/(loss) attributable to stapled security holders	(47.8)	99.3
Investment properties	4,066.6	697.5
Equity accounted real estate funds ¹	4,996.5	2,386.4
Equity accounted real estate security funds ¹	–	–
Equity accounted inventories ¹	–	–
Equity accounted non-current assets held for sale ¹	–	–
Equity accounted infrastructure funds ¹	–	–
Investments accounted for at fair value ²	127.4	–
Inventories	–	–
Non-current assets held for sale	229.3	15.4
Investments	9,419.8	3,099.3

1 Comprises the Group's portion of the underlying property, infrastructure assets and other investments accounted for using the equity method.

2 Comprises the carrying value of the Group's investments accounted for at fair value which consists of interests in Australian trusts, managed property funds and infrastructure assets.

Co- investments \$m	Property management \$m	Funds management \$m	Development and trading \$m	All other segments \$m	Eliminations \$m	Total \$m
—	—	—	—	—	(2.0)	388.5
—	34.4	—	—	—	—	34.4
—	—	—	4.0	—	—	20.0
—	8.2	123.4	9.4	—	—	141.0
34.5	—	—	—	—	—	34.5
34.5	42.6	123.4	13.4	—	(2.0)	618.4
—	(15.6)	—	—	—	—	(139.6)
—	(13.9)	(55.1)	(14.1)	—	—	(83.1)
—	—	—	(2.8)	—	—	(15.9)
—	—	—	—	(31.5)	2.0	(37.6)
—	—	—	—	(0.2)	—	80.8
—	—	—	—	0.7	—	0.7
—	—	—	—	18.9	—	18.9
—	—	—	—	(97.9)	—	(97.9)
—	—	1.0	—	5.3	—	6.6
—	—	—	(0.3)	(13.2)	—	(13.5)
34.5	13.1	69.3	(3.8)	(117.9)	—	337.8
—	—	—	—	(0.9)	—	(138.0)
—	—	—	—	0.5	—	0.5
—	—	—	—	—	—	(0.3)
32.6	—	—	—	—	—	32.6
(11.4)	—	—	—	—	—	(83.8)
—	—	—	—	(39.8)	—	(39.8)
—	—	—	—	(12.2)	—	(12.2)
—	—	—	—	39.1	—	39.1
—	—	—	—	0.2	—	(80.8)
—	—	—	—	(2.3)	—	(2.3)
—	—	—	—	(8.0)	—	(8.3)
4.3	—	—	—	—	—	4.3
(34.5)	—	—	—	—	—	(34.5)
—	—	—	—	(4.0)	—	(4.0)
25.5	13.1	69.3	(3.8)	(145.3)	—	10.3
—	—	—	—	6.4	—	4,770.5
1,285.6	—	—	—	103.6	—	8,772.1
14.6	—	—	—	—	—	14.6
51.9	—	—	38.6	—	—	90.5
22.1	—	—	—	—	—	22.1
300.7	—	—	—	—	—	300.7
178.5	—	—	—	9.7	—	315.6
—	—	—	60.6	—	—	60.6
—	—	—	—	—	—	244.7
1,853.4	—	—	99.2	119.7	—	14,591.4

Note 1 Operating segments (continued)

31 December 2023	Office \$m	Industrial \$m
Segment performance measures		
Property revenue	319.1	89.3
Property management fees	–	–
Development revenue	–	37.9
Management fee revenue	–	–
Co-investment income	–	–
Total operating segment revenue	319.1	127.2
Property expenses and property management salaries	(96.1)	(19.5)
Management operations expenses	–	–
Development costs	–	(37.5)
Corporate and administration expenses	(7.9)	(2.7)
Incentive amortisation and rent straightlining	68.8	7.4
Foreign exchange gains/(losses)	–	–
Interest revenue	–	–
Finance costs	–	–
Rental guarantees, coupon income and other	–	(0.5)
FFO tax expense	–	–
Funds From Operations (FFO)	283.9	74.4
Net fair value gain/(loss) of investment properties	(613.6)	(72.8)
Net fair value gain/(loss) of leased assets	–	–
Net gain/(loss) on sale of investment properties	0.1	–
Share of net profit/(loss) of investments accounted for using the equity method	–	–
Net fair value gain/(loss) of investments accounted for at fair value	(56.7)	–
Net fair value gain/(loss) of derivatives	–	–
Net fair value gain/(loss) of interest bearing liabilities	–	–
Transaction costs and other significant items	–	–
Incentive amortisation and rent straightlining	(68.8)	(7.4)
Amortisation of intangible assets	–	–
Rental guarantees, coupon income and other	–	0.5
Distribution income	–	–
Co-investment income	–	–
Non FFO tax (expense)/benefit	–	–
Net profit/(loss) attributable to stapled security holders	(455.1)	(5.3)
Investment properties	4,821.8	824.3
Equity accounted real estate funds ¹	5,723.3	2,314.9
Equity accounted real estate security funds ¹	–	–
Equity accounted inventories ¹	–	–
Equity accounted non-current assets held for sale ¹	–	–
Equity accounted infrastructure funds ¹	–	–
Investments accounted for at fair value ²	217.7	–
Inventories	–	–
Non-current assets held for sale	–	6.1
Investments	10,762.8	3,145.3

1 Comprises the Group's portion of the underlying property assets accounted for using the equity method.

2 Comprises the carrying value of the Group's investments accounted for at fair value which consists of interests in Australian trusts and managed property funds.

Co- investments \$m	Property management \$m	Funds management \$m	Development and trading \$m	All other segments \$m	Eliminations \$m	Total \$m
—	—	—	—	—	(2.7)	405.7
—	33.7	—	—	—	—	33.7
—	—	—	50.9	—	—	88.8
—	12.2	122.1	13.0	—	—	147.3
32.1	—	—	—	—	—	32.1
32.1	45.9	122.1	63.9	—	(2.7)	707.6
—	(14.4)	—	—	—	—	(130.0)
—	(25.3)	(54.8)	(15.1)	—	—	(95.2)
—	—	—	(38.0)	—	—	(75.5)
—	—	—	—	(35.9)	2.7	(43.8)
—	—	—	—	(1.0)	—	75.2
—	—	—	—	0.1	—	0.1
—	—	—	—	14.8	—	14.8
—	—	—	—	(77.0)	—	(77.0)
—	—	1.1	—	4.8	—	5.4
—	—	—	(3.9)	(12.9)	—	(16.8)
32.1	6.2	68.4	6.9	(107.1)	—	364.8
—	—	—	—	(0.9)	—	(630.6)
—	—	—	—	1.9	—	1.9
—	—	—	—	—	—	0.1
(51.7)	—	—	—	—	—	(51.7)
(16.4)	—	—	—	—	—	(73.1)
—	—	—	—	(28.8)	—	(28.8)
—	—	—	—	(34.5)	—	(34.5)
—	—	—	—	(43.0)	—	(43.0)
—	—	—	—	(0.3)	—	(76.5)
—	—	—	—	(1.6)	—	(1.6)
—	—	—	—	(8.6)	—	(8.1)
4.2	—	—	—	—	—	4.2
(32.1)	—	—	—	—	—	(32.1)
—	—	—	—	11.8	—	11.8
(63.9)	6.2	68.4	6.9	(211.1)	—	(597.2)
—	—	—	—	29.1	—	5,675.2
1,204.4	—	—	—	100.9	—	9,343.5
13.0	—	—	—	—	—	13.0
33.7	—	—	26.5	—	—	60.2
—	—	—	—	—	—	—
310.8	—	—	—	—	—	310.8
265.9	—	—	—	9.6	—	493.2
—	—	—	60.3	—	—	60.3
—	—	—	—	—	—	6.1
1,827.8	—	—	86.8	139.6	—	15,962.3

Note 1 Operating segments (continued)

Other segment information

Funds from Operations (FFO)

The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investments accounted for at fair value, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

Reconciliation of segment revenue to the Consolidated Statement of Comprehensive Income

	31 Dec 2024	31 Dec 2023
	\$m	\$m
Property lease revenue	346.2	362.0
Property services revenue	42.3	43.7
Property revenue	388.5	405.7
Property management fees	34.4	33.7
Development revenue	20.0	88.8
Management fee revenue	141.0	147.3
Co-investment income	34.5	32.1
Total operating segment revenue	618.4	707.6
Share of revenue from joint ventures and associates	(261.9)	(253.1)
Interest and other revenue	78.2	26.1
Total revenue from ordinary activities	434.7	480.6

Reconciliation of segment assets to the Consolidated Statement of Financial Position

	31 Dec 2024	30 Jun 2024
	\$m	\$m
Investments ^{1,2}	14,591.4	14,802.4
Right-of-use assets	77.7	82.0
Cash and cash equivalents	55.5	54.0
Receivables	281.4	218.6
Intangible assets	665.6	667.8
Derivative financial instruments	497.7	449.6
Plant and equipment	9.0	9.9
Prepayments and other net assets ³	(597.8)	(461.9)
Total assets	15,580.5	15,822.4

1 Includes the Group's portion of investment property, infrastructure assets and other investments accounted for using the equity method and the Group's investments accounted for at fair value.

2 Includes Co-investments in listed and unlisted real estate, real estate security and infrastructure funds. The principal activity of these funds is to invest in domestic and global real estate and infrastructure investments. Where the Group is deemed to have significant influence over these funds due to its ability to influence the decisions made by the Board of the Responsible Entities of these funds, which are wholly owned subsidiaries of the Group, these investments are accounted for using the equity method. Other investments in this category are accounted for at fair value.

3 Other net assets include the Group's share of total net assets of its investments accounted for using the equity method less the Group's share of the investment property and infrastructure asset value which is included in Investments.

Note 2 Property revenue and expenses

Property rental revenue is derived from holding properties as investment properties and earning rental yields over time. Associated property expenses are incurred to maintain the properties.

	31 Dec 2024	31 Dec 2023
	\$m	\$m
Rent and recoverable outgoings	157.3	161.0
Services revenue	18.3	20.6
Incentive amortisation	(38.5)	(34.4)
Other revenue	22.0	22.8
Total property revenue	159.1	170.0

	31 Dec 2024	31 Dec 2023
	\$m	\$m
Recoverable outgoings	47.7	50.2
Other non-recoverable property expenses	9.7	6.1
Total property expenses	57.4	56.3

Note 3 Management fees and other revenue

Management fees are brought to account on an accrual basis and, if not received at the end of the reporting period, are reflected in the Consolidated Statement of Financial Position as a receivable.

	31 Dec 2024	31 Dec 2023
	\$m	\$m
Investment management and responsible entity fees	111.7	127.9
Lease review and renewal fees	8.1	7.9
Property management fees	30.4	29.3
Capital works and development management fees	9.5	11.8
Performance and transaction fees	62.7	10.8
Wages recovery and other fees	19.9	24.8
Total management fees and other revenue	242.3	212.5

Note 4 Finance costs

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

	31 Dec 2024	31 Dec 2023
	\$m	\$m
Interest paid/payable	127.2	116.5
Capitalised interest	(3.5)	(13.2)
Realised (gain)/loss of interest rate derivatives	(30.1)	(30.4)
Finance costs - leases and debt modification	3.4	1.0
Other finance costs	12.1	13.6
Total finance costs	109.1	87.5

The average interest rate used to determine the amount of borrowing costs eligible for capitalisation is 4.3% (December 2023: 3.8%).

Note 5 Taxation

Under current Australian income tax legislation, DPT is not liable for income tax provided it satisfies certain legislative requirements, which were met in the current and previous financial periods. DXO is liable for income tax and has formed a tax consolidated group with its wholly owned and controlled Australian entities. As a consequence, the tax consolidated group is taxed as a single entity.

a. Reconciliation of income tax (expense)/benefit to net profit

	31 Dec 2024 \$m	31 Dec 2023 \$m
Profit/(loss) before income tax	27.4	(592.7)
Add: loss attributed to entities not subject to tax	46.3	604.3
Profit subject to income tax	73.7	11.6
Prima facie tax expense at the Australian tax rate of 30% (December 2023: 30%)	(22.1)	(3.5)
Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:		
(Non-assessable)/non-deductible items	5.0	(1.0)
Income tax expense	(17.1)	(4.5)

Note 6 Distributions paid and payable

Distributions are recognised when declared.

a. Distribution to security holders

	31 Dec 2024 \$m	31 Dec 2023 \$m
31 December (payable 28 February 2025)	204.4	287.2
Total distribution to security holders	204.4	287.2

b. Distribution rate

	31 Dec 2024 Cents per security	31 Dec 2023 Cents per security
31 December (payable 28 February 2025)	19.0	26.7
Total distribution rate	19.0	26.7

Investments

In this section

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

- **Investment properties** (note 7): relates to investment properties (including ground leases where relevant), both stabilised and under development.
- **Investments accounted for using the equity method** (note 8): provides summarised financial information on the joint ventures and investments where the Group has significant influence and relates to interests in underlying property, infrastructure assets and other investments.
- **Investments accounted for at fair value** (note 9): relates to the fair value of investments in Australian trusts, managed property funds and equity investments in infrastructure assets.
- **Inventories** (note 10): relates to the Group's ownership of office and industrial assets or land held for repositioning, development and sale.
- **Non-current assets classified as held for sale** (note 11): relates to investment properties which are expected to be sold within 12 months of the reporting date and/or contracts have already exchanged.

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.

a. Reconciliation

	Note	Office \$m	Industrial \$m	Other \$m	For the 6 months to 31 Dec 2024 \$m	For the 12 months to 30 Jun 2024 \$m
Opening balance		4,339.2	750.1	28.6	5,117.9	6,038.1
Additions		42.6	0.3	0.1	43.0	145.7
Transfer from non-current assets classified as held for sale	11	–	–	–	–	99.0
Lease incentives		31.7	1.1	–	32.8	50.1
Amortisation of lease incentives		(39.2)	(2.2)	–	(41.4)	(75.1)
Rent straightlining		(0.3)	–	0.1	(0.2)	(3.0)
Disposals		–	(45.1)	(21.2)	(66.3)	(174.0)
Transfer to non-current assets classified as held for sale	11	(229.3)	(15.4)	–	(244.7)	(104.2)
Transfer (to)/from inventories	10	–	–	–	–	(60.0)
Net fair value gain/(loss) of investment properties		(78.1)	8.7	(1.2)	(70.6)	(798.7)
Closing balance		4,066.6	697.5	6.4	4,770.5	5,117.9

Note 7 Investment properties (continued)

Disposals

Date	Property Name	Proceeds ¹ \$m
26 July 2024	6 Bellevue Circuit, Greystanes NSW	45.6
24 October 2024	53 Old Pacific Highway, Pimpama QLD	7.1
28 November 2024	2 Chilvers Street, Baldivis WA	5.8
10 December 2024	18 Andrews Street, Cannon Hill QLD	8.7

1 Excludes transaction costs.

b. Fair value measurement, valuation techniques and inputs

The following table represents the level of the fair value hierarchy and the associated unobservable inputs utilised in the fair value measurement for each class of investment property, including investment property held within investments accounted for using the equity method.

Class of property	Fair value hierarchy	Inputs used to measure fair value	Range of unobservable inputs	
			31 Dec 2024	30 Jun 2024
Office ¹	Level 3	Adopted capitalisation rate	5.25% - 7.88%	4.75% - 7.75%
		Adopted discount rate	6.00% - 8.50%	6.00% - 8.50%
		Adopted terminal yield	5.00% - 8.13%	4.75% - 8.00%
		Net market rental (per sqm)	\$255 - \$1,836	\$414 - \$1,782
Industrial	Level 3	Adopted capitalisation rate	4.50% - 9.75%	4.75% - 9.75%
		Adopted discount rate	5.25% - 10.50%	6.13% - 10.50%
		Adopted terminal yield	4.75% - 10.00%	5.13% - 9.75%
		Net market rental (per sqm)	\$52 - \$839	\$50 - \$801
Leased assets	Level 3	Adopted discount rate	3.51% - 8.97%	3.51% - 8.92%

1 Includes office developments and excludes car parks, retail and other.

Critical accounting estimates: inputs used to measure fair value of investment properties including those held within investments accounted for using the equity method

Judgement is required in determining the following significant unobservable inputs:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- **Adopted discount rate:** The rate of return used to convert cash flows, payable or receivable in the future, into present value. For industrial and office properties, it reflects the opportunity cost of capital, that is, the rate of return the cash can earn if put to other uses having similar risk. The rate is determined with regard to market evidence and the prior external valuation. For leased assets, the discount rate is determined with reference to the Group's incremental borrowing rate at inception of the lease.
- **Adopted terminal yield:** The capitalisation rate used to convert the future net market rental revenue into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence and the prior external valuation.
- **Net market rental (per sqm):** The net market rent is the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

Note 7 Investment properties (continued)

c. 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(d), showing indicative movements in investment property valuations should certain significant unobservable inputs differ from those assumed in the valuations.

d. Sensitivity information

Significant movement in any one of the valuation inputs listed in the table above may result in a change in the fair value of the Group's investment properties, including the Group's share of investment properties within investments accounted for using the equity method as shown below.

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

	Office		Industrial	
	31 Dec 2024 \$m	30 Jun 2024 \$m	31 Dec 2024 \$m	30 Jun 2024 \$m
A decrease of 25 basis points in the adopted capitalisation rate	388.1	409.8	145.7	147.2
An increase of 25 basis points in the adopted capitalisation rate	(357.9)	(377.3)	(133.2)	(134.2)
A decrease of 25 basis points in the adopted discount rate	336.9	355.1	112.2	112.7
An increase of 25 basis points in the adopted discount rate	(313.9)	(330.4)	(104.6)	(105.0)
A decrease of 5% in the net market rental (per sqm)	(459.5)	(475.2)	(154.2)	(153.1)
An increase of 5% in the net market rental (per sqm)	459.5	475.2	154.2	153.1

Generally, a change in the assumption made for the adopted capitalisation rate is often accompanied by a directionally similar change in the adopted terminal yield. The adopted capitalisation rate forms part of the capitalisation approach while the adopted terminal yield forms part of the discounted cash flow approach.

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

The discounted cash flow is primarily made up of the discounted cash flow of net income over the cash flow period and the discounted terminal value (which is largely based upon market rents grown at forecast market rental growth rates capitalised at an adopted terminal yield). An increase (softening) in the adopted discount rate may offset the impact to fair value of a decrease (tightening) in the adopted terminal yield. A decrease (tightening) in the discount rate may offset the impact to fair value of an increase (softening) in the adopted terminal yield. Directionally similar changes in the adopted discount rate and the adopted terminal yield would increase the impact to fair value.

A decrease (softening) in the forecast rental growth rate may result in a negative impact on the discounted cash flow approach value while a strengthening may have a positive impact on the value under the same approach.

Note 8 Investments accounted for using the equity method

a. Interest in joint ventures and associates

The following investments are accounted for using the equity method of accounting in the Interim Consolidated Financial Statements.

All entities were formed in Australia and their principal activity is either property or infrastructure related investment in Australia or investment in Australian and global listed real estate and infrastructure investment trusts.

Name of entity	Ownership interest			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	%	%	\$m	\$m
Dexus Office Trust Australia (DOTA)	50.0	50.0	1,591.8	1,715.9
Dexus 80C Trust	75.0	75.0	943.8	991.4
Dexus Martin Place Trust	50.0	50.0	830.8	832.4
Dexus Australian Logistics Trust (DALT)	51.0	51.0	743.0	731.5
Dexus Australian Logistics Trust No.2 (DALT2)	51.0	51.0	593.1	580.7
Jandakot City Holdings Trust (JCH)	33.4	33.4	345.3	318.0
Bent Street Trust	33.3	33.3	333.5	338.3
Dexus Wholesale Australian Property Fund (DWAPF) ²	28.1	25.0	325.1	323.4
Dexus 480 Q Holding Trust	50.0	50.0	311.0	316.8
AAIG Holding Trust	49.4	49.4	303.8	315.8
Dexus Industrial Trust Australia (DITA)	50.0	50.0	299.1	299.8
Dexus Healthcare Property Fund (DHPF)	16.1	16.1	211.7	219.8
Dexus Kings Square Trust	50.0	50.0	205.0	211.2
Dexus Industria REIT (DXI)	17.5	17.5	186.8	181.8
Dexus Australian Logistics Trust No.3 (DALT3)	51.0	51.0	141.9	134.5
Dexus Eagle Street Pier Trust	50.0	50.0	130.3	102.5
Dexus Wholesale Shopping Centre Fund (DWSF) ²	6.1	5.3	127.0	123.8
Dexus Community Infrastructure Fund (COMMIF)	9.3	9.3	126.3	128.1
Dexus Diversified Infrastructure Trust (DDIT)	5.1	5.1	104.6	102.7
Other ¹			634.6	637.1
Total assets – investments accounted for using the equity method³			8,488.5	8,605.5

1 The Group also has interests in a number of other joint ventures and associates that are accounted for using the equity method.

2 The Group's interest has increased following net redemptions in the fund.

3 These investments are accounted for using the equity method as a result of the Group having either significant influence over the financial and operating policy decisions of the associate or joint control over the associate under contractual arrangements requiring unanimous decisions on all relevant matters.

Note 9 Investments accounted for at fair value

The Group's investments accounted for at fair value consists of interests in Australian trusts, managed property funds and infrastructure assets.

a. Financial assets at fair value through profit or loss

	31 Dec 2024 \$m	30 Jun 2024 \$m
Equity investments in Australian managed funds	178.5	246.4
Investments classified as debt in Australian trusts	127.4	97.3
Total financial assets at fair value through profit or loss	305.9	343.7

b. Investment in associates accounted for at fair value

	31 Dec 2024 \$m	30 Jun 2024 \$m
Equity investments in infrastructure assets	9.7	9.9
Total investments in associates accounted for at fair value	9.7	9.9

c. Total investments accounted for at fair value

	31 Dec 2024 \$m	30 Jun 2024 \$m
Total financial assets at fair value through profit or loss	305.9	343.7
Total investments in associates accounted for at fair value	9.7	9.9
Total investments accounted for at fair value¹	315.6	353.6

¹ Refer to note 14 for details on valuation methodologies used to determine fair values.

d. Amounts recognised in profit or loss

During the period, the following gains/(losses) were recognised in profit or loss:

	31 Dec 2024 \$m	31 Dec 2023 \$m
Fair value loss on equity investments in Australian managed funds	(11.1)	(16.5)
Fair value loss on investments classified as debt in Australian trusts	(72.4)	(56.7)
Fair value (loss)/gain on equity investments in infrastructure assets	(0.2)	0.1
Total fair value losses on investments accounted for at fair value	(83.7)	(73.1)

e. Equity price risks

The Group is exposed to equity price risk arising from equity investments in Australian managed funds classified as financial assets at fair value through profit or loss. The exposure to equity price risk at the end of the reporting period, assuming equity prices had been 10% higher or lower while all other variables were held constant, would increase/decrease net profit by \$17.9 million (June 2024: \$24.6 million).

f. Valuation risks

The Group is exposed to valuation risk on underlying investment property within investments classified as debt in Australian trusts that form part of financial assets at fair value through profit or loss. The estimated impact of changes in valuations of underlying investment property at the end of the reporting period, assuming the adopted capitalisation rate had been 25 basis points lower or higher while all other variables were held constant, would increase/(decrease) net profit by \$55.0 million/(\$50.2 million) respectively (December 2023: \$77.0 million/(\$68.9 million)).

The Group is exposed to valuation risk on the equity investments in infrastructure assets classified as investment in associates accounted for at fair value. The estimated impact of changes in valuations of underlying investments at the end of the reporting period, assuming the adopted discount rate had been 25 basis points lower or higher while all other variables were held constant, would increase/(decrease) net profit by \$0.2 million/(\$0.2 million) respectively (December 2023: \$0.2 million/(\$0.2 million)).

Note 10 Inventories

Development properties held for repositioning, construction and sale are recorded at the lower of cost or net realisable value.

a. Development properties held for sale

	31 Dec 2024 \$m	30 Jun 2024 \$m
Current assets		
Development properties and trading assets	60.6	60.2
Total current assets - inventories	60.6	60.2

b. Reconciliation

	Note	For the 6 months to 31 Dec 2024 \$m	For the 12 months to 30 Jun 2024 \$m
Opening balance		60.2	30.6
Transfer from investment properties	7	–	60.0
Additions		0.4	3.4
Disposals		–	(33.8)
Closing balance		60.6	60.2

Refer to note 19 *Subsequent Events* for further details.

Note 11 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 31 December 2024, the balance relates to 100 Harris Street, Pyrmont NSW and 30 Bellrick Road, Acacia Ridge QLD. Refer to note 19 *Subsequent Events* for further details.

At 30 June 2024, the balance related to 130 George Street, Parramatta NSW and 28 Jones Road, Brooklyn VIC. Both properties were sold during the current period.

Capital and financial risk management

In this section

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 12, *Lease liabilities* in note 13, *Fair value measurement* in note 14, and *Commitments and contingencies* in note 15; and
- **Equity:** *Contributed equity* in note 16.

Note 12 Interest bearing liabilities

The following table summarises the Group's financing arrangements:

	Note	31 Dec 2024 \$m	30 Jun 2024 \$m
Current			
Unsecured			
US senior notes ¹	a.	350.4	163.7
Medium term notes ²	d.	184.6	–
Exchangeable notes ³	e.	469.9	462.0
Total unsecured		1,004.9	625.7
Total current liabilities - interest bearing liabilities		1,004.9	625.7
Non-current			
Unsecured			
US senior notes ¹	a.	1,548.5	1,695.8
Bank loans	b.	1,371.4	1,471.2
Commercial paper	c.	100.0	95.0
Medium term notes ²	d.	859.1	1,043.8
Total unsecured		3,879.0	4,305.8
Deferred borrowing costs		(20.9)	(21.9)
Total non-current liabilities - interest bearing liabilities		3,858.1	4,283.9
Total interest bearing liabilities		4,863.0	4,909.6

1 Includes cumulative fair value adjustments amounting to \$98.9 million (June 2024: \$111.1 million) in relation to effective fair value hedges.

2 The total fair value of the medium term notes is \$934.0 million (June 2024: \$901.8 million).

3 The total fair value of the exchangeable notes is \$499.9 million (June 2024: \$486.3 million).

Financing arrangements

The following table summarises the maturity profile of the Group's financing arrangements:

Type of facility	Note	Currency	Security	Maturity Date	Utilised \$m	Facility Limit \$m
US senior notes (USPP) ¹	a.	US\$	Unsecured	Feb-25 to Nov-32	1,672.8	1,672.8
US senior notes (USPP)	a.	A\$	Unsecured	Jun-28 to Oct-38	325.0	325.0
Multi-option revolving credit facilities	b.	Multi Currency	Unsecured	Apr-26-May-32	1,368.0	4,400.0
Commercial paper	c.	A\$	Unsecured	May-27	100.0	100.0
Medium term notes	d.	A\$	Unsecured	Nov-25 to Aug-38	1,043.7	1,043.7
Exchangeable notes	e.	A\$	Unsecured	Nov-27	469.9	469.9
Total					4,979.4	8,011.4
Bank guarantee facility in place ²					(175.0)	
Unused at balance date					2,857.0	

1 Excludes fair value adjustments recorded in interest bearing liabilities in relation to effective fair value hedges.

2 Includes utilised bank guarantees of \$139.6 million (June 2024: \$139.7 million).

Each of the Group's unsecured borrowing facilities are supported by guarantee arrangements and have negative pledge provisions which limit the amount and type of encumbrances that the Group can have over its assets and ensures that all senior unsecured debt ranks pari passu.

a. US senior notes (USPP)

This includes a total of US\$1,040 million and A\$325 million of US senior notes with a weighted average maturity of June 2029. US\$1,040 million is designated as an accounting hedge using cross currency interest rate swaps with the same notional value.

Note 12 Interest bearing liabilities (continued)

b. Multi-option revolving credit facilities

This includes A\$4,400 million of facilities maturing between April 2026 and May 2032 with a weighted average maturity of September 2028. A\$139.6 million represents bank guarantee facilities available for utilisation for Australian Financial Services Licences (AFSL) requirements and other business requirements including developments.

c. Commercial paper

This includes a total of A\$100 million of Commercial Paper backed by a standby facility maturing in May 2027. The standby facility has same day availability.

d. Medium term notes

This includes a total of A\$1,045.0 million of Medium Term Notes with a weighted average maturity of February 2030. The remaining A\$1.3 million is the net discount on the issue of these instruments.

e. Exchangeable notes

This includes exchangeable notes with a face value of \$500.0 million issued on 24 November 2022 and maturing in November 2027. The notes are exchangeable based on the exchange price (currently \$8.56 representing approximately 58.4 million securities) on the exchange date, at the election of the holder, until 10 days prior to maturity on 24 November 2027. Any securities issued on exchange will rank equally with existing securities. If the notes are not exchanged, they will be redeemed on maturity at 104.15% of face value. The notes pay a fixed coupon of 3.5% per annum.

Note 13 Lease liabilities

The following table details information relating to leases where the Group is a lessee.

	Note	31 Dec 2024 \$m	30 Jun 2024 \$m
Current			
Lease liabilities - ground leases	a.	0.9	0.9
Lease liabilities - other property leases	b.	11.0	10.9
Total current liabilities - lease liabilities		11.9	11.8
Non-current			
Lease liabilities - ground leases	a.	5.5	5.8
Lease liabilities - other property leases	b.	72.3	75.0
Total non-current liabilities - lease liabilities		77.8	80.8
Total liabilities - lease liabilities		89.7	92.6

a. Lease liabilities – ground leases

Lease liabilities include ground leases at Parkade, 34-60 Little Collins Street, Melbourne and Waterfront Place, 1 Eagle Street, Brisbane. Refer to note 7 *Investment properties* where the corresponding leased asset is included in the total value of investment properties.

b. Lease liabilities – other property leases

Lease liabilities relating to property leases relate to Dexu offices. Refer to the Consolidated Statement of Financial Position for disclosure of the corresponding right-of-use asset.

Note 14 Fair value measurement

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

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

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

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

Equity investments in Australian managed funds are measured at Level 3 having regard to unit prices which are determined by giving consideration to the net assets of the relevant fund. The unit prices and net asset values are largely driven by the fair values of investment properties and derivatives held by the funds. Recent arm's length transactions, if any, are also taken into consideration. The fair value of equity investments in Australian managed funds is impacted by the price per security of the investment. An increase to the price per security results in an increase to the fair value of the investment.

Investments classified as debt in Australian trusts are measured at Level 3 using a fair value model.

Equity investments in infrastructure assets are recognised initially at fair value and measured as a Level 3 investment. Subsequent to initial recognition, infrastructure assets are measured at fair value as determined by an independent valuer, having appropriate recognised professional qualifications and relevant experience in the nature of the investment being valued. The valuer applies the 'discounted cash flow method' where management's best estimate of expected future cash flows are discounted to their present value using a market determined risk adjusted discount rate.

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

All investment properties, infrastructure assets, listed securities and derivatives were appropriately measured at Level 1, 2 or 3, within investments accounted for using the equity method for the periods presented in this report.

During the period, 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. Other than the [medium term notes - refer to note 12], 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.

Note 15 Commitments and contingencies

a. Commitments

Capital commitments

The following amounts represent capital expenditure as well as committed fit out or cash incentives contracted at the end of each reporting period but not recognised as liabilities payable:

	31 Dec 2024	30 Jun 2024
	\$m	\$m
Capital expenditure	90.2	108.4
Investments accounted for using the equity method	606.3	569.2
Investments accounted for at fair value	631.9	661.6
Inventories and development management services	22.2	51.1
Non-current assets classified as held for sale	–	–
Total capital commitments	1,350.6	1,390.3

Note 15 Commitments and contingencies (continued)

b. Contingencies

DPT and DXO are guarantors of A\$8,011.4 million (June 2024: A\$7,676.4 million) of interest bearing liabilities (refer to note 12). The guarantees have been given in support of debt outstanding and drawn against these facilities and may be called upon in the event that a borrowing entity has not complied with certain requirements such as failure to pay interest or repay a borrowing, whichever is earlier. During the period no guarantees were called.

The Group has bank guarantees of A\$139.6 million, comprising A\$91.2 million held to comply with the terms of the Australian Financial Services Licences (AFSL) and A\$48.4 million largely in respect of developments, with \$35.4 million available for other corporate purposes.

The above guarantees are issued in respect of the Group and represent an additional commitment to those already existing in interest bearing liabilities on the Consolidated Statement of Financial Position.

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 Interim Consolidated Financial Statements, which should be brought to the attention of security holders as at the date of these Interim Consolidated Financial Statements.

Note 16 Contributed equity

	For the 6 months to 31 Dec 2024 No. of securities	For the 12 months to 30 Jun 2024 No. of securities
Opening balance	1,075,565,246	1,075,565,246
Closing balance	1,075,565,246	1,075,565,246

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 17 Intangible assets

The Group's intangible assets comprise management rights, goodwill and capitalised software.

Management rights represent the asset management rights owned by subsidiaries of the Group, which entitle the Group to management fee revenue from both finite life trusts and indefinite life trusts. Those management rights that are deemed to have a finite useful life held at a value of \$4.2 million (June 2024: \$5.8 million) are measured at cost and amortised using the straight line method over their estimated useful lives of three to five years. Management rights that are deemed to have an indefinite life are held at a value of \$591.7 million (June 2024: \$591.6 million).

Goodwill and management rights with an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The key assumptions used to determine the recoverable amount for goodwill and management rights and sensitivity information were disclosed in the annual Consolidated Financial Statements for the year ended 30 June 2024.

As at 31 December 2024, the Directors and management have considered whether any new indicators of impairment exist. No impairment has been recognised in the period.

Note 17 Intangible assets (continued)

	For the 6 months to 31 Dec 2024 \$m	For the 12 months to 30 Jun 2024 \$m
Management Rights		
Opening balance		
Dexus Wholesale Property Fund (indefinite useful life)	263.4	263.2
Direct property funds (indefinite useful life)	42.0	42.0
Direct property funds (finite useful life)	0.3	0.3
APN funds (indefinite useful life)	106.0	106.0
APN funds (finite useful life)	0.1	0.1
AMP Capital funds (indefinite useful life)	180.2	180.2
AMP Capital funds (finite useful life)	5.4	8.2
Movements		
Dexus Wholesale Property Fund (indefinite useful life) ¹	0.1	0.2
Amortisation charge	(1.6)	(2.8)
Closing balance	595.9	597.4
Cost	635.8	635.7
Accumulated amortisation	(11.3)	(9.7)
Accumulated impairment	(28.6)	(28.6)
Total management rights	595.9	597.4
Goodwill		
Opening balance	66.5	66.5
Closing balance	66.5	66.5
Cost	107.4	107.4
Accumulated impairment	(40.9)	(40.9)
Total goodwill	66.5	66.5
Software		
Opening balance	3.9	4.4
Additions	–	0.8
Amortisation charge	(0.7)	(1.3)
Closing balance	3.2	3.9
Cost	5.4	8.5
Accumulated amortisation	(2.2)	(4.6)
Cost - Fully amortised assets written off	(0.1)	(3.1)
Accumulated amortisation - Fully amortised assets written off	0.1	3.1
Total software	3.2	3.9
Total non-current intangible assets	665.6	667.8

1 Dexus has incurred costs to date in connection with Dexus Wholesale Property Limited, a Dexus entity, being appointed as responsible entity of Dexus ADPF. Dexus may incur further costs, including but not limited to stamp duty and legal costs in relation to the merger of DWPF and Dexus ADPF.

2 In November 2024, a co-owner's claim to compulsorily acquire an interest in the Macquarie Shopping Centre owned by a Dexus fund was upheld by the Supreme Court of NSW. In December 2024 an appeal was lodged with a hearing expected to be held by 30 June 2025. In the event the decision is unfavourable, management fees and therefore the carrying value of management rights and goodwill could be impacted.

Note 18 Related parties

Related party transactions

Transactions between the consolidated entity and related parties were made on commercial terms and conditions. Agreements with third party funds and joint ventures are conducted on normal commercial terms and conditions.

Transactions with related parties

	For the 6 months to 31 Dec 2024 \$'000	For the 6 months to 31 Dec 2023 \$'000
Responsible entity (investment management fees)	111,726.6	108,580.0
Property management fee income	26,383.0	29,514.0
Development services revenue (DS), Development management (DM), Project Delivery Group (PDG), capital expenditure and leasing fee income	34,105.0	45,468.6
Other fund fees and recoveries	82,483.5	28,961.2
Rental expense	2,012.7	2,390.1

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Responsible entity fees receivable at the end of each reporting period	51,692.9	52,166.0
Property management fees receivable at the end of each reporting period	7,264.0	7,645.8
DS, DM, PDG, capital expenditure, leasing fees and other receivables at the end of each reporting year	118,024.9	79,389.8
Loans and payables from related parties	3,522.5	3,417.8

Note 19 Subsequent events

In January 2025, settlement occurred for the disposal of 100 Harris Street, Pyrmont NSW for \$229.3 million excluding transaction costs.

In February 2025, Dexus exchanged contracts for the disposal of 3 Brookhollow Avenue, Baulkham Hills NSW for total consideration of \$110.0 million excluding transaction costs. First close is expected to occur in March 2025 with proceeds of \$60.0 million to be received. The remaining proceeds are expected to be received on final settlement in July 2025.

Since the end of the period, the Directors are not aware of any other matter or circumstance not otherwise dealt within the Interim 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

In the Directors' opinion:

- a. The Interim Consolidated Financial Statements and Notes set out on pages 13 to 40 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's consolidated financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. there are reasonable grounds to believe that Dexus Property Trust will be able to pay its debts as and when they become due and payable.

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



Warwick Negus
Chair
17 February 2025



Independent Auditor's Review Report

To the stapled security holders of Dexus Property Trust

Conclusion

We have reviewed the accompanying **Interim Financial Report** of the Dexus Property Trust Stapled Group.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of the Stapled Group does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Stapled Group's** financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2024
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 19 including selected explanatory notes
- The Directors' Declaration.

The **Stapled Group** comprises Dexus Property Trust (the Trust) and its controlled entities and Dexus Operations Trust and its controlled entities at the half-year end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Stapled Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors of the Responsible Entity for the Interim Financial Report

The Directors of Dexus Funds Management Limited, the Responsible Entity of the Trust, are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Stapled Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Eileen Hoggett

Partner

Sydney

17 February 2025

**Dexus Operations Trust
Interim Report
31 December 2024**

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Dexus consists of two stapled managed investment schemes, Dexus Property Trust and Dexus Operations Trust, collectively referred to as DXS or the Group. Dexus stapled securities are listed on the Australian Securities Exchange under the "DXS" code.

The registered office of the Group is Level 30, Quay Quarter Tower, 50 Bridge Street, Sydney, NSW 2000.

Directors' Report

The Directors of Dexus Funds Management Limited (DXFM) as Responsible Entity of Dexus Operations Trust (DXO) present their Directors' Report together with the Interim Consolidated Financial Statements for the half-year ended 31 December 2024. The Interim Consolidated Financial Statements represent DXO and its controlled entities, which are referred to as the Trust.

The Trust, together with Dexus Property Trust (DPT), form the Dexus stapled security (DXS or the Group).

Directors

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

Directors	Appointed
Warwick Negus, BBus, MCom, SF Fin	1 February 2021
Ross Du Vernet, BBus, MBA	28 March 2024
Paula Dwyer, BCom, FCA, SF Fin, FAICD	1 February 2023
Mark Ford, Dip. Tech (Commerce), CA, FAICD	1 November 2016
Peeyush Gupta AM, BA (CompSc), MBA (Finance), FAICD	24 April 2024
Rhoda Phillippo, MSc (Telecommunications Business), GAICD	1 February 2023
The Hon. Nicola Roxon, BA/LLB (Hons), GAICD	1 September 2017
Elana Rubin AM, BA (Hons), MA, SF Fin, FAICD	28 September 2022

Review of results and operations

The results for the half-year ended 31 December 2024 were:

- Profit attributable to unitholders was \$56.6 million (December 2023: \$7.1 million);
- Total assets were \$1,434.4 million (June 2024: \$1,559.2 million);
- Net assets were \$207.1 million (June 2024: \$150.0 million).

Information on the operations and financial position of the Group and its business strategies and prospects, of which the Trust forms part thereof, is set out on pages 2 to 10 of the Dexus Interim Financial Report.

Significant changes in the state of affairs

During the financial period, DXO had no significant changes in its state of affairs.

Auditor's Independence Declaration

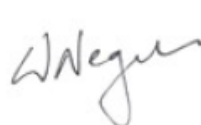
A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of this Directors' Report.

Rounding of amounts and currency

As the Trust 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 Interim Consolidated Financial Statements to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Interim 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 Interim Consolidated Financial Statements were authorised for issue by the Directors on 17 February 2025.



Warwick Negus
Chair
17 February 2025



Ross Du Vernet
Group CEO & Managing Director
17 February 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Dexus Funds Management Limited (the Responsible Entity
of Dexus Operations Trust)

I declare that, to the best of my knowledge and belief, in relation to the review of Dexus Operations Trust for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Eileen Hoggett

Partner

Sydney

17 February 2025

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue from ordinary activities			
Property revenue	2	6,604	9,619
Development revenue		20,241	88,839
Distribution revenue		773	805
Management fees and other revenue	3	264,986	234,944
Interest revenue		1,401	1,151
Total revenue from ordinary activities		294,005	335,358
Net fair value gain of investment properties	7	–	5,552
Share of net profit of investments accounted for using the equity method	8	3,842	2,337
Gain on dilution of equity accounted investments		75	360
Gain on sale of investments accounted for using the equity method		–	2,655
Other income		1,918	1,892
Total income		299,840	348,154
Expenses			
Property expenses	2	(4,809)	(4,566)
Development costs		(16,006)	(75,106)
Finance costs	5	(33,130)	(24,156)
Net fair value loss of financial assets at fair value through profit or loss	9	(7,404)	(3,257)
Transaction costs		–	(40,328)
Management operations, corporate and administration expenses	4	(164,032)	(189,191)
Net fair value loss of investment properties	7	(734)	–
Total expenses		(226,115)	(336,604)
Profit for the period before tax		73,725	11,550
Income tax benefit/(expense)	6	(17,081)	(4,489)
Profit for the period		56,644	7,061
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(144)	(143)
Changes in financial assets at fair value through other comprehensive income		325	921
Total comprehensive income for the period		56,825	7,839
		Cents	Cents
Earnings per unit on profit/(loss) attributable to unitholders of the Trust (parent entity)			
Basic earnings per unit		5.27	0.66
Diluted earnings per unit		5.00	0.61

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

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current assets			
Cash and cash equivalents		25,490	25,941
Receivables		190,345	156,310
Non-current assets classified as held for sale	11	–	69,133
Inventories	10	60,611	60,200
Current tax receivable		38,077	20,101
Other		35,731	56,143
Total current assets		350,254	387,828
Non-current assets			
Investment properties	7	–	21,900
Plant and equipment		8,971	9,879
Right-of-use assets		81,974	86,654
Investments accounted for using the equity method	8	303,860	314,987
Investments accounted for at fair value	9	9,709	49,613
Deferred tax assets		349	673
Intangible assets	16	665,643	667,831
Financial assets at fair value through other comprehensive income	17	8,417	18,465
Other		5,232	1,390
Total non-current assets		1,084,155	1,171,392
Total assets		1,434,409	1,559,220
Current liabilities			
Payables		52,158	72,387
Lease liabilities	12	12,314	12,117
Provisions		55,007	130,312
Other		2,041	2,602
Total current liabilities		121,520	217,418
Non-current liabilities			
Lease liabilities	12	77,011	80,210
Deferred tax liabilities		110,748	89,284
Provisions		16,634	17,335
Loans with related parties	18	901,424	1,004,938
Total non-current liabilities		1,105,817	1,191,767
Total liabilities		1,227,337	1,409,185
Net assets		207,072	150,035
Equity			
Equity attributable to unitholders of the Trust (parent entity)			
Contributed equity	15	107,185	107,185
Reserves		(4,898)	(5,291)
Retained profits		104,785	48,141
Parent entity unitholders' interest		207,072	150,035
Total equity		207,072	150,035

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

	Note	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
Opening balance as at 1 July 2023		107,185	40,082	75,208	222,475
Net profit/(loss) for the period		–	–	7,061	7,061
Other comprehensive loss for the period		–	778	–	778
Total comprehensive income/(loss) for the period		–	778	7,061	7,839
Transactions with owners in their capacity as unitholders					
Movement of securities, net of transaction costs		–	(238)	–	(238)
Security-based payments expense		–	336	–	336
Total transactions with owners in their capacity as unitholders		–	98	–	98
Closing balance as at 31 December 2023		107,185	40,958	82,269	230,412
Opening balance as at 1 July 2024		107,185	(5,291)	48,141	150,035
Net profit/(loss) for the period		–	–	56,644	56,644
Other comprehensive loss for the period		–	181	–	181
Total comprehensive income/(loss) for the period		–	181	56,644	56,825
Transfers from reserves to retained profits		–	–	–	–
Transactions with owners in their capacity as unitholders					
Movement of securities, net of transaction costs		–	–	–	–
Security-based payments expense		–	212	–	212
Total transactions with owners in their capacity as unitholders		–	212	–	212
Closing balance as at 31 December 2024		107,185	(4,898)	104,785	207,072

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash flows from operating activities		
Receipts in the course of operations (inclusive of GST)	231,751	215,371
Payments in the course of operations (inclusive of GST)	(224,906)	(248,513)
Interest received	1,401	1,010
Finance costs paid	(33,331)	(22,606)
Distributions received	6,837	1,280
Income and withholding taxes paid	(13,293)	(27,980)
Proceeds from sale of property classified as inventory and development services	66,984	45,906
Payments for property classified as inventory and development services	(21,194)	(97,815)
Net cash inflow/(outflow) from operating activities	14,249	(133,347)
Cash flows from investing activities		
Proceeds from sale of investment properties	90,733	26,700
Proceeds from sale of investments accounted for using the equity method	–	12,800
Proceeds from sale of investments at fair value	32,500	–
Payments for capital expenditure on investment properties	(13)	(5,781)
Payments for investments accounted for using the equity method	(7,725)	(139,655)
Proceeds from return of capital from investments accounted for using the equity method	18,931	2,495
Payments for investments at fair value	–	(59,334)
Payments for plant and equipment	(44)	(935)
Payments for intangibles	(111)	(239)
Payment for acquisition of subsidiary, net of cash acquired	–	(51,815)
Net cash inflow/(outflow) from investing activities	134,271	(215,764)
Cash flows from financing activities		
Borrowings received from related parties	442,844	805,595
Borrowings provided to related parties	(546,358)	(471,184)
Proceeds from loan with related party	–	26,650
Payment of lease liabilities	(6,230)	(4,765)
Purchase of securities for security-based payments plans	–	(11,590)
Distributions paid to unitholders	(40,000)	(50,000)
Distributions received	773	805
Net cash inflow/(outflow) from financing activities	(148,971)	295,511
Net increase/(decrease) in cash and cash equivalents	(451)	(53,600)
Cash and cash equivalents at the beginning of the period	25,941	81,717
Cash and cash equivalents at the end of the period	25,490	28,117

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

Notes to the Interim Consolidated Financial Statements

In this section

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

Basis of preparation

These Interim Consolidated Financial Statements have been prepared in accordance with the requirements of the Constitutions of the entities within the Trust, the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* issued by the Australian Accounting Standards Board.

These Interim Consolidated Financial Statements do not include notes of the type normally included in an annual financial report. Accordingly, these Interim Consolidated Financial Statements should be read in conjunction with the annual Consolidated Financial Statements for the year ended 30 June 2024 and any public announcements made by the Group during the half-year, and up to the date of issuance of this Interim Report, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Unless otherwise stated, the Interim 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 period's presentation.

The Interim 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 Trust is a for-profit entity for the purpose of preparing the Interim Consolidated Financial Statements.

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

- Investment properties;
- Investment properties within equity accounted investments;
- Investments accounted for at fair value;
- Security-based payments; and
- Financial assets at fair value through other comprehensive income.

Refer to the specific accounting policies within the Notes to the annual Consolidated Financial Statements for the year ended 30 June 2024 for the basis of valuation of assets and liabilities measured at fair value.

Critical accounting estimates

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

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

- Investment properties;
- Investment properties within equity accounted investments;
- Investments accounted for at fair value;
- Security-based payments;
- Financial assets at fair value through other comprehensive income;
- Inventories;
- Intangible assets; and
- Performance fees.

No other key assumptions concerning the future or other estimation uncertainty at the end of the reporting period could have a significant risk of causing material adjustments to the Interim 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*. In September 2024, the Australian Accounting Standards Board (AASB) released Australian Sustainability Reporting Standards, AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*; and the "Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024" was passed by Parliament. Under the Act, the new reporting requirements will be mandatory for the year ended 30 June 2026 for the Group. The Group is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance on its Interim Consolidated Financial Statements.

Notes to the Interim Consolidated Financial Statements

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

The Notes are organised into the following sections:

Trust performance	Investments	Capital and financial risk management	Other disclosures
1. Operating segments	7. Investment properties	12. Lease liabilities	16. Intangible assets
2. Property revenue and expenses	8. Investments accounted for using the equity method	13. Fair value measurement	17. Financial assets at fair value through other comprehensive income
3. Management fees and other revenue	9. Investments accounted for at fair value	14. Commitments and contingencies	18. Related parties
4. Management operations, corporate and administration expenses	10. Inventories	15. Contributed equity	19. Subsequent events
5. Finance costs	11. Non-current assets classified as held for sale		
6. Taxation			

Trust performance

In this section

This section explains the results and performance of the Trust.

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

- Operating segments
- Property revenue and expenses
- Management fees and other revenue
- Management operations, corporate and administration expenses
- Finance costs
- Taxation

Note 1 Operating segments

Description of segments

The Trust's operating segments have been identified based on the sectors analysed within the management reports in order to monitor performance across the Group and to appropriately allocate resources.

The operating segments within DXS are reviewed on a consolidated basis and are not monitored at an individual trust level. Disclosures concerning DXS's operating segments are presented in the Group's Interim Consolidated Financial Statements included within the Dexus Financial Report.

Note 2 Property revenue and expenses

Property rental revenue is derived from holding properties as investment properties and earning rental yields over time. Associated property expenses are incurred to maintain the properties.

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Rent and recoverable outgoings	6,021	7,889
Services revenue	872	905
Incentive amortisation	(303)	(583)
Other revenue	14	1,408
Total property revenue	6,604	9,619
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Recoverable outgoings and direct recoveries	1,827	1,934
Other non-recoverable property expenses	2,982	2,632
Total property expenses	4,809	4,566

Note 3 Management fees and other revenue

Management fees are brought to account on an accrual basis and, if not received at the end of the reporting period, are reflected in the Consolidated Statement of Financial Position as a receivable.

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Investment management and responsible entity fees	116,216	133,919
Lease review and renewal fees	11,947	12,852
Property management fees	34,351	33,348
Capital works and development management fees	14,240	19,274
Performance and transaction fees	62,736	10,782
Wages recovery and other fees	25,496	24,769
Total management fees and other revenue	264,986	234,944

Note 4 Management operations, corporate and administration expenses

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Audit, taxation, legal and other professional fees	7,083	8,932
Depreciation and amortisation	7,971	7,016
Employee benefits expense	129,681	135,184
Administration and other expenses	19,297	38,059
Total management operations, corporate and administration expenses	164,032	189,191

Note 5 Finance costs

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

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Interest paid to related parties	29,831	22,651
Finance costs - leases	3,230	1,399
Other finance costs	69	106
Total finance costs	33,130	24,156

Note 6 Taxation

DXO is liable for income tax and has formed a tax consolidated group with its wholly owned and controlled Australian entities. As a consequence, these entities are taxed as a single entity.

a. Reconciliation of income tax (expense)/benefit to net profit

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Profit before income tax	73,725	11,550
Profit subject to income tax	73,725	11,550
Prima facie tax expense at the Australian tax rate of 30% (December 2023: 30%)	(22,118)	(3,465)
Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:		
Non-assessable/(non-deductible) items	5,037	(1,024)
Income tax expense	(17,081)	(4,489)

Investments

In this section

Investments are used to generate the Trust's performance. The assets are detailed in the following notes:

- **Investment properties** (note 7): relates to investment properties (including ground leases where relevant), both stabilised and under development.
- **Investments accounted for using the equity method** (note 8): provides summarised financial information on the joint ventures and investments where the Trust has significant influence and relates to interests in underlying property, infrastructure assets and other investments.
- **Investments accounted for at fair value** (note 9): relates to the fair value of investments in Australian trusts, managed property funds and equity investments in infrastructure assets.
- **Inventories** (note 10): relates to the Trust's ownership of office and industrial assets or land held for repositioning, development and sale.
- **Non-current assets classified as held for sale** (note 11): relates to investment properties which are expected to be sold within 12 months of the reporting date and/or contracts have already exchanged.

Note 7 Investment properties

The Trust'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.

a. Reconciliation

	Note	Other \$'000	For the 6 months to 31 Dec 2024 \$'000	For the 12 months to 30 Jun 2024 \$'000
Opening balance		21,900	21,900	37,213
Transfer from non-current assets classified as held for sale		–	–	99,000
Additions		13	13	1,175
Lease incentives		–	–	103
Amortisation of lease incentives		(4)	(4)	(1,289)
Rent straightlining		143	143	(397)
Disposals		(21,192)	(21,192)	(19,202)
Transfer to non-current assets classified as held for sale	11	–	–	(69,133)
Net fair value gain/(loss) of investment properties		(860)	(860)	(25,570)
Closing balance		–	–	21,900

Disposals

Date	Property Name	Proceeds ¹ \$'000
24 October 2024	53 Old Pacific Highway, Pimpama, QLD	7,100
28 November 2024	2 Chilvers Street, Baldivis, WA	5,800
10 December 2024	18 Andrews Street, Cannon Hill, QLD	8,700

¹ Excludes transaction costs.

Note 7 Investment properties (continued)

b. 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	
			31 Dec 2024	30 Jun 2024
Other	Level 3	Adopted capitalisation rate	—%	5.25% - 5.75%
		Adopted rate (per licensed place)	\$—	\$51,667 - \$75,652
		Net market rental (per licensed place)	\$—	\$2,948 - \$3,988

Critical accounting estimates: inputs used to measure fair value of investment properties including those held within investments accounted for using the equity method

Judgement is required in determining the following significant unobservable inputs:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- **Adopted rate (per licensed place):** The market evidence is compared with the subject property to determine a value on a rate per licensed place basis whilst considering the location, nature and condition of each property.
- **Net market rental:** 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.

c. 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 Trust'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:

	Other	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
A decrease of 25 basis points in the adopted capitalisation rate	—	1,120
An increase of 25 basis points in the adopted capitalisation rate	—	(920)
A decrease of 5% in the net market rental (per sqm)	—	(1,050)
An increase of 5% in the net market rental (per sqm)	—	1,150

Generally, a change in the assumption made for the adopted capitalisation rate is often accompanied by a directionally similar change in the adopted terminal yield. The adopted capitalisation rate forms part of the capitalisation approach while the adopted terminal yield forms part of the discounted cash flow approach.

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

The discounted cash flow is primarily made up of the discounted cash flow of net income over the cash flow period and the discounted terminal value (which is largely based upon market rents grown at forecast market rental growth rates capitalised at an adopted terminal yield). An increase (softening) in the adopted discount rate may offset the impact to fair value of a decrease (tightening) in the adopted terminal yield. A decrease (tightening) in the discount rate may offset the impact to fair value of an increase (softening) in the adopted terminal yield. Directionally similar changes in the adopted discount rate and the adopted terminal yield would increase the impact to fair value.

A decrease (softening) in the forecast rental growth rate may result in a negative impact on the discounted cash flow approach value while a strengthening may have a positive impact on the value under the same approach.

Note 8 Investments accounted for using the equity method

a. Interest in joint ventures and associates

The following investments are accounted for using the equity method of accounting in the Interim Consolidated Financial Statements.

All entities were formed in Australia and their principal activity is either property or infrastructure related investment in Australia or investment in Australian and global listed real estate and infrastructure investment trusts.

Name of entity	Ownership interest		Balance	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	%	%	\$'000	\$'000
Dexus Diversified Infrastructure Trust (DDIT)	5.1	5.1	104,565	102,718
Dexus Real Estate Partnership 1 (DREP1)	21.3	21.3	58,369	63,031
Dexus RBR Ravenhall Pty Limited	50.1	50.1	36,554	36,534
Dexus Chester Hill Trust	50.0	50.0	18,085	29,692
Jandakot Airport Domestic Trust (JADT)	34.7	34.7	24,345	24,679
Jandakot Airport Holdings Trust (JAHT)	32.0	32.0	24,085	24,381
Dexus Core Infrastructure Fund (DCIF) ¹	1.8	1.7	10,523	10,284
Other ²			27,334	23,668
Total assets - investments accounted for using the equity method³			303,860	314,987

1 The Trust's interest has increased following net redemptions in the fund.

2 The Trust also has interests in a number of other joint ventures and associates that are accounted for using the equity method.

3 These investments are accounted for using the equity method as a result of the Trust having either significant influence over the financial and operating policy decisions of the associate or joint control over the associate under contractual arrangements requiring unanimous decisions on all relevant matters.

Note 9 Investments accounted for at fair value

The Trust's investments accounted for at fair value consists of interests in Australian trusts, managed property funds and infrastructure assets.

a. Financial assets at fair value through profit or loss

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Equity investments in Australian managed funds	–	39,726
Total financial assets at fair value through profit or loss	–	39,726

b. Investment in associates accounted for at fair value

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Equity investments in infrastructure assets	9,709	9,887
Total investments in associates accounted for at fair value	9,709	9,887

c. Total investments accounted for at fair value

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Total financial assets at fair value through profit or loss	–	39,726
Total investments in associates accounted for at fair value	9,709	9,887
Total investments accounted for at fair value¹	9,709	49,613

1 Refer to note 13 for details on valuation methodologies used to determine fair values.

d. Amounts recognised in profit or loss

During the period, the following gains/(losses) were recognised in profit or loss:

	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Fair value loss on financial assets at fair value through profit or loss	7,226	3,433
Fair value loss / (gain) on investments in associates accounted for at fair value	178	(176)
Net fair value loss of financial assets at fair value through profit or loss	7,404	3,257

Note 9 Investments accounted for at fair value (continued)

e. Equity price risks

The Trust is exposed to equity price risk arising from equity investments in Australian managed funds classified as financial assets at fair value through profit or loss. The exposure to equity price risk at the end of the reporting period, assuming equity prices had been 10% higher or lower while all other variables were held constant, would increase/decrease net profit by \$nil (June 2024: \$4.0 million).

f. Valuation risks

The Trust is exposed to valuation risk on the equity investments in infrastructure assets classified as investment in associates accounted for at fair value. The estimated impact of changes in valuations of underlying investments at the end of the reporting period, assuming the adopted discount rate had been 25 basis points lower or higher while all other variables were held constant, would increase/(decrease) net profit by \$0.2 million/(\$0.2 million) respectively (June 2024: \$0.2 million/(\$0.2 million)).

Note 10 Inventories

a. Development properties held for sale

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current assets		
Development properties held for sale	60,611	60,200
Total current assets - inventories	60,611	60,200

b. Reconciliation

	For the 6 months to 31 Dec 2024 \$'000	For the 12 months to 30 Jun 2024 \$'000
Opening balance	60,200	30,575
Additions	411	63,392
Disposals	–	(33,767)
Closing balance	60,611	60,200

Refer to note 19 *Subsequent Events* for further details.

Note 11 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 31 December 2024, no assets are classified as held for sale.

At 30 June 2024, the balance related to 130 George Street, Parramatta NSW. The property was sold during the current period.

Capital and financial risk management

In this section

The Board of the Responsible Entity determines the appropriate capital structure of the Trust, 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 Trust's activities both now and in the future. This capital structure is detailed in the following notes:

- **Debt:** *Lease liabilities* in note 12, *Fair value measurement* in note 13, and *Commitments and contingencies* in note 14
- **Equity:** *Contributed equity* in note 15.

Note 12 Lease liabilities

The following table details information relating to leases where the Trust is a lessee.

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Lease liabilities - property leases	12,314	12,117
Total current liabilities - lease liabilities	12,314	12,117
Non-current		
Lease liabilities - property leases	77,011	80,210
Total non-current liabilities - lease liabilities	77,011	80,210
Total liabilities - lease liabilities	89,325	92,327

Lease liabilities relating to property leases relate to Dexu offices. Refer to the Consolidated Statement of Financial Position for disclosure of the corresponding right-of-use asset.

Note 13 Fair value measurement

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

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

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

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

Equity investments in Australian managed funds are measured at Level 3 having regard to unit prices which are determined by giving consideration to the net assets of the relevant fund. The unit prices and net asset values are largely driven by the fair values of investment properties and derivatives held by the funds. Recent arm's length transactions, if any, are also taken into consideration. The fair value of equity investments in Australian managed funds is impacted by the price per security of the investment. An increase to the price per security results in an increase to the fair value of the investment.

Equity investments in infrastructure assets are recognised initially at fair value and measured as a Level 3 investment. Subsequent to initial recognition, infrastructure assets are measured at fair value as determined by an independent valuer, having appropriate recognised professional qualifications and relevant experience in the nature of the investment being valued. The valuer applies the 'discounted cash flow method' where management's best estimate of expected future cash flows are discounted to their present value using a market determined risk adjusted discount rate.

All investment properties, infrastructure assets, listed securities and derivatives were appropriately measured at Level 1, 2 or 3, within investments accounted for using the equity method for the periods presented in this report.

Financial assets at fair value through other comprehensive income relate to DXS securities acquired on-market in order to fulfil the future requirements of the security-based payment plans and are measured at Level 1.

During the period, 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.

Note 14 Commitments and contingencies

a. Commitments

Capital commitments

The following amounts represent capital expenditure as well as committed fit out or cash incentives contracted at the end of each reporting period but not recognised as liabilities payable:

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Capital expenditure	–	134
Investments accounted for using the equity method	34,393	31,848
Inventories and development management services	36,299	51,125
Total capital commitments	70,692	83,107

b. Contingencies

DPT and DXO are guarantors of A\$8,011.4 million (June 2024: A\$7,676.4 million) of interest bearing liabilities. The guarantees have been given in support of debt outstanding and drawn against these facilities and may be called upon in the event that a borrowing entity has not complied with certain requirements such as failure to pay interest or repay a borrowing, whichever is earlier. During the period no guarantees were called.

The Trust has bank guarantees of A\$139.6million (June 2024: A\$139.7 million), comprising A\$91.2 million held to comply with the terms of the Australian Financial Services Licences (AFSL) and A\$48.4 million largely in respect of developments, with \$35.4 million available for other corporate purposes.

The above guarantees are issued in respect of the Trust and represent an additional commitment to those already existing on the Consolidated Statement of Financial Position.

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

Note 15 Contributed equity

	For the 6 months to 31 Dec 2024 No. of units	For the 12 months to 30 Jun 2024 No. of units
Opening balance	1,075,565,246	1,075,565,246
Closing balance	1,075,565,246	1,075,565,246

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 16 Intangible assets

The Trust's intangible assets comprise management rights, goodwill and capitalised software.

Management rights represent the asset management rights owned by subsidiaries of the Group, which entitle the Group to management fee revenue from both finite life trusts and indefinite life trusts. Those management rights that are deemed to have a finite useful life held at a value of \$4.2 million (June 2024: \$5.9 million) are measured at cost and amortised using the straight line method over their estimated useful lives of three to five years. Management rights that are deemed to have an indefinite life are held at a value of \$591.7 million (June 2024: \$591.5 million).

Goodwill and management rights with an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The key assumptions used to determine the recoverable amount for goodwill and management rights and sensitivity information were disclosed in the annual Consolidated Financial Statements for the year ended 30 June 2024.

As at 31 December 2024, the Directors and management have considered whether any new indicators of impairment exist. No impairment has been recognised in the period.

Note 16 Intangible assets (continued)

	For the 6 months to 31 Dec 2024 \$'000	For the 12 months to 30 Jun 2024 \$'000
Management Rights		
Opening balance		
Dexus Wholesale Property Fund (indefinite useful life)	263,419	263,200
Direct property funds (indefinite useful life)	42,000	42,000
Direct property funds (finite useful life)	289	378
APN funds (indefinite useful life)	105,936	105,936
APN funds (finite useful life)	44	54
AMP Capital funds (indefinite useful life) ²	180,190	180,190
AMP Capital funds (finite useful life)	5,510	8,303
Movements		
Dexus Wholesale Property Fund (indefinite useful life) ¹	111	219
Amortisation charge	(1,589)	(2,892)
Closing balance	595,910	597,388
Cost	635,788	635,677
Accumulated amortisation	(11,281)	(9,692)
Accumulated impairment	(28,597)	(28,597)
Total management rights	595,910	597,388
Goodwill		
Opening balance	66,506	66,506
Closing balance	66,506	66,506
Cost	112,915	112,915
Accumulated impairment	(46,409)	(46,409)
Total goodwill	66,506	66,506
Software		
Opening balance	3,937	4,307
Additions	–	893
Amortisation charge	(710)	(1,263)
Closing balance	3,227	3,937
Cost	5,442	8,568
Accumulated amortisation	(2,215)	(4,631)
Cost - Fully amortised assets written off	(59)	(3,126)
Accumulated amortisation - Fully amortised assets written off	59	3,126
Total software	3,227	3,937
Total non-current intangible assets	665,643	667,831

1 Dexus has incurred costs to date in connection with Dexus Wholesale Property Limited, a Dexus entity, being appointed as responsible entity of Dexus ADPF. Dexus may incur further costs, including but not limited to stamp duty and legal costs in relation to the merger of DWPF and Dexus ADPF.

2 In November 2024, a co-owner's claim to compulsorily acquire an interest in the Macquarie Shopping Centre owned by a Dexus fund was upheld by the Supreme Court of NSW. In December 2024 an appeal was lodged with a hearing expected to be held by 30 June 2025. In the event the decision is unfavourable, management fees and therefore the carrying value of management rights and goodwill could be impacted.

Note 17 Financial assets at fair value through other comprehensive income

Financial assets through other comprehensive income comprise DXS securities acquired on-market in order to fulfil the future requirements of the security-based payment plans which the Trust has irrevocably elected at initial recognition to recognise in this category.

Changes in fair value arising on valuation are recognised in other comprehensive income net of tax, in a separate reserve in equity. On disposal of these equity investments, any related balance within Financial assets at fair value through other comprehensive income reserve is reclassified to retained earnings.

Note 18 Related parties

Related party transactions

Transactions between the consolidated entity and related parties were made on commercial terms and conditions. Agreements with third party funds and joint ventures are conducted on normal commercial terms and conditions.

Transactions with related parties

	For the 6 months to 31 Dec 2024 \$	For the 6 months to 31 Dec 2023 \$
Responsible entity (investment management fees)	115,687,944	132,106,454
Property management fee income	34,057,974	33,261,017
Development services revenue (DS), Development management (DM), Project Delivery Group (PDG), capital expenditure and leasing fee income	42,771,313	57,559,607
Other fund fees and recoveries	82,396,375	34,219,533
Rental expense	2,888,498	3,993,630
	31 Dec 2024 \$	30 Jun 2024 \$
Responsible entity fees receivable at the end of each reporting period	53,319,028	52,426,760
Property management fees receivable at the end of each reporting period	7,263,956	7,645,831
DS, DM, PDG, capital expenditure, leasing fees and other receivables at the end of each reporting year	119,838,143	79,660,170
Payables owed to related parties	7,259,367	6,894,846
Loans from related parties ¹	901,423,609	1,004,938,005

1 Loans from related parties mature on 28 June 2030 and are subject to interest at the lender's cost of funding plus a margin.

Note 19 Subsequent events

In February 2025, Dexus exchanged contracts for the disposal of 3 Brookhollow Avenue, Baulkham Hills NSW for total consideration of \$110.0 million excluding transaction costs. First close is expected to occur in March 2025 with proceeds of \$60.0 million to be received. The remaining proceeds are expected to be received on final settlement in July 2025.

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

Directors' Declaration

In the Directors' opinion:

- a. The Interim Consolidated Financial Statements and Notes set out on pages 4 to 20 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Trust's consolidated financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. there are reasonable grounds to believe that Dexus Operations Trust will be able to pay its debts as and when they become due and payable.

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



Warwick Negus
Chair
17 February 2025



Independent Auditor's Review Report

To the stapled security holders of Dexus Operations Trust

Conclusion

We have reviewed the half-year financial report of Dexus Operations Trust (the Trust) and the entities it controlled during the half-year (together the Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of the Group does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the half-year ended on that date;
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2024
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 19 including selected explanatory notes
- The Directors' Declaration.

The **Group** comprises Dexus Operations Trust (the Trust) and its controlled entities at the half-year end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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 and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors of the Responsible Entity for the Interim Financial Report

The Directors of Dexus Funds Management Limited, the Responsible Entity of the Trust, are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Eileen Hoggett

Partner

Sydney

17 February 2025