Annual Report
2024

DXI dexus

Dexus Industria REIT

Dexus Industria REIT is a listed Australian real estate investment trust with a $1.4 billion portfolio, primarily comprised of industrial properties and a 306,900sqm development pipeline, across key Australian cities.

Dexus Industria REIT

Industria Trust No. 1 ARSN 125 862 875

Industria Trust No. 2 ARSN 125 862 491

Industria Trust No. 3 ARSN 166 150 938

Industria Trust No. 4 ARSN 166 163 186

Industria Company No. 1 Ltd ACN 010 794 957

Dexus Asset Management Limited ACN 080 674 479 AFSL 237 500 as responsible entity for Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4.

1 West Park Drive, Derrimut VIC

Dexus Industria REIT Annual Reporting Suite

Annual Report

Annual Results Presentation

Corporate Governance Statement

Management Procedures & Sustainability Data Pack

Acknowledgement of country

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

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

Artist

Sharon Smith

Artwork

The Land and the Rivers

Contents

About this Report

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

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

FY24 highlights

FFO and distributions per security were delivered in line with upgraded guidance, as the portfolio continues to deliver a resilient income stream with strong industrial re-leasing spreads and record occupancy at Brisbane Technology Park achieved.

Financial

17.4cps

FFO per security
FY23: 17.1cps

16.4cps

Distribution per security
FY23: 16.4cps

$3.24[1]

NTA per security
FY23: $3.44

Capital management

27.3%

Gearing (look-through)
FY23: 27.3%[2]

3.5 years

Weighted average debt maturity
FY23: 3.1 years

84%

Average hedged debt
FY23: 68%

Portfolio

99.3%

Occupancy (by income)
FY23: 97.5%

5.9 years

Weighted average lease expiry (by income)

FY23: 6.3 years

+15.7%

Industrial re-leasing spreads
FY23: +16.5%

Sustainability

Net zero

Continuing to maintain net zero emissions since August 2021

4.8 Star

NABERS Energy and NABERS Water rating

26%

Improvement in recycling rates at BTP[3]

1. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue.
2. Pro forma for the sale of 3 & 4 Forbes Close, Knoxfield VIC and 16–28 Quarry Road, Stapylton QLD which settled post 30 June 2023. At 30 June 2023, look-through gearing was 31.2%.
3. Based on 12-month prior year comparison of site-specific waste densities.

1–3 Westrac Drive, Tomago NSW

About Dexus Industria REIT

Dexus Industria REIT is a listed Australian real estate investment trust with a $1.4 billion portfolio, primarily comprised of industrial properties across Australia.

Property income growth is embedded within the portfolio, underpinned by close to full occupancy and an attractive blend of fixed and CPI-linked escalators. The portfolio is backed by a diverse mix of high-quality tenants, with a weighted average lease expiry of 5.9 years and no major near-term lease expiries.

DXI's look-through gearing of 27.3% is below the target gearing band of 30-40%, providing flexibility to fund future growth, including through the 306,900 square metre development pipeline with projects in Sydney and Perth.

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

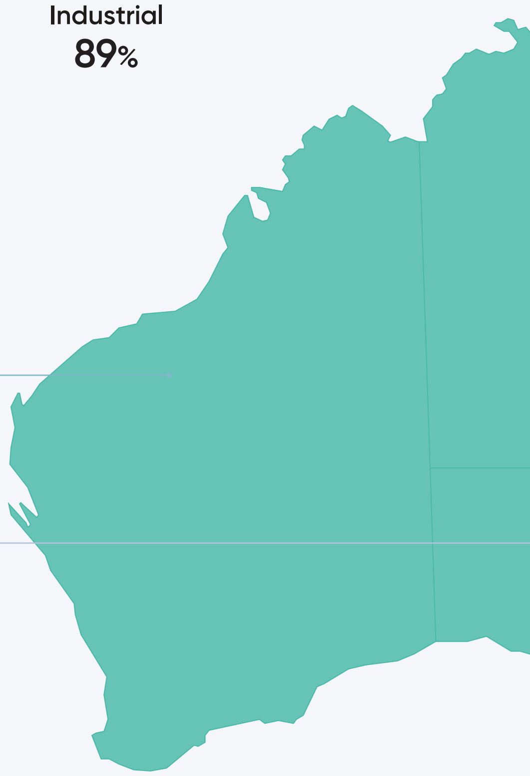
DXI has delivered strong long-term Security holder value, outperforming the ASX300 Property Index since IPO.

Over the past five years, DXI's portfolio has grown from $739 million to $1.4 billion with performance over this period driven by:

- Value-accretive acquisitions, strategic capital recycling and an active portfolio management approach with a strong track record in re-leasing ahead of valuation rents
- Enhancing the portfolio via development projects located in core markets across Sydney and Perth, with circa $163 million remaining spend on the development pipeline
- Portfolio repositioning towards high-quality industrial assets, which now represent 89% of the portfolio by value, and benefit from strong tailwinds underpinned by population growth and increased e-commerce penetration
- Investing in a smaller-suite strategy at Brisbane Technology Park which represents 11% of the portfolio and continues to attract interest from a diverse range of tenants

Portfolio value by classification

Industrial
89%



Western Australia

$431m valuation
31% of total portfolio value
55 properties
$204m development pipeline

South Australia

$59m valuation
4% of total portfolio value
4 properties

Portfolio overview as at 30 June 2024

National portfolio of assets that can reach 80% of the population in each capital city within 60 minutes on average[1]

1. Source: Australian census data and SA1 Property data.

$1.4bn
Portfolio value

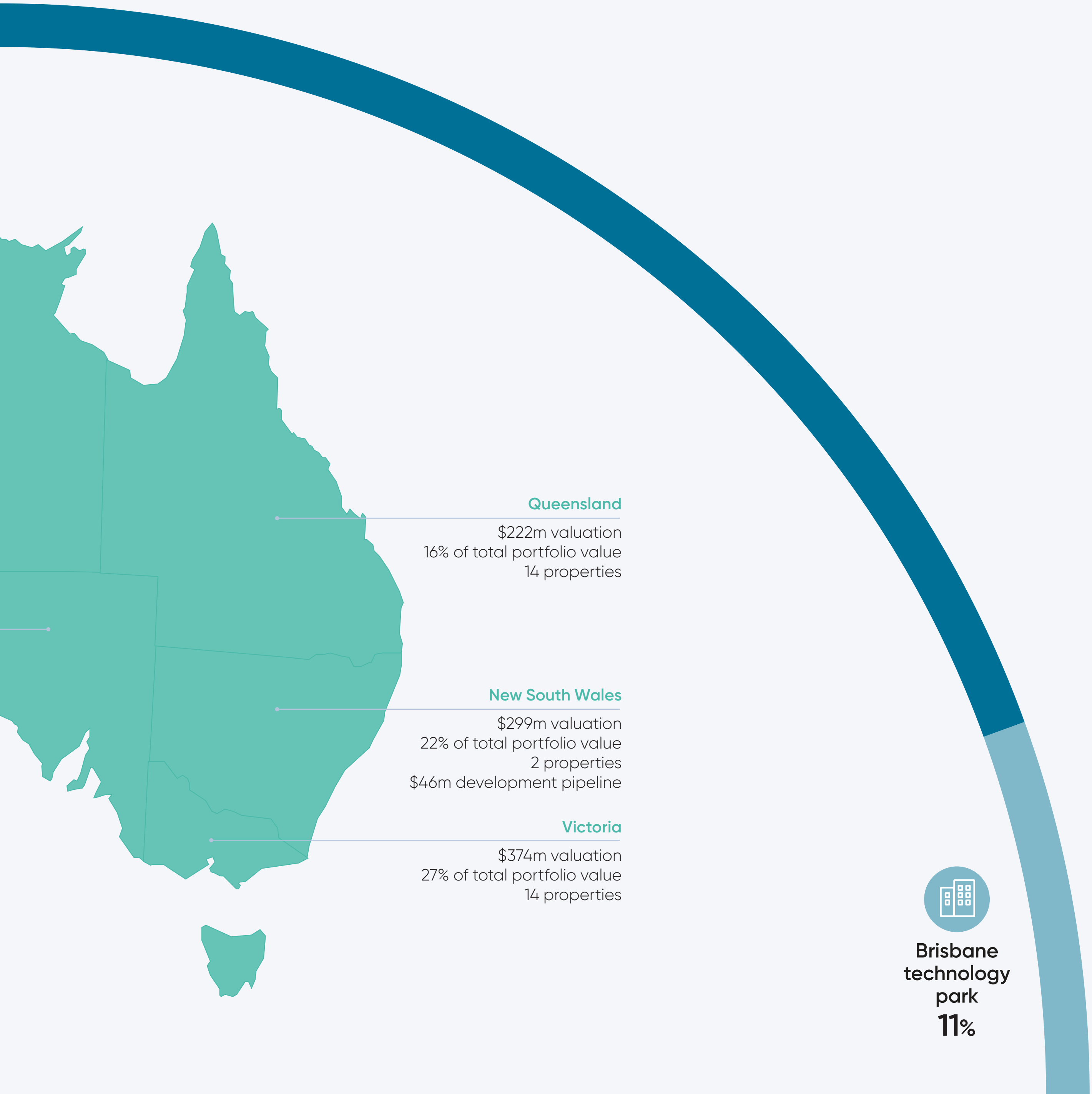
89
Properties

99.3%
Occupancy (by income)

5.9 years
WALE (by income)

5.98%
Weighted average cap rate

c. $163m
Development pipeline remaining spend



Investment proposition

To generate strong risk-adjusted returns for investors seeking listed industrial real estate exposure in Australia.

Delivering organic income growth

- Well-located and national portfolio
- High occupancy with minimal near-term expiries
- Embedded rental growth with attractive rent review mechanisms
- Diversified tenant base underpinning income yield

Conservatively managing the balance sheet

- 27.3% look-through gearing; below the target range of 30–40%
- Significant headroom to covenants
- Tactically utilising balance sheet capacity to drive strong risk-adjusted returns over the long term

Active portfolio management

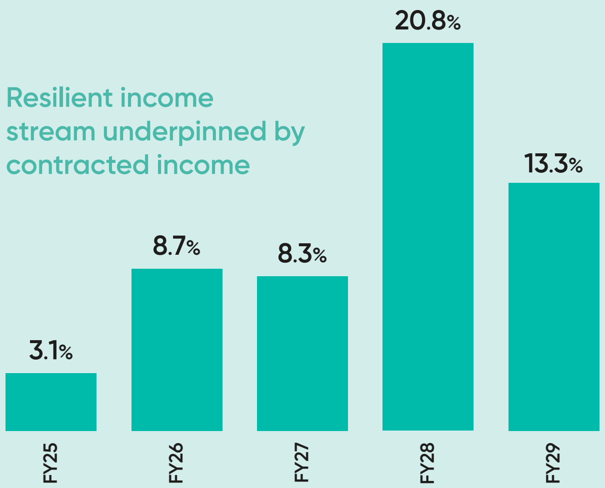
- Executing on asset plans
- Investing in higher returning opportunities
- Delivering development pipeline to further enhance portfolio quality

Aligned manager with deep real asset capability

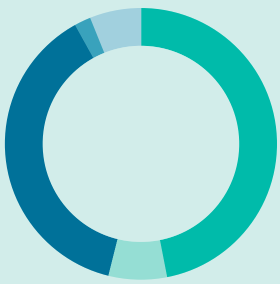
- Dexus principal ownership of 17.5%
- Dexus brings deep capability with ~$11 billion of industrial funds under management[1]
- Dexus is committed to delivering performance for investors across its funds management platform

Lease expiry by income

Resilient income stream underpinned by contracted income



Rent review type by income



Attractive fixed reviews with strong inflation protection

47% Fixed review

7% CPI linked review

38% Higher of 'agreed fixed amount' or CPI

2% CPI + fixed increase

6% CPI with 3–4% caps

1. As at 31 December 2023.

About Dexus

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

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

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

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

Dexus's Sustainability Strategy

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

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

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

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

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

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

Viridian, ASCEND Industrial Estate at Jandakot Airport, Perth WA

1. As at 31 December 2023.

Fund Manager's letter

Gordon Korkie
Fund Manager
Dexus Industria REIT

DXI's results demonstrate the benefit of our proven and long-standing active management approach. Key achievements for the year include delivering earnings in line with our upgraded guidance, further strengthening our balance sheet, achieving record occupancy at Brisbane Technology Park, and progressing our development pipeline with 43,700 square metres completed during the year.

Despite a challenging environment, we continued to actively position DXI to generate strong risk-adjusted returns for investors over the long term.

DXI's portfolio comprises 89 assets valued at $1.4 billion, which delivers resilient and growing income, achieved through a combination of a conservatively managed balance sheet and a portfolio well positioned to continue to perform. Key attributes within the portfolio include high occupancy, manageable lease expiries with embedded growth, and a diversified pool of tenants. The portfolio provides high income visibility, underpinned by a weighted average lease expiry of 5.9 years with minimal near-term lease expiries as a result of 218,800 square metres of leasing achieved over the last 24 months at double digit re-leasing spreads.

For the 2024 financial year, Funds from Operations was $55.3 million, or 17.4 cents per security, up 1.7% on the prior year and in line with guidance which was upgraded in May 2024. As a result of capital management initiatives achieved during the year, net finance costs reduced 16.6% which was a key driver of earnings growth as a lower average debt balance following asset divestments was partly offset by the impact of higher interest rates. Distributions for the year totalled 16.4 cents per security. The statutory net loss after tax was $11.8 million, impacted by valuation declines on investment properties.

At the revenue line, we delivered portfolio like-for-like growth of 7.8%[1]. The industrial assets benefitted from close to full occupancy and continued rental growth, achieving an average rent review of 4.5%. We leased 72,100 square metres at 15.7% average re-leasing spreads, which strengthened to 28.3% over the second half.

Dexus Industria REIT delivered FFO of 17.4 cents per security and distributions per security of 16.4 cents, in line with guidance which was upgraded in May 2024.

Key leasing deals included:

- Negotiating an early tenant departure at one of our largest assets – 2 Maker Place, Truganina VIC with heads of agreement across 30,100 square metres to unlock a 42% re-leasing spread
- Renewing leases at all four of our assets at Adelaide Airport, South Australia with no downtime at an average 2% re-leasing spread which embeds the strong passing yield from acquisition price
- Negotiating an early tenant departure at an over-rented asset at ASCEND at Jandakot, with heads of agreement agreed for 65% (by area) of the remaining vacancy

At Brisbane Technology Park, we achieved record occupancy of 98.1%, up 12.4 percentage points over the year. This is a terrific achievement, and reflects the ability of the Dexus platform to deliver value to our Security holders.

We have been deliberate and decisive in positioning the fund to deliver strong relative performance regardless of the economic climate. During the year, we settled $135 million of divestments, with proceeds used to reduce gearing, which also enhanced our hedging levels as a result. At 30 June 2024, we recorded look-through gearing of 27.3%, which is below our 30 – 40% target range. As a result, we retain significant balance sheet flexibility to redeploy capital into value-creating opportunities, including our development pipeline. Hedging averaged 84% during the year, and we anticipate average debt hedged to exceed 65% in the 2025 financial year[2], providing meaningful protection in a higher interest rate environment.

We also optimised our debt book and associated costs during the year, executing $71 million of near-term facility cancellations. In addition, $208 million of facilities were extended at sharper pricing, which will deliver savings in future periods.

ASCEND Industrial Estate at Jandakot Airport, of which we own 33.3%, continues to deliver solid operating performance. We completed two projects that are fully leased to Marley Spoon and Caddy at an average yield on cost of 5.3%, and we are seeing strong enquiry on a recently completed speculative development.

We also received development approval at our project in Moorebank, which is a joint venture with Dexus. The project will deliver a multi-unit estate across 17,900 square metres. The project is expected to complete at the end of calendar year 2024 and we have secured an initial heads of agreement over one of the six units at a record rent for the South West Sydney market. The project is located in one of Sydney's strongest sub-markets and is expected to be delivered at an attractive yield on cost of between 6.0 to 6.5%.

We will retain a disciplined approach to activating our development pipeline. Our decision to exit the fund-through development project at Kemps Creek due to continued planning delays without clarity on likely delivery times reflects this approach.

Pleasingly, despite higher interest rates our development pipeline remains profitable, and has the potential to deliver over $15 million of additional annual net rental income over the next five years[3], equivalent to 16% of DXI's income today.

From a sustainability perspective, the portfolio continues to maintain its carbon neutral status. We rolled out 140 kW of on-site solar during the year, and progressed approval for a further 2.1 MW predominantly at our Westrac site in Newcastle.

At Brisbane Technology Park, a waste diversion program has reduced the amount of waste being sent to landfill by over 26%, representing a saving of 100 tonnes of GHG emissions – a great outcome demonstrating our constant endeavour to drive meaningful improvements in sustainability across our portfolio.

DXI will remain focused on generating strong risk-adjusted returns for investors over the long term by:

- enhancing portfolio attributes that deliver organic income growth
- maintaining a strong capital position
- continuing an active approach to portfolio management
- remaining disciplined in pursuing growth (including delivering the development pipeline)
- leveraging Dexus's capabilities across transactions, leasing, development and asset management.

As we look to the year ahead, DXI is well placed to generate defensive income with embedded rental growth. Top line growth is expected to remain supported by favourable market dynamics, underpinned by relatively low industrial vacancy and restricted supply. Our balance sheet is well placed with low gearing and high hedging, enhancing earnings resilience.

Barring unforeseen circumstances, for the 12 months ended 30 June 2025 we expect FFO per security of 17.8 cents, representing growth of 2.3%, and distributions per security of 16.4 cents, reflecting an attractive distribution yield of 5.7%.

Thank you for your continued investment in Dexus Industria REIT.

Gordon Korkie
Fund Manager
Dexus Industria REIT

1. On a face basis, or 5.4% on an effective basis.
2. Based on existing hedges in place as at 30 June 2024 and assuming no further transactional activity.
3. Calculated as estimated yield on cost multiplied by total development spend.

ESG overview

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

Sustainability Strategy

DXI is committed to delivering meaningful sustainability outcomes and aligns to the Dexus Sustainability Strategy, including an aspiration to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow. Commitments made at the Dexus group level are considered and adopted where relevant for DXI, taking into account the nature of DXI's business and assets. More sustainability information can be found in the Dexus Annual Reporting Suite, including the Dexus FY24 Integrated Annual Report and accompanying Sustainability Data Pack, both being published on the Dexus website on 20 August 2024.

Amazon, ASCEND Industrial Estate at Jandakot Airport, Perth WA

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

DXI priority	Near term and ongoing	Future focus
Customer Prosperity Partnering with tenants (customers) to deliver on both theirs and our sustainability goals and strategic priorities	– Leveraging scale to support prosperity and wellbeing	– Enable tenants to accelerate the energy transition through solar and battery deployment
Climate Action Maintaining carbon neutrality across managed assets and operations and enhancing resilience to the impacts of climate change	– Source 100% renewable electricity for managed assets and balance remaining managed asset emissions through investment in carbon offsets – Understand and respond to asset-level climate-related physical risks and opportunities	– Integrate climate action-related initiatives within new developments, with a focus on embodied carbon, renewable energy, water and resource conservation and enhanced resilience
Enhancing Communities Aligning with the Dexus platform goal of helping communities around our assets through inclusive and accessible design and placemaking, and investment in infrastructure that creates social value	– Amplify social impact through utilising DXI assets to host activations with Dexus's community partners	
Foundations Leveraging the Dexus platform to drive synergies and continuous improvement in asset operations, supply chain management and a stronger connection to First Nations people	– Maintain asset environmental and work health and safety systems – Supplier due diligence and monitoring – Support and apply the Dexus Reconciliation Action Plan – Benchmark performance using NABERS and Green Star – Ensure continued strong governance and prepare for incoming sustainability reporting	

Implementing the Dexus Sustainability Strategy

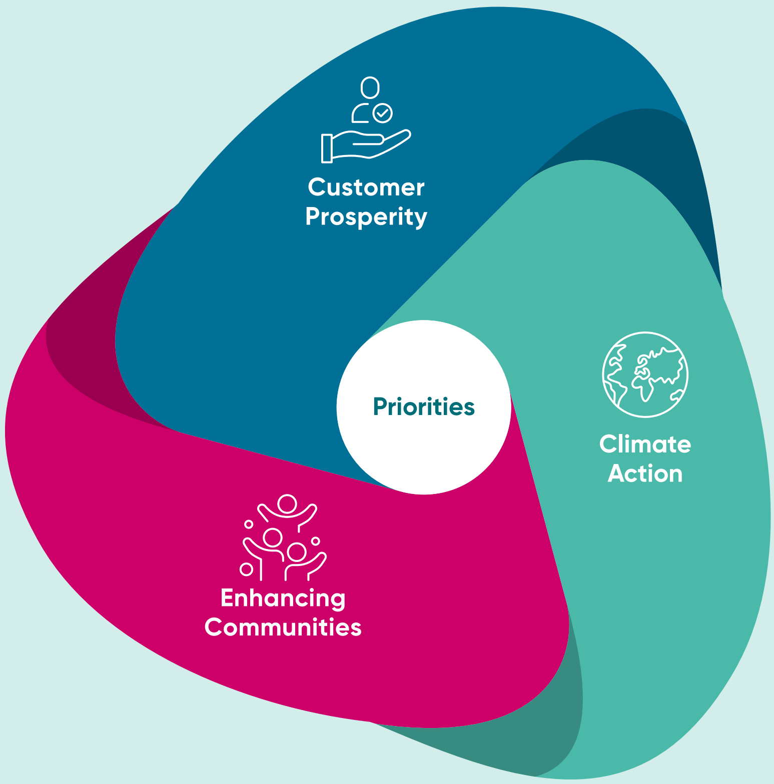
The role of Dexus and DXI in delivering sustainability outcomes across the portfolio is aligned with its ability to directly or indirectly manage assets. Sustainability activity is owned and driven by DXI where it has operational control of the assets.

Operational control is defined by the NGER Act as the corporation with the authority, or the greatest authority, to introduce and implement operating, health and safety, and environmental policies in relation to a facility. DXI has operational control of circa 13% of its portfolio by value.

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

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

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



Priority Areas

Customer Prosperity

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

Climate Action

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

Enhancing Communities

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

Foundations

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

Sustainability Priority Areas

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

Foundations

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

Review of material issues

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

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

Preparing for incoming mandatory climate reporting

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

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

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


81 Rushdale Street, Knoxfield VIC

Customer Prosperity

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

Supporting our tenants to increase renewable energy uptake

DXI acknowledges the role we play in decarbonising our value chain and we continue to support our tenants to increase their renewable energy and storage uptake.

During the year, 140 kW of large-scale solar PV was installed with approvals progressing on a further 2.1 MW. In addition, three electric vehicle charging stations were installed at Brisbane Technology Park.

Dexus is now complementing its energy generation ambition with a structured approach to energy storage. In an industry first, Dexus has embedded the installation of commercial grade storage batteries linked to rooftop solar panels as a design standard in all new industrial facilities. The first tranche of battery infrastructure linked to solar panels is scheduled to be part of Dexus's upcoming industrial projects at Horizon 3023, a 127-hectare master planned industrial estate in Melbourne's western growth corridor, with the first battery build to be completed by late 2024. Future plans will see the program expanded to DXI sites including 99 kW of solar PV and supporting battery storage pre-committed at a development site at ASCEND Industrial Estate at Jandakot Airport (644 Karel Avenue).

Waste diversion initiatives at Brisbane Technology Park

Waste management is becoming increasingly important to our tenants.

DXI continued its collaboration with Brisbane Technology Park's property and facilities management, contractors, and tenants following the rollout of an awareness campaign in FY23 to support the introduction of cardboard, comingled and organic waste streams and new larger capacity bins across the precinct. The awareness campaign included site waste management guides being issued to six buildings.

The site waste interventions are estimated to have improved recycling rates by 26% (based on 12-month prior year comparison of waste densities) representing a saving of 100 tonnes of GHG emissions.

Levering scale to support prosperity and wellbeing

Dexus recognises the importance of mental health and the prevalence of mental health challenges in the workplace, both for our tenants and employees. Dexus continued its partnership with Black Dog Institute, Australia's only medical research institute that studies mental health across the lifespan, with the goal of creating a mentally healthier world for everyone.

400 training spaces were offered to executive leaders, managers and employees, with 110 tenancy groups registering to participate in the training across Sydney, Melbourne, Brisbane and Perth, both in person and online.

This year, Dexus extended its mental health and wellbeing program to provide a sector-specific offering across industrial assets. Dexus partnered with Healthy Heads in Trucks & Sheds (HHTS), a mental health and wellbeing organisation focused on prevention and understanding of mental health issues in the road transportation and logistics industries. These industries often face higher than average mental health challenges due to working conditions such as isolation, repetitive tasks, long hours and shift work. Dexus partnered with HHTS to offer industrial tenants access to mental health resources, including the Healthy Heads App offering fitness content, resilience resources and links for crisis support.

Dexus also hosted a HHTS roadshow at its Truganina Industrial Estate in Victoria, with the aim of fostering connections and reducing the stigma of mental health. Dexus partnered with Coles to host an event at their site and invited other local tenants to attend.

Dexus also partner with Mates in Construction to support the health and wellbeing of its delivery partners' employees. Mates in Construction brings together Australia's building and construction industry to raise awareness and funds for suicide prevention and we have mandated Mates in Construction resources across our industrial developments.

Climate Action

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

Maintaining carbon neutral position

Recognising the importance of climate action, DXI maintained a carbon neutral position across its managed portfolio and operations for FY23 under the Climate Active Standard including scope 1, scope 2 and some scope 3 (corporate, energy, water and waste) emissions. Scope 3 inclusions are within the Sustainability Data Pack available on our website.

DXI was one of the first A-REITs to be certified carbon neutral in FY21 across both its managed portfolio and operations in accordance with the Climate Active Standard, and this also marked the first year that DXI transitioned to sourcing 100% of its base building electricity needs from renewables.

Sourcing of 100% renewable electricity was maintained for DXI in FY24. During the year, Brisbane Technology Park leveraged the scale of Dexus's electricity procurement network and realised efficiencies when it transitioned from its existing renewable electricity contract to Dexus's long-term power purchase agreement (PPA) with CleanCo in Queensland.

Dexus is in the final stages of quantifying DXI's greenhouse gas emissions over the FY24 financial year following the procurement of required renewable electricity and carbon offsets. Consistent with prior years, final certification is expected to be achieved post-reporting period.

Integrating sustainability within developments

Recognising increasing tenant and investor sentiment on upfront carbon and operational emissions, DXI has prioritised the embedding of sustainability into its Moorebank development project and delivery. The development will incorporate energy efficient lighting and water fixtures, 198 kW of rooftop solar, rainwater harvesting for irrigation and LED lighting with individual daylight harvest and motion detection. Now in construction phase, the development has been able to crush and reuse 5,200 cubes of concrete for subgrade, with a goal to recycle 80% of construction waste.

DXI will leverage Dexus's Sustainable Development Standards (SDS). The SDS is a tool and framework that promotes tangible actions and outcomes for spaces and applies to all sectors, aligning to Dexus's Sustainability Prioirities and Foundations. Now in pilot phase, the tool has been trialled across office and industrial projects prior to its full integration for all new developments from FY25.

Enhancing Communities

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

Amplifying social impact through partnerships

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

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

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

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

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

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

1 West Park Drive, Derrimut VIC

Sustainability Foundations

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

12

suppliers engaged through Dexus's annual ESG monitoring program

Effective management of sustainability risks and opportunities requires a level of attention to material sustainability issues that our business interacts with. We are committed to meeting DXI's stakeholder expectations in these foundational areas and creating the platform on which greater impact and value can be created through our sustainability Priority Areas.

Environmental Management

Circularity

Efficient use of resources and appropriate stewardship of materials remains an ongoing priority. During the year, Brisbane Technology Park was able to apply circularity principles by recycling 60 desks, pedestals and task chairs from another Dexus CBD office to fit out suites and premises for leasing, avoiding the furniture going to landfill.

Responsible supply chain

DXI recognises the importance of ensuring that standards relating to people, environment and communities are maintained and continuously improved throughout our supply chain. This year, 847 of Dexus's suppliers, of which DXI shares 73, including all preferred suppliers, attested to following Dexus's Sustainable Procurement Procedure and Supplier Code of Conduct, demonstrating the strength of the Dexus platform supplier selection processes and ongoing supplier management.

We continue to take a risk-based approach to understanding and monitoring sustainability trends across our supply chain. This year, Dexus expanded their partnership with EcoVadis to provide ESG risk screening across the breadth of their 1179 suppliers and in-depth supplier specific risk assessments of 86 key suppliers (24 for DXI).

Dexus now has coverage of 70% of total supplier spend through the use of the EcoVadis ESG risk screening tool, which screens risks including human rights and modern slavery.

A focus on improving the strength of the procurement and supply chain management program saw 35 suppliers (12 for DXI) re-assessed through EcoVadis with an overall ratings improvement of 4%. This followed engagement with suppliers on measures to improve their sustainability risk management. Results of the ESG risk screening will be used to expand the in-depth ESG risk assessments for greater coverage of suppliers in FY25. Suppliers also benefit from access to academy training materials across the four EcoVadis pillars of Environmental, Labour & Human Rights, Ethics and Sustainable Procurement, with over 90% taking up access.

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

Social Performance

Indigenous Engagement

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

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

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

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

Three areas that have been prioritised include:

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

Governance and Reporting

4.8 stars
Average NABERS Energy rating

4.8stars
Average NABERS Water rating

Strengthening and aligning our approach to health and wellbeing

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

In support of the expanded workforce, the annual "National Safe Work Month" campaign in October focused on upskilling our people on current risk-related matters with the theme "For everyone's safety, work safely". The Dexus Risk team facilitated a 'Risk roadshow' in collaboration with risk consultant partners to deliver three training webinars to over 260 Dexus and partner personnel across asset, property, facility, centre and operations management teams. Topics included environmental, climate change, hazardous material, indoor air quality, and property risk assessment and audit programs. Additionally, the Dexus Risk team partnered with emergency management consultants to deliver sector-specific emergency scenario exercise training sessions with over 160 attendees across Dexus and external facilities management partner teams.

Green Building certifications

Building certifications are an important tool for us to integrate leading practice into our developments and operations, to benchmark and communicate property performance, and to confirm our standing in the market.

National Australian Built Environment Rating System (NABERS)

NABERS is a well-established program utilised by asset owners nationally to benchmark resource efficiency across property portfolios, and DXI remains committed to measure the operational performance of its assets via this framework.

Across FY24, all eligible DXI business park assets are now rated under NABERS Energy and Water allowing us to track performance and drive resource efficiency. DXI's business park assets achieved a portfolio weighted-average NABERS Energy rating of 4.8-stars, with six out of ten properties recording a rating of 5.0-stars and above (remaining steady on FY23).

Three buildings were also rated under NABERS Water and all ratings were 4.5-stars or higher, leading to a portfolio weighted-average of 4.8-stars.

Green Star Performance

Dexus adopts the Green Building Council of Australia's (GBCA) Green Star rating tools to guide the integration of environmental and social aspects and to independently verify each project's sustainability credentials in construction and operation. Performance is benchmarked on a scale of one to six stars across a broad range of measures relating to energy, water, indoor environment, building management, transport, materials, land use, ecology and innovation.

This year, ten DXI assets maintained their Green Star Performance rating, with a 3-star portfolio average outcome. Dexus is partnering with the GBCA as part of their Early Access Program to trial and transition to the v2 tool from FY25.

Building certification portfolio average (star)[1]

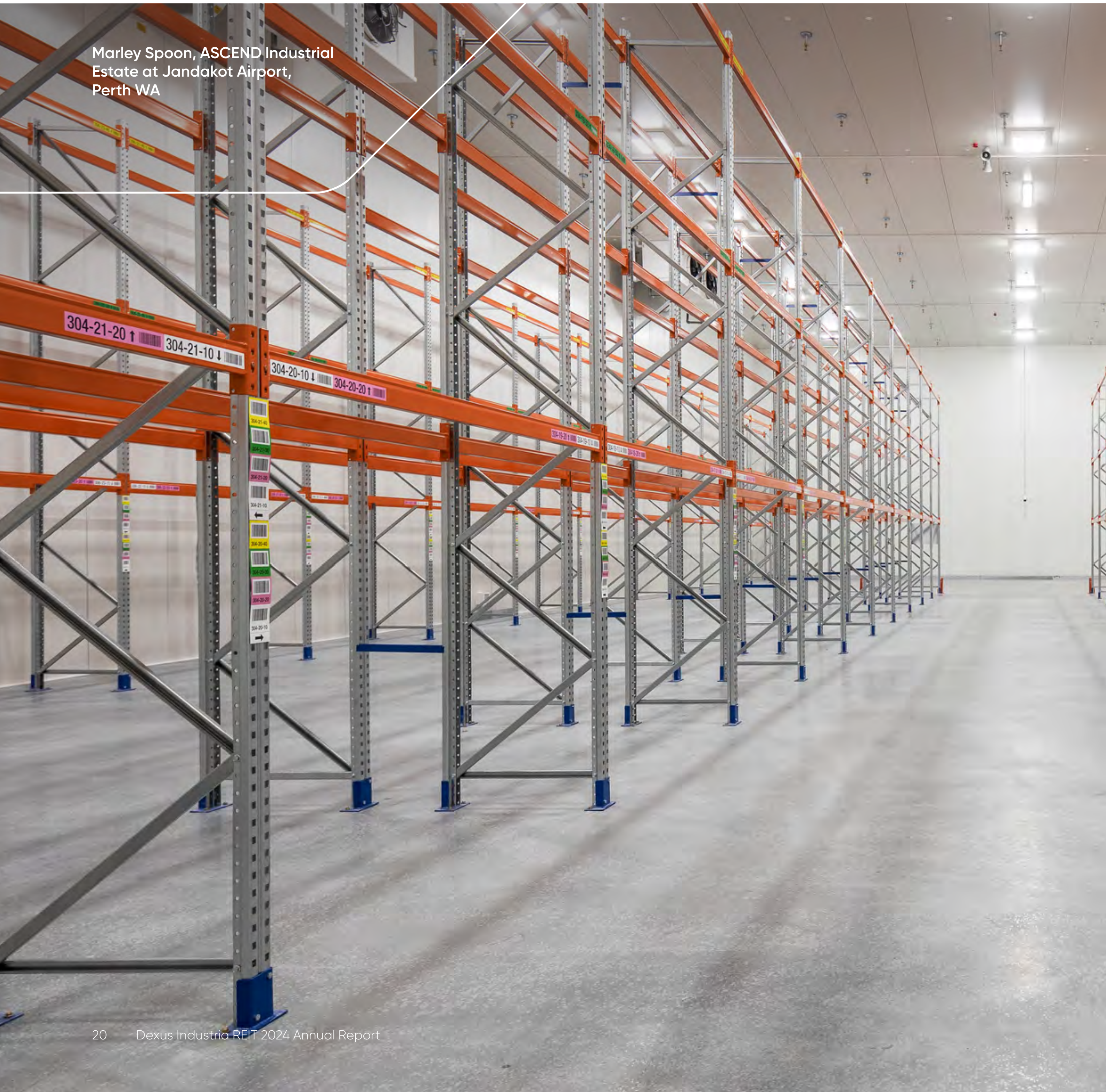
	FY21[2]	FY22	FY23	FY24
NABERS Energy	4.5	5.0	4.9	4.8
NABERS Water	4.5	4.1	4.9	4.8
Green Star Performance			3	3

1. As at 30 June each year.
2. Data collected under APN Property Group prior to Dexus ownership.

2 Maker Place,
Truganina VIC

Governance

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



Marley Spoon, ASCEND Industrial Estate at Jandakot Airport, Perth WA

Dexus Asset Management Limited (DXAM) acts as Responsible Entity for Dexus Industria REIT's managed investment schemes.

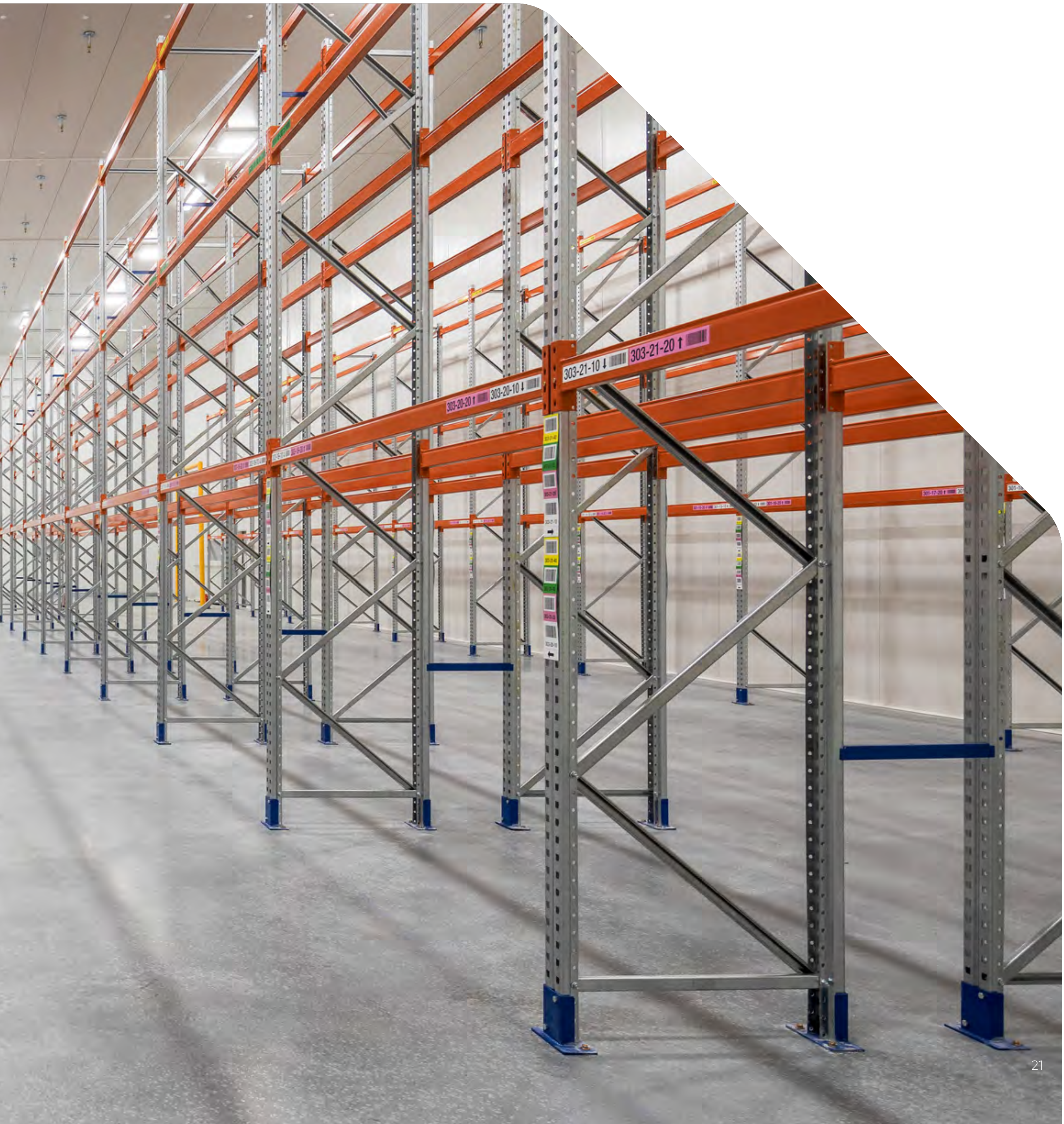
DXI benefits from leveraging Dexus's funds and property management expertise to drive performance.

Dexus, the Board of DXAM and the Board of Industria Company No. 1 Limited (IC1) believe that good corporate governance supports:

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

Dexus's governance framework meets the requirements of the ASX Corporate Governance Principles and Recommendations Fourth Edition (ASX Principles) and addresses additional aspects of governance which Dexus considers important.

Further details are set out in DXI's 2024 Corporate Governance Statement, which outlines key aspects of DXI's corporate governance framework and practices, which is available at www.dexus.com/dxi-corporate-governance



Sustainability across the Dexus Platform

Dexus Board Sustainability Committee

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

Dexus Executive Committee

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

Reconciliation Action Plan Working Group

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

Climate Reporting Working Group

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

Sustainability governance

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

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

The Dexus Board Sustainability Committee supports the DXAM Board in:

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

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

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

Board of Directors

The Board of DXAM and the Board of IC1 comprises four Non-Executive Directors (including the Chair) and one Executive Director.

The Board of DXAM and the Board of IC1 regularly assesses the independence of its directors in light of interests disclosed to it and has determined that each Non-Executive Director has maintained independence throughout the year. The Board continues to review its composition, experience and director tenure.

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

Board skills and experience

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

Areas of skill, expertise and experience

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

Board of Directors

Jennifer Horrigan

BBus, GradDipMgt, GradDipAppFin, MAICD
Independent Chair

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

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

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

Emily Smith

BCom, GAICD
Independent Director

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

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

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

Danielle Carter

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

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

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

Jonathan Sweeney

BCom, LLB, CFA, GAICD
Independent Director

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

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

Melanie Bourke

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

Melanie was appointed an Executive Director in 2024.

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

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

Brett Cameron

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

Brett was appointed an alternate Executive Director in 2022.

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

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


P-1-P
128
P-1-P
129
435-110
110-435
SAFE WORKING LOADS
P-1-P
130
435-110
SAFE WORKING LOADS

Financial Report

Contents

Directors' Report

The Directors of Dexus Asset Management Limited (DXAM) as Responsible Entity of Industria Trust No. 1 (IT1 or the Trust and deemed parent entity) and its controlled entities (together DXI or the Group) present their Directors' Report together with the Consolidated Financial Statements for the year ended 30 June 2024.

Directors and Secretaries

Directors

The following persons were Directors of DXAM and Industria Company No. 1 Limited (IC1) at all times during the year and to the date of this Directors' Report, unless otherwise stated:

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

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

Company Secretaries

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

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

Appointed: 16 September 2021

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

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

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

Appointed: 14 October 2022

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

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

Attendance of Directors at Board Meetings and Board Committee Meetings

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

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

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

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

Directors' relevant interests

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

Directors	No. of securities
Jennifer Horrigan	43,260
Danielle Carter	20,000
Emily Smith	10,450
Jonathan Sweeney	29,000
Deborah Coakley[1]	–
Melanie Bourke[2]	–
Brett Cameron - Alternate Director[3]	–

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

Operating and Financial Review

Strategy

Dexus Industria REIT's (DXI) investment proposition is to generate strong risk-adjusted returns for investors seeking listed industrial real estate exposure in Australia.

The foundations of the portfolio include high-quality industrial assets that have demonstrated income resilience. DXI's aligned manager, Dexus, and a majority independent Board underpin strong governance.

DXI's portfolio is valued at $1.4 billion and is predominantly weighted to industrial assets which continue to benefit from low vacancy across the major markets, and a limited supply pipeline, with these factors supporting continued rental growth. DXI leverages the Dexus platform to actively manage and reposition assets, enhance long-term returns through development exposure, access opportunities to deploy capital, and progressively manage ESG risks and opportunities over time.

DXI delivers its investment proposition to investors by:

- Delivering organic income growth from high-quality assets
- Conservatively managing the balance sheet
- Creating value through active management
- Leveraging Dexus's leading real asset capabilities

Review of operations

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

Key financial performance metrics	30 June 2024	30 June 2023	Change
Net (loss)/profit after tax ($'000)	**(11,758)**	268	n/m
Funds From Operations (FFO) ($'000)	**55,281**	54,379	1.7%
FFO per security (cents)	**17.4**	17.1	1.7%
Distribution per security (cents)	**16.4**	16.4	–

	30 June 2024	30 June 2023	Change
Net tangible asset backing per security ($)	**3.24**	3.44	(5.8)%
Balance sheet gearing (%)	**20.0**	20.4[a]	(0.4)ppt
Look-through gearing (%)	**27.3**	27.3[a]	–

a) Pro forma for the sale of 3&4 Forbes Close, Knoxfield, VIC and 16-18 Quarry Road, Stapylton, QLD which settled post 30 June 2023. At 30 June 2023, balance sheet gearing was 25.1%, or 31.2% look-through.

Profit & loss	30 June 2024 $'000	30 June 2023 $'000	Change
Property revenue including straight-line rent	**74,969**	75,075	(0.1)%
Operating expenses	**(20,752)**	(21,873)	(5.1)%
Profit before interest, tax and other items	**54,217**	53,202	1.9%
Net fair value (loss)/gain on investment properties	**(58,875)**	(65,587)	(10.2)%
Net fair value (loss)/gain on derivatives	**(6,570)**	(760)	764.5%
Share of equity accounted profit	**10,254**	28,940	(64.6)%
Impairment of equity accounted investments	**–**	(1,296)	n/m
Net finance costs	**(12,230)**	(16,373)	(25.3)%
(Loss)/profit before tax	**(13,204)**	(1,874)	604.6%
Income tax benefit/(expense)	**1,446**	2,142	(32.5)%
(Loss)/profit after tax	**(11,758)**	268	n/m

The Responsible Entity uses Funds From Operations (FFO) as its key performance indicator. The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises profit after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, derivative mark-to-market impacts, amortisation of leasing costs and incentives, straight-line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

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

FFO reconciliation[a]	30 June 2024 $'000	30 June 2023 $'000
Profit after tax for the period	**(11,758)**	**268**
Net fair value (gain)/loss on investment properties	68,567	47,848
Net fair value (gain)/loss on derivatives	8,797	774
Impairment of equity accounted investments	–	1,296
Incentive amortisation and straight line rent	2,446	2,355
Non-FFO tax (benefit)/expense	(1,952)	(108)
Debt modification (gain)/expense	(956)	696
Rental guarantees, coupon income and other[b]	(9,863)	1,250
FFO	**55,281**	**54,379**

a) Includes the financial results of equity accounted investments on a look-through basis.
b) FY24 includes $11.5 million of surrender income received in relation to tenant departure at ASCEND Industrial Estate at Jandakot Airport, Perth and the divestment of 32-40 Garden Street, Kilsyth, Victoria.

FFO composition[a]	30 June 2024 $'000	30 June 2023 $'000	Change
Property FFO	81,136	83,424	(2.7)%
Management fees	(8,329)	(8,730)	(4.6)%
Net finance costs	(14,991)	(17,980)	(16.6)%
Tax expense	(2,050)	(1,712)	19.7%
Other[b]	(485)	(623)	(22.2)%
FFO	**55,281**	**54,379**	**1.7%**

a) Includes the financial results of equity accounted investments on a look-through basis.
b) Includes share of Jandakot airport operating business and operating costs.

Financial result

The statutory result reflected a net loss after tax of $11.8 million, primarily impacted by net fair value losses on investment properties. The statutory result includes $11.5 million of surrender income received in relation to tenant departures at ASCEND Industrial Estate at Jandakot Airport, Perth and the divestment of 32-40 Garden Street, Kilsyth, Victoria.

FFO increased 1.7% to $55.3 million, or 17.4 cents per security, in line with guidance which was upgraded in May 2024. Distributions per security were 16.4 cents, in line with guidance and flat on the prior year.

Strong portfolio like-for-like growth of 7.8%[1] was offset by reduced property income from divestments resulting in property FFO decreasing 2.7%. Net finance costs reduced due to a lower average debt balance following divestments, partly offset by the impact of higher interest rates.

Net tangible assets and asset valuations

All assets were independently valued in the 12 months to 30 June 2024. The external independent valuations resulted in a like-for-like devaluation of $66.3 million, representing a 4.6% decrease on prior book values, while the weighted average capitalisation rate expanded 58 basis points to 5.98%. Net Tangible Assets[2] per security decreased 20 cents, or 5.8%, to $3.24.

On a look-through basis, additions to investment properties in the form of capital expenditure totalled $27.5 million, including $21.6 million of development expenditure, $2.4 million of tenancy works, $1.3 million of maintenance capital expenditure and cash-based tenant incentives and leasing costs of $2.2 million.

[1] On a face basis, or 5.4% on an effective basis.
[2] Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue.

Property portfolio and asset management

DXI's property portfolio comprises interests in 89 properties valued at $1.4 billion with a weighted average capitalisation rate of 5.98%. The portfolio generates a secure income yield, underpinned by occupancy of 99.3% (by income), a weighted average lease expiry of 5.9 years (by income) and minimal near-term lease expiries.

The portfolio generates embedded rental growth, with 47% of the portfolio generating average fixed rental growth of 3.2% per annum, and the remainder tied to CPI-linked increases. During the year, the portfolio achieved an average rent review of 4.4%.

Industrial portfolio performance

$1.2bn
Book value

5.80%
Capitalisation rate

99.5%
Occupancy (by income)

6.4 year
WALE (by income)

6.3%[3]
Like-for-like growth

72,100sqm[4]
Leased

DXI's industrial portfolio was valued at $1.2 billion at 30 June 2024 at a weighted average capitalisation rate of 5.80%.

The industrial portfolio delivered average rent reviews of 4.5%, and like-for-like income growth of 6.3%[3]. Re-leasing spreads of 15.7% were achieved across 72,100 square metres[4], which strengthened to 28.3% in the second half. Key leasing deals include entering into a heads of agreement at 2 Maker Place, Truganina, Victoria at a 42% re-leasing spread across 30,100 square metres, and renewing leases at all four assets at Butler Boulevard, Adelaide, South Australia with no downtime.

ASCEND Industrial Estate at Jandakot Airport delivered like-for-like income growth of 4.0%[5], supported by 59% of income linked to CPI escalations. Growth was impacted by lower occupancy following an early tenant departure at 631 Karel Avenue. Substantial leasing progress has been made with 65% (by area) of the building either leased or at heads of agreement. Re-leasing spreads of -6.2% were impacted by re-leasing at 631 Karel Avenue which was over-rented.

Brisbane Technology Park performance

$159m
Book value

7.37%
Capitalisation rate

98.1%
Occupancy (by income)

3.6 year
WALE (by income)

16.0%[5]
Like-for-like growth

11,000sqm
Leased

Brisbane Technology Park was valued at $159 million at 30 June 2024 at a weighted average capitalisation rate of 7.37%.

During the year, occupancy (by income) increased 12.4 percentage points to 98.1% following 11,000 square metres of leasing. Positive leasing outcomes supported like-for-like growth of 16.0%[6], and an income yield of 7.7%. Brisbane Technology Park continues to generate interest from a diverse range of tenants, with average rents 50% below the broader Brisbane CBD office market and average incentives 20 percentage points lower[7].

Developments

DXI's total development pipeline is valued at $250 million and equates to interests in 306,900 square metres in major hubs in Sydney and Perth, providing additional income upside potential. DXI has circa $163 million of spend remaining on its pipeline, of which $23 million is committed.

At ASCEND Industrial Estate at Jandakot Airport, three projects were completed over 43,700 square metres. Two of the warehouses were delivered at an average yield on cost of 5.3% and are fully leased to Marley Spoon and Caddy, with positive leasing enquiry on the recently completed speculative development at 8 Centurion.

In Sydney, construction is underway at a 17,900 square metre multi-unit, last mile development project in Moorebank. Solid leasing enquiry has translated to an initial heads of agreement over one of the six units at a record rent for the South West Sydney market. The project is expected to be delivered in December 2024 at a yield on cost of between 6.0 – 6.5%.

[3] On a face basis, or 4.9% on an effective basis.
[4] Represents stabilised leasing at 100%,or 55,800sqm at DXI ownership. Development leasing for the period was 18,900sqm at 100%, or 6,600sqm at DXI ownership.
[5] On a face basis, or 3.5% on an effective basis.
[6] On a face basis, or 9.2% on an effective basis.
[7] Compared to Brisbane CBD prime stock at June 2024. Sourced from JLL.

Transactions

During the year DXI settled on the sale of five assets for total combined proceeds of $135 million. Divestments included:

- Two assets at 3 and 4 Forbes Close, Knoxfield VIC which settled on 15 August 2023
- 16-18 Quarry Road, Stapylton QLD which settled on 31 October 2023
- 57-67 Mark Anthony Drive, South Dandenong VIC which settled on 15 January 2024
- 32-40 Garden Street, Kilsyth VIC which settled on 22 January 2024

Environmental, Social and Governance (ESG)

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

Recognising the importance of climate action, DXI retained a carbon neutral position across its business operations and controlled building portfolio and maintains a 4.8 star NABERS Energy and Water rating across its portfolio. Sustainability initiatives have also been embedded into the Moorebank development including 198 kW of solar, rainwater harvesting and LED lighting.

DXI's focus on customer prosperity has seen 140 kW of onsite solar installed during the year and approvals progressing on a further 2.1 MW. At Brisbane Technology Park, a waste diversion program, with a customer awareness campaign and site interventions, supported a 26% improvement in recycling rates[8], representing a 100 tonne GHG emission reduction.

Financial position

DXI's net assets decreased by $63.8 million on a look-through basis (or 20 cents per security to an NTA of $3.24) primarily due to property devaluations.

Balance sheet ($'000)	30 June 2024	30 June 2023
Cash and cash equivalents	**12,919**	17,143
Investment properties[a]	**1,384,779**	1,557,819
Finance lease receivable[b]	**64,213**	60,098
Goodwill	**11,557**	11,557
Plant and equipment[c]	**18,009**	17,837
Derivatives	**10,998**	19,941
Other assets	**48,182**	48,821
Total assets	**1,550,657**	1,733,216
Borrowings[d]	**(401,690)**	(515,913)
Distributions payable	**(13,008)**	(13,008)
Derivatives	**(159)**	(251)
Other liabilities	**(97,823)**	(102,277)
Total liabilities	**(512,680)**	(631,449)
Net assets	**1,037,977**	1,101,767
Stapled securities on issue ('000)	**317,270**	317,270
NTA per security ($)[e]	**3.24**	3.44

a) Excludes leased assets. Includes assets held for sale.
b) Represents DXI's ownership interest in assets within JAHT that derive ground rent property revenue.
c) Jandakot airport plant and equipment, net of depreciation.
d) Net of debt modification and borrowing costs.
e) Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue.

[8] Based on 12-month prior year comparison of site-specific waste densities.

Capital management

Look-through gearing was 27.3%, below the target range of 30 – 40%. Hedged debt averaged 84%, providing material protection from higher interest rates. During the year, DXI extended $208 million of facilities at lower margins, and cancelled $71 million of near-term facilities to optimise headroom and overall debt costs. At 30 June 2024, DXI's weighted average debt maturity is 3.5 years with no debt maturities until FY26.

Key metrics[a]	30 June 2024	30 June 2023
Balance sheet gearing	**20.0%**	20.4%[b]
Gearing (look-through)[c]	**27.3%**	27.3%[b]
Cost of debt[d]	**3.8%**	3.5%
Average maturity of debt	**3.5 years**	3.1 years
Average hedged debt	**84%**	68%
Balance sheet headroom[e]	**$104m**	$63m
Balance sheet interest cover (covenant)	**6.9x**	5.4x[f]

a) All metrics are look-through unless stated otherwise.
b) Pro forma for the sale of 3&4 Forbes Close, Knoxfield, VIC and 16-18 Quarry Road, Stapylton, QLD which settled post 30 June 2023. At 30 June 2023, balance sheet gearing was 25.1%, or 31.2% look-through.
c) Adjusted for cash and debt in equity accounted investments.
d) Weighted average for the period, inclusive of fees and margins on a drawn basis.
e) Undrawn facilities plus cash.
f) Updated (from 4.5x) to include distributions received from equity accounted investments.

Market outlook

The fundamentals of the Australian industrial sector remain positive although demand is moderating from the high levels of recent years. While leasing activity in the discretionary retail segments has softened, demand from the non-discretionary segments of food, groceries and pharmaceuticals has been more stable. Vacancy rates in most precincts have lifted off the record lows of last year but remain well below global averages. High land and construction costs are expected to impact potential supply.

Summary and guidance

DXI will remain focused on generating strong risk-adjusted returns over the long term for investors by:

- enhancing portfolio attributes that deliver organic income growth
- maintaining a strong capital position
- continuing its active approach to portfolio management
- remaining disciplined in pursuing growth (including delivering the development pipeline)
- leveraging Dexus's capabilities across transactions, leasing, development and asset management

DXI is well positioned to continue generating a secure income stream with embedded rental growth for investors, supported by minimal near-term lease expiries as well as favourable market dynamics with relatively low industrial vacancy and restricted supply. DXI will focus on retaining balance sheet flexibility, with gearing below the target range, prudent interest rate hedging and liquidity providing additional earnings resilience.

Barring unforeseen circumstances, for FY25 DXI expects to deliver FFO per security of 17.8 cents, reflecting growth of 2.3%, and distributions per security of 16.4 cents, reflecting a distribution yield of 5.7%[9].

[9] Based on closing security price as at 12 August 2024.

Key risks

Risk	Potential impacts	How DXI is responding
Health, safety and wellbeing Providing an environment that ensures the safety and wellbeing of customers, contractors and the public at DXI properties and responding to events that have the potential to disrupt business continuity	– Death or injury at DXI properties – Loss of broader community confidence – Costs or sanctions associated with regulatory response – Costs associated with remediation and/or restoration, and criminal or civil proceedings – Inability to sustainably perform or deliver objectives – Business disruption	– Dexus implements an ISO 45001 accredited Work Health and Safety Management System including: • Contractor management system and procedures to facilitate safe systems of work • WHS risk assessment and audit program as per the agreed schedule to identify and assess risks associated with DXI owned assets and operations, and to monitor that controls are effectively implemented – Maintain a business continuity management framework to mitigate safety threats, including the adoption of plans relating to crisis management, business continuity and emergency management
Strategic performance Ability to deliver DXI's strategic objectives, generate value and deliver superior performance	– Sustained inflation and recessionary pressures on the economy which could impact strategic outcomes – Loss of broader community confidence – Reputational damage – Inability to meet guidance – Inability to sustainably perform or deliver investment objectives	– Processes in place to monitor and manage performance and risks that may impact on performance – DXI's strategy and risk appetite are approved annually by the Board and reviewed throughout the year by management – Progress against strategy is subject to regular review and reporting to the Board
Investment and financial performance Ability to meet market guidance or key financial objectives and deliver sustainable income and capital growth prospects for Security holders over the long term	– Reduced investor sentiment (equity and debt) – Unanticipated loss of existing key or major investor – Reduced credit ratings and availability of debt financing – Sustained inflation and recessionary pressures on the economy which could impact financial performance – Inability to meet guidance – Inability to sustainably perform or deliver investment objectives – Decline in asset valuations – Reputational damage	– Processes in place to monitor and manage performance and risks that may impact on performance – Investments, divestments and developments must be approved by the Investment Committee and the Dexus Asset Management Limited (DXAM) and Industria Company No. 1 Limited (IC1) Boards, in accordance with the terms of reference and operating limits – Due diligence is undertaken for all investment and divestment proposals, developments and major capital expenditure before approval
Capital management Positioning the capital structure of the Fund to withstand unexpected changes in equity and debt markets	– Constrained capacity to execute strategy – Increased cost of funding (equity and debt) – Fluctuations in interest rates which could impact the cost of debt – Fluctuations in foreign exchange rates which could impact profitability – Reduced investor sentiment – Reduced availability of debt financing – Breach of financial covenants leading to default	– Prudent management of capital, including regular sensitivity analysis and periodic independent reviews of the Treasury Policy, assists in positioning DXI's balance sheet in relation to unexpected changes in capital markets – Ongoing monitoring of capital management is undertaken to ensure metrics are within risk appetite thresholds benchmarks and/or limits outlined within the Treasury Policy – Reporting and oversight by the Capital Markets Committee and the DXAM and IC1 Boards

Risk	Potential impacts	How DXI is responding
Development Providing the opportunity to grow DXI's portfolio and enhance future returns	– Reputational damage – Leasing outcomes impacting on completion valuations – Fluctuations in construction costs and project delays, including due to liquidation of third party contractors, resulting in sub-optimal returns – Financial loss	– Leverages Dexus's strong development capability with a proven track record of delivering projects with a focus on quality, sustainability and returns – Investments, divestments and developments must be approved by the Investment Committee, and the DXAM and IC1 Boards, in accordance with the terms of reference and operating limits – Due diligence is undertaken for all developments before approval or endorsement of each investment decision
Environmental and social sustainability Ability to meet societal and investor expectations of corporate, environmental and social responsibilities	– Impacts to the community including human health and wellbeing – Increased costs associated with global and domestic energy crisis – Increased difficulties in leasing assets due to heightened risk of climate change impact – Increased costs associated with physical risks (e.g. asset damage from extreme weather) – Increased costs associated with transition risks (e.g. carbon regulation, requirements for building efficiency) – Inability to maintain access to capital due to reputational damage – Increased reputational risk for not supporting the community, environmental and social causes	– Dexus implements an ISO 14001 accredited Environment Management System including an environment risk assessment and audit program as per the agreed schedule to identify and assess risks associated with DXI owned assets and operations, and to monitor that controls are effectively implemented – Dexus use scenario analysis to understand the broad range of climate-related issues that may impact the business and focus on enhancing the resilience of properties while implementing energy efficiency initiatives and renewable energy projects – DXI are committed to ensuring its operations provide quality jobs with the right conditions and collaborate with its suppliers to understand how it can contribute to upholding human rights across the supply chain, including addressing modern slavery
Compliance and regulatory Maintain appropriate governance and compliance practices to support oversight of, and compliance with, applicable laws and regulations	– Reputational damage – Conflicts of interest resulting in loss or reduced performance – Fines and sanctions impacting on business operations – Reduced investor sentiment (equity and debt) – Loss of broader community confidence – Increased compliance costs	– DXI's compliance monitoring program supports its comprehensive compliance policies and procedures that are regularly updated to ensure the business operates in accordance with regulatory expectations – Dexus employees and DXI service providers receive training on their compliance obligations and are encouraged to raise concerns where appropriate – Maintain grievance, complaints and whistleblower mechanisms for Dexus employees and DXI stakeholders to raise concerns safely, confidentially and anonymously – Risk-based internal audit program – Independent industry experts are appointed to undertake reviews where appropriate
Performance of manager Services and activities provided by the manager e.g. cyber and data security, third-party supplier management, people and culture	– Disruption to business impacting key stakeholder groups – Financial loss – Reputation damage – Breach of laws/regulations resulting in sanctions and fines – Decrease in business performance, agility and resilience	– Regular Board reporting including key risk, incident and breach updates – Regular monitoring of key metrics – Engagement with management to ensure visibility and oversight of key business activities and processes – Regular review and oversight of applicable business policies

Remuneration Report

No remuneration or director fees are paid out of the assets of any of the entities that comprise DXI. Further, there are no employees of DXI. The Independent Directors receive director fees from the Dexus Group. Ms Deborah Coakley (and Mr Brett Cameron as Ms Coakley's Alternate up until 17 July 2024) and Ms Melanie Bourke (and Mr Brett Cameron as Ms Bourke's Alternate effective 17 July 2024) receive remuneration as employees of Dexus Group. Please refer to the Remuneration Report included in the 2024 Dexus Annual Report which will be made available on the website www.dexus.com on or around 19 August 2024.

Please also refer to the Remuneration Report which forms part of the 2024 Director's Report for IC1. The IC1 report will be made available on the website www.dexus.com on or around 14 August 2024.

The remuneration for the Directors and key management personnel (KMP) is set out below:

Directors and KMP	
Jennifer Horrigan	Nil paid by DXI
Danielle Carter	Nil paid by DXI
Emily Smith	Nil paid by DXI
Jonathan Sweeney	Nil paid by DXI
Deborah Coakley[1]	Nil paid by DXI
Melanie Bourke[2]	Nil paid by DXI
Brett Cameron - Alternate Director[3]	Nil paid by DXI
Darren Steinberg, CEO of DXAM (KMP)[4]	Nil paid by DXI
Ross Du Vernet, CEO of DXAM (KMP)[5]	Nil paid by DXI

1 Resigned from the DXAM Board effective 17 July 2024.
2 Appointed as Executive Director effective 17 July 2024.
3 Ceased as alternate director for Deborah Coakley on 17 July 2024, and was appointed as alternate director for Melanie Bourke on 17 July 2024.
4 Resigned, effective 28 March 2024.
5 Appointed, effective 28 March 2024.

This report has been prepared and audited in accordance with section 308(3C) of the *Corporations Act 2001.*

Directors' directorships in other listed entities

The following table sets out directorships of other ASX listed entities (unless otherwise stated), not including DXAM and IC1, held by the Directors at any time in the three years immediately prior to the end of the year, and the period for which each directorship was held.

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

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

Principal activities

During the year, the principal activities of the Group were to own, manage and develop high quality industrial warehouses and business parks, and to invest in the operations of Jandakot airport and related infrastructure. The Group consists of four registered managed investment schemes and one public company domiciled in Australia which together form Dexus Industria REIT which is listed on the Australian Securities Exchange ("ASX") (ASX ticker: "DXI"). The parent entity of the Group is Industria Trust No. 1. The Group did not have any employees during the year.

Total value of Group assets

The total value of the assets of the Group as at 30 June 2024 was $1,378,441,000 (2023: $1,562,433,000). Details of the basis of this valuation are outlined in the Notes to the Consolidated Financial Statements and form part of this Directors' Report.

Likely developments and expected results of operations

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

Distributions

Distributions paid or payable by the Group for the year ended 30 June 2024 were 16.4 cents per security which amounted to $52,032,000 (2023: 16.4 cents per security, $52,032,000) as outlined in note 6 of the Notes to the Consolidated Financial Statements.

Interests in DXI securities

The movement in securities on issue in the Group during the year and the number of securities on issue as at 30 June 2024 are detailed in note 14 and form part of this Directors' Report.

The number of interests in the Group held by DXAM and its related entities at the end of the financial year is 60,128,451 securities (2023: 60,284,550 securities).

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

Environmental regulation

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

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

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

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

Indemnification and insurance

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

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

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

Auditor

Audit

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

Non-audit services

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

Details of the amounts paid or payable to the Auditor for audit and non-audit services provided during the year are set out in note 16.

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

The reasons for the Directors being satisfied are:

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

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 40 and forms part of this Directors' Report.

Corporate governance

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

Rounding of amounts and currency

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

Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Consolidated Financial Statements were authorised for issue by the Directors on 14 August 2024.

Jennifer Horrigan
Chair
14 August 2024

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Industria Trust No. 1 for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Industria Trust No. 1 and the entities it controlled during the period.

Samantha Johnson
Partner
PricewaterhouseCoopers

Sydney
14 August 2024

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue from ordinary activities			
Property revenue	2	**74,969**	75,075
Total revenue from ordinary activities		**74,969**	75,075
Other income			
Interest revenue		**253**	96
Share of net profit of investments accounted for using the equity method	8	**10,254**	28,940
Total other income		**10,507**	29,036
Total income		**85,476**	104,111
Expenses			
Property expenses	2	**(12,985)**	(13,812)
Management fee expense	18	**(6,204)**	(6,759)
Finance costs	3	**(12,483)**	(16,469)
Net fair value loss of investment properties	7(a)	**(58,875)**	(65,587)
Impairment of investments accounted for using the equity method	8(b)	**–**	(1,296)
Net fair value loss of derivatives	10(c)	**(6,570)**	(760)
Other expenses		**(1,563)**	(1,302)
Total expenses		**(98,680)**	(105,985)
Loss before tax		**(13,204)**	(1,874)
Income tax benefit	4(a)	**1,446**	2,142
(Loss)/profit for the year		**(11,758)**	268
(Loss)/profit for the year attributable to:			
Security holders of the parent entity		**(3,436)**	(6,414)
Security holders of other stapled entities (non-controlling interests)[1]		**(8,322)**	6,682
(Loss)/profit for the year		**(11,758)**	268
Other comprehensive income for the year		**–**	–
Total comprehensive (loss)/income for the year		**(11,758)**	268
Total comprehensive income/(loss) for the year attributable to:			
Security holders of the parent entity		**(3,436)**	(6,414)
Security holders of other stapled entities (non-controlling interests)[1]		**(8,322)**	6,682
Total comprehensive (loss)/income for the year		**(11,758)**	268
		Cents	Cents
Earnings per stapled security on profit/(loss) attributable to security holders of the Trust (parent entity)			
Basic earnings per security	5	**(1.08)**	(2.02)
Diluted earnings per security	5	**(1.08)**	(2.02)
Earnings per stapled security on profit/(loss) attributable to security holders of other stapled entities[1]			
Basic earnings per security	5	**(2.62)**	2.11
Diluted earnings per security	5	**(2.62)**	2.11

1 Non-controlling interests represent the profit/(loss) and total comprehensive income/(loss) for the year attributable to Industria Trust No. 2 (IT2), Industria Trust No. 3 (IT3), Industria Trust No. 4 (IT4) and Industria Company No. 1 Limited (IC1).

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	15(a)	**4,494**	5,514
Receivables	15(b)	**6,384**	5,325
Non-current assets classified as held for sale	9	**–**	89,775
Derivative financial instruments	10(c)	**4,252**	7,160
Other current assets	15(c)	**2,700**	2,998
Total current assets		**17,830**	110,772
Non-current assets			
Investment properties	7	**964,342**	1,054,377
Investments accounted for using the equity method	8	**394,901**	391,733
Derivative financial instruments	10(c)	**1,154**	4,908
Other non-current assets	15(c)	**214**	643
Total non-current assets		**1,360,611**	1,451,661
Total assets		**1,378,441**	1,562,433
Current liabilities			
Payables	15(d)	**14,162**	19,734
Provisions	15(e)	**13,568**	13,838
Lease liabilities	12	**455**	384
Current tax liabilities		**551**	244
Total current liabilities		**28,736**	34,200
Non-current liabilities			
Payables	15(d)	**670**	1,459
Derivative financial instruments	10(c)	**159**	251
Lease liabilities	12	**39,386**	37,993
Interest bearing liabilities	11	**262,967**	376,034
Deferred tax liabilities	4(c)	**8,546**	10,729
Total non-current liabilities		**311,728**	426,466
Total liabilities		**340,464**	460,666
Net assets		**1,037,977**	1,101,767
Equity			
Equity attributable to security holders of the Trust (parent entity)			
Contributed equity	14	**594,296**	594,296
Retained profits		**200,188**	249,882
Parent entity security holders' interest		**794,484**	844,178
Equity attributable to security holders of other stapled entities (non-controlling interests)[1]			
Contributed equity	14	**198,402**	198,402
Retained profits		**45,091**	59,187
Other stapled security holders' interest		**243,493**	257,589
Total equity		**1,037,977**	1,101,767

1 Non-controlling interests represent the net assets attributable to Industria Trust No. 2 (IT2), Industria Trust No. 3 (IT3), Industria Trust No. 4 (IT4) and Industria Company No. 1 Limited (IC1).

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

		Attributable to security holders of the Trust (parent entity)			Attributable to security holders of other stapled entities[1]			
	Note	Contributed equity $'000	Retained profits $'000	Total $'000	Contributed equity $'000	Retained profits $'000	Total $'000	Total equity $'000
Opening balance as at 1 July 2022		594,296	303,300	897,596	198,402	57,533	255,935	1,153,531
Net (loss)/profit for the year		–	(6,414)	(6,414)	–	6,682	6,682	268
Other comprehensive income/(loss) for the year		–	–	–	–	–	–	–
Total comprehensive (loss)/income for the year		–	(6,414)	(6,414)	–	6,682	6,682	268
Distributions paid or payable	6	–	(47,004)	(47,004)	–	(5,028)	(5,028)	(52,032)
Total transactions with owners in their capacity as owners		–	(47,004)	(47,004)	–	(5,028)	(5,028)	(52,032)
Closing balance as at 30 June 2023		594,296	249,882	844,178	198,402	59,187	257,589	1,101,767
Opening balance as at 1 July 2023		**594,296**	**249,882**	**844,178**	**198,402**	**59,187**	**257,589**	**1,101,767**
Net profit/(loss) for the year		**–**	**(3,436)**	**(3,436)**	**–**	**(8,322)**	**(8,322)**	**(11,758)**
Other comprehensive income/(loss) for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(loss) for the year		**–**	**(3,436)**	**(3,436)**	**–**	**(8,322)**	**(8,322)**	**(11,758)**
Distributions paid or payable	**6**	**–**	**(46,258)**	**(46,258)**	**–**	**(5,774)**	**(5,774)**	**(52,032)**
Total transactions with owners in their capacity as owners		**–**	**(46,258)**	**(46,258)**	**–**	**(5,774)**	**(5,774)**	**(52,032)**
Closing balance as at 30 June 2024		**594,296**	**200,188**	**794,484**	**198,402**	**45,091**	**243,493**	**1,037,977**

1 Non-controlling interests represent the equity attributable to Industria Trust No. 2 (IT2), Industria Trust No. 3 (IT3), Industria Trust No. 4 (IT4) and Industria Company No. 1 Limited (IC1).

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**81,548**	83,064
Payments in the course of operations (inclusive of GST)		**(31,652)**	(32,181)
Interest received		**253**	96
Finance costs paid		**(12,094)**	(14,682)
Income tax paid		**(430)**	(451)
Distributions received from investments accounted for using the equity method		**21,250**	22,390
Net cash inflow from operating activities	17	**58,875**	58,236
Cash flows from investing activities			
Proceeds from sale of investment properties		**129,802**	158,700
Payments for capital expenditure on investment properties		**(8,273)**	(3,144)
Payments for investments accounted for using the equity method		**(15,457)**	(58,984)
Net cash inflow from investing activities		**106,072**	96,572
Cash flows from financing activities			
Proceeds from borrowings		**148,000**	379,250
Repayment of borrowings		**(261,250)**	(480,500)
Borrowing costs paid		**(329)**	(524)
Payment of lease liabilities		**(356)**	(357)
Distributions paid to security holders		**(52,032)**	(52,746)
Net cash outflow from financing activities		**(165,967)**	(154,877)
Net decrease in cash and cash equivalents		**(1,020)**	(69)
Cash and cash equivalents at the beginning of the year		**5,514**	5,583
Cash and cash equivalents at the end of the year		**4,494**	5,514

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

Notes to the Consolidated Financial Statements

In this section

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

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

Basis of preparation

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

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

In the current year, Right-of-use assets have been reclassified for presentation purposes to Investment properties, with comparative information reclassified accordingly:

- 1 July 2022 Non-current assets, Right-of-use assets to Investment properties: $39,069,000;
- 30 June 2023 Non-current assets, Right-of-use assets to Investment properties: $38,377,000.
- Year ended 30 June 2023 Expenses, Net fair value loss of right-of-use assets to Net fair value loss of investment properties: $1,217,000

This change has no net impact on profit or loss, equity or cash flows and has been reclassified for enhanced clarity and consistency within the Consolidated Financial Statements.

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

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

- Investment properties;
- Investment properties within equity accounted investments;
- Non-current assets classified as held for sale; and
- Derivative financial instruments.

DXI stapled securities are quoted on the Australian Securities Exchange under the "DXI" code and comprise one unit in each of IT1, IT2, IT3, IT4 and one share in IC1. In accordance with Australian Accounting Standards, the entities within the Group must be consolidated for financial reporting purposes. IT1 is the parent entity and deemed acquirer of IT2, IT3, IT4 and IC1. These Consolidated Financial Statements therefore represent the consolidated results of DXI and include IT1, IT2, IT3, IT4, IC1 and their respective controlled entities. All entities within the Group are for-profit entities.

Equity attributable to other entities stapled to IT1 is a form of non-controlling interest and represents the equity of IT2, IT3, IT4 and IC1. The amount of non-controlling interests attributable to stapled security holders is disclosed in the Consolidated Statement of Financial Position.

Each entity forming part of the Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards. Dexus Asset Management Limited (DXAM) as Responsible Entity for IT1, IT2, IT3, IT4 and as Manager for IC1 may only unstaple the Group if approval is obtained by a special resolution of the stapled security holders.

Net current asset deficiency

As at 30 June 2024, the Group had a net current asset deficiency of $10,906,000 (2023: surplus of $76,572,000). This is primarily due to the distributions payable to stapled security holders of $13,008,000.

Capital risk management is not managed at the individual entity level, but rather holistically as part of the Group. This is done through a centralised treasury function which ensures that entities within the Group will be able to continue as a going concern.

The Group has in place both external and internal funding arrangements to support the cash flow requirements of the Group, including undrawn facilities of $99,000,000 (2023: $57,000,000).

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

Critical accounting estimates

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

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

- Investment properties;
- Investment properties within equity accounted investments; and
- Derivative financial instruments.

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

Climate change

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

Principles of consolidation

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

a. Controlled entities

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

b. Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

Joint operations

Where assets are held directly as tenants in common, the Group's proportionate share of revenues, expenses, assets and liabilities are included in their respective items of the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.

Joint ventures

Investments in joint ventures are accounted for using the equity method. Under this method, the Group's share of the joint ventures' post-acquisition profits or losses are recognised in the Consolidated Statement of Comprehensive Income and distributions received from joint ventures are recognised as a reduction of the carrying amount of the investment.

Goods and services tax

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

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

The Notes are organised into the following sections:

Group performance	Property portfolio assets	Capital and financial risk management and working capital	Other disclosures
1. Operating segments	7. Investment properties	10. Capital and financial risk management	16. Audit, taxation and transaction service fees
2. Property revenue and expenses	8. Investments accounted for using the equity method	11. Interest bearing liabilities	17. Cash flow information
3. Finance costs	9. Non-current assets classified as held for sale	12. Lease liabilities	18. Related parties
4. Taxation		13. Commitments and contingencies	19. Controlled entities
5. Earnings per security		14. Contributed equity	20. Parent entity disclosures
6. Distributions paid and payable		15. Working capital	21. Subsequent events

Group performance

In this section

This section explains the results and performance of the Group.

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

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

Note 1 Operating segments

The Group derives its income from investment in properties located in Australia and is deemed to have two operating segments which is consistent with the reporting reviewed by the chief operating decision makers. The Directors consider the Property Council of Australia's (PCA) definition of Funds from Operations (FFO) to be a measure that reflects the underlying performance of the Group. A reconciliation of the Group's FFO (including the Group's share of FFO from equity accounted investments) to net profit for the year is tabled below:

	Direct investments		Joint ventures[1]		Total portfolio	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Segment performance measures						
Property revenue	**71,718**	77,623	**30,341**	27,157	**102,059**	104,780
Property expenses	**(13,641)**	(14,993)	**(7,282)**	(6,363)	**(20,923)**	(21,356)
Property FFO	**58,077**	62,630	**23,059**	20,794	**81,136**	83,424
Management fees	**(6,204)**	(6,759)	**(2,125)**	(1,971)	**(8,329)**	(8,730)
Net finance costs	**(10,824)**	(14,334)	**(4,167)**	(3,646)	**(14,991)**	(17,980)
Tax expense	**(737)**	(696)	**(1,313)**	(1,016)	**(2,050)**	(1,712)
Other net (expense)/income	**(1,563)**	(1,302)	**1,078**	679	**(485)**	(623)
FFO	**38,749**	39,539	**16,532**	14,840	**55,281**	54,379
Net fair value gain/(loss) of investment properties	**(58,875)**	(65,587)	**(9,692)**	17,739	**(68,567)**	(47,848)
Net fair value gain/(loss) of derivatives	**(6,570)**	(760)	**(2,227)**	(14)	**(8,797)**	(774)
Impairment of investments accounted for using the equity method	**–**	(1,296)	**–**	–	**–**	(1,296)
Incentive amortisation	**(5,575)**	(5,201)	**(426)**	(114)	**(6,001)**	(5,315)
Rent straight-line	**3,100**	2,528	**455**	432	**3,555**	2,960
Debt modification (expense)/income	**(12)**	(696)	**968**	–	**956**	(696)
Rental guarantees, coupon income and other[2]	**4,988**	(37)	**4,875**	(1,213)	**9,863**	(1,250)
Non-FFO tax benefit/(expense)	**2,183**	2,838	**(231)**	(2,730)	**1,952**	108
(Loss)/profit for the period	**(22,012)**	(28,672)	**10,254**	28,940	**(11,758)**	268
Investment properties[3]	**924,501**	1,016,000	**–**	–	**924,501**	1,016,000
Investments accounted for using the equity method	**–**	–	**460,278**	452,044	**460,278**	452,044
Non-current assets classified as held for sale	**–**	89,775	**–**	–	**–**	89,775
Property portfolio[4]	**924,501**	1,105,775	**460,278**	452,044	**1,384,779**	1,557,819
Finance lease receivable[5]	**–**	–	**64,213**	60,098	**64,213**	60,098
Investment portfolio	**924,501**	1,105,775	**524,491**	512,142	**1,448,992**	1,617,917

1 Includes investment in Jandakot City Holdings Trust (JCHT), Jandakot Airport Holdings Trust (JAHT), Dexus Moorebank Trust and Dexus Mamre Road Trust. Refer note 8 *Investments accounted for using the equity method* for further detail.
2 2024: Includes $11,508,000 of surrender income received in relation to the divestment of 32-40 Garden Street, Kilsyth, Victoria and tenant departure at Jandakot Airport and industrial precinct, Perth.
3 Excludes directly held Leased assets. Refer note 7 *Investment properties* for further detail.
4 Represents look-through portfolio, including directly held investment properties, non-current assets held for sale and the Group's interests in investment properties held through equity accounted investments.
5 Represents the Group's ownership interest in assets within JAHT that derive ground lease property revenue.

Note 2 Property revenue and expenses

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

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

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

	2024 $'000	2023 $'000
Rental income	**63,314**	67,095
Outgoings and direct recoveries	**6,317**	6,921
Services revenue	**4,245**	5,527
Embedded network income[1]	**580**	247
Incentive amortisation	**(4,582)**	(4,715)
Other revenue[2]	**5,095**	–
Total property revenue	**74,969**	75,075

1 Embedded network income represents the net of $1,341,000 (2023: $1,294,000) of electricity service revenue and $761,000 (2023: $1,047,000) of electricity expenses.
2 Includes one off surrender income of $5,000,000 in connection with the sale of 32-40 Garden Street, Kilsyth.

Property expenses

Property expenses include:

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

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

	2024 $'000	2023 $'000
Recoverable outgoings and direct recoveries	**10,896**	12,941
Other non-recoverable property expenses	**2,089**	871
Total property expenses	**12,985**	13,812

Note 3 Finance costs

Finance costs include:

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

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

	2024 $'000	2023 $'000
Interest paid/payable[1]	**17,580**	17,722
Amortisation of borrowing costs	**500**	1,183
Debt modifications	**12**	696
Interest expense on lease liability	**1,394**	1,343
Realised gain on interest rate derivatives	**(7,003)**	(4,475)
Total finance costs	**12,483**	16,469

1 Includes $2,507,000 (2023: $3,342,000) of line fees expensed during the year.

Note 4 Taxation

Industria Company No.1 Limited

Income tax on the profit or loss for the financial year comprises current and deferred tax for IC1 (the "Company"), a stapled entity of DXI. Income tax is recognised in the Consolidated Statement of Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for taxation purposes.

The following temporary differences are not provided for: goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of the deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount or assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax is recognised as an expense or income in the Consolidated Statement of Comprehensive Income.

Income taxes relating to items recognised directly in other comprehensive income or equity are recognised in other comprehensive income or equity and not in the Consolidated Statement of Comprehensive Income.

Industria Company No.1 Limited - tax consolidation

The Company and its controlled entities are a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is IC1. The members of the tax-consolidated group are identified in note 19.

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, IC1 and each of the entities in the tax-consolidated group has agreed to pay/(or receive) a tax equivalent payment to/(or from) the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax-sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax-sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding agreement.

a. Income tax benefit

	2024 $'000	2023 $'000
Current income tax expense	**(737)**	(696)
Deferred income tax benefit	**2,183**	2,838
Total income tax benefit	**1,446**	2,142
Deferred income tax expense included in income tax benefit comprises:		
Increase/(decrease) in deferred tax assets	**81**	(61)
Decrease in deferred tax liabilities	**2,102**	2,899
Total deferred tax benefit	**2,183**	2,838

b. Reconciliation of income tax benefit to net profit/(loss)

	2024 $'000	2023 $'000
Loss before income tax	**(13,204)**	(1,874)
Less: Loss/(profit) attributed to entities not subject to tax	**9,132**	(1,671)
Loss subject to income tax	**(4,072)**	(3,545)
Prima facie tax benefit at the Australian tax rate of 30%	**1,222**	1,064
Over/(under) provision from previous period	**75**	929
Other	**149**	149
Income tax benefit	**1,446**	2,142

Note 4 Taxation (continued)

c. Deferred tax balances

	2024 $'000	2023 $'000
The balance comprises temporary differences attributable to:		
Provisions and accruals	**375**	302
Investment properties	**(9,203)**	(11,255)
Other	**282**	224
Net deferred tax liabilities	**(8,546)**	(10,729)

Note 5 Earnings per security

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

	2024	2023
Loss after tax ($'000) attributable to security holders of the Trust (parent entity)	**(3,436)**	(6,414)
Weighted average number of securities outstanding (thousands)	**317,270**	317,270
Basic and diluted earnings (cents per security)	**(1.08)**	(2.02)
(Loss)/profit after tax ($'000) attributable to security holders of other stapled entities	**(8,322)**	6,682
Weighted average number of securities outstanding (thousands)	**317,270**	317,270
Basic and diluted earnings (cents per security)	**(2.62)**	2.11

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

Note 6 Distributions paid and payable

Distributions are recognised when declared.

a. Distribution to security holders

	2024 $'000	2023 $'000
30 September (paid 9 November 2023)	**13,008**	13,008
31 December (paid 22 February 2024)	**13,008**	13,008
31 March (paid 16 May 2024)	**13,008**	13,008
30 June (payable 22 August 2024)	**13,008**	13,008
Total distribution to security holders[1]	**52,032**	52,032

b. Distribution rate

	2024 Cents per security	2023 Cents per security
30 September (paid 9 November 2023)	**4.100**	4.100
31 December (paid 22 February 2024)	**4.100**	4.100
31 March (paid 16 May 2024)	**4.100**	4.100
30 June (payable 22 August 2024)	**4.100**	4.100
Total distribution rate[1]	**16.400**	16.400

1 $2,982,000 dividends were declared/paid from IC1 for the year ended 30 June 2024 (2023: nil). Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%) are $2,741,000 (2023: $1,715,000).

Property portfolio assets

In this section

The following table summarises the property portfolio assets detailed in this section.

30 June 2024	Note	Leased assets $'000	Direct investments $'000	Joint ventures $'000	Total $'000
Investment properties	7	**39,841**	**924,501**	**–**	**964,342**
Investments accounted for using the equity method	8	**64,213**	**–**	**460,278**	**524,491**
Total		**104,054**	**924,501**	**460,278**	**1,488,833**

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

- **Investment properties** (note 7): relates to investment properties (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. The Group's interests in its joint venture property portfolio assets are held through investments in trusts.

Note 7 Investment properties

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

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

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

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

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

	2024 $'000	2023 $'000
Non-current		
Industrial and business park properties	**957,792**	1,051,527
Land held for development	**6,550**	2,850
Total	**964,342**	1,054,377

a. Reconciliation

	Note	Leased assets $'000	Direct investments $'000	2024 $'000	2023 $'000
Opening balance		**38,377**	**1,016,000**	**1,054,377**	1,358,519
Additions[1,2]		**–**	**4,136**	**4,136**	4,826
Remeasurement of leased assets during the period		**1,820**	**–**	**1,820**	525
Lease incentives		**–**	**5,419**	**5,419**	7,814
Amortisation of lease incentives		**–**	**(5,575)**	**(5,575)**	(5,201)
Rent straightlining		**–**	**3,100**	**3,100**	2,528
Disposals		**–**	**(40,060)**	**(40,060)**	(159,272)
Transfer to non-current assets classified as held for sale	9	**–**	**–**	**–**	(89,775)
Net fair value loss of investment properties [2]		**(356)**	**(58,519)**	**(58,875)**	(65,587)
Closing balance		**39,841**	**924,501**	**964,342**	1,054,377

1 Includes $3,451,000 (2023: $2,603,000) of maintenance capital expenditure incurred during the year.
2 Includes $878,000 of transaction costs associated with assets sold (2023: $2,459,000).

Note 7 Investment properties (continued)

Leased assets

The Group holds leasehold interests in a number of properties. Leasehold land that meets the definition of investment property under AASB 140 is measured at fair value and presented within Investment property. The leased asset is measured initially at an amount equal to the corresponding lease liability. Subsequent to initial recognition, the leased asset is recognised at fair value in the Consolidated Statement of Financial Position. Refer to note 12 for details of the lease liabilities.

In the current year, right-of-use assets associated with ground leases have been reclassified to investment properties. Please refer to Note 1 for details regarding the impact of this change in presentation on the comparative periods.

Disposals

Date	Property Name	Proceeds[1] $'000
15 January 2024	57-67 Mark Anthony Drive, South Dandenong, VIC	**13,500**
22 January 2024	32-40 Garden Street, Kilsyth VIC	**26,500**

1 Excludes transaction costs.

b. Valuation process

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

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

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

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

c. Sustainability valuation considerations

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

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

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

Note 7 Investment properties (continued)

d. 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. Refer to note 8 for details.

Class of property	Fair value hierarchy	Inputs used to measure fair value	Range of unobservable inputs 2024	2023
Industrial and business parks	Level 3	Adopted capitalisation rate	**5.25% - 8.00%**	4.50% - 7.75%
		Adopted discount rate	**6.25% - 8.25%**	6.00% - 8.00%
		Adopted terminal yield	**5.50% - 8.25%**	4.75% - 8.00%
		Net market rental (per sqm p.a)	**$88 - $801**	$84 - $765
Land held for development	Level 3	Sales price per sqm	**$250 - $1,199**	$260 - $1,272
Leased assets	Level 3	Adopted discount rate	**3.36% - 8.92%**	3.36% - 8.50%

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 business parks, 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 interest rate implicit in the lease or, if that rate cannot be readily determined, the relevant incremental borrowing rate.
- **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.
- **Sales price per sqm:** The market evidence is compared with the subject land to determine a value on a rate per square metre basis whilst considering the location, nature and condition of each property.

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

The elevated levels of economic uncertainty, coupled with a lack of recent comparable transactions in the market, 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(f), showing indicative movements in investment property valuations should certain significant unobservable inputs differ by reasonably possible amounts from those assumed in the valuations.

f. 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 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:

	2024 $'000	2023 $'000
A decrease of 25 basis points in the adopted capitalisation rate	**58,043**	65,554
An increase of 25 basis points in the adopted capitalisation rate	**(53,370)**	(59,731)
A decrease of 25 basis points in the adopted discount rate	**48,001**	53,498
An increase of 25 basis points in the adopted discount rate	**(44,760)**	(49,555)
A decrease of 5% in the net market rental (per sqm)	**(66,299)**	(67,241)
An increase of 5% in the net market rental (per sqm)	**66,299**	67,241

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.

Note 7 Investment properties (continued)

f. Sensitivity information (continued)

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

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 would offset the impact to fair value of a decrease (tightening) in the adopted terminal yield. A decrease (tightening) in the discount rate would 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.

The land held for development investment property asset is a non-income producing development valued using a direct comparison approach. There is a directly proportional impact between adopted sales price per sqm and fair value.

g. Investment properties pledged as security

Refer to note 11 for information on investment properties pledged as security.

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 Consolidated Financial Statements.

All entities were formed in Australia and their principal activity is property investment related in Australia.

	Ownership interest		Balance	
	2024	2023	2024	2023
Name of entity	%	%	$'000	$'000
Jandakot City Holdings Trust (JCHT)	**33.3**	33.3	**317,212**	316,769
Jandakot Airport Holdings Trust (JAHT)[1]	**68.0**	68.0	**51,551**	51,248
Dexus Moorebank Trust	**50.0**	50.0	**26,097**	22,683
Dexus Mamre Road Trust	**50.0**	50.0	**41**	1,033
Total assets - investments accounted for using the equity method[2]			**394,901**	391,733

1 Like other airports around Australia, firefighting foams containing per- and poly-fluorinated alkyl substances (PFAS) have historically been used at Jandakot Airport. Jandakot Airport continues to investigate, manage and monitor PFAS.

2 The Group's share of investment properties in the investments accounted for using the equity method was $524,491,000 (2023: $512,142,000). These investments are accounted for using the equity method as a result of contractual arrangements requiring unanimous decisions on all relevant matters.

b. Impairment assessment on Investments accounted for using the equity method

At each reporting date, management assess whether there is any indication of impairment to the carrying value of Investments accounted for using the equity method, which in certain instances may include notional goodwill recognised on acquisition. If an indicator of impairment is identified, the entire carrying amount of the investment is tested for impairment in accordance with AASB 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

No impairment losses were recognised during the year (2023: impairment losses of $1,296,000 were recognised).

c. Summarised financial information for individually material equity accounted investments

The following table provides summarised financial information for the joint ventures and associates accounted for using the equity method which, in the opinion of the Directors, are material to the Group. The information disclosed reflects the amounts presented in the Financial Statements of the relevant joint ventures and associates and not DXI's share of those amounts.

Note 8 Investments accounted for using the equity method (continued)

c. Summarised financial information for individually material equity accounted investments (continued)

	Jandakot City Holdings Trust (JCHT)		Jandakot Airport Holdings Trust (JAHT)		Other		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Statement of Financial Position								
Cash and cash equivalents	**17,988**	24,167	**264**	37	**1,887**	2,699	**20,139**	26,903
Other current assets	**2,417**	2,507	**–**	99	**55**	3,973	**2,472**	6,579
Investment properties	**1,458,592**	1,443,039	**–**	–	**58,500**	43,400	**1,517,092**	1,486,439
Investments accounted for using the equity method	**–**	–	**76,341**	75,184	**–**	–	**76,341**	75,184
Other non-current assets	**332**	338	**–**	–	**101**	115	**433**	453
Provisions	**(8,010)**	(8,832)	**(1,123)**	(245)	**(2,203)**	(598)	**(11,336)**	(9,675)
Current lease liabilities	**(6,721)**	(5,655)	**–**	–	**–**	–	**(6,721)**	(5,655)
Other current liabilities	**(9,314)**	(10,754)	**(226)**	(264)	**(6,064)**	(2,157)	**(15,604)**	(13,175)
Non-current lease liabilities	**(186,111)**	(174,818)	**–**	–	**–**	–	**(186,111)**	(174,818)
Interest bearing liabilities	**(316,585)**	(318,734)	**–**	–	**–**	–	**(316,585)**	(318,734)
Net assets	**952,588**	951,258	**75,256**	74,811	**52,276**	47,432	**1,080,120**	1,073,501
Reconciliation to carrying amounts:								
Opening balance at the beginning of the year	**316,769**	250,162	**51,248**	44,725	**23,716**	22,599	**391,733**	317,486
Additions	**11,104**	57,951	**780**	–	**3,573**	1,033	**15,457**	58,984
Profit/(loss) for the year	**7,282**	20,659	**3,153**	8,016	**(181)**	265	**10,254**	28,940
Distributions received/receivable	**(17,943)**	(10,707)	**(3,630)**	(1,493)	**(970)**	(181)	**(22,543)**	(12,381)
Impairment of investments accounted for using the equity method	**–**	(1,296)	**–**	–	**–**	–	**–**	(1,296)
Closing balance at the end of the year	**317,212**	316,769	**51,551**	51,248	**26,138**	23,716	**394,901**	391,733
Group's share in $'000	**317,212**	316,769	**51,174**	50,871	**26,138**	23,716	**394,524**	391,356
Notional goodwill	**–**	–	**377**	377	**–**	–	**377**	377
Group's carrying amount	**317,212**	316,769	**51,551**	51,248	**26,138**	23,716	**394,901**	391,733
Statement of Comprehensive Income								
Property revenue	**97,628**	69,816	**–**	–	**250**	749	**97,878**	70,565
Property revaluations	**(30,467)**	33,682	**–**	–	**(320)**	169	**(30,787)**	33,851
Interest revenue	**712**	503	**23**	5	**137**	74	**872**	582
Share of net profit of investments accounted for using the equity method	**–**	–	**5,385**	12,513	**–**	–	**5,385**	12,513
Property expenses	**(14,764)**	(11,910)	**–**	–	**(259)**	(463)	**(15,023)**	(12,373)
Finance costs	**(23,529)**	(22,744)	**–**	–	**–**	–	**(23,529)**	(22,744)
Other expenses	**(7,711)**	(7,308)	**(771)**	(730)	**(170)**	–	**(8,652)**	(8,038)
Net profit/(loss) for the year	**21,869**	62,039	**4,637**	11,788	**(362)**	529	**26,144**	74,356
Total comprehensive income/(loss) for the year	**21,869**	62,039	**4,637**	11,788	**(362)**	529	**26,144**	74,356

Note 9 Non-current assets classified as held for sale

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

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

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

At 30 June 2023, the balance related to 16-28 Quarry Road, Stapylton QLD and 3 & 4 Forbes Close, Knoxfield VIC.

Capital and financial risk management and working capital

In this section

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

Note 10 *Capital and financial risk management* outlines how DXI manages its exposure to a variety of financial risks (interest rate risk, liquidity risk and credit risk) and details the various derivative financial instruments entered into by the Group.

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

- **Debt:** *Interest bearing liabilities* in note 11, *Lease liabilities* in note 12, and *Commitments and contingencies* in note 13
- **Equity:** *Contributed equity* in note 14

Note 15 provides a breakdown of the working capital balances held in the Consolidated Statement of Financial Position.

Note 10 Capital and financial risk management

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

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

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

a. Capital risk management

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

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

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

The Group has a stated target gearing level of 30% to 40%. The table below details the calculation of the gearing ratio in accordance with its primary financial covenant requirements.

	2024 $'000	2023 $'000
Total interest bearing liabilities[1]	**266,000**	379,250
Total tangible assets[2]	**1,333,193**	1,511,989
Gearing ratio[3]	**20.0%**	25.1%
Gearing ratio (look through)[4]	**27.3%**	31.2%

1 Total interest bearing liabilities excludes deferred borrowing costs and debt modification amounts.
2 Total tangible assets comprise total assets less intangible (right-of-use) assets and derivatives.
3 Calculated as total interest bearing liabilities divided by total tangible assets.
4 The look-through gearing is adjusted for cash and debt in equity accounted investments and is not a financial covenant.

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

Note 10 Capital and financial risk management (continued)

a. Capital risk management (continued)

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

b. Financial risk management

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

- Interest rate risk
- Liquidity risk
- Credit risk

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

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

i. Market risk

Interest rate risk

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

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

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

As at 30 June 2024, 74% (2023: 77%) of the Group's debt was hedged, including debt in investments accounted for using the equity method. The average hedged percentage for the financial year was 84% (2023: 68%).

Interest rate derivatives require settlement of net interest receivable or payable generally each 30 or 90 days. The settlement dates coincide with the dates on which the interest is payable on the underlying debt. The receivable and payable legs on interest rate derivative contracts are settled on a net basis. The Group's average notional amount of interest rate derivatives in place in each year and the weighted average effective hedge rate including interest rate derivatives within investments accounted for using the equity method is set out below:

	June 2025 $'000	June 2026 $'000	June 2027 $'000	June 2028 $'000	June 2029 $'000
Interest rate derivatives	299,167	206,250	101,944	50,000	–
Hedge rate (%)	**2.19%**	**2.74%**	**3.65%**	**4.00%**	**–%**

Sensitivity analysis on interest expense

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

	2024 $'000	2023 $'000
+/- 1.00% (100 basis points)	**718**	1,772
Total	**718**	1,772

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

Note 10 Capital and financial risk management (continued)

b. Financial risk management (continued)

i. Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis on fair value of interest rate derivatives

The sensitivity analysis on the Group's interest rate derivatives including derivatives within investments accounted for using the equity method below, shows the effect on net profit or loss of changes in the fair value of interest rate derivatives for a 100 basis point movement in market interest rates. The sensitivity on fair value arises from the impact that changes in market rates will have on the valuation of the interest rate derivatives.

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

	2024 $'000	2023 $'000
+/- 1.00% (100 basis points)	**5,799**	8,732
Total	**5,799**	8,732

ii. Liquidity risk

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

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

Refinancing risk

Refinancing risk is the risk that the Group:

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

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

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

	2024				2023			
	Within one year $'000	Between one and two years $'000	Between two and five years $'000	After five years $'000	Within one year $'000	Between one and two years $'000	Between two and five years $'000	After five years $'000
Payables	**14,162**	**574**	**96**	**–**	19,734	789	670	–
Provisions	**13,568**	**–**	**–**	**–**	13,838	–	–	–
Lease liabilities	**1,838**	**1,899**	**6,063**	**51,527**	1,716	1,751	5,610	51,127
Interest bearing liabilities	**17,623**	**67,177**	**221,022**	**–**	20,606	114,652	356,454	–

Note 10 Capital and financial risk management (continued)

b. Financial risk management (continued)

iii. Credit risk

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

The Group manages this risk by:

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

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

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

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

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

iv. Fair value

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

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

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

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

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

All investment properties, including those held within investments accounted for using the equity method were appropriately measured at Level 3 for the periods presented in this report.

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

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

Critical accounting estimates: fair value of derivatives

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

v. Offsetting financial assets and financial liabilities

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

Note 10 Capital and financial risk management (continued)

c. Derivative financial instruments

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

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

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

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

	2024 $'000	2023 $'000
Current assets		
Interest rate derivative contracts	**4,252**	7,160
Total current assets - derivative financial instruments	**4,252**	7,160
Non-current assets		
Interest rate derivative contracts	**1,154**	4,908
Total non-current assets - derivative financial instruments	**1,154**	4,908
Current liabilities		
Interest rate derivative contracts	**–**	–
Total current liabilities - derivative financial instruments	**–**	–
Non-current liabilities		
Interest rate derivative contracts	**159**	251
Total non-current liabilities - derivative financial instruments	**159**	251
Net derivative financial instruments	**5,247**	11,817

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

	2024 $'000	2023 $'000
Net fair value loss of derivatives		
Interest rate derivative contracts	**(6,570)**	(760)
Total net fair value loss of derivatives	**(6,570)**	(760)

Note 11 Interest bearing liabilities

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

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

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

Note 11 Interest bearing liabilities (continued)

The following table summarises the Group's financing arrangements:

	2024 $'000	2023 $'000
Non-current		
Secured		
Bank loans (net of debt modification)	**264,122**	377,360
Capitalised borrowing cost	**(1,155)**	(1,326)
Total secured	**262,967**	376,034
Total non-current liabilities - interest bearing liabilities	**262,967**	376,034

Financing arrangements

The Group has the following revolving cash advance facilities with three banks.

	2024 $'000	2023 $'000
Loan facility limit	**365,000**	436,250
Amount drawn at balance date	**(266,000)**	(379,250)
Amount undrawn at balance date	**99,000**	57,000

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

Maturity Date	Facility limit $'000
Jul-25 to Jun-26	56,250
Jul-26 to Jun-27	183,750
Jul-27 to Jun-28	50,000
Jul-28 to Jun-29	75,000
Total	**365,000**

The revolving cash advance facilities are secured and cross collateralised over the Group's investment properties (by first registered real property mortgages) and other assets (via a first ranking general "all assets" security agreement), maturing between November 2025 and June 2029 with a weighted average maturity of June 2027.

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

		2024	2023
Loan to Value Ratio ("LVR")	At all times, LVR does not exceed 55%	**27.9%**	33.6%
Gearing Ratio	At all times, gearing ratio does not exceed 55%	**20.0%**	25.1%
Net Rental Income to Interest Costs Ratio	At all times, the net rental income to interest costs ratio under the facility does not fall below 2.0 times	**6.9 times**	5.4 times[1]
Weighted Average Lease Length to Expiry ("WALE")	WALE for the portfolio will be greater than 2.5 years	**6.0 years**	6.1 years

1 Updated (from 4.5 times) to reflect distributions received from equity accounted investments.

Note 12 Lease liabilities

Under AASB 16 *Leases*, as a lessee, the Group recognises a right-of-use asset and lease liability on the Consolidated Statement of Financial Position for all material leases.

The Group recognises a right-of-use asset and lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at fair value.

The initial cost of the right-of-use asset includes:

- The amount of initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs
- Make good costs

Right-of-use assets are depreciated on a straight line basis from the commencement date of the lease to the earlier of the end of the useful life of the asset or the end of the lease term, unless they meet the definition of an investment property.

The Group tests all right-of-use assets for impairment where there is an indicator that the asset may be impaired. If an impairment exists, the carrying amount of the asset is written down to its recoverable amount as per the requirements of AASB 136 *Impairment of Assets*.

The ground leases at 140 Sharps Road, Tullamarine VIC and 5, 5B, 18-20, 20-22 Butler Boulevard, Adelaide Airport SA meet the definition of investment property under AASB 140 *Investment Property*.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The weighted rate applied was 3.5%. Variable lease payments that depend on an index or rate are included in the lease liability, measured using the index or rate as at the date of lease commencement.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The liability is remeasured when there is a change in future lease payments arising from a change in index or rate or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. Interest costs and variable lease payments not included in the initial measurement of the lease liability are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate.

The Group has applied judgement to determine the lease term for contracts which include renewal and termination options. The Group's assessment considered the facts and circumstances that create an economic incentive to exercise a renewal option or not to exercise a termination option.

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

	2024 $'000	2023 $'000
Opening balance	**38,377**	38,175
Remeasurement of lease liabilities during the year	**1,820**	525
Lease payments	**(1,750)**	(1,666)
Interest expense on lease liabilities	**1,394**	1,343
Closing balance	**39,841**	38,377
Attributable to:		
Current lease liabilities	**455**	384
Non-current lease liabilities	**39,386**	37,993
Total lease liabilities at balance date	**39,841**	38,377

Note 13 Commitments and contingencies

a. Commitments

Capital commitments

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

	2024 $'000	2023 $'000
Investment properties	**738**	1,098
Investments accounted for using the equity method	**18,090**	11,913
Total capital commitments	**18,828**	13,011

Lease receivable commitments

The future minimum lease payments receivable by the Group are:

	2024 $'000	2023 $'000
Within one year	**53,969**	57,848
Later than one year but not more than five years	**176,831**	197,599
Later than five years	**161,347**	207,118
Total lease receivable commitments	**392,147**	462,565

b. Contingencies

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

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

Note 14 Contributed equity

	2024 No. of securities	2023 No. of securities
Opening balance	**317,269,912**	317,270,012
Buy-back of contributed equity	**(1)**	(100)
Closing balance	**317,269,911**	317,269,912

During the 12 months to 30 June 2024, 1 DXI stapled security was acquired and cancelled (2023: 100 DXI stapled securities were acquired and cancelled) representing 0.00% of DXI stapled securities on issue (2023: 0.00%).

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

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

Note 15 Working capital

a. Cash and cash equivalents

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

b. Receivables

Rental income is brought to account on an accrual basis. Dividends and distributions are recognised when declared and, if not received at the end of the reporting period, reflected in the Consolidated Statement of Financial Position as a receivable.

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

Note 15 Working capital (continued)

b. Receivables (continued)

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

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

In relation to distributions receivable, an assessment has been performed taking into consideration the ability of the Trusts in which the Group holds an equity accounted interest to cash-settle their distributions.

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

	2024 $'000	2023 $'000
Rent receivable[1]	**920**	1,013
Less: provision for expected credit losses	**(114)**	(200)
Total rent receivables	**806**	813
Distributions receivable	**4,696**	3,403
Other receivables	**882**	1,109
Total other receivables	**5,578**	4,512
Total receivables	**6,384**	5,325

1 Rent receivable includes outgoings recoveries.

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

Days outstanding	2024 $'000	2023 $'000
0-30 days	**59**	8
31-60 days	**7**	8
61-90 days	**12**	6
91+ days	**36**	178
Total provision for expected credit losses	**114**	200

As at 30 June 2024, the Group had no provision for expected credit losses for distributions receivable and other receivables (2023: nil).

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

	2024 $'000	2023 $'000
Opening balance	**200**	451
Bad debt written off	**(55)**	(47)
Provision recognised / (reversed) in profit or loss during the year	**(31)**	(204)
Closing balance	**114**	200

As at 30 June 2024, rent receivable of $55,000 was written off (2023: $47,000) and expensed in the Consolidated Statement of Comprehensive Income.

Note 15 Working capital (continued)

c. Other assets

	2024 $'000	2023 $'000
Current		
Prepayments	**1,371**	1,229
Security deposits received from tenants	**769**	925
Other assets[1]	**560**	844
Total other current assets	**2,700**	2,998
Non-current		
Other assets	**214**	643
Total other non-current assets	**214**	643

1 Other current assets includes $560,000 (2023: $830,000) of land tax. Refer to note 15(e) for details.

d. Payables

	2024 $'000	2023 $'000
Current		
Trade payables	**651**	592
Accruals and other creditors	**8,900**	13,104
Prepaid income	**3,348**	4,631
Security deposits received from tenants	**769**	971
GST payable	**494**	436
Total current payables	**14,162**	19,734
Non-current		
Other creditors	**670**	1,459
Total non-current payables	**670**	1,459

e. Provisions

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

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

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

	2024 $'000	2023 $'000
Provision for distribution	**13,008**	13,008
Provision for land tax	**560**	830
Total current provisions	**13,568**	13,838

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

	2024 $'000	2023 $'000
Provision for distribution		
Opening balance at the beginning of the year	**13,008**	13,722
Additional provisions	**52,032**	52,032
Payment of distributions	**(52,032)**	(52,746)
Closing balance at the end of the year	**13,008**	13,008

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

Other disclosures

In this section

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

Note 16 Audit, taxation and transaction service fees

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

	2024 $	2023 $
Audit and review services		
Auditors of the Group – PwC		
Financial Statement audit and review services	**180,652**	239,093
Audit and review fees paid to PwC	**180,652**	239,093
Assurance services		
Auditors of the Group – PwC		
Outgoings audit	**36,400**	36,800
Compliance assurance services	**21,040**	20,232
Assurance fees paid to PwC	**57,440**	57,032
Total audit, review and assurance fees paid to PwC	**238,092**	296,125
Other services		
Auditors of the Group – PwC		
Taxation services	**31,366**	67,508
Other services fees paid to PwC	**31,366**	67,508
Total audit, review, assurance and other services fees paid to PwC	**269,458**	363,633

Note 17 Cash flow information

a. Reconciliation of cash flows from operating activities

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

	2024 $'000	2023 $'000
Net (loss)/profit for the year	**(11,758)**	268
Straight line lease revenue recognition	**(3,100)**	(2,528)
Amortisation of borrowing costs	**500**	1,183
Debt modifications	**12**	696
Impairment of investments accounted for using the equity method	**–**	1,296
Amortisation of incentives	**5,575**	5,201
Net fair value (gain)/loss of derivatives	**6,570**	760
Net fair value (gain)/loss of investment properties	**58,875**	65,587
Share of net (profit)/loss of investments accounted for using the equity method	**(10,254)**	(28,940)
Distributions received from investments accounted for using the equity method	**21,250**	22,390
Change in operating assets and liabilities	**(8,795)**	(7,677)
Net cash inflow from operating activities	**58,875**	58,236

b. Net debt reconciliation

	2024 $'000	2023 $'000
Opening balance	**376,034**	475,929
Changes from financing cash flows		
Proceeds from borrowings	**148,000**	379,250
Repayment of borrowings	**(261,250)**	(480,500)
Additional capitalised borrowing costs paid	**(329)**	(524)
Non-cash changes		
Amortisation of borrowing costs	**500**	1,183
Debt modification	**12**	696
Closing balance	**262,967**	376,034

Note 18 Related parties

Transactions with key management personnel

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

Transactions with the Responsible Entity and related body corporate

The Responsible Entity and/or Manager of the stapled entities that form DXI is DXAM. Dexus PG Limited (DXPG) (ACN 109 846 068), the immediate parent entity of DXAM, and its controlled entities are wholly owned subsidiaries of Dexus. Accordingly, transactions with entities related to DXPG are disclosed below:

	2024		2023	
	Paid $'000	Payable $'000	Paid $'000	Payable $'000
Management fees[1]	**4,742**	**1,462**	5,088	1,671
Property management and leasing fees[2]	**1,250**	**537**	–	2,034
Total[3]	**5,992**	**1,999**	5,088	3,705

1 DXAM is entitled to a base management fee of 0.55% per annum of the Gross Asset Value of the Group (reducing to 0.50% p.a. of Gross Asset Value in excess of $750m and 0.45% p.a. of Gross Asset Value in excess of $1,500m). Management fees are allocated to the entities comprising DXI on a fair and reasonable basis and in accordance with each entity's Constitution.
2 DXAM is party to a property management agreement with Dexus Property Services Limited, a wholly owned subsidiary of Dexus. Under this agreement Dexus Property Services Limited is entitled to charge a fee of up to 2% of gross property income unless otherwise agreed.
3 DXI has investments in entities that are managed by subsidiaries wholly owned by Dexus. These investments also pay fees to Dexus that are not included within this note disclosure.

Security holdings and associated transactions with related parties

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

	2024		2023	
	Number of securities	Distributions $	Number of securities	Distributions $
Dexus Diversified Fund	**11,382,460**	**1,866,723**	11,382,460	1,866,723
APD Trust	**44,261,005**	**7,258,805**	44,261,005	7,258,805
Dexus AREIT Fund	**4,287,769**	**663,792**	3,657,216	599,783
Dexus Property for Income Fund	**–**	**40,328**	292,869	48,031
Dexus Property for Income Fund No.2	**–**	**11,400**	92,684	15,200
CFS Dexus AREIT Fund	**94,507**	**34,654**	521,693	85,558
Jennifer Horrigan	**43,260**	**6,832**	36,859	6,045
Danielle Carter[1]	**20,000**	**2,949**	15,964	1,309
Emily Smith	**10,450**	**1,714**	–	–
Jonathan Sweeney[1]	**29,000**	**4,330**	23,800	1,952
Total	**60,128,451**	**9,891,527**	60,284,550	9,883,406

1 Appointed, effective 17 October 2022.

As at 30 June 2024, 18.95% (30 June 2023: 19.00%) of DXI's stapled securities were held by related parties.

Note 19 Controlled entities

	Country of incorporation	Percentage owned %	
		2024	**2023**
Parent entity			
Industria Trust No.1	Australia		
Controlled entities of Industria Trust No.1			
South Park Investment Trust	Australia	**100**	100
West Park Investment Trust	Australia	**100**	100
Tullamarine Investment Trust	Australia	**100**	100
Kilsyth Investment Trust	Australia	**100**	100
West Park Investment Trust No. 2	Australia	**100**	100
Burbridge Investment Trust	Australia	**100**	100
Rhodes Investment Trust	Australia	**100**	100
West Park Investment Trust No. 3	Australia	**100**	100
Tomago Investment Trust	Australia	**100**	100
Kilsyth Investment Trust No. 2	Australia	**100**	100
Knoxfield Investment Trust	Australia	**100**	100
Knoxfield Investment Trust No. 2	Australia	**100**	100
Knoxfield Investment Trust No. 3	Australia	**100**	100
Cooper Investment Trust No. 1	Australia	**100**	100
Cooper Investment Trust No. 2	Australia	**100**	100
Rowville Investment Trust	Australia	**100**	100
Corio Investment Trust	Australia	**100**	100
ADI Victoria Trust No. 1	Australia	**100**	100
ADI Victoria Trust No. 2	Australia	**100**	100
ADI Victoria Trust No. 3	Australia	**100**	100
ADI Victoria Trust No. 4	Australia	**100**	100
Non-controlling interests			
Industria Trust No. 2	Australia	**–**	–
Industria Trust No. 3	Australia	**–**	–
APN Robinson Road Industrial Property Fund	Australia	**–**	–
APN Technology and Business Park Property Fund	Australia	**–**	–
Industria Finance Trust	Australia	**–**	–
APN Technology and Business Park Property Fund No. 1	Australia	**–**	–
Industria Trust No. 4	Australia	**–**	–
Industria Company No.1 Limited[1]	Australia	**–**	–
APN DF1 SPV1 (Qld) Pty Ltd[1]	Australia	**–**	–
APN DF1 SPV2 (Qld) Pty Ltd[1]	Australia	**–**	–
APN DF1 SPV3 (Qld) Pty Ltd[1]	Australia	**–**	–
McKechnie Drive Pty Ltd[1]	Australia	**–**	–
BTP Central Pty Ltd[1]	Australia	**–**	–

1 Entity forms part of the tax-consolidated group.

Industria Trust No. 2, Industria Trust No. 3 (and its controlled entities), Industria Trust No. 4 and Industria Company No. 1 Limited (and its controlled entities) were acquired through a stapling arrangement, and thus no ownership has been obtained. The financial results and financial position attributable to these entities are disclosed as 'non-controlling interests' in the Consolidated Financial Statements.

Note 20 Parent entity disclosures

The financial information for the parent entity of Industria Trust No. 1 has been prepared on the same basis as the Consolidated Financial Statements except as set out below.

Distributions received from associates are recognised in the parent entity's Statement of Comprehensive Income, rather than being deducted from the carrying amount of these investments.

Interests held by the parent entity in controlled entities are measured at fair value through profit and loss to reduce a measurement or recognition inconsistency.

a. Summary financial information

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

	2024 $'000	2023 $'000
Total current assets	**27**	142,573
Total assets	**953,695**	1,152,901
Total current liabilities	**11,598**	13,743
Total liabilities	**159,211**	308,723
Equity		
Contributed equity	**594,296**	594,296
Retained profits	**200,188**	249,882
Total equity	**794,484**	844,178
Net loss for the year	**(3,436)**	(6,414)
Total comprehensive loss for the year	**(3,436)**	(6,414)

b. Guarantees entered into by the parent entity

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

c. Contingent liabilities

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

d. Capital commitments

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

	2024 $'000	2023 $'000
Investments accounted for using the equity method	**13,083**	–
Total capital commitments	**13,083**	–

e. Going concern

The parent entity is a going concern. The parent entity recorded a net current asset deficiency of $11,571,000 as at 30 June 2024 (2023: surplus of $128,830,000). The Group has unutilised facilities of $99,000,000 (2023: $57,000,000) (refer to note 11) and sufficient working capital and cash flows in order to fund all of its requirements as at 30 June 2024 and sufficient working capital and cash flows in order to fund its debts as and when they become due and payable.

Note 21 Subsequent events

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

Directors' Declaration

The Directors of Dexus Asset Management Limited as Responsible Entity of Dexus Industria REIT declare that the Consolidated Financial Statements and Notes set out on pages 41 to 71:

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

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

In the Directors' opinion:

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

b. There are reasonable grounds to believe that the Industria Trust No. 1 will be able to pay its debts as and when they become due and payable.

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

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

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

Jennifer Horrigan
Chair
14 August 2024

Independent auditor's report

To the stapled security holders of Industria Trust No. 1

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Industria Trust No. 1 (the Trust) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

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

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

What we have audited

For the purposes of consolidation accounting, the Trust is the deemed parent entity and acquirer of Industria Trust No. 2 (IT2), Industria Trust No. 3 (IT3), Industria Trust No. 4 (IT4) and Industria Company No. 1 Limited (IC1). The financial report represents the consolidated financial results of the Trust and its controlled entities which includes IT2, IT3, IT4 and IC1.

The financial report comprises:

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

Basis for opinion

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

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

Independence

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

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Our audit approach

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

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

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

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties, including those investment properties in investments accounted for using the equity method *(Refer to notes 7 and 8)* The Group's investment property portfolio comprises: • Directly held properties included in the Consolidated Statement of Financial Position as Investment properties, valued at $964.3 million as at 30 June 2024 (2023: $1,054.4 million). • The Group's share of investment properties valued at $524.5 million at 30 June 2024 (2023: $512.1 million) held through investments in trusts included in the Consolidated Statement of Financial Position as Investments accounted for using the equity method.	To assess the fair value of investment properties, we performed the following procedures, amongst others: • Developed an understanding of the valuation policy and methodology used by the Group in determining the fair value of investment properties and assessed whether it was accordance with Australian Accounting Standards. • Developed an understanding of the control activities relevant to our audit and assessed whether they were appropriately designed and implemented.

Key audit matter	How our audit addressed the key audit matter
Investment properties are carried at fair value at reporting date using the Group's policy as described in Note 7. The value of investment properties is dependent on the valuation methodology adopted and the inputs and assumptions in the valuation models. Significant assumptions in establishing fair value include the: • Capitalisation rate, and • Discount rate. At each reporting period, the Group determines the fair value of its investment property portfolio in line with the Group's valuation policy, which requires all properties to be independently valued by a member of the Australian Property Institute of Valuers at least once every three years. It has been the Group's practice in the majority of cases to have such valuations performed every six months. We considered the valuation of investment properties to be a key audit matter due to the: • Financial significance of investment properties in the Consolidated Statement of Financial Position (including those within Investments accounted for using the equity method). • Potential for changes in the fair value of investment properties to have a significant effect on the Consolidated Statement of Comprehensive Income. • Inherently subjective nature of the significant assumptions that underpin the valuations given the impact of the uncertain economic environment on investment property valuations.	• Evaluated whether certain control activities relevant to our audit were operating effectively throughout the year using sampling methodology. • Assessed the scope, competence and objectivity of the internal and external valuation experts used by the Group to prepare the valuation models at the reporting date. • To develop an understanding of prevailing market conditions and their expected impact on the fair value of the Group's investment properties, we read relevant external valuation expert property market reports. • Agreed the adopted investment property fair values in the Group's accounting records to their respective valuation models. • For selected data inputs to the valuation models, on a sample basis we agreed relevant details to tenancy schedules. • Assessed the reasonableness of the disclosures against the requirements of Australian Accounting Standards. For a risk-based sample of investment properties we performed the following procedures, amongst others: • Tested the mathematical accuracy of the relevant valuation calculations. • Assessed the appropriateness of certain significant assumptions, with reference to market data and comparable transactions where relevant.

Other information

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

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of the Group for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The Directors are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Samantha Johnson
Partner

Sydney
14 August 2024

Investor information

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

140 Sharps Rd, Tullamarine VIC

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

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

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

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

DXI's Security Registrar

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

Annual General Meeting

Dexus Industria REIT's Annual General Meeting (AGM) will be held on Thursday 21 November 2024 commencing at 10.00am.

We are planning to host a hybrid AGM with an in-person meeting and utilising Link Market Services virtual online meeting platform for Security holders who cannot join us in Sydney.

We encourage all Security holders and proxy holders to participate in the AGM, either by attending the meeting in-person, or via a virtual online meeting platform or by a webcast at www.dexus.com/investor-centre.

Details relating to the meeting and how it will be conducted will be provided in the 2024 Notice of Annual General Meeting when it is released in October 2024.

Distribution payments

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

Unclaimed distribution income

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

AMMA Statement

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

Go electronic for convenience and speed

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

Investor communications

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

DXI's website

www.dexus.com/industria

Online enquiry

www.dexus.com/get-in-touch

Scroll down to the Dexus Listed Investor section to get in touch with us.

Investor login

https://www.linkmarketservices.com.au

Enables investors to update their details and download statements.

Subscribe for news

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

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

Key dates

Notifies investors on key events and reporting dates.

Calendar

Reporting calendar[1]

2024 General Meeting	21 November 2024
2025 Half year results	12 February 2025
2025 Annual results	13 August 2025
2025 General Meeting	20 November 2025

Distribution calendar[1]

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

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

Complaint handling process

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

Complaints Officer
Dexus Asset Management Limited

PO Box R1822
Royal Exchange NSW 1225

Phone: +612 9017 1100

Email: complaints@dexus.com

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

Australian Financial Complaints Authority Limited

GPO Box 3
Melbourne VIC 3001

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

Email: info@afca.org.au

Website: www.afca.org.au

Making contact

If you have any questions regarding your Security holding or wish to update your personal or distribution payment details, please contact the Registry by calling the DXI Infoline on +61 1800 819 675. This service is available from 8.30am to 5.30pm (Sydney time) on all business days.

All correspondence should be addressed to:

Dexus Industria REIT

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

Phone: +61 1800 819 675

Email: dexus@linkmarketservices.com.au

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

Investor Relations

Dexus Industria REIT
PO Box R1822
Royal Exchange NSW 1225

Email: ir@dexus.com

Additional information

Top 20 Security holders as at 31 July 2024

Rank	Name	No. of stapled securities	% of issued capital
1	Growthpoint Properties Australia Limited <RE GPAT A/C>	49,051,035	15.46
2	Perpetual Corporate Trust Ltd <APD A/C>	44,261,005	13.95
3	J P Morgan Nominees Australia Pty Ltd	35,757,544	11.27
4	HSBC Custody Nominees (Australia) Limited	34,261,516	10.80
5	Citicorp Nominees Pty Limited	22,238,124	7.01
6	Dexus Funds Management Limited <Dexus Diversified A/C>	11,382,460	3.59
7	BNP Paribus Noms Pty Ltd	6,447,004	2.03
8	Netwealth Investments Limited <Wrap Services A/C>	5,660,318	1.78
9	BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	4,565,480	1.44
10	National Nominees Limited	2,368,358	0.75
11	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	1,996,300	0.63
12	John E Gill Trading Pty Ltd	1,208,931	0.38
13	The CASS Foundation Limited	1,165,100	0.37
14	Netwealth Investments Limited <Wrap Services A/C>	1,013,318	0.32
15	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	940,857	0.30
16	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	679,579	0.21
17	Neweconomy Com AU Nominees Pty Limited <900 Account>	577,050	0.18
18	GEAT Incorporated <GEAT-Preservation-Fund A/C>	498,100	0.16
19	BNP Parbibas Noms (NZ) Ltd	492,736	0.16
20	Mandel Pty Ltd <Mandel Super Fund A/C>	435,000	0.14
Total Top 20		**224,999,815**	**70.92**
Balance of register		92,270,096	29.08
Total issued capital		**317,269,911**	**100**

Spread of securities at 31 July 2024

Range	Securities	No. of holders	%
100,001 and over	235,958,688	80	74.37
10,001 to 100,000	60,275,916	2,555	19.00
5,001 to 10,000	13,938,144	1,840	4.39
1,001 to 5,000	6,625,778	2,170	2.09
1 to 1,000	471,385	1,176	0.15
Total	**317,269,911**	**7,821**	**100**
Unmarketable parcels	6,775	335	n.a

Substantial Holder Notices as at 31 July 2024

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

Date	Name	Number of securities	% voting
21-Oct-21	Dexus Nominees Pty Limited and Dexus Funds Management Ltd as responsible entity for Dexus Diversified Trust	59,920,585	18.81
7-Oct-21	Growthpoint Properties Australia Limited in its own capacity and as responsible entity for Growthpoint Properties Australia Trust, Growthpoint Properties Limited of South Africa and related entities	46,305,185	16.04
19-Mar-21	Vanguard Group (the Vanguard Group, Inc and its controlled entities)	13,127,609	6.05

On-market buy back

Dexus Industria REIT announced an on-market securities buy-back program on 11 February 2022 for up to 5% of securities. The buy-back was extended for 12 months on 2 February 2023 and 31 January 2024. Throughout the year, DXI acquired 1 security for $2.89. As at the date of this report the buy-back program is still open.

Cost base apportionment

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

Date	Industria Trust No. 1	Industria Trust No. 2	Industria Trust No. 3	Industria Trust No. 4	Industria Company No. 1 Ltd
1 Jul 2023 to 31 Dec 2023	77.47%	3.67%	2.57%	0.72%	15.57%
1 Jan 2024 to 30 Jun 2024	76.55%	3.76%	2.38%	1.43%	15.88%

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

Class of securities

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

Voting rights

At meetings of the Security holders of Industria Company No. 1 Limited, and of Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4, together being the trusts that comprise the stapled group Dexus Industria REIT, on a poll each Security holder has one vote for each Security held.

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

Directory

Dexus Industria REIT

Industria Trust No. 1 ARSN 125 862 875
Industria Trust No. 2 ARSN 125 862 491
Industria Trust No. 3 ARSN 166 150 938
Industria Trust No. 4 ARSN 166 163 186
Industria Company No. 1 Ltd ACN 010 794 957

Responsible Entity

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

Directors of the Responsible Entity and Industria Company No. 1 Limited

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

Secretaries of the Responsible Entity and Industria Company No. 1 Limited

Brett Cameron
Scott Mahony

Manager

Dexus Asset Management Limited

Registered Office

Level 30, 50 Bridge Street
Sydney NSW 2000

T: +61 2 9017 1100

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

Auditors

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

Investor Enquiries

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

Security Registry

Link Market Services Limited
Level 12, 680 George Street

Locked Bag A14
Sydney South NSW 1235

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

E: dexus@linkmarketservices.com.au

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

Stock Exchange Listing

Dexus Industria REIT stapled securities are listed on the Australian Securities Exchange (ASX: DXI)

DXI | dexus