

GARDA

GARDA PROPERTY GROUP (ASX: GDF)

FULL YEAR RESULTS PRESENTATION | 30 JUNE 2022



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GROUP OVERVIEW

FINANCIAL METRICS

Balance Sheet



\$354 Million¹

MARKET CAPITALISATION



\$2.05

NTA PER SECURITY



35.6%

GEARING



81.6%

TAX ADVANTAGED INCOME

Return Profile



25.1%

FY22 TOTAL SHAREHOLDER RETURN



46.3%

FY22 RETURN ON EQUITY



4.6%²

CURRENT DPU YIELD



90.2%

FY22 PAYOUT RATIO

1. Market capitalisation based on GARDA's 29 July 2022 ASX closing price of \$1.555 per security.

2. Calculated as the FY23 forecast distribution rate of \$0.072 per security divided by GARDA's 29 July 2022 ASX closing price of \$1.555 per security.

GROUP OVERVIEW

PROPERTY METRICS

Real Estate Platform



\$650.7 Million¹

PORTFOLIO VALUE



17

PROPERTIES



~142,000m²

PORTFOLIO NLA



~160,000m²

DEVELOPMENT PIPELINE

Portfolio Metrics



5.7 Years

WALE



90.7%

PORTFOLIO OCCUPANCY



5.05%

PORTFOLIO CAP RATE (WACR)



3.6%

FIXED ANNUAL RENT INCREASES

1. Portfolio value calculated as 30 June 2022 total property investment assets, value accretive capital expenditure (\$5.9m) and a land parcel in Townsville (\$1.25m).

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FY22 HIGHLIGHTS






41 Bivouac Place, Wacol

HIGHLIGHTS

KEY OUTCOMES FOR THE YEAR ENDED 30 JUNE 2022 AND POST BALANCE DATE EVENTS

Property revaluations and transactions have driven a 29% increase in portfolio value, reflected in NTA increasing \$0.60 to \$2.05 per security. Significant industrial development project leasing executed.




**\$154m increase in value**
\$650.7m Portfolio value  31.1%





**\$0.60 increase to NTA / security**
\$2.05 NTA / security |  41.4%




**Reduction in gearing**
35.6% gearing |  2.8%



**3 Year Debt Facility Extension**
\$280 million now expires in March 2026



**29,613m² NLA leased**
21% of the established portfolio leased/renewed



**24,410m² NLA leased**
Industrial development pipeline leasing/pre-commitment

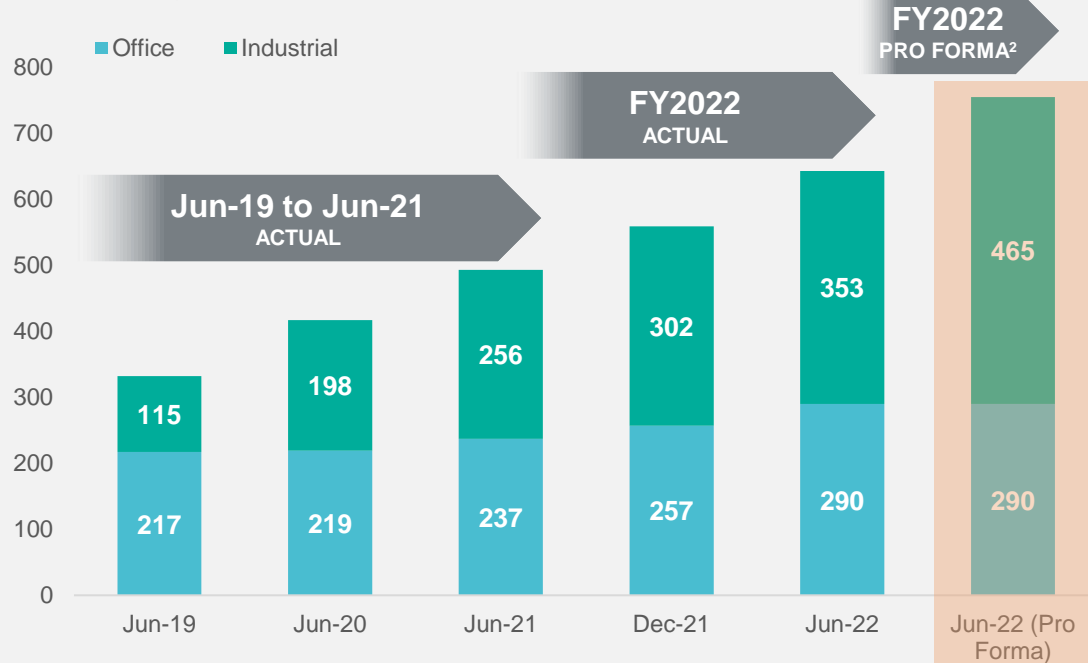
PROPERTY PERFORMANCE

31.1% INCREASE IN PORTFOLIO PROPERTY VALUE THROUGHOUT FY22

 **\$154.5m**
FY22 VALUE INCREASE 

 **5.05%**
CAPITALISATION RATE 

Property Value Growth³ (\$m)



1. Q4FY2022 valuation program included nine established assets at 1 April 2022, four development assets at 1 May 2022 and one established asset at 30 June 2022.
2. June 2022 'Pro Forma' portfolio value includes the independent 'on completion' valuations for Acacia Ridge (Stage 2), Wacol (Buildings A & B), Richlands and the gross realisation value for the land at North Lakes.
3. Excludes value accretive capital expenditure and Townsville land.

- GARDA's total property portfolio value has increased \$154.5 million, or 31.1%, throughout FY22 driven largely by positive property revaluations.
- GARDA completed multiple valuation programs in October 2021 and again in Q4FY2022¹ given the continued strong performance in the direct transaction market.
- These two valuation programs collectively resulted in \$132.4 million in property valuation increase including the following valuations completed in the second half:
 - Nine established assets were valued at 1 April 2022, resulting in a \$22.5 million increase, equally across both industrial and office.
 - Four industrial development properties were valued at 1 May 2022 resulting in \$36.0 million increase, \$25.0 million of which was a result of North Lakes receiving its DA approval to commence bulk earth works.
 - The Mackay industrial asset, occupied by Blackwoods until January 2029 was independently valued at \$39.2 million at 30 June 2022 resulting in a \$4.2 million increase.
- A number of transactions occurred during FY22 including:
 - Acquisition of Richlands industrial development site for \$6.8 million.
 - Acquisition of Hawthorn East office building for \$20.1 million. The property was revalued at settlement for \$22.0 million.
 - Acquisition of the third land parcel at Pinnacle East, Wacol for \$2.8 million.
 - Divestment of a small industrial building at Lytton for \$10.7 million.
- \$5.9 million in value accretive capital expenditure was deployed (FY21: \$2.8 million)
- A number of independent on completion valuations have been received for Acacia Ridge (Stage 2), Wacol (Building A and B), Richlands and North Lakes, resulting in an 'on completion' 30 June 2022 pro forma portfolio value \$754.9 million.

VALUATION OVERVIEW



4.49%

INDUSTRIAL CAP RATE



5.54%

OFFICE CAP RATE

Property	Sector	Valuation Date	Valuation (\$m)	Cap Rate (%)	Occupancy %	WALE (years)
Acacia Ridge, 69 Peterkin St	Industrial	Apr 2022	23.0	4.00%	100%	6.6
Berrinba, 1-9 Kellar St	Industrial	Apr 2022	14.0	4.50%	100%	2.8
Heathwood, 67 Noosa St	Industrial	Apr 2022	18.3	4.25%	100%	5.7
Mackay, 69-79 Diesel Dr	Industrial	Jun 2022	39.2	5.75%	100%	6.5
Morningside, 326 & 340 Thynne Rd	Industrial	Apr 2022	51.0	4.50%	100%	4.7
Pinkenba, 70-82 Main Beach Rd	Industrial	Apr 2022	34.0	4.50%	100%	11.1
Wacol, 41 Bivouac Pl	Industrial	Apr 2022	61.5	4.00%	100%	6.0
Wacol, Pinnacle West (Bldg C)	Industrial	Apr 2022	14.9	4.25%	100%	9.2
Wacol, Pinnacle West (balance land)	Industrial Land	Apr 2022	10.6	N/A	N/A	N/A
Acacia Ridge, 38 & 56 Peterkin St	Industrial Land	May 2022	18.0	N/A	N/A	N/A
North Lakes, 109-135 Boundary Rd	Industrial Land	May 2022	45.0	N/A	N/A	N/A
Wacol, Pinnacle East	Industrial Land	May 2022	11.0	N/A	N/A	N/A
Richlands, 56-72 Bandara St	Industrial Land	May 2022	13.7	N/A	N/A	N/A
Box Hill, 436 Elgar Rd	Office	Oct 2021	45.5	4.75%	100%	8.4
Cairns, 7-19 Lake St	Office	Oct 2021	90.0	6.625%	94%	4.1
Hawthorn East, 8-10 Cato St	Office	Dec 2021	22.0	6.00%	33%	5.0
Richmond, 572-576 Swan St (Bot 7)	Office	Apr 2022	63.5	5.00%	100%	4.3
Richmond, 588A Swan St (Bot 9)	Office	Apr 2022	68.5	5.00%	66%	5.6
Total Portfolio			643.6	5.04%	91%	5.7



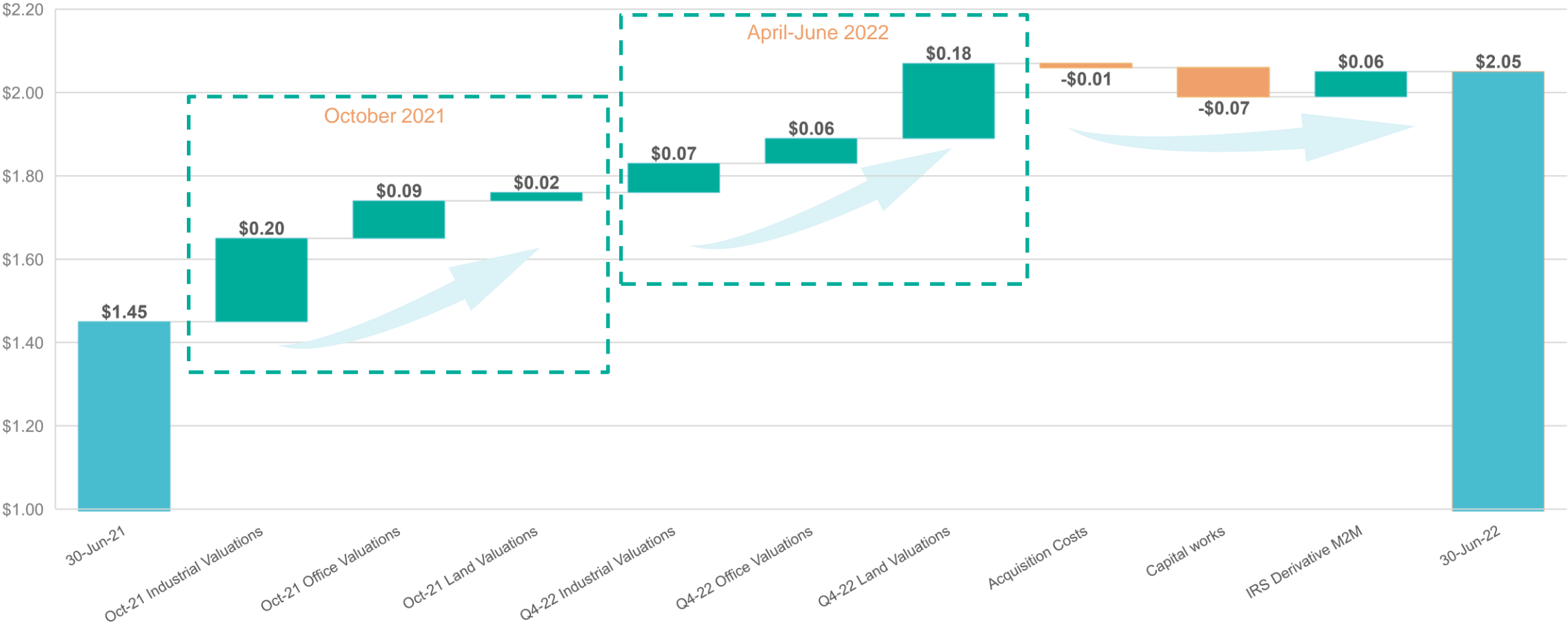
7-19 Lake St, Cairns

NET TANGIBLE ASSETS

41.4% INCREASE IN NTA PER SECURITY TO \$2.05



CONSISTENT NTA PER SECURITY VALUE GROWTH ACROSS MULTIPLE VALUATION PROGRAMS.



SECURITY PRICE PERFORMANCE

39% OUTPERFORMANCE AGAINST THE ASX200 A-REIT INDEX THROUGHOUT FY2022.

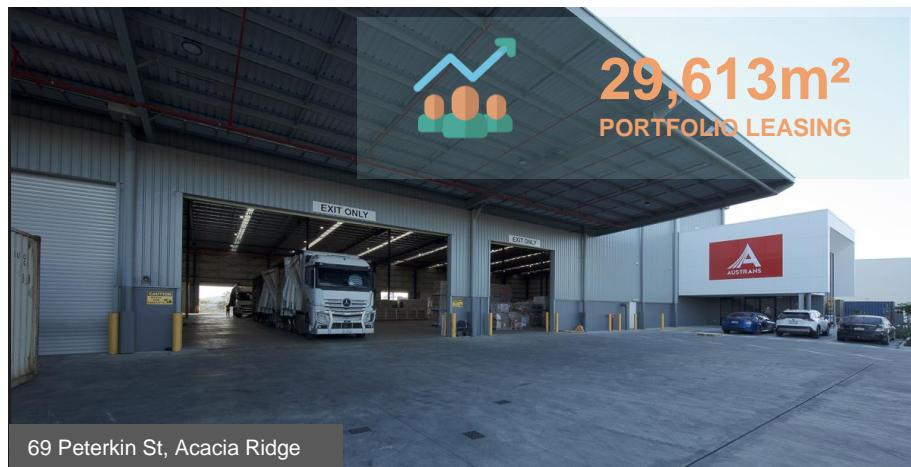


GDF ASX SECURITY PRICE HAS APPRECIATED TO \$1.535 PER SECURITY OVER FY22, REPRESENTING TSR OF 25.1%.



LEASING

STRONG OUTCOMES IN BRISBANE INDUSTRIAL DEVELOPMENTS AND MELBOURNE CITY-FRINGE OFFICE



Project Leasing

- Both Richlands and Pinnacle West, Wacol (Building A and B) are fully leased, representing 24,410m² of built form industrial NLA.
 - Richlands – 13,000m² lease to Ausdeck for 10 years commencing by July 2023.
 - Wacol (Bldg B) – 4,486m² leased for 7 years commencing January 2023.
 - Wacol (Bldg B) – 3,564m² leased to Rydell Beltech for 10 years commencing January 2023.
 - Wacol (Bldg A) – 3,360m² lease to for 7 years commencing January 2023.

Portfolio Leasing

- Morningside – Komatsu extended its 11,475m² lease by 3 years with expiry now due in July 2026.
- Hawthorn East - 634m² of office and 927m² of warehouse (1,561m² in total) leased to Raygen for 5 years.
 - The remaining full floor office of approximately 1,800m² being actively marketed for lease.
- Botanicca 7 – 100% with a WALE of 4.3 years following renewal of two of three sitting tenants
 - Fulton Hogan has committed to a third leasing cycle, renewing 1,847m² for a 6 year term.
 - MacLardy McShane has committed to a second leasing term, renewing 1,585m² for a 5 year term.
- Box Hill – full building tenant, Planet Innovation extended their lease by a further 3 years with expiry now in November 2030.

INDUSTRIAL DEVELOPMENT



'BUILD TO OWN' INDUSTRIAL DEVELOPMENT PIPELINE



DEVELOPMENT PIPELINE OF ~160,000M² OF HIGH QUALITY BRISBANE INDUSTRIAL ASSETS



1. Possible development configuration and subject to change.

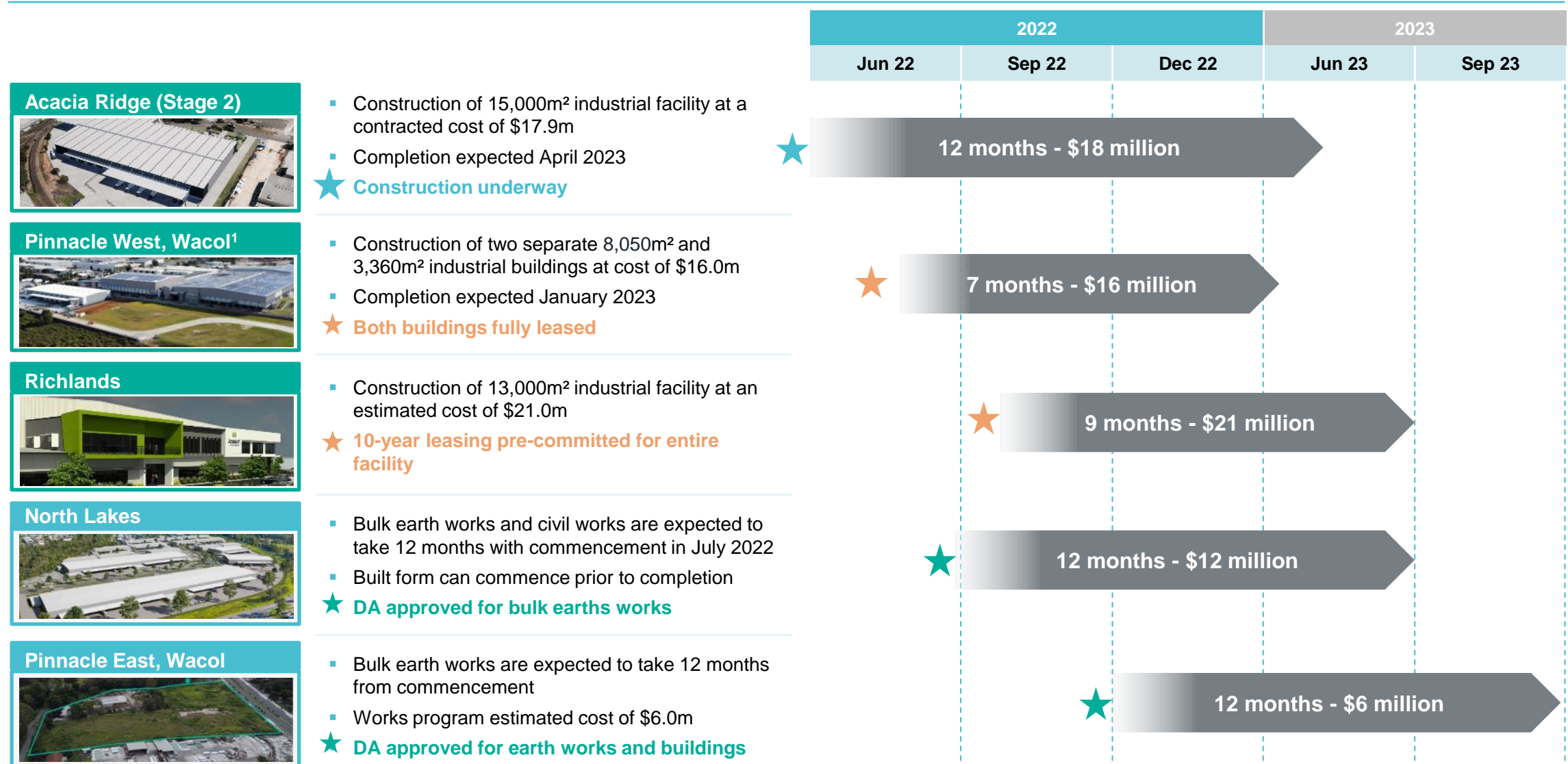
■ Immediate Development

■ Facility Expansion

■ Bulk and Civil Works

'BUILD TO OWN' INDUSTRIAL DEVELOPMENT PIPELINE

CAPITAL ALLOCATION AND STATUS



1. Building A and Building B
 Immediate development
 Bulk and civil works prior to development of built form

38-56 PETERKIN STREET (STAGE 2)

ACACIA RIDGE, QUEENSLAND

ASSET SUMMARY

Land Area (m ²)	34,270
Lettable Area (m ²)	15,000
Occupancy (by income) 'on completion'	0%
WALE (by income) 'on completion'	N/A

'AS IS' VALUATION SUMMARY

Valuation Date	1 May 2022
Capitalisation Rate / Discount Rate	N/A / N/A
Valuation – development land with DA	\$18,000,000
Gross Value (\$) per square metre of developable land	\$525/m ²

LEASING, CONSTRUCTION AND VALUE OUTCOMES

- Construction at stage 1 (69 Peterkin Street) completed in January 2022 and is fully leased until January 2029 (7 year lease).
- Development has commenced at 38 and 56 Peterkin Street, with the demolition of the existing aged improvements complete.
- Construction of stage 2 (15,000m²) is expected to complete in April 2023 at a cost of \$17.9 million.
- No pre-commit leasing has occurred however strong tenant inquiry exists.
- Stage 2 is a flexible offering, easily split into two smaller tenancies.
- Independent 'on completion' valuation of \$40.0 million at 4.50% capitalisation rate. This includes allowance for leasing up the facility.
- When leased, the property will provide \$1.9 million per annum in additional property income, representing \$125/m².



DA APPROVED



LEASING – ACTIVE



IN CONSTRUCTION



38-56 PETERKIN STREET (STAGE 2)

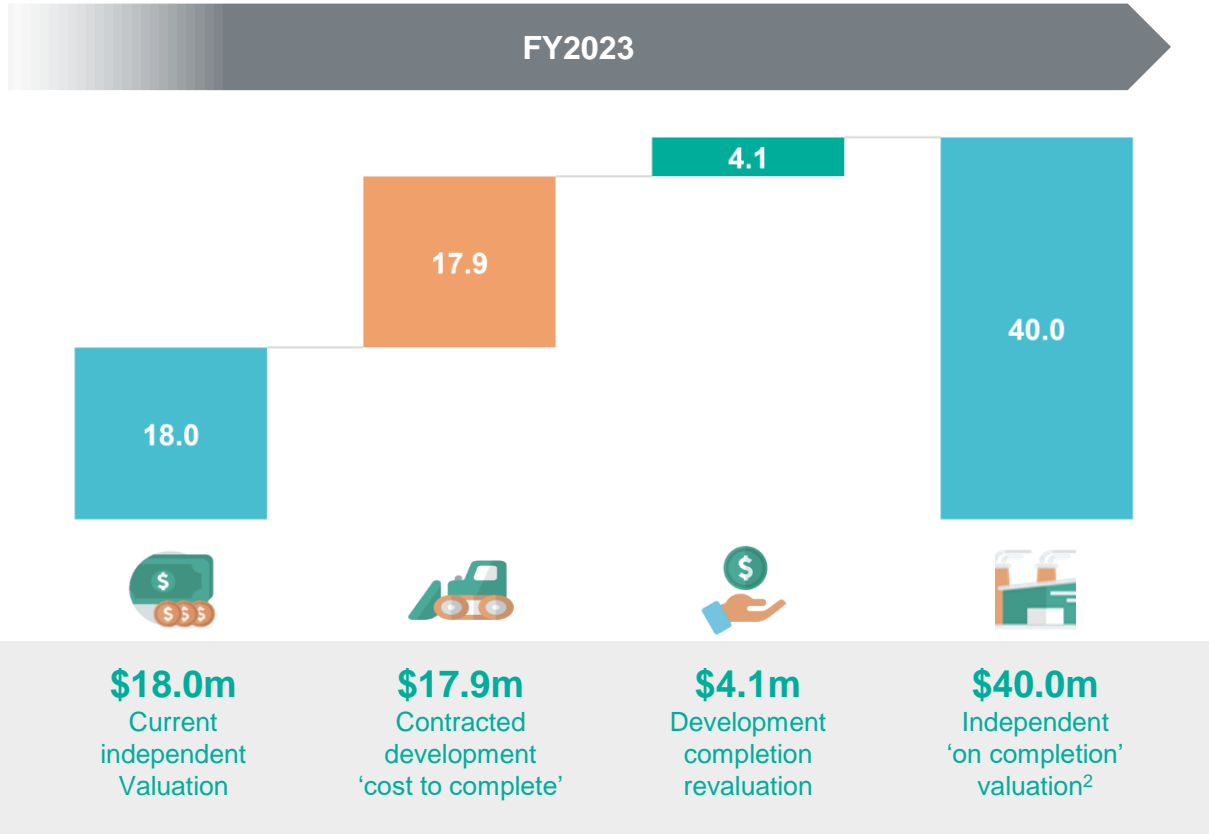
ACACIA RIDGE, QUEENSLAND



ACACIA RIDGE (STAGE 2) SHOULD DELIVER \$1.9 MILLION IN PROPERTY INCOME PER ANNUM WHEN FULLY LEASED¹

VALUATION MOVEMENT THROUGH DEVELOPMENT (\$ million)

- 1. Rent estimated as \$125/m²
- 2. 'On completion' value is per independent valuation dated 1 May 2022.



498 PROGRESS ROAD (PINNACLE WEST)

WACOL, QUEENSLAND

ASSET SUMMARY

Land Area (m ²)	41,750
Building C Lettable Area (m ²)	6,000
Building B Lettable Area Under Development (m ²)	8,050
Building A lettable Area Under Development (m ²)	3,360
Occupancy (by income)	100%
WALE (by income) 'on completion'	8.2 years

'AS IS' VALUATION SUMMARY

Valuation Date	1 April 2022
Capitalisation Rate / Discount Rate	4.25% / 5.50%
Valuation – completed Building C (6,000m ²)	\$14,900,000
Valuation – balance of development land with DA	\$10,550,000
Total Independent Valuation	\$25,450,000



DA APPROVED



BLDG A & B - LEASED



UNDER CONSTRUCTION

LEASING, CONSTRUCTION AND VALUE OUTCOMES

- Construction of Building A (3,360m²) and Building B (8,050m²) has commenced at a total estimated cost of approximately \$16 million.
- Building B is fully leased following recent commitments for:
 - 4,486m² for 10 years beginning January 2023; and
 - Rydell Beltech (3,564m²) for 7 years beginning January 2023.
- Building A is fully leased for 7 years beginning January 2023.
- Independent 'on completion' valuation of \$49.7 million at a 4.25% capitalisation rate.
- \$1.5 million per annum additional income delivered from February 2023 as a result of delivering Buildings A and B.



498 PROGRESS ROAD (PINNACLE WEST)

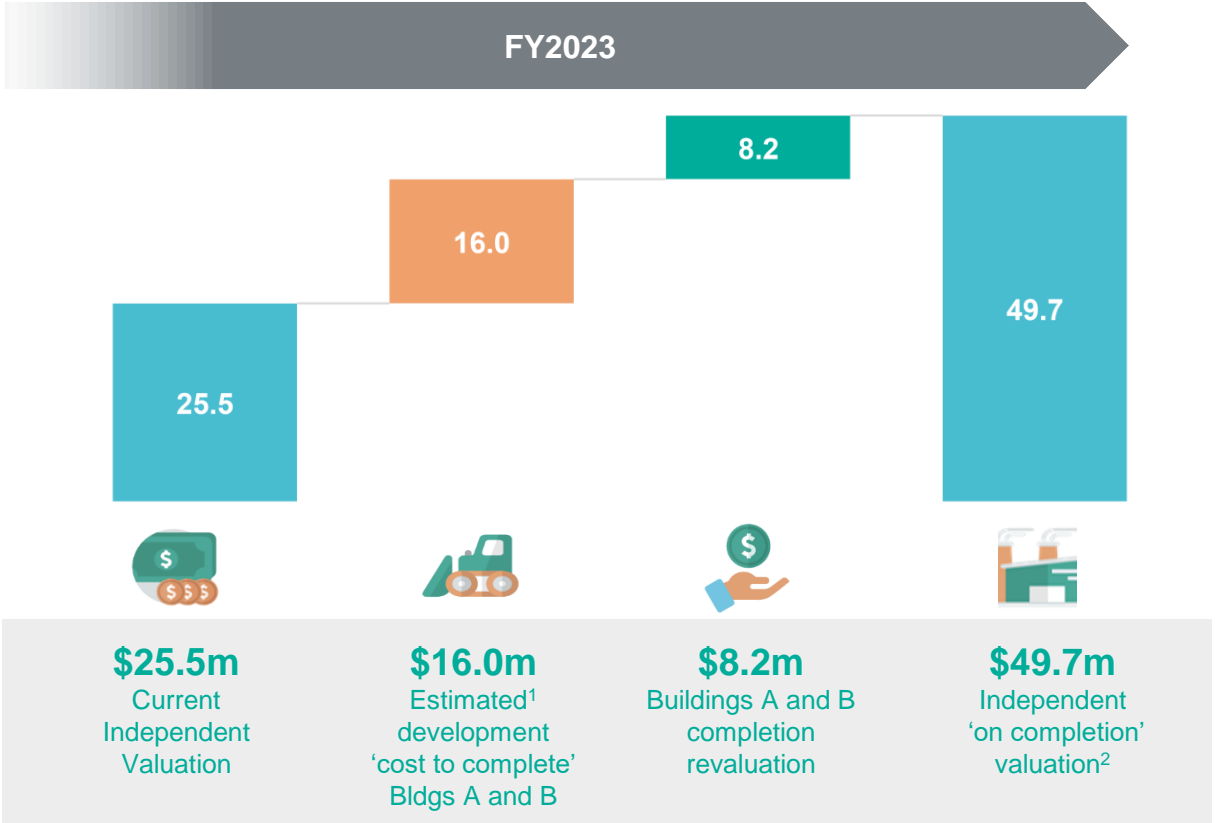
WACOL, QUEENSLAND



BUILDINGS A & B WILL DELIVER AN ADDITIONAL \$1.5 MILLION IN PROPERTY INCOME PER ANNUM FROM FEBRUARY 2023.

VALUATION MOVEMENT THROUGH DEVELOPMENT (\$ million)

- 1. Building B has been contracted at \$10.3 million and Building A is currently being priced.
- 2. 'On completion' value as per independent valuation dated 30 June 2022.



56-72 BANDARA STREET

RICHLANDS, QUEENSLAND

ASSET SUMMARY

Land Area (m ²)	30,351
Lettable Area (m ²)	13,000
Occupancy (by income) 'on completion'	100%
WALE (by income) 'on completion'	10 years

'AS IS' VALUATION SUMMARY

Valuation Date	1 May 2022
Capitalisation Rate / Discount Rate	N/A / N/A (Land only)
Valuation – development land with DA	\$13,660,000
Gross Value (\$) per square metre of developable land	\$450/m ²



DA APPROVAL PENDING



FULLY LEASED



CONSTRUCTION READY

LEASING, CONSTRUCTION AND VALUE OUTCOMES

- Ausdeck has recently pre-committed the entire facility (13,000m²) for 10 years with a targeted lease start date in July 2023.
- GARDA has now lodged its development application and expects approvals by September 2022.
- Construction of the Richlands industrial facility (13,000m²) is planned to commence in October 2022 at a cost of approximately \$21.0 million, providing 11,000m² of industrial NLA and 2,000m² of office accommodation.
- Independent 'on completion' valuation of \$40.8 million at 4.25% capitalisation rate
- 'On completion' WALE of 10.0 years and 100% occupied
- \$1.8 million per annum of additional net property income will be generated from the asset at completion, representing \$140/m².



56-72 BANDARA STREET

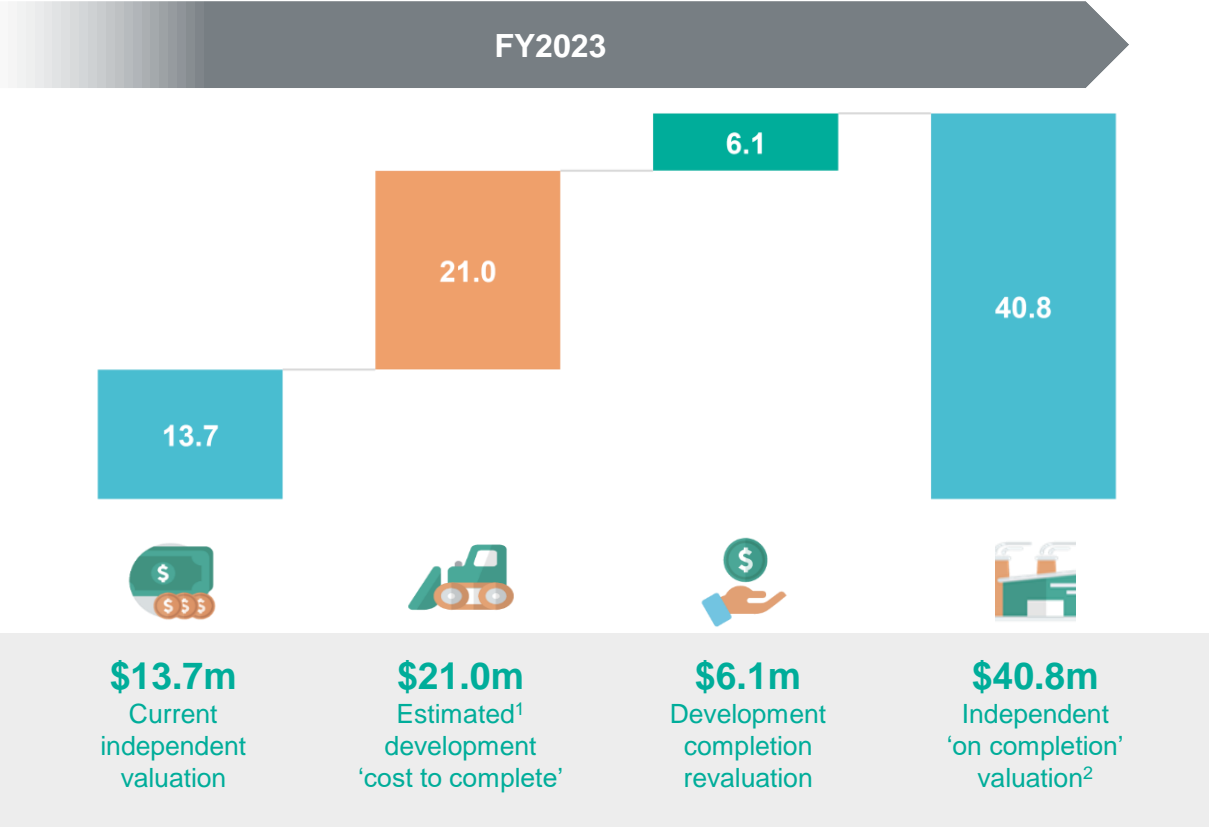
RICHLANDS, QUEENSLAND



RICHLANDS WILL DELIVER AN ADDITIONAL \$1.8 MILLION IN PROPERTY INCOME PER ANNUM FROM JULY 2023

VALUATION MOVEMENT THROUGH DEVELOPMENT (\$ millions)

- 1. Contract estimate currently at tender process subject to final DA approval.
- 2. 'On completion' value as per independent valuation dated 1 May 2022.



109-135 BOUNDARY ROAD (PINNACLE NORTH LAKES)

NORTH LAKES, QUEENSLAND

ASSET SUMMARY

Gross Land Area (m ²)	323,800
Total Useable Land (m ²)	250,951
Lettable Area (m ²)	~ 97,000
Occupancy (by income) 'on completion'	N/A
WALE (by income) 'on completion'	N/A

'AS IS' VALUATION SUMMARY

Valuation Date	1 May 2022
Capitalisation Rate / Discount Rate	N/A / N/A (Land only)
Valuation – development land with DA	\$45,000,000
Value (\$) per square metre of useable land	\$179/m ²

PROJECT UPDATE

- GARDA's development application (DA) has recently achieved approval, allowing various bulk earths works and civil works to proceed.
- When completed, the site will be 'construction ready' industrial estate quality land yielding 25 hectares.
- Works will be completed throughout FY23 at an estimated cost of \$12.0 million.
- GARDA expects built form construction to commence prior to all bulk earth works completing.
- Strong tenant demand is occurring with potential tenants seeking up to 10,000m².
- Assumed achievable rents are \$135/m² however Brisbane north industrial rents are typically between \$160/m² and \$200/m².



DA APPROVED



LEASING ACTIVE



BULK EARTH WORKS
READY



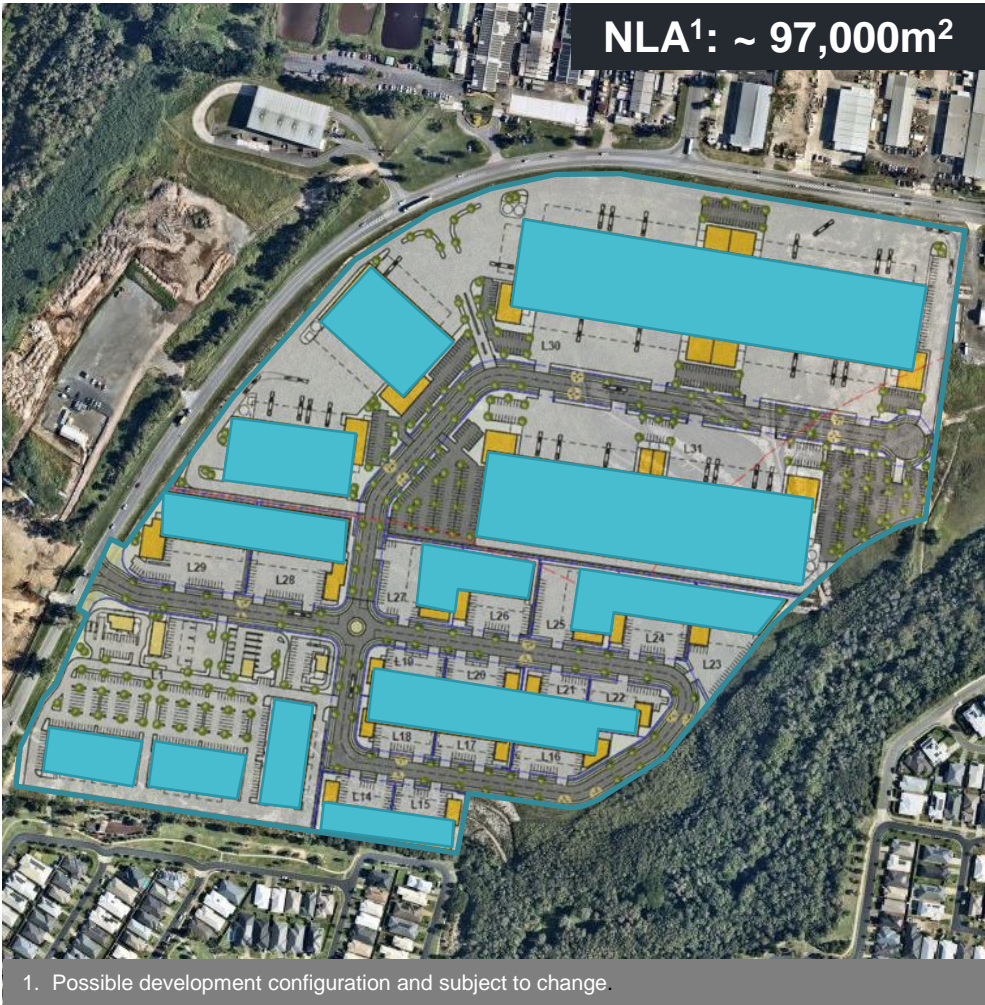
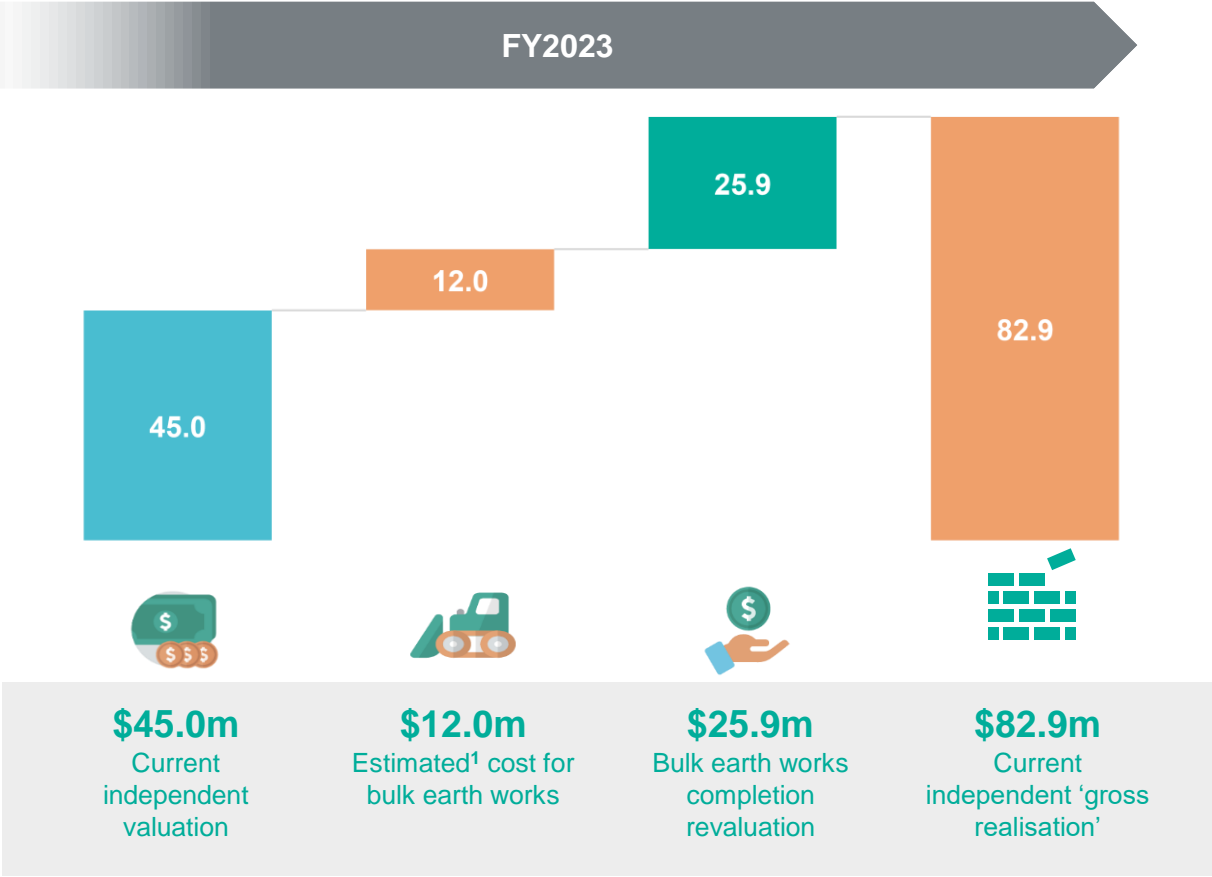
109-135 BOUNDARY ROAD (PINNACLE NORTH LAKES)

NORTH LAKES, QUEENSLAND

 NORTH LAKES BUILT FORM CAN COMMENCE PRIOR TO COMPLETION OF BULK EARTH AND CIVIL WORKS

VALUATION MOVEMENT THROUGH DEVELOPMENT (\$ million)

1. Estimated bulk earths works and civil works. Subject to change upon final scope and contractor appointment.



372-402 PROGRESS ROAD (PINNACLE EAST)

WACOL, QUEENSLAND

ASSET SUMMARY

Gross Land Area (m ²)	41,350
Lettable Area (m ²)	~ 13,745
Occupancy (by income) 'on completion'	N/A
WALE (by income) 'on completion'	N/A

'AS IS' VALUATION SUMMARY

Valuation Date	1 May 2022
Capitalisation Rate / Discount Rate	N/A / N/A (Land only)
Valuation – development land with DA	\$11,000,000



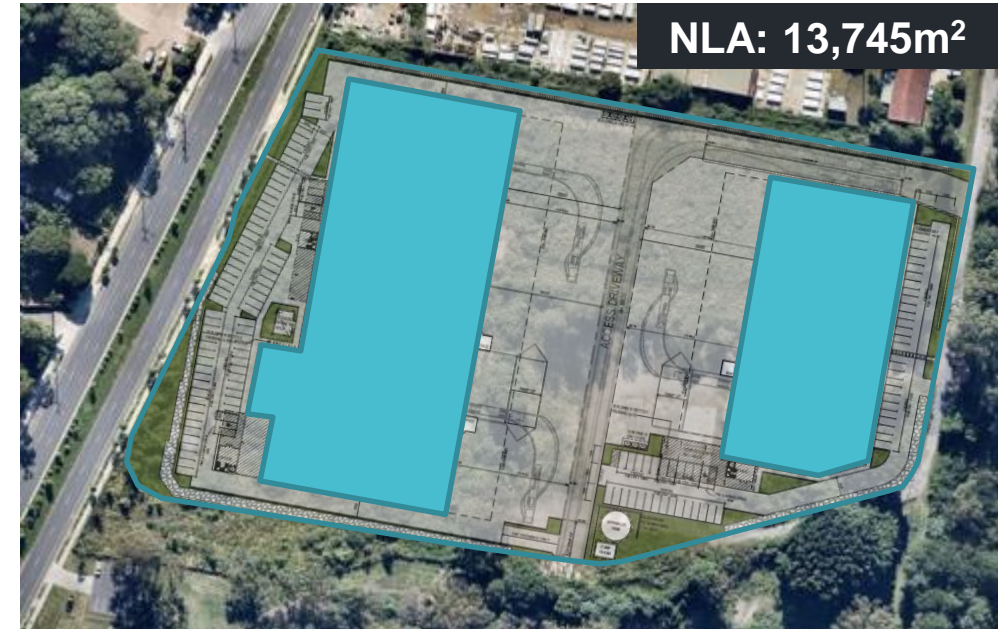
DA APPROVED



BULK EARTH WORKS
READY



CONSTRUCTION



LEASING, CONSTRUCTION AND VALUE OUTCOMES

- DA approval was recently achieved for an approximate 13,745m² industrial facility across **two buildings**.
- Demolition of existing structures has occurred and bulk earth works will occur over FY23 at a cost of \$6.0 million.
- Construction of the industrial buildings is then expected to begin in Q4CY23.
- No pre-commit leasing has occurred however given its proximity to Pinnacle West, where GARDA has recently leased the final two buildings across three tenants, it is expected this facility will be highly marketable.
- At the rents recently achieved at Pinnacle West (\$125/m²), on completion of construction and successful lease up the property should deliver approximately \$1.7m in additional property income.

PROPERTY PORTFOLIO

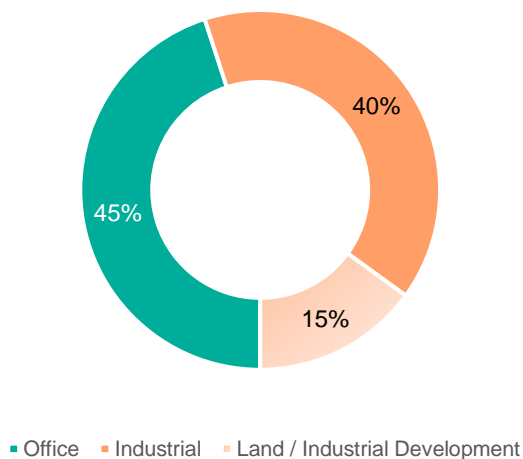


Botanicca 9, Richmond

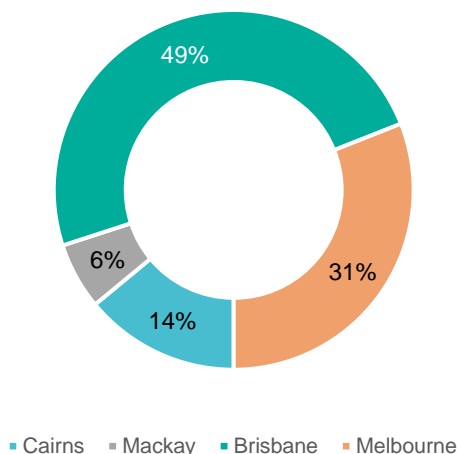
GARDA

TOTAL PROPERTY OVERVIEW

Sector (by Value)



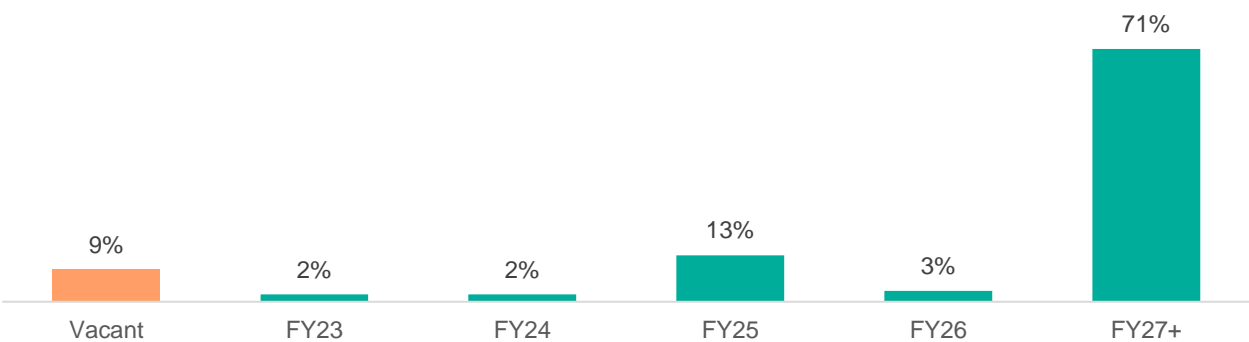
Geography (by value)



Top 10 Tenants

Tenant	Property	Gross Income (%)
J Blackwoods & Sons	Mackay	9.4%
Planet Innovation	Box Hill	9.0%
Volvo Group	Wacol	8.8%
Komatsu	Morningside	6.4%
Golder Associates	Botanicca 7	6.2%
Pinkenba Operations	Pinkenba	5.6%
Fujifilm Business Innovation	Botanicca 9	4.9%
Qld Gov (DTMR)	Cairns	4.9%
Fulton Hogan	Botanicca 7	3.4%
McLardy McShane	Botanicca 7	3.4%
Top 10 Portfolio Tenants		62.0%

Lease Expiry (by income)



Key 'At Risk Income' FY23-24



Cairns – Federal Government represented by NDIA (553m²) due to expire in March 2023.



Cairns – Suncorp (402m²) due to expire in November 2023.



Cairns – Queensland Government represented by Department of Pubic Works (286m²) due to expire in October 2022

PROPERTY PORTFOLIO

INTEGRATED, COMMERCIAL AND INDUSTRIAL PROPERTY PLATFORM



FINANCE



41 Bivouac Pl, Wacol

GARDA

CAPITAL MANAGEMENT

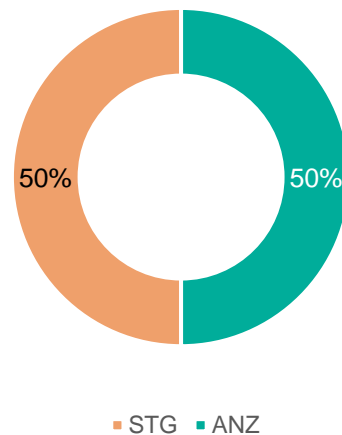
STRONG CASH POSITION AND DEBT FACILITY HEADROOM

Key Debt Metrics – 30 June 2022	
Total debt facilities	\$320 million ¹
Drawn Debt	\$260 million
Cash	\$19.7 million
Weighted average debt duration	3.7 years
Hedged debt	\$100 million
Weighted average hedge duration	5.6 years
Gearing	35.6%

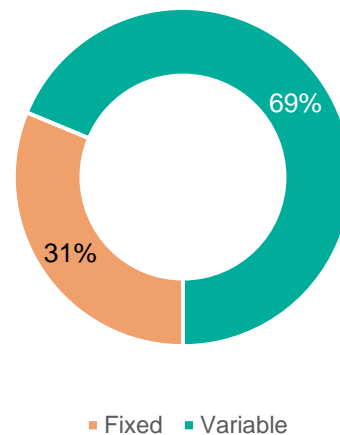
1. GARDA received approval for an additional \$40 million limit increase on 29 July 2022

- On 30 May 2022, GARDA extended its existing \$280.0 million syndicated debt facility for an additional three years, now expiring in March 2026.
- All line fees, margins and establishment fees were in line with the original agreement from March 2020.
- Following the extension, the facility limit increased \$40.0 million¹ to \$320.0 million, accessing the April and May 2022 revaluations.
- The facility was drawn to \$260.0 million and GARDA had a cash balance of \$19.7 million, providing \$77.0 million worth of immediate funding capacity.
- Group gearing at 30 June 2022 was 35.6%.
- GARDA's has \$100 million in long term interest rates swaps including:
 - \$70 million expiring in March 2027 at 0.81%; and
 - \$30 million expiring in March 2030 at 0.98%.

Participating Lenders



Hedge Profile



GUIDANCE

OUTLOOK FOR FY23

Distributions

- FY23 distribution guidance of \$0.072 per security, paid in \$0.018 quarterly payments.
- Expected tax advantaged income of between 90% and 95%.
- At the 29 July 2022 ASX closing price of \$1.555 per security, reflects a distribution yield of 4.6%.
- Full year distribution payout ratio is expected to be between 105% and 110% of FFO (FY22: 90.2%), reflecting an FY23 FFO of between \$13.7 million and \$14.3 million.
- Substantial development activity is currently underway resulting in an additional headline annualised net property income in FY24 as follows:

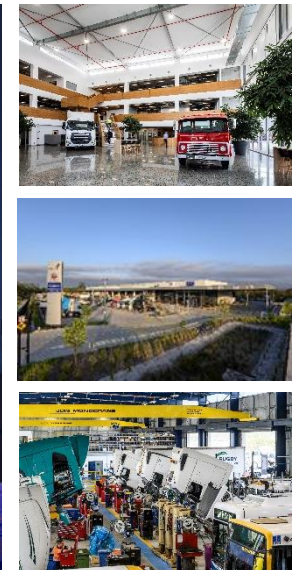
Active Development Projects	Annualised Net Property Income (\$m)	Leasing Status
Wacol, Pinnacle West	\$1.5 million	Fully leased
Richlands, 56-72 Bandara St	\$1.8 million	Fully leased
Acacia Ridge, 38-56 Peterkin St	\$1.9 million	Leasing active
Total Active Development Projects	\$5.2 million	



\$5.2 million annualised
ESTIMATED FY2024 ADDITIONAL NET PROPERTY INCOME

Operational Focus – Projects and Leasing

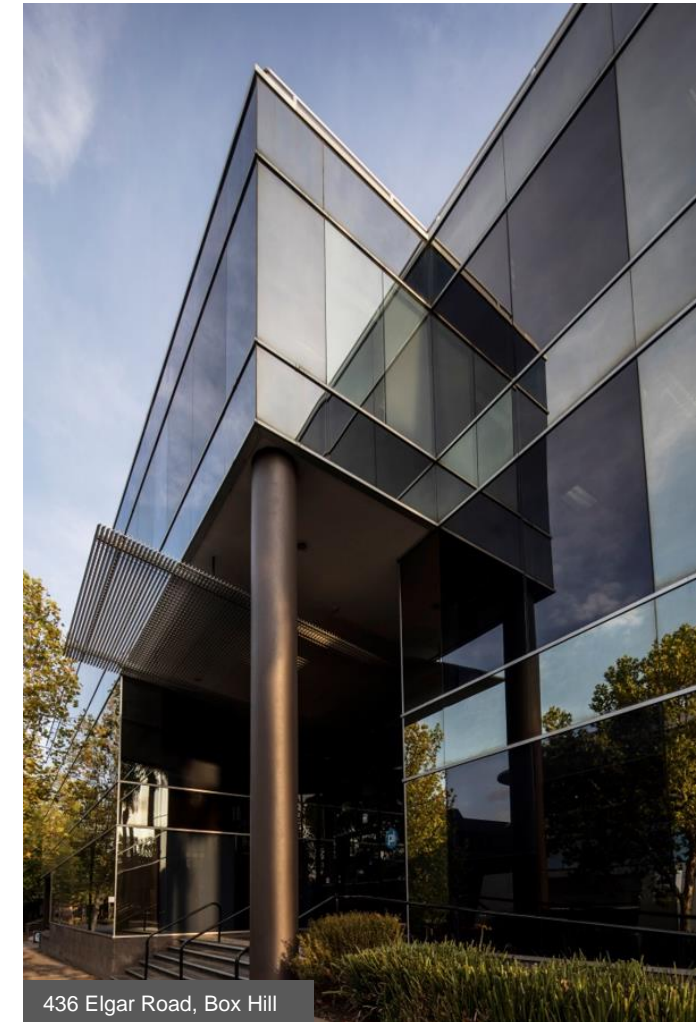
- Successfully deliver the three Brisbane industrial development projects located at Acacia Ridge, Richlands and Wacol throughout FY23.
- Continue to engage with prospective tenants during construction of the 15,000m² Acacia Ridge (Stage 2) project.
- Secure foundation pre-commitments for North Lakes during bulk earth works, allowing built form to commence , possibly in H2FY23.
- Focus on Melbourne city-fringe office leasing, including current vacancies at:
 - Hawthorn East – 1,754m²; and
 - Botanicca 9 – 2,769m².



FUNDS FROM OPERATIONS

	30 Jun 2022 \$000	30 Jun 2021 \$000
Net profit after tax	140,519	35,689
Adjustments for non-cash items included in net profit after tax:		
Valuations – (deduct increases) / add back decreases:		
Investment properties	(111,642)	(50,671)
Derivatives	(12,832)	(3,593)
Goodwill impairment	-	33,586
Asset disposals – (deduct gains) / add back losses:		
Investment properties	511	(881)
Other accounting reversals – (deduct income) / add back expenses:		
Security based payments	669	740
Net lease contract and rental items	(611)	(644)
Other	39	60
Adjustments for one-off items:		
Add rental guarantee income ¹	-	2,000
Deduct COVID-19 government grants	-	(119)
FFO²	16,653	16,167
FFO per security (cents)	8.0	7.8
Distributions	15,018	15,017
Distributions per security (cents)	7.2	7.2
Payout ratio	90.2%	92.9%
Tax Advantaged Distribution Component	81.6%	77.3%

1. GARDA's purchases of 56 and 69 Peterkin Street, Acacia Ridge on 5 July 2019 included provision for the receipt by GARDA of \$2,000,000 in rental guarantees at any time in the subsequent two years. In accordance with Australian Accounting Standards, this amount was recorded as an asset in GARDA's FY20 financial statements. In July 2020, GARDA released the rental guarantee into general funds. The Directors considered the rental guarantee to be part of underlying FY21 earnings warranting inclusion in reported FFO.
2. Pursuant to Australian Accounting Standards, treasury securities and employee share plan securities and the distributions attaching thereto are not included in statutory accounts. The same approach has been adopted in FY22 by GARDA for the purposes of calculating FFO.



436 Elgar Road, Box Hill

INCOME STATEMENT

		30 Jun 2022 \$000	30 Jun 2021 \$000
Revenue			
Revenue from ordinary activities	①	33,709	30,481
Other income		68	243
Net gain in sale of investment properties		-	881
Net gain in fair value of financial instrument	②	12,832	3,593
Net gain in fair value of investment properties	③	111,642	50,671
Total revenue		158,251	85,869
Expenses			
Property expenses		(6,926)	(6,814)
Corporate and trust administration expenses		(1,970)	(1,748)
Finance costs	④	(4,078)	(3,753)
Employee benefits expense		(3,564)	(3,308)
Depreciation		(161)	(175)
Goodwill impairment expense		-	(33,586)
Credit loss expense		(6)	(369)
Security based payments expense		(669)	(740)
Net loss on sale of investment properties	⑤	(511)	-
Total expenses		(17,885)	(50,493)
Profit before income tax		140,366	35,376
Income tax benefit		153	313
Profit after income tax		140,519	35,689

- ① Revenue increased by \$3.2 million. largely due to leases commencing following development, positive portfolio leasing outcomes and increase in recovery income.
- ② Positive movement in the mark to market valuation of \$100 million in interest rates swaps.
- ③ Positive movement in the carrying value of investment properties following independent valuations throughout FY22.
- ④ Net interest cost increase largely due to:
 - \$50 million increase in drawn debt;
 - Increasing variable rates during Q4FY22; and
 - Offset by increased project capitalisation during construction.
- ⑤ Loss on sale of an industrial property located at Lytton that settled in September 2021.

BALANCE SHEET

		30 Jun 2022 \$000	30 Jun 2021 \$000
Current assets			
Cash and cash equivalents		19,794	15,534
Receivables and other assets		8,928	3,723
Assets held for sale	①	-	10,675
Non-current assets			
Receivables and other assets		86	-
Investment properties	②	650,733	485,570
Deposits on investment properties		-	713
Property, plant and equipment		13	41
Derivative financial instrument	③	14,889	2,057
Right-of-use assets		137	270
Deferred tax assets		417	264
Total assets		694,997	518,847
Current liabilities			
Trade and other payables		2,773	3,045
Contract liabilities	④	607	472
Distribution payable		3,754	3,754
Provisions		42	-
Lease liabilities		130	122
Non-current liabilities			
Tenant security deposits		561	246
Borrowings	⑤	258,898	209,030
Provisions		92	78
Lease liabilities		-	130
Total liabilities		266,857	216,877
Net assets		428,140	301,970

- ① Prior comparative period included a non-core industrial asset located at Lytton that was subsequently sold.
- ② Investment properties increased as a result of:
 - \$111.6 million fair value increase following independent valuations;
 - \$21.8 million acquisition of established investment properties;
 - \$22.0 million in acquisitions and capital expenditure of properties under construction.
 - \$8.3 million in capital expenditure on investment properties; and
 - \$1.3 million in straight lining of rental income, leasing costs and incentives.
- ③ Positive \$12.8 million mark-to-market movement of \$100.0 million of interest rate swaps.
- ④ Contract liabilities of \$0.6 million represent the reversal of tenant rental pre-payments that have been classified in cash and cash equivalents.
- ⑤ Non-current borrowings increased \$49.9 million during the reporting period to assist with acquisitions, project construction and development preparation for industrial land sites.

GLOSSARY

DEFINITIONS AND EXPLANATIONS

Item / Term	Definition / Explanation
FY22 Current DPU Yield	Calculated as the FY22 forecast distribution rate of \$0.072 per security divided by GARDA's ASX 29 July 2022 opening price of \$1.555 per security.
FFO	Funds from Operations is the Group's underlying and recurring earnings from its operations. It is determined by adjusting statutory net profit (under AIFRS) for certain non-cash and other one-off items. FFO is not recognised or covered by Australian Accounting Standards and has not been audited or reviewed by the auditor of the Group.
Gearing	Calculated as: total interest-bearing liabilities less cash, divided by, total assets less cash.
GFA	Gross Floor Area.
NLA	Net Lettable Area.
NTA	Net Tangible Assets.
Pinnacle East	Industrial development project located at 372-402 Progress Rd, Wacol (QLD).
Pinnacle North Lakes	Industrial development project currently under development at 109-135 Boundary Road, North Lakes (QLD).
Pinnacle West	Industrial estate currently under development at 498 Progress Rd, Wacol (QLD).
Portfolio Value	Calculated as 30 June 2022 total property investment assets valued at \$643.6, value accretive capital expenditure (\$5.9m) and a land parcel in Townsville (\$1.25m).
FY22 YTD Return on Equity (ROE)	Calculated as 30 June 2022 NTA per security (\$2.05) less 30 June 2021 NTA per security (\$1.45), add FY22 distributions (\$0.072), divided by 30 June 21 NTA per security (\$1.45).
FY22 YTD Total Shareholder Return (TSR)	30 June 2022 closing ASX security price (\$1.535) less 30 June 2021 closing ASX security price (\$1.285), add FY22 distributions (\$0.072), divided by 30 June 2021 closing ASX security price (\$1.285).
WALE	Weighted Average Lease Expiry (by gross income).
WACR	Weighted Average Capitalisation Rate

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