

Dexus (ASX: DXS)

ASX release



22 April 2021

2021 Extraordinary General Meeting

Dexus provides the presentation and Chair address for the Dexus Extraordinary General Meeting (EGM) which is being held today at Dexus Place, Level 5, 1 Margaret Street, Sydney commencing at 3.30pm (AEDT).

The meeting will be webcast and can be viewed at www.dexus.com

Authorised by the Board of Dexus Funds Management Limited.

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About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high-quality Australian property portfolio valued at \$32.1 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$16.5 billion of office and industrial properties. We manage a further \$15.6 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$11.4 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.6 million square metres of office workspace across 51 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 29,000 investors from 24 countries. With 36 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

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

2021 Extraordinary General Meeting



Good afternoon everyone and welcome to our 2021 Extraordinary General Meeting.

I'm Richard Sheppard, the Chair of the Board of Directors of Dexus Funds Management Limited. I would like to begin by acknowledging the Gadigal people of the Eora Nation, the traditional custodians of the land on which we are presenting from today, and we pay our respects to their First Nations people past, present and emerging. I would also like to extend that respect and welcome to any First Nations people who are joining our meeting today.

On behalf of the Dexus Board, I would like to thank those of you who have joined us in person today and welcome those of you who are joining us on the webcast. We remain hopeful that we will be able to connect with more of you at our Annual General Meeting later this year.

I'll table my appointment as Chair of today's meeting and open the meeting.

I will start by reinforcing some key elements of our strategy.

The COVID-19 pandemic has reinforced the importance of having a diversified business model and strategy that can deliver through the cycle.

This has been demonstrated by our strong cashflows and resilient asset values in this uncertain environment.

We continue to invest in high-quality real estate across Australia's major cities and we have established some key strategic initiatives that will help unlock the relative value of our business and strengthen the platform for future cycles. The initiatives include:

- Increasing the resilience of portfolio income streams
- Expanding and diversifying the funds management business, as well as
- Progressing our group development pipeline

The Simplification is aligned to the expansion of our funds management business and will increase our flexibility to be able to meet the increased investment demand from third party capital partners.

Our existing structure is a legacy of our history. We have DXO or the Dexus Operations Trust stapled to the Dexus Diversified Fund, Dexus Industrial Trust and Dexus Office Trust.

What the Simplification will do is reorganise this quadruple structure to a group comprising two stapled trusts – being the Dexus Operations Trust and the newly created Dexus Property Trust.

The rationale for the Simplification is detailed in the Explanatory Memorandum.

In summary there are three key advantages.

The Simplification will provide Dexus with an improved ability to execute on our strategic initiative of expanding and diversifying the funds management business. It will do this by providing Dexus with greater flexibility in meeting the investment demand from investors for real estate assets, while also expanding our funds management business. For example, it may allow equity interests in Dexus Diversified Fund, Dexus Industrial Trust and Dexus Office Trust to be issued directly to potential third party capital partners.

Dexus's current structure is complex, and the simplified structure will lead to increased efficiencies relating to reporting and administration. It will reduce the number external financial statements produced, saving time across many Dexus business units and the savings are estimated to equate to approximately half a million dollars per annum.

There are also potential efficiencies for Security holders. Under the simplified dual stapled trust structure there will be reduced administrative burden relating to their reporting requirements. Further, Dexus will potentially be able to provide broader Capital Gains Tax rollover relief to persons who receive or become Dexus Security holders as a result of any merger or acquisition activity that Dexus subsequently engages in.

Should the Simplification be approved, the next steps would include:

1. Obtaining the necessary stamp duty approvals and relief
2. With that information the Board will then consider whether the Simplification continues to be in the best interests of Security holders
3. All Dexus Security holders will be informed of the timetable for implementation as set out on page 3 of the Explanatory Memorandum

Importantly we will ensure that Security holders are kept informed of the progress of the Simplification.

ENDS

2021 Extraordinary General Meeting

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Dexus Funds Management Limited
ABN 24 060 920 783
AFSL 238163 as responsible entity for Dexus

Acknowledgement of country

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

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

Artwork: Down in the Valley by Deborah Taylor.
Artwork photographer: Sharon Hickey.



Agenda

Chair's address

Richard Sheppard – Chair

Questions

Formal business

Richard Sheppard – Chair

Questions



Strategy

Focus on strategic initiatives

Dexus strategy

Purpose	To create spaces where people thrive	
Vision	To be globally recognised as Australia's leading real estate company	
Strategy	To deliver superior risk-adjusted returns for investors from high-quality real estate in Australia's major cities	
Strategic objectives	Leadership in office	Wholesale partner of choice
Strategic initiatives	Increasing the resilience of investment portfolio income streams	
	Expanding and diversifying the funds management business	
	Progressing the group development pipeline	

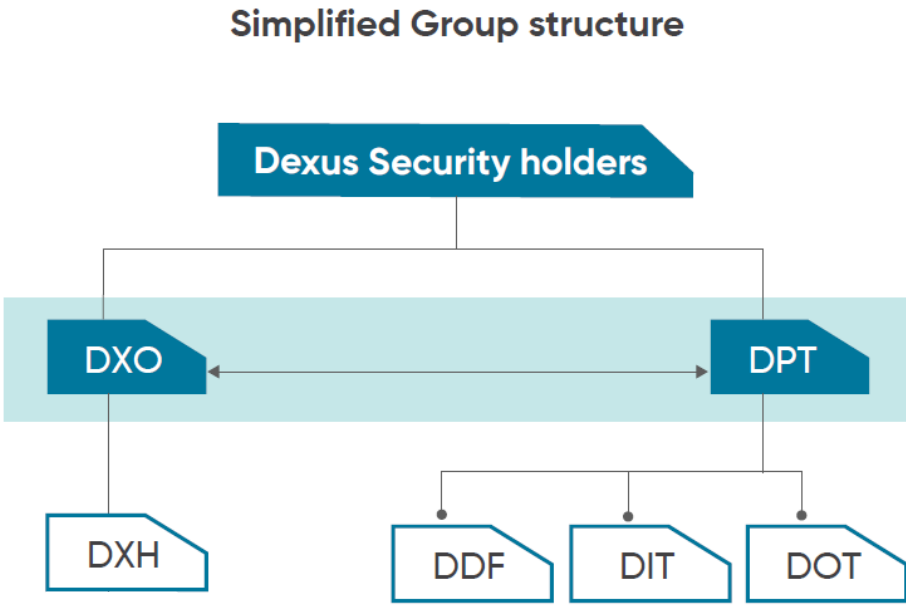
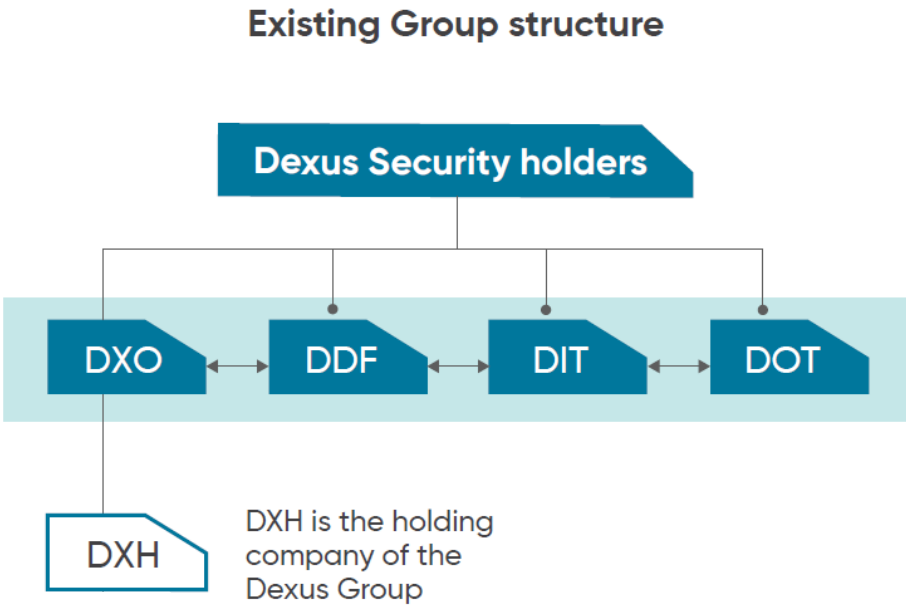
› The COVID-19 pandemic has reinforced the importance of having a diversified business model and strategy that can deliver through the cycle

- Demonstrated by strong cashflow and resilient asset prices

› A focus on three key strategic initiatives will help unlock the relative value of the business and strengthen the platform for future cycles

Details of the Simplification

› The Simplification of Dexus will reduce the current quadruple stapled trust structure to two stapled trusts



Rationale for the Simplification

It provides greater flexibility

in meeting the investment demand from investors for real estate assets, while also expanding Dexus's funds management business.



› Improved ability to execute strategic initiatives

- Improved ability and flexibility to execute on the strategic initiative of expanding and diversifying the funds management business

› Simplified structure leading to increased reporting and administrative efficiencies

- Reducing administrative time spent by the finance, tax, treasury, legal, compliance, governance, and investor relations teams when conducting mandatory reporting and compliance activities

› Potential efficiencies for Security holders

- Reduced administrative burden on Security holders with respect to their reporting requirements
- Dexus will potentially be able to provide broader CGT rollover relief to persons who receive or become Dexus Security holders as a result of any merger and acquisition activity

Next steps should the Simplification be approved

- › Dexus will obtain the necessary stamp duty approvals and relief
- › Implementation of the Simplification is subject to the Board continuing to consider that the Simplification is in the best interests of Security holders
- › All Security holders and the Australian Securities Exchange will be notified of the timetable for implementation of the Simplification as detailed in the Key dates section on page 3 of the Explanatory Memorandum



Questions

Formal business

Resolution 1

Resolution 1: Unstapling

To consider and if thought fit pass the following Resolution as a special resolution of the Security holders of each Dexus Trust:

"That, subject to and conditional on all other Resolutions being passed by the requisite majority of Security holders and on the Responsible Entity determining to implement the Simplification (as described in the Document accompanying the Notice convening this meeting), any determination by the Responsible Entity to unstaple all of the units in DXO, DDF, DIT and DOT pursuant to clause 19.5 of the Constitution of each Dexus Trust to implement the Simplification be approved for all purposes."

Resolution		For	Open	Against
1. Unstapling	%	99.44	0.14	0.42
	Number of Votes	849,176,897	1,203,030	3,549,182
	Number of Security holders	728	286	75

Resolution 2

Resolution 2: Amendments to Constitutions

To consider and if thought fit pass the following Resolution as a special resolution of the Security holders of each Dexus Trust:

"That, subject to and conditional on all other Resolutions being passed by the requisite majority of Security holders and on the Responsible Entity determining to implement the Simplification (as described in the Document accompanying the Notice convening this meeting):

- (a) the Constitution of each Dexus Trust be amended in accordance with the amendments detailed in Sections 7.2 and 7.3 of the Document (as contained in the Supplemental Deeds Poll tabled at the Meeting and which can be accessed on Dexus’s website) and initialled by the Chair for the purposes of identification; and
- (b) the Responsible Entity of each Dexus Trust be authorised to execute the supplemental deeds poll to give effect to the amendments referred to in (a), and lodge each with ASIC to give effect to the amendments to the Constitution of each Dexus Trust."

Resolution		For	Open	Against	
2.	Amendments to Constitutions	%	99.44	0.14	0.42
		Number of Votes	849,179,166	1,202,993	3,547,286
		Number of Security holders	730	286	74

Resolution 3

Resolution 3: Acquisition

To consider and if thought fit pass the following Resolution as an ordinary resolution of the Security holders of DDF, DIT and DOT:

"That, subject to and conditional on all other Resolutions being passed by the requisite majority of Security holders and on the Responsible Entity determining to implement the Simplification (as described in the Document accompanying the Notice convening this meeting), the Simplification be approved for all purposes, including for the purposes of item 7 of section 611 of the Corporations Act."

Resolution		For	Open	Against	
3.	Acquisition	%	99.66	0.14	0.20
		Number of Votes	850,976,366	1,205,133	1,737,946
		Number of Security holders	727	287	75

Questions

Thank you for attending

Disclaimer

- › This presentation is issued by Dexus Funds Management Limited (DXFM) in its capacity as responsible entity of Dexus (ASX code: DXS). It is not an offer of securities for subscription or sale and is not financial product advice
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