



GARDA

GARDA PROPERTY GROUP (ASX: GDF)

Interim Results Presentation | December 2022

DISCLAIMER

This presentation (**Presentation**) has been prepared on behalf of GARDA Property Group (**GDF** or **Group** or **GARDA**), comprising GARDA Holdings Limited (**GHL**) and its controlled entities and GARDA Capital Limited (ACN 095 039 366) (AFSL 246714) (**GCL**) as responsible entity of the GARDA Diversified Property Fund ARSN 104 391 273 (the **Fund**). The information and statements in this Presentation were prepared or are made only as of the date of this Presentation, unless otherwise stated.

This Presentation contains general and summary information about the current and currently proposed activities of GARDA. It does not purport to be complete or contain all information which would be relevant to GDF stapled securities, or existing or prospective investors of GARDA. Other than as required by law, no member of the Group or any of their related entities and their respective directors, employees, officers or advisers give any warranties in relation to the statements and information contained in or referred to in this Presentation.

This Presentation has been compiled from sources which GARDA believes to be reliable. However, it is not audited, and is not a prospectus, product disclosure statement (PDS) or other disclosure document (**Disclosure Document**) as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**), and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). It is not, nor does it purport to be, complete or include all the information that a Disclosure Document may contain. Historical financial and other 'continuous disclosure' information required by law can be found at the GARDA website www.gardaproperty.com.au and in the interim financial statements (also available on the website).

Nothing contained in the Presentation constitutes investment, legal, tax or other advice. It is not an offer of securities, or a recommendation to buy or sell securities in GARDA. It has been prepared for general information only, and without taking into account the investment objectives, financial situation or needs of individuals. Any existing or prospective investor should not rely on this Presentation, but consider the appropriateness of the information in any Offer Document or other public sources having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. GARDA does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee the repayment of capital or any particular tax treatment.

This Presentation contains certain "forward looking statements" with respect to the financial condition, results of operations and business relating to the Group. These forward looking statements may involve subjective judgments. The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "strategy", "target", "plan" and other similar expressions are intended to identify forward looking statements. The forward looking statements are by their nature subject to significant and unknown risks, uncertainties, vagaries and contingencies, many (if not all) of which are outside the control of members of the Group. Various risk factors may cause the actual results or performance of the Group to be materially different from any future results or performance expressed or implied by such forward looking statements. There can be no assurance that any forward looking statements are attainable or will be realised. Past performance should also not be relied upon as being indicative of future performance. No representation, warranty or guarantee, whether express or implied, is made or given by any member of the Group that any forward looking statement will or is likely to be achieved. Except as required by law, GARDA is not liable to release updates to the forward looking statements to reflect any changes.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Presentation. All references to dollars or \$ in this Presentation are to Australian currency.

To the maximum extent permitted by law, any and all liability in respect of the Presentation (and any forward looking statement) is expressly excluded, including, without limitation, any liability arising from fault or negligence, for any direct, indirect or consequential loss or damage arising from any loss whatsoever arising from the use of the information in this Presentation or otherwise arising in connection with it. GARDA is listed on the Australian Securities Exchange (**ASX**) and all applicable obligations and restrictions contained in (without limitation) the ASX Listing Rules and Corporations Act apply accordingly. The acknowledgements referred to above may be pleaded as a bar to any claim that any reader may bring.

Persons who come into possession of this Presentation (including through a website) who are not in Australia should seek advice on and observe any legal restrictions on distribution in their own jurisdiction. Distribution of this Presentation outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this Presentation outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

GROUP OVERVIEW

Real Estate Platform



\$622.9 Million¹
PORTFOLIO VALUE



5.3 Years
WALE



91.2%
PORTFOLIO OCCUPANCY



~160,000m² | 25,000m²
DEVELOPMENT PIPELINE | IN CONSTRUCTION

Financial Position



\$2.01
NTA PER SECURITY



34.6%
GEARING



7.2 CPS
FY23 DPS GUIDANCE



5.0%²
FORECAST FY23 DISTRIBUTION YIELD

1. Portfolio value calculated as 31 December 2022 total property investment assets, assets held for sale, value accretive capital expenditure and a land parcel in Townsville.
2. Calculated as FY23 forecast distribution rate of \$0.072 per security divided by the 6 February 2023 ASX close price of \$1.445.

HIGHLIGHTS

MANAGING BALANCE SHEET AND DELIVERING REVENUE GROWTH



Brisbane Industrial Rent Growth

- Continued tenant demand exceeding available supply in land constrained markets has resulted in strong rental growth and reduction in incentives.
- Continued rental growth is expected to occur throughout 2023.



Asset Recycling

- \$35.5 million Mackay sale resulted in repayment of variable debt and a \$30 million reduction in borrowing limit.
- Gearing currently 34.6% with market soundings underway for the sale of Box Hill.



Pipeline Delivery underpins future FFO Growth

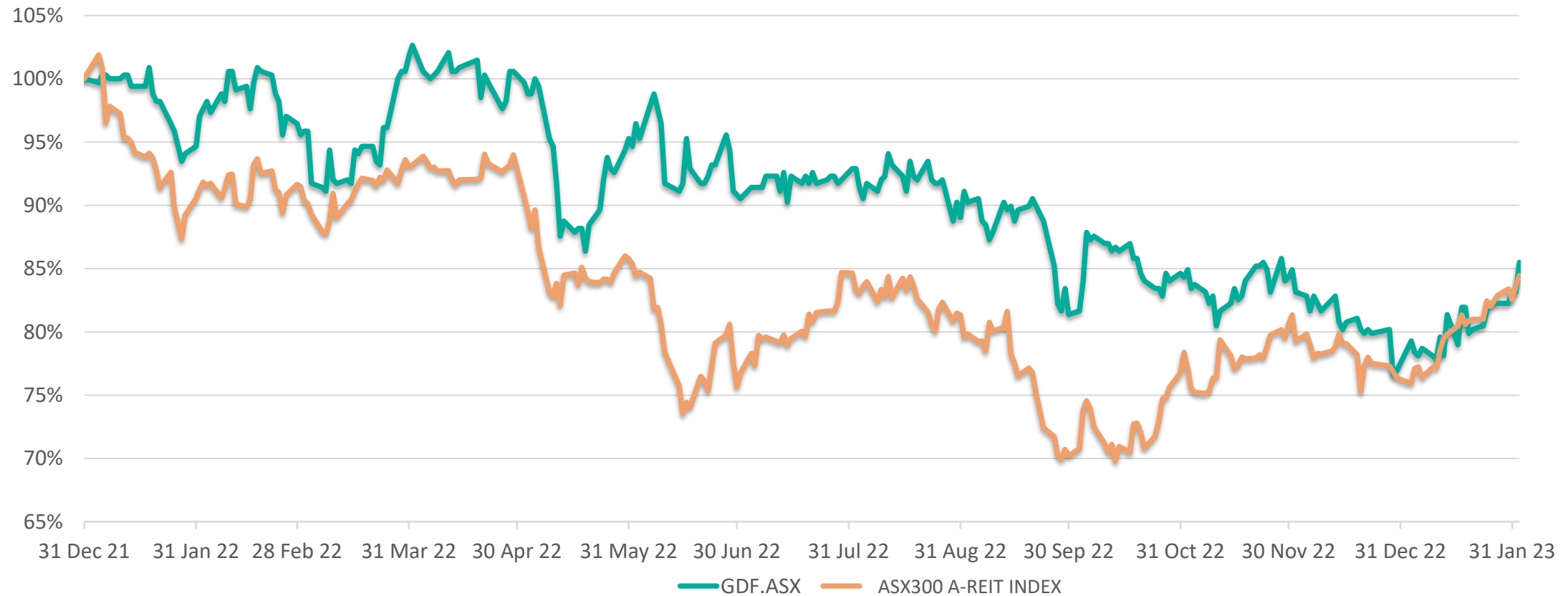
- Building B, Pinnacle West approaching practical completion with income expected from April 2023.
- Building A, Pinnacle West practical completion and income expected in July 2023.
- Richlands construction is imminent with completion expected in December 2023 and income from January 2024.

SECURITY PRICE PERFORMANCE

GDF SECURITY PRICE PERFORMANCE VERSUS ASX300 A-REIT INDEX



PERFORMANCE IN LINE WITH THE ASX300 A-REIT INDEX FOLLOWING A BROADER SELL-OFF OF A-REITS



ASSET RECYCLING PROGRAM

CONTINUES TO BE THE PREFERRED FORM OF CAPITAL MANAGEMENT FOR THE DEVELOPMENT PIPELINE

69-79 Diesel Drive, Mackay

- GARDA acquired Mackay in 2016 for \$29.5 million.
- Sale occurred on 8 December 2022 for \$35.5 million, representing a 20.3% premium to the original purchase price.
- Net sale proceeds were used to partially reduce drawn debt to \$234.7 million¹ and reduce the borrowing limit by \$30.0 million to \$290.0 million.

Other Assets

- Further asset sales are possible in H2FY23.
- Botanicca 7 and 9 have been withdrawn from market and both properties are no longer held for sale.
- External interest has been expressed in Box Hill, currently independently valued at \$47.0 million.

1. Subsequently redrawn to \$244.7 million.



Settled 8 December 2022



69-79 Diesel Drive, Mackay

PORTFOLIO LEASING

STRONG OUTCOMES IN CAIRNS AND MELBOURNE CITY FRINGE



7-19 Lake St, Cairns



2,729m²
OFFICE LEASING



95.2%
CAIRNS OCCUPANCY

Portfolio Leasing

- Limited portfolio leasing has occurred following an active first half of CY22 where 29,613m² of established NLA was leased and 24,410m² of industrial development NLA was leased.
- Seven office leases representing 2,729m² were executed during the half-year including:
- Cairns – Six existing tenants across 2,289m² have renewed their leases, maintaining a 95% occupancy and a 4.2 year WALE:
 - Grant Thornton (868m²) – extended its lease by 5 years with expiry now in March 2030.
 - Australian government represented by NDIA (552m²) – exercised its three year option with expiry now in March 2026.
 - Suncorp (402m²) – extended lease by three years with expiry now in November 2025.
- Botanicca 9 – 503m² of office was leased to Dutton Group for 7 years. Botanicca 9 is now 73% occupied.

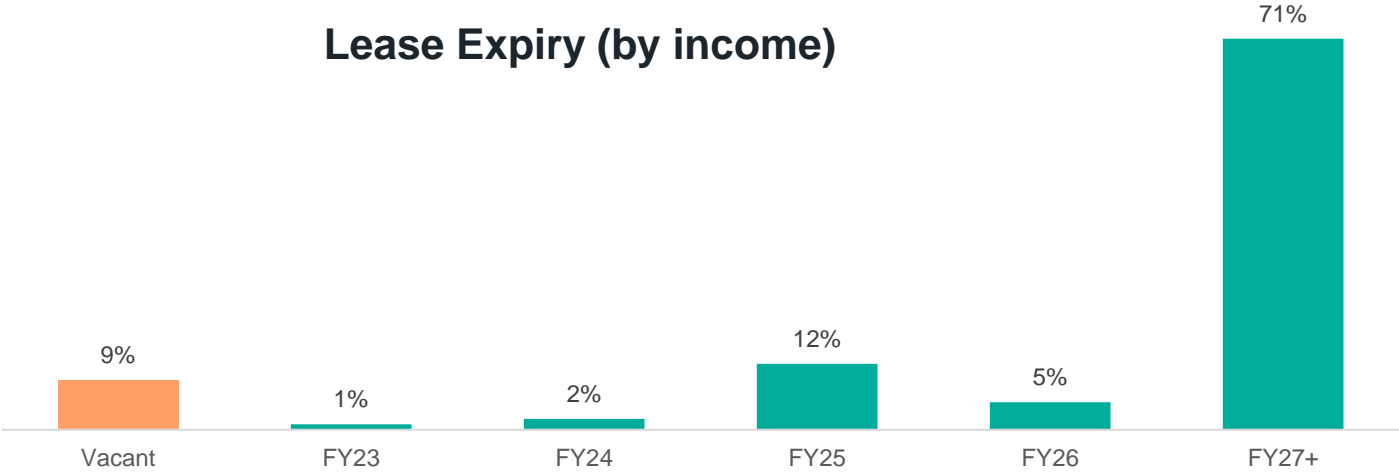
LEASE EXPIRY PROFILE

IMMATERIAL 'AT RISK' INCOME UNTIL FY25, UNDERPINNING PORTFOLIO REVENUE

'At Risk' Income

- Limited income is at risk in FY23 and FY24, with only 3% of gross income, represented by eight small leases in Cairns across 1,352m², due to expire.
- FY25 expiry includes:
 - Berrinba (industrial) – TLC Warehouse Solutions (2,736m²).
 - Botanicca 7 (office) – Golder Associates (3,155m²).
 - Cairns (office) – eight leases representing 2,945m².
- Current vacant space comprises 2,282m² in Botanicca 9 and 1,754m² for a full floor of office at Hawthorn East.
- Buildings A and B at Pinnacle West, Wacol and Richlands are fully committed upon completion of development.

Lease Expiry (by income)



VALUATION CYCLE



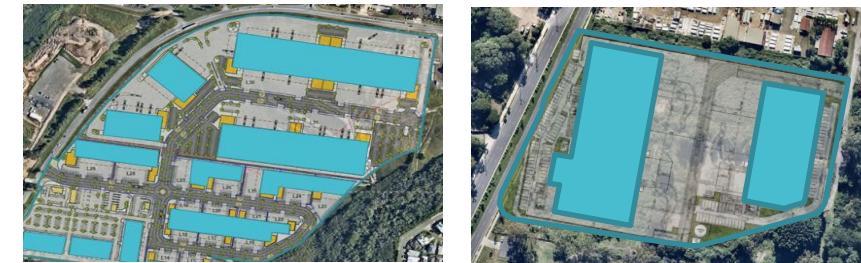
MAJORITY OF THE PORTFOLIO WILL BE INDEPENDENTLY VALUED FOR 1 APRIL 2023



- Independent valuations were received for three office assets located at Box Hill, Cairns and Hawthorn East.
- Box Hill, a 5,702m² single tenant property with an 8.4-year WALE was valued at a capitalisation rate of 4.75% for \$47.0 million, an increase of 3.3% or \$1.5 million.
- Cairns, a ~15,000m² office property with a 4.1-year WALE was valued at \$87.75 million, a decrease of 2.4% or \$2.25 million.
- Hawthorn East, a 3,327m² office building (including a 908m² warehouse) was valued at a capitalisation rate of 5.75% for \$25.0 million, an increase of 13.6% or \$3.0 million.
- Botanicca 7 and 9 will be independently valued for April 2023.



- Brisbane industrial land supply in established corridors continues to be constrained, benefitting rental growth, and land and established asset values.
- Acacia Ridge and Richlands to be valued for April 2023 on an 'as is' land basis and 'on completion' basis.
- Pinnacle East and North Lakes to be valued for April 2023 on an 'as is' land basis only.



- Brisbane industrial transactions since June 2022 have been limited.
- All six established industrial assets will be independently valued for April 2023.
- Furthermore, Pinnacle West (including Buildings B & C), will be independently valued at April 2023.



VALUATION OVERVIEW

INDEPENDENT VALUATIONS



4.27%

INDUSTRIAL CAP RATE



5.63%

OFFICE CAP RATE

Property	Sector	Valuation Date	Valuation (\$m)	Dec 2022 Carrying Value (\$m)	Cap Rate (%)	Occupancy %	WALE (years)
Acacia Ridge, 69 Peterkin St	Industrial	Apr 2022	23.0	23.0	4.00%	100%	6.1
Berrinba, 1-9 Kellar St	Industrial	Apr 2022	14.0	14.0	4.50%	100%	2.3
Heathwood, 67 Noosa St	Industrial	Apr 2022	18.3	18.3	4.25%	100%	5.2
Morningside, 326 & 340 Thynne Rd	Industrial	Apr 2022	51.0	51.2	4.50%	100%	4.2
Pinkenba, 70-82 Main Beach Rd	Industrial	Apr 2022	34.0	34.0	4.50%	100%	10.6
Wacol, 41 Bivouac Pl	Industrial	Apr 2022	61.5	61.5	4.00%	100%	5.5
Wacol, Pinnacle West	Industrial	Apr 2022	14.9	23.3 ¹	4.25%	100%	8.7
Wacol, Pinnacle West (balance land)	Industrial Land	Apr 2022	10.6	10.6	N/A	N/A	N/A
Acacia Ridge, 38 & 56 Peterkin St	Industrial Land	May 2022	18.0	20.0	N/A	N/A	N/A
North Lakes, 109-135 Boundary Rd	Industrial Land	May 2022	45.0	45.9	N/A	N/A	N/A
Wacol, Pinnacle East	Industrial Land	May 2022	11.0	11.6	N/A	N/A	N/A
Richlands, 56-72 Bandara St	Industrial Land	May 2022	13.7	14.6	N/A	N/A	N/A
Box Hill, 436 Elgar Rd	Office	Oct 2022	47.0	47.0	4.75%	100%	7.9
Cairns, 7-19 Lake St	Office	Oct 2022	87.8	87.8	7.00%	95%	4.2
Hawthorn East, 8-10 Cato St	Office	Dec 2022	25.0	25.0	5.75%	33%	4.7
Richmond, 572-576 Swan St (Bot 7)	Office	Apr 2022	63.5	63.7	5.00%	100%	3.8
Richmond, 588A Swan St (Bot 9)	Office	Apr 2022	68.5	69.4	5.00%	73%	5.3
Townsville, 30 Palmer St	Residential Land	May 2022	1.3	1.3	-	-	-
Value accretive capex ²			-	0.9			
Total Portfolio			606.6	622.9	5.05%	91%	5.3

1. Building B (8,050m²) currently under construction.

2. Represents value accretive capital expenditure on independently valued properties between the date of independent valuation and the end of the relevant financial period.



Botanica 9, Richmond

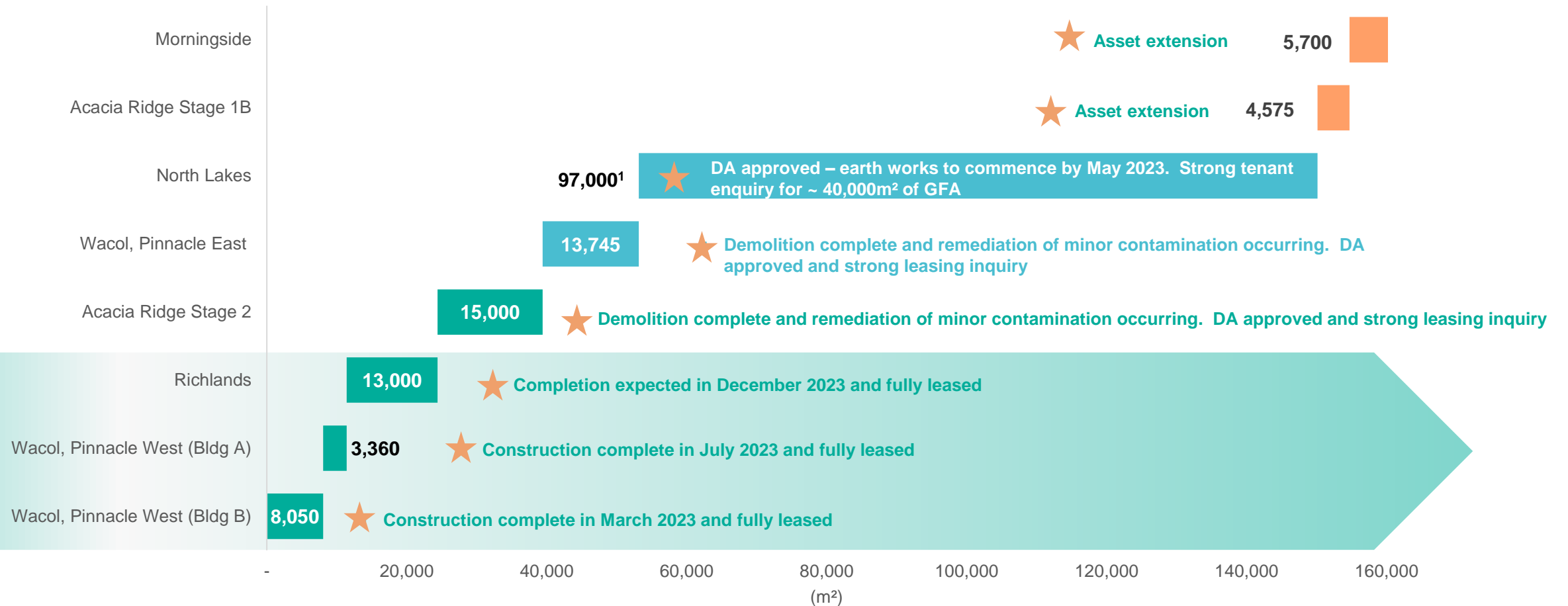
INDUSTRIAL DEVELOPMENT



'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

■ Asset Expansion

■ Bulk and Civil Works

INDUSTRIAL DEVELOPMENT PIPELINE

PROJECT CAPITAL REQUIREMENTS STAGED OVER THE COMING 18 MONTHS

- Immediate development
- Bulk and civil works prior to development of built form



Pinnacle West, Wacol

- Construction of two separate 8,050m² and 3,360m² industrial buildings at cost of \$16.0m
- Bldg B completion in March 2023 (\$2.5m to complete)
- Bldg A completion in July 2023 (\$6.4m to complete)



Richlands

- Construction of 13,000m² industrial facility at an estimated cost of \$21.0m
- Construction is imminent | completion in Dec 2023
- ★ 10-year leasing pre-committed for entire facility



Acacia Ridge (Stage 2)

- Construction of 15,000m² industrial facility
- Completion expected by end of FY24
- ★ Demolition complete and remediation underway



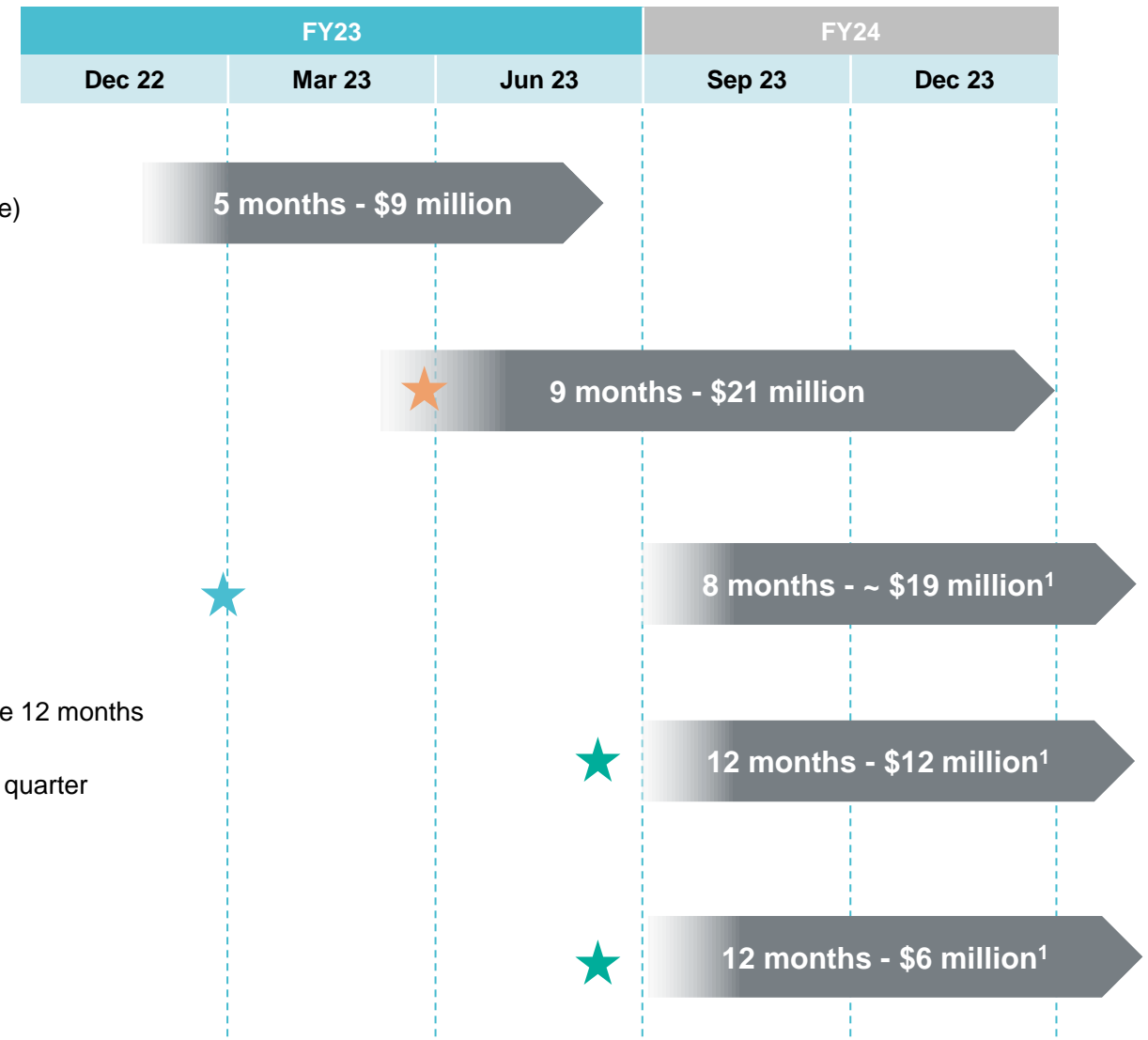
North Lakes

- Bulk earth works and civil works are expected to take 12 months with commencement by May 2023
- Built form targeted to commence in December 2023 quarter
- ★ DA approved for bulk earth works



Pinnacle East, Wacol

- Bulk earth works are expected to take 12 months from commencement
- Works program estimated cost of \$6.0m
- ★ DA approved for earth works and buildings



1. Current forecast costs are subject to variation and future events.

498 PROGRESS ROAD (PINNACLE WEST)

WACOL, QUEENSLAND

ASSET SUMMARY

Land Area (m²)	41,750
Building C Lettable Area (m²)	6,000
Building B Lettable Area under development (m²)	8,050
Building A lettable Area under development (m²)	3,360
Occupancy (by income)	100%
WALE (by income) 'on completion'	8.5 years

'AS IS' VALUATION SUMMARY

Valuation Date	1 April 2022
Capitalisation Rate / Discount Rate	4.25% / 5.50%
Valuation – completed Building C (6,000m²)	\$14,900,000
Valuation – balance of development land with DA	\$10,550,000
Total Independent Valuation	\$25,450,000



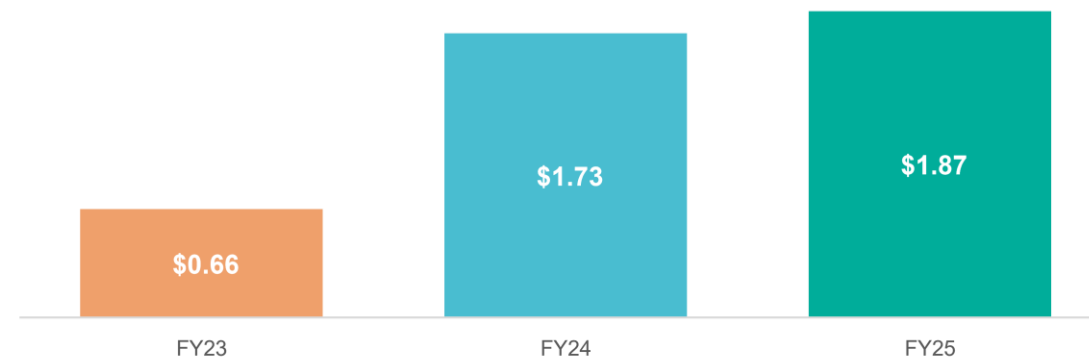
PROJECT STATUS

- Construction of Building B (8,050m²) is well advanced with practical completion expected late-March and leases commencing by April 2023.
- Building B is fully leased to:
 - Tasmanian Freight (4,486m²) for 10 years; and
 - Rydell Beltech (3,564m²) for 7 years.
- Building A (3,360m²) is leased to Doherty Couplers for 7 years from practical completion targeting July 2023.
- Building A construction has commenced at a contracted cost of \$6.4 million, including additional civil works for retaining walls.
- Independent 'on completion' valuation of \$49.7 million at a 4.25% capitalisation rate, to be updated in the April 2023 valuation cycle.



PINNACLE WEST DELIVERS A \$1.1 MILLION INCREASE IN INCOME IN FY24.

Additional Net Property Income (\$m)



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

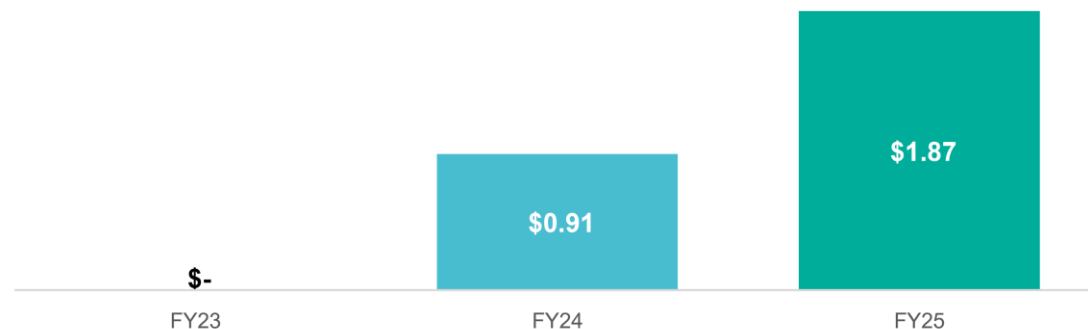
'AS IS' VALUATION SUMMARY

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



CONSTRUCTION DURING CY23 AT A COST OF \$21 MILLION WILL DELIVER \$0.9 MILLION IN ADDITIONAL INCOME IN FY24.

Additional Net Property Income (\$m)



PROJECT STATUS

- Construction of the DA approved industrial facility (13,000m²) is expected to commence in February 2023 with a practical completion date of December 2023, at a cost of approximately \$21.0 million.
- The facility will provide 11,000m² of industrial NLA and 2,000m² of office accommodation.
- The entire facility (13,000m²) is leased to Ausdeck for 10 years, commencing at \$140/m². The lease is expected to begin by January 2024.
- Independent 'on completion' valuation of \$40.8 million at 4.25% capitalisation rate, to be updated in the April 2023 valuation cycle.
- Additional net property income of \$0.9 million in FY24 and FY25 \$1.9 million.



38-56 PETERKIN STREET (STAGE 2)

ACACIA RIDGE, QUEENSLAND

ASSET SUMMARY

Land Area (m²)	34,270
Lettable Area (m²)	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/m²

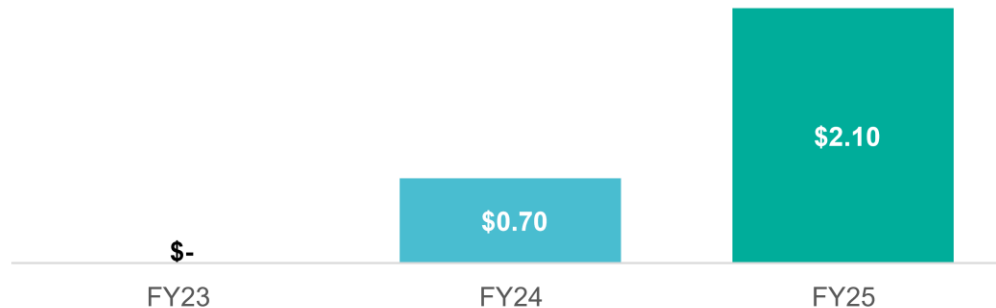
PROJECT STATUS

- Demolition of the aged improvements at 38 and 56 Peterkin Street is complete.
- Minor contamination was identified following the removal of fuel tanks. Remediation is expected to be completed by May 2023.
- Construction is expected to commence following successful remediation.
- Strong tenant inquiry exists.
- The building design is flexible and easily split into two tenancies.
- Independent 'on completion' valuation of \$40.0 million at 4.50% capitalisation rate to be updated in the April 2023 valuation cycle.
- When leased, the property will provide \$2.1 million per annum in additional property income at \$140/m².



**CONSTRAINED SUPPLY IN SOUTH-WEST CORRIDOR
DRIVING RENT GROWTH. TARGETING \$140/M²**

Additional Net Property Income (\$m)



109-135 BOUNDARY ROAD (PINNACLE NORTH)

NORTH LAKES, QUEENSLAND

ASSET SUMMARY

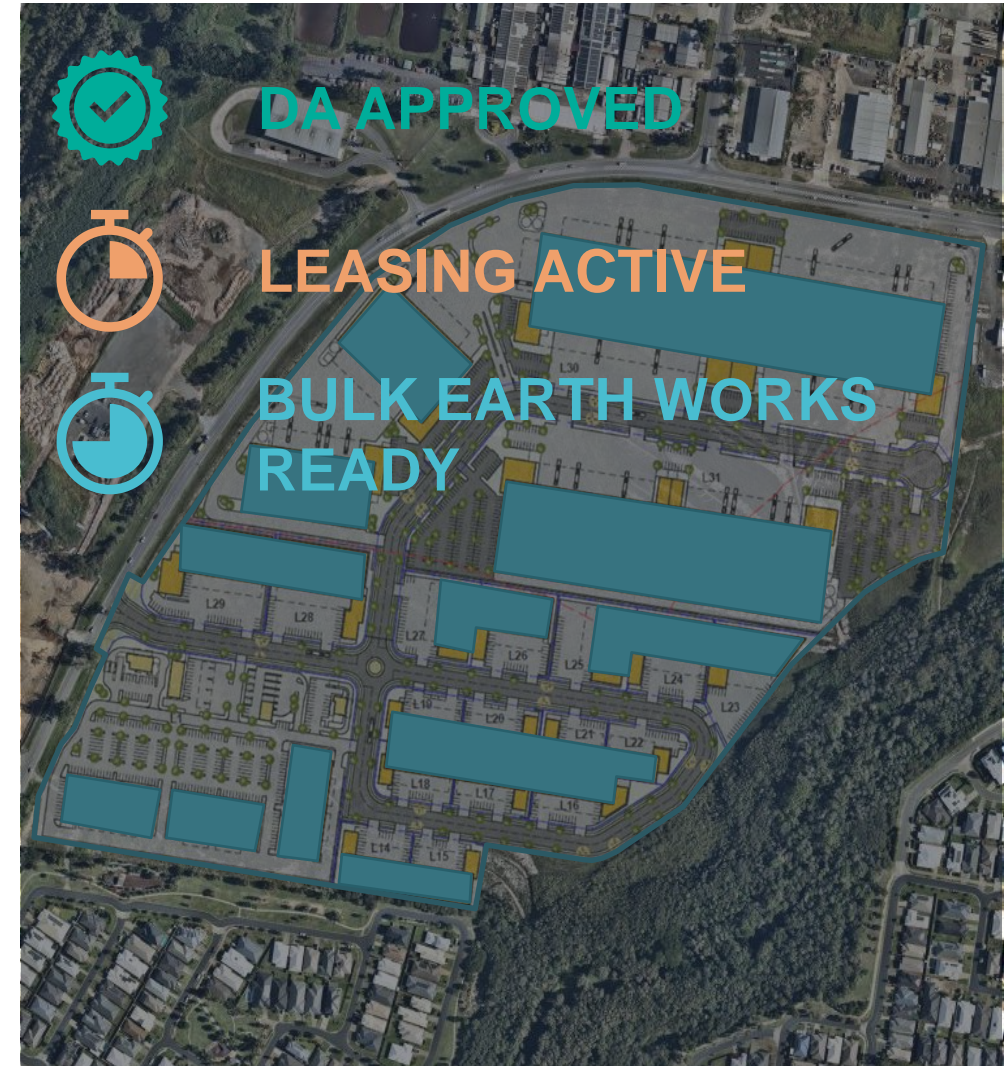
Gross Land Area (m ²)	323,800
Total Useable Land (m ²)	250,951
Lettable Area (m ²)	~ 97,000

'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 received approval with operational work plans now submitted that, when approved, will allow commencement of bulk earth works.
- Some delays have occurred to development whilst GARDA attempted to incorporate its trunk infrastructure and civil work requirements into existing local council works.
- Bulk earth works are expected to occur throughout FY24 at an estimated cost of \$12.0 million, however this cost will be subject to tender and final contracts.
- Strong tenant demand for ~ 40,000m² of GFA exists.
- GARDA expects built form construction to commence prior to all bulk earth works completing, possibly commencing in the December 2023 quarter.
- The asset will be valued as part of the April 2023 independent valuation cycle. Encouragingly, recent strong estate quality land sales outcomes have been achieved in both North Lakes and Brendale.



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

PROJECT UPDATE

- DA approval has been achieved for an approximate 13,745m² industrial facility across two buildings.
- Demolition of existing structures is complete and minor contamination was identified. Remediation is underway and expected to be completed by May 2023.
- Bulk earth works will be able to commence in FY24 following remediation.
- No pre-commit leasing has occurred however strong interest is being displayed. 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.
- As Pinnacle West stages were developed, rents achieved increased from \$112/m² to \$140/m².



DA APPROVED



**BULK EARTH WORKS
READY**



ACTIVE LEASING

PROPERTY PORTFOLIO



Botanicca 9, Richmond

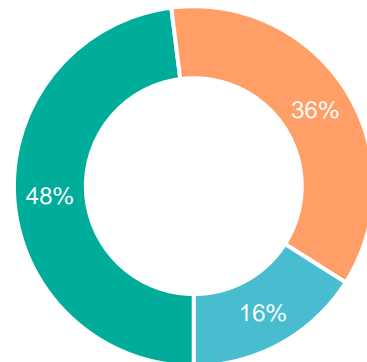
GARDA

PORTFOLIO OVERVIEW

RECYCLING AND DEVELOPMENT SHIFTING PORTFOLIO WEIGHTING TO BRISBANE INDUSTRIAL

Sector (by Value)

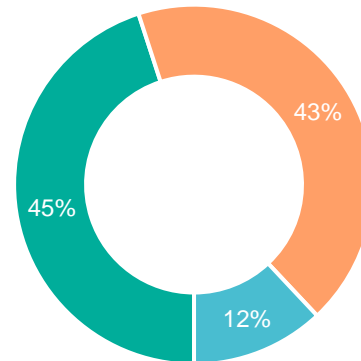
■ Office ■ Industrial ■ Land / Industrial Development



Pro-Forma¹

Sector (by Value)

■ Office ■ Industrial ■ Land / Industrial Development

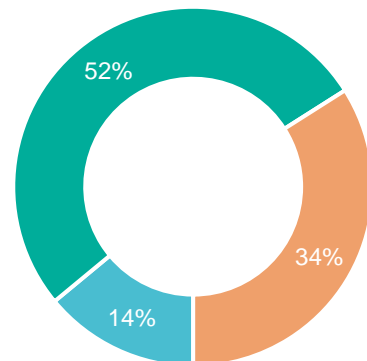


Top 10 Tenants

Tenant	Property	Gross Income (%)
Planet Innovation	Box Hill	9.9%
Volvo Group	Wacol	9.7%
Komatsu	Morningside	7.1%
Golder Associates	Botanica 7	6.6%
Pinkenba Operations	Pinkenba	6.1%
Fujifilm Business Innovation	Botanica 9	5.3%
Qld Gov (DTMR)	Cairns	5.3%
Fulton Hogan	Botanica 7	3.6%
McLardy McShane	Botanica 7	3.6%
James Energies	Heathwood	3.3%
Top 10 Portfolio Tenants		60.5%

Geography (by value)

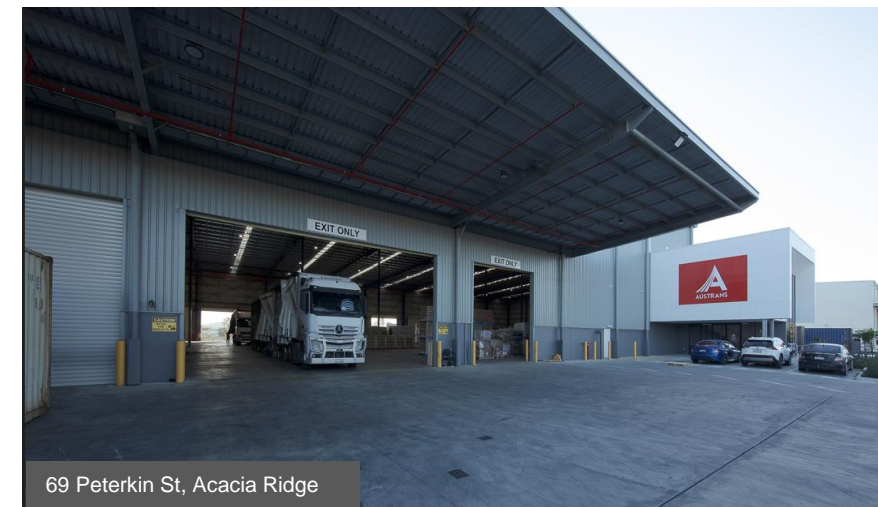
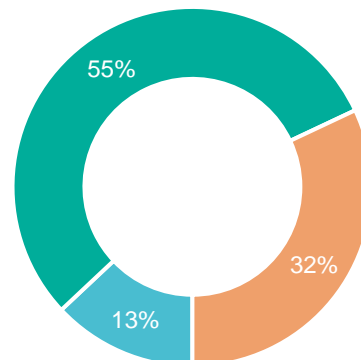
■ Cairns ■ Brisbane ■ Melbourne



Pro-Forma¹

Geography (by value)

■ Cairns ■ Brisbane ■ Melbourne



1. Pro-forma property metrics following the completion of Pinnacle West, Wacol (Bldgs A and B) and Richlands.

PROPERTY PORTFOLIO

INTEGRATED, COMMERCIAL AND INDUSTRIAL PROPERTY PLATFORM



FINANCE



41 Bivouac Pl, Wacol

GARDA

CAPITAL MANAGEMENT

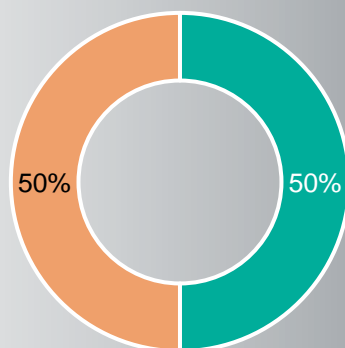
ASSET RECYCLING DRIVES A REDUCTION IN VARIABLE RATE DEBT

Key Debt Metrics – 31 December 2022	
Total debt facilities	\$290.0 million ¹
Drawn Debt	\$244.7 million
Cash	\$18.9 million
Weighted average debt duration	3.2 years
Hedged debt	\$100 million
Weighted average hedge duration	5.1 years
Gearing	34.6%
Interest Cover Ratio (covenant 2.0 times)	2.3 times

- On 23 December 2022, GARDA's facility limit was reduced by \$30.0 million to \$290.0 million following the divestment of Mackay.
- At 31 December 2022, the facility was drawn to \$244.7 million, and GARDA had a cash balance of \$18.9 million, providing \$64.0 million worth of immediate funding capacity for its committed development pipeline.
- Group gearing at 31 December 2022 was 34.6%.
- FY23 weighted average cost of debt², including all line fees, margins and establishment fees, is forecast to be approximately 4.0%.
- Interest Cover Ratio of 2.3 times EBIT versus a covenant of 2.0 times.
- GARDA 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%.

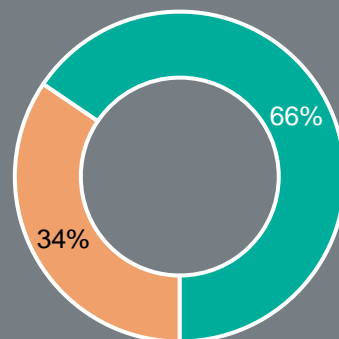
Participating Lenders

STG ANZ

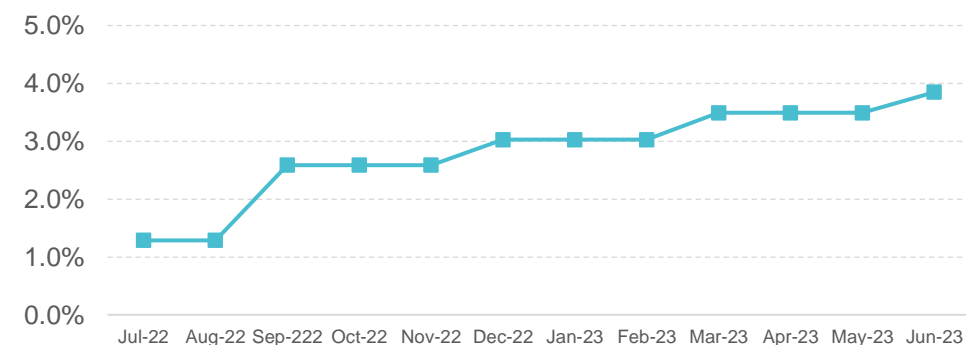


Hedge Profile

Fixed Variable



GARDA 3 Month BBSW Assumptions



- Following the sale of Mackay and repayment of \$35.5 million of variable debt, the facility limit was reduced by \$30.0 million on 23 December 2022.
- Variable rate forecast is pegged to the one to six month BBSW rate.

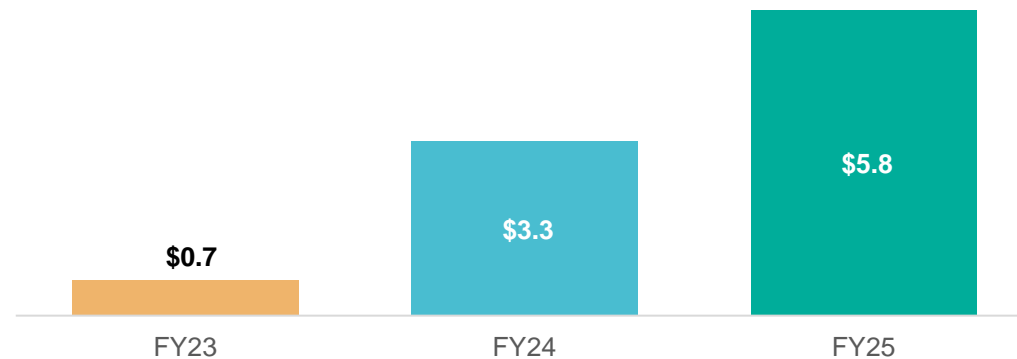
GUIDANCE

OUTLOOK FOR FY23

Distributions

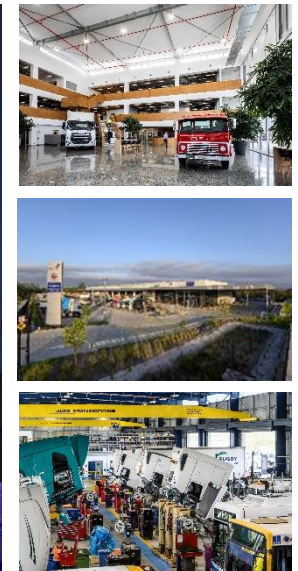
- FY23 distribution guidance of \$0.072 per security, paid in \$0.018 quarterly payments.
- Expected tax advantaged income of between 95% and 100%.
- At the 6 February 2023 ASX closing price of \$1.445 per security, reflects a distribution yield of 5.0%.
- Full year distribution payout ratio is expected to be approximately 110% of FFO (FY22: 90.2%), reflecting an FY23 FFO of approximately \$13.7 million.
- The additional net property income illustrated below is comprised of the fully leased Richlands and Wacol (Pinnacle West) projects and the imminent but yet to be built or leased Acacia Ridge (stage 2).

Additional Net Property Income (\$m)
from Development Activities



Operational Focus – Projects and Leasing

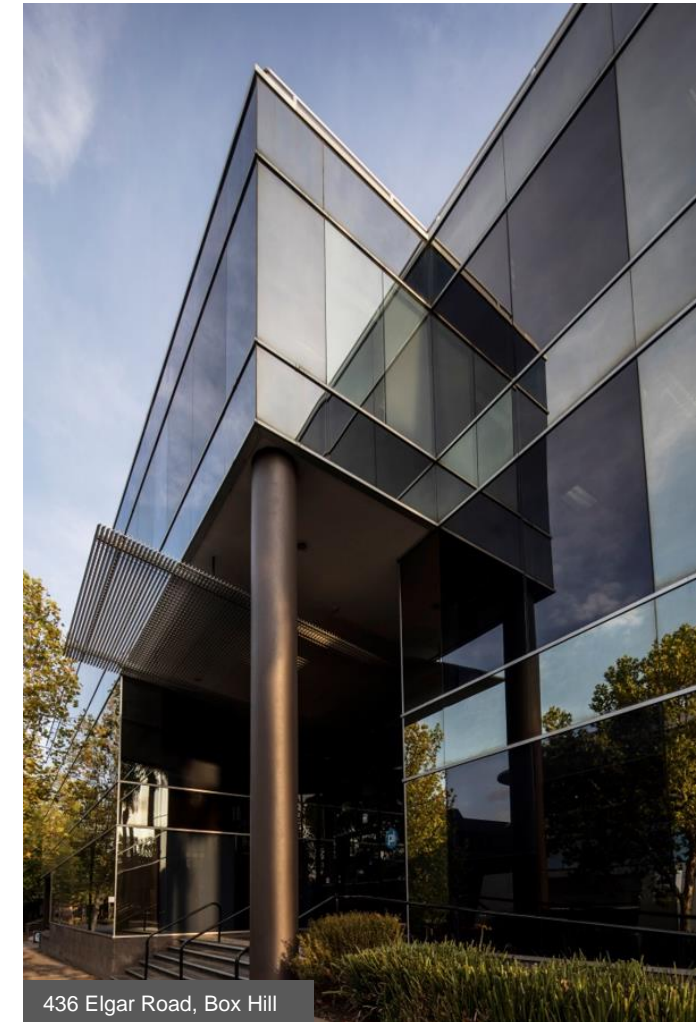
- Successfully deliver leased industrial developments - Buildings A and B at Pinnacle West, Wacol and Richlands.
- Whilst remediation occurs, continue to engage with prospective tenants for the 15,000m² Acacia Ridge (Stage 2) and Pinnacle East, Wacol projects.
- Secure foundation pre-commitments for North Lakes during bulk earth works, allowing built form to commence.
- Focus on Melbourne city-fringe office leasing, including current vacancies at Hawthorn East (1,754m²) and Botanicca 9 (2,282m²).



FUNDS FROM OPERATIONS

	31 Dec 2022 \$000	31 Dec 2021 \$000
Net profit / (loss) after tax¹	(741)	64,739
Adjustments for non-cash items and one-off items:		
Valuations – (deduct increases) / add back decreases:		
Investment properties	2,473	(54,242)
Derivatives	(49)	(2,877)
Asset disposals – (deduct gains) / add back losses:		
Investment properties	4,116	512
Other accounting reversals – (deduct income) / add back expenses:		
Security based payments expense	368	208
Net lease contract and rental items	1,417	(346)
Other	8	18
FFO	7,592	8,002
FFO per security (cents)	3.6	3.8
Distributions	7,517	8,195
Distributions per security (cents)	3.6	3.6
Payout ratio	99.0%	93.8%
Tax Advantaged Distribution Component	96.5%	55%

1. Pursuant to Australian Accounting Standards, treasury securities and employee share plan securities and the distributions attaching thereto are not included in statutory net profit.



INCOME STATEMENT

		31 Dec 2022 \$000	31 Dec 2021 \$000
Revenue			
Revenue from ordinary activities	①	16,016	15,723
Other income		161	35
Net gain in fair value of financial instrument	②	49	2,887
Net gain in fair value of investment properties		-	54,242
Total revenue		16,226	72,887
Expenses			
Property expenses	③	(3,584)	(3,153)
Corporate and trust administration expenses		(1,085)	(864)
Finance costs	④	(3,513)	(1,803)
Employee benefits expense		(1,673)	(1,613)
Depreciation		(72)	(82)
Security based payments expense		(368)	(208)
Net loss on sale of investment properties	⑤	(4,116)	(512)
Net loss on fair value of investment properties	⑥	(2,473)	-
Total expenses		(16,884)	(8,235)
Profit before income tax		(658)	64,652
Income tax benefit		(83)	87
Profit / (loss) after income tax		(741)	64,739

- ① Revenue increased largely due to leases commencing following development, positive portfolio leasing outcomes and increase in recovery income.
- ② Movement in the mark to market valuation of \$100 million in interest rates swaps.
- ③ Property expenses increased largely due to expenses commencing following completion of development assets.
- ④ Net interest cost increase largely due to:
 - \$50 million increase in drawn debt;
 - Increasing variable rates during Q4CY22; and
 - Offset by increased project capitalisation during construction.
- ⑤ Loss on sale of an industrial property located at Mackay that settled in December 2022.
- ⑥ Negative movement in the carrying value of investment properties following independent valuations at Box Hill, Cairns and Hawthorn East.

BALANCE SHEET

		31 Dec 2022 \$000	30 Jun 2022 \$000
Current assets			
Cash and cash equivalents		18,987	19,794
Receivables and other assets		12,238	8,928
Other assets – prepayments		2,496	
Assets held for sale	①	48,250	-
Non-current assets			
Receivables and other assets		65	86
Investment properties	②	574,659	650,733
Property, plant and equipment		8	13
Derivative financial instrument		14,938	14,889
Right-of-use assets		70	137
Deferred tax assets		334	417
Total assets		672,045	694,997
Current liabilities			
Trade and other payables		2,220	2,773
Contract liabilities	③	1,385	607
Distribution payable		3,759	3,754
Provisions		48	42
Lease liabilities		65	130
Non-current liabilities			
Tenant security deposits		525	561
Borrowings	④	243,677	258,898
Provisions		116	92
Total liabilities		251,795	266,857
Net assets		420,250	428,140
Gearing (%)		34.6%	35.6%
NTA per security (\$)		2.01	2.05

- ① Two assets held for sale located at
 - Office building in Box Hill (\$47.0 million); and
 - Development land parcel in Townsville (\$1.25m).
- ② Investment properties decreased as a result of:
 - \$48.3 million decrease following the reclassification of Box Hill and the Townsville land parcel to property held for sale;
 - \$39.2 million decrease following the sale of Mackay;
 - \$11.6 million increase from capital expenditure of properties under construction;
 - \$3.5 million increase from capital expenditure on investment properties;
 - \$1.1 million in straight lining of rental income, leasing costs and incentives; and
 - \$2.5 million net loss from fair value adjustments.
- ③ Contract liabilities of \$1.4 million represent the reversal of tenant rental pre-payments that have been classified in cash and cash equivalents.
- ④ Non-current borrowings have decreased \$15.2 million during the reporting period following repayment of variable debt facilities at the conclusion of the Mackay asset sale in December 2022.

GLOSSARY

DEFINITIONS AND EXPLANATIONS

Item / Term	Definition / Explanation
FY23 Current DPU Yield	Calculated as the FY23 forecast distribution rate of \$0.072 per security divided by GARDA's ASX closing price of \$1.445 per security on 6 February 2023.
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 drawn 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 currently under development located at 372-402 Progress Rd, Wacol (QLD).
Pinnacle North	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 31 December 2022 total property investment assets, assets held for sale, value accretive capital expenditure and a land parcel in Townsville.
WALE	Weighted Average Lease Expiry (by gross income).
WACR	Weighted Average Capitalisation Rate

GARDA

w: gardaproperty.com.au

e: info@gardaproperty.com.au

p: +61 7 3002 5300

Level 21, 12 Creek Street, Brisbane QLD 4000

GPO Box 5270, Brisbane QLD 4001

