

Dexus (ASX: DXS)



ASX release

16 March 2021

Dexus and DWPF enter into implementation agreement with AMP Capital Diversified Property Fund

Dexus today announced that along with the Responsible Entity of Dexus Wholesale Property Fund ("DWPF"), it has entered into an Implementation Agreement ("IA") with the Independent Board Committee of AMP Capital Diversified Property Fund ("ADPF") on behalf of the Responsible Entity of ADPF ("ADPF RE").

The IA is an outcome of the discussions with the ADPF RE and engagement with ADPF Unitholders over a six-month period.

Under the IA, DWPF will seek to combine with ADPF via a stapling transaction ("merger"). The IA includes provisions customary for a transaction of this nature, including exclusivity arrangements.

If the merger is approved and successfully implemented, the merged entity will provide existing DWPF and ADPF Unitholders with an enhanced investment proposition.

Michael Sheffield, DWPF Fund Manager said "ADPF is a strategic fit with DWPF's existing portfolio providing additional exposure to premium assets. The ability to merge this portfolio in a cost and capital efficient manner enables us to create a combined entity which delivers strong benefits to investors."

Deborah Coakley, Executive General Manager, Funds Management said: "We pride ourselves on our approach to corporate governance and have a track record of delivering outperformance and supporting the investment strategies of our capital partners. We look forward to adding further value to the merged portfolio and welcoming new investors to our platform."

Darren Steinberg, Dexus CEO said: "We are pleased to be able to make progress that will enable this merger to be voted on by both sets of Unitholders. This merger delivers further economies of scale from a management, procurement and leasing perspective across the platform and is strongly aligned with our objective of being the wholesale partner of choice."

If the merger is approved, it will expand and diversify Dexus's funds management business. In addition, it will diversify DWPF's existing wholesale institutional investor base through the introduction of new investors, while expanding existing relationships already established within Dexus's funds management platform.

AMP Capital Diversified Property Fund (ADPF)

ADPF is currently a circa \$5 billion high-quality diversified property fund that invests in the office, retail and industrial sectors. The overall sector allocation and portfolio quality is comparable to the DWPF portfolio. The portfolio includes investments in assets such as Quay Quarter Tower, Sydney (50% interest¹) which is currently under construction, 309-321 Kent Street, Sydney (50% interest, with remaining 50% co-owned by Dexus), Westfield Booragoon, Perth (50% interest) and Westfield Warringah Mall, Brookvale, Sydney (25% interest) along with a diversified portfolio of industrial assets. ADPF also comprises minority investments in two other AMP Capital managed wholesale property funds.

Next steps

Dexus and DWPF have developed a transaction structure that addresses the needs of ADPF Unitholders while maintaining the strength and liquidity of DWPF. The proposed next steps include:

- Implementation of the merger will be subject to recommendations by each of the respective responsible entities in addition to both a DWPF Unitholder vote (50% threshold) and an ADPF Unitholder vote (75% threshold)
- ADPF and DWPF Unitholder meetings to vote on the merger are expected to take place in late April 2021

Further details confirming Dexus's contribution and expected returns to Dexus will be provided should the merger be approved by ADPF and DWPF Unitholders.

Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited.

¹ Interest in Quay Quarter Tower, Sydney is stated prior to partial sell-down of interest on completion.

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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

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About Dexus Wholesale Property Fund

Dexus Wholesale Property Fund (DWPF) is an open-ended unlisted property fund with a \$10.1 billion diversified portfolio of high quality retail, office and industrial properties located in key locations across Australia. DWPF has a Standard & Poor's A (Stable) rating and is supported by 65 Australian and international wholesale investors. DWPF has outperformed its benchmark, the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index over the past one, three, five and seven-year periods. DWPF is managed by Dexus, one of Australia's leading real estate groups with \$32.1 billion of assets under management. www.dexus.com

Dexus Wholesale Property Limited ABN 47 006 036 442, AFSL 238166, as Responsible Entity for Dexus Wholesale Property Fund.