GARDA

GARDA PROPERTY GROUP (ASX: GDF)

Annual Results Presentation | June 2023

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CHAIRMAN'S REVIEW

KEY OPERATIONAL MESSAGES

FINANCIAL

1. Distributions for FY24 have been reduced to 6.3cps (FY23: 7.2cps) representing a 100% payout ratio (FY23: 100.6%) due to the impacts of both:
   - increased net interest costs in FY23: $6.3 million and FY22: $4.1 million, and higher net expense expected again for FY24.
   - timing difference from when project revenue commences compared to when revenue ceased from asset sales. $5.0 million in annualised net property income was lost from Box Hill and Mackay divestments.
2. Revenue in future years will benefit from the impending completions of projects in development at:
   - Richlands (Dec 2023) delivering $1.8 million in annualised income;
   - Acacia Ridge (June 2024) delivering $2.3 million in annualised income when fully leased; and
   - Pinnacle East, Wacol and North Lakes income is possible in FY26.
3. Considering the broader macro environment, GARDA's balance sheet and portfolio asset values have proven reasonably resilient, with only a modest $6.5 million fair value loss for FY23 (3 cents NTA per security). Downward valuation pressure is expected to continue, particularly in office.
4. Gearing remains conservative at 33.7% and within our 30-35% target range.
5. Hedging position increased 50% to $150 million with additional $50 million three year hedge at base rates of 3.3% and renegotiated ICR covenants with our lenders for the next 3 years.

PROPERTY

1. The loss on sale of Box Hill and Mackay of $11.7 million, representing 5.5 cents of NTA per security, is best considered in both the context of the actual sales outcomes and the decisioning behind those sales:
   - Box Hill achieved a yield of 5.9% for a mature established office asset;
   - Mackay achieved a yield of 7.4% for a regional industrial asset that we considered has a declining asset value until lease expiry in 2029.
   - The identification of these assets to recycle included both the desire to exit these mature assets and the reallocation of capital to higher yielding development projects, particularly considering the yield on the remaining capital to be invested in GARDA's industrial development pipeline.
2. The continued delivery of industrial projects results in the preferred portfolio industrial exposure increasing to two-thirds, with this set to increase further.
3. Botanicca 7 & 9 office assets, collectively valued at $110.5 million, are held for sale and have recently commenced a divestment process.
4. 28,000m² (Richlands and Acacia Ridge) of the 140,000m² industrial development pipeline is expected to complete during FY24. Bulk-earth and civil works at North Lakes and Pinnacle East, Wacol are also expected to be completed at during FY24, activating the remaining 112,000m² of built form industrial pipeline.
5. As the land underlying the development pipeline is already owned, the yield on remaining cost to complete each project is compelling.

GROUP OVERVIEW

Real Estate Platform

$600 Million[1]
PORTFOLIO VALUE

4.9 Years
WALE

91%
PORTFOLIO OCCUPANCY

~140,000m² | 28,000m²
DEVELOPMENT PIPELINE | UNDER CONSTRUCTION

Financial Position

$1.96
NTA PER SECURITY

33.7%
GEARING

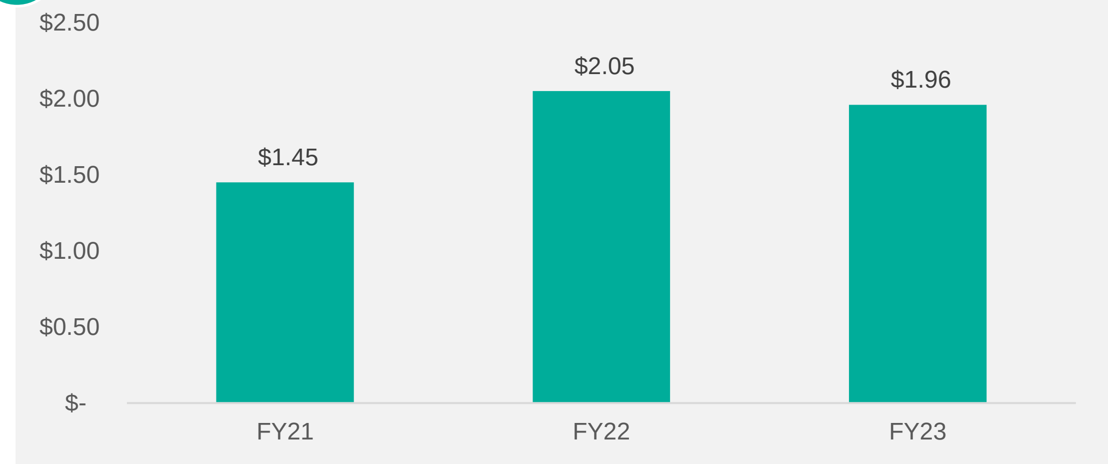
6.3 CPS
FY24 DPS GUIDANCE

5.1%[2]
FORECAST FY24 DISTRIBUTION YIELD

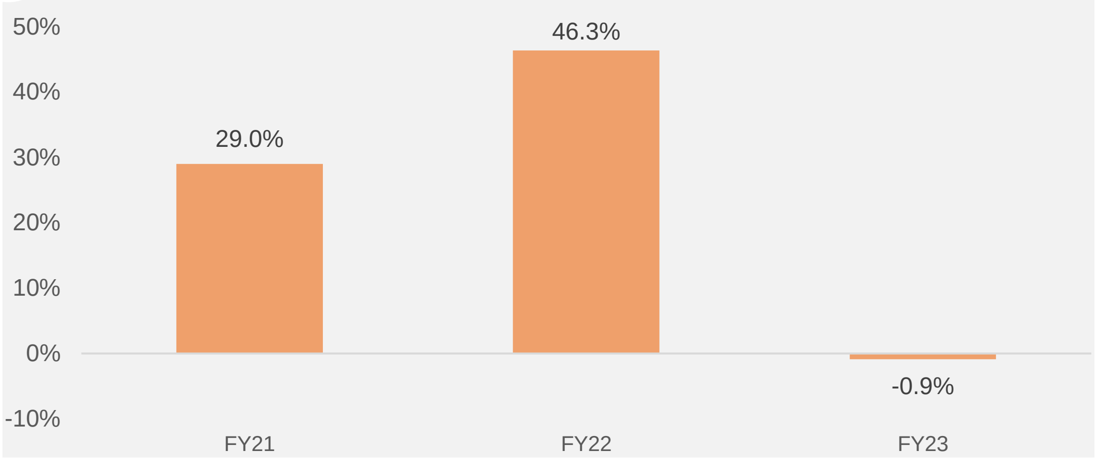
1. Portfolio value calculated as 30 June 2023 total property investment assets, assets held for sale, value accretive capital expenditure and a land parcel in Townsville.
2. Calculated as FY24 forecast distribution rate of $0.063 per security divided by GARDA's 26 July 2023 ASX close price of $1.225.

GARDA PERFORMANCE

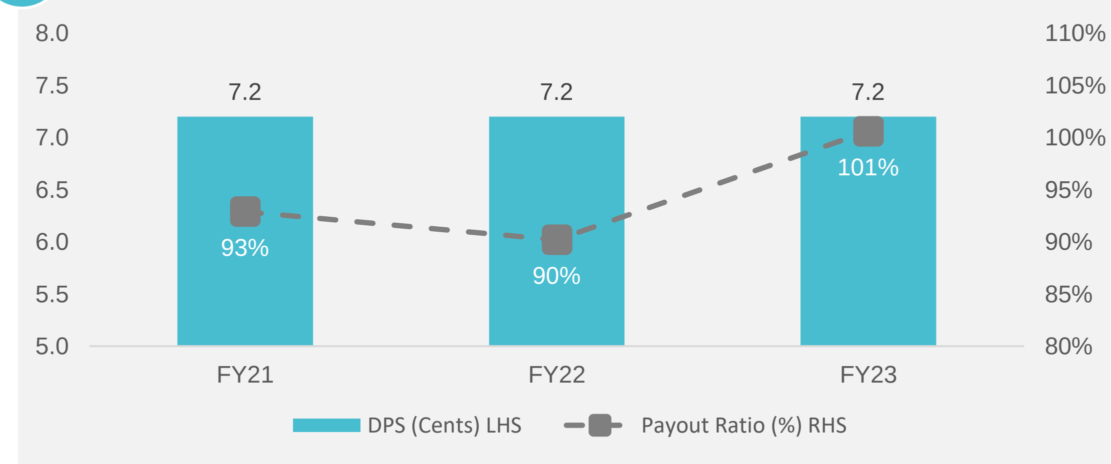
1 NTA per security ($)



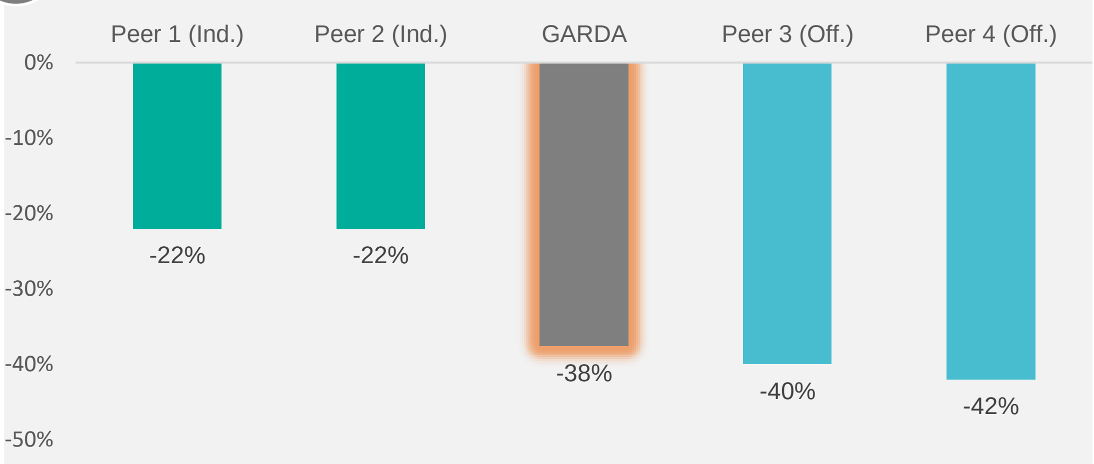
2 Return on equity (%)



3 DPS (cents) | Payout Ratio (%)

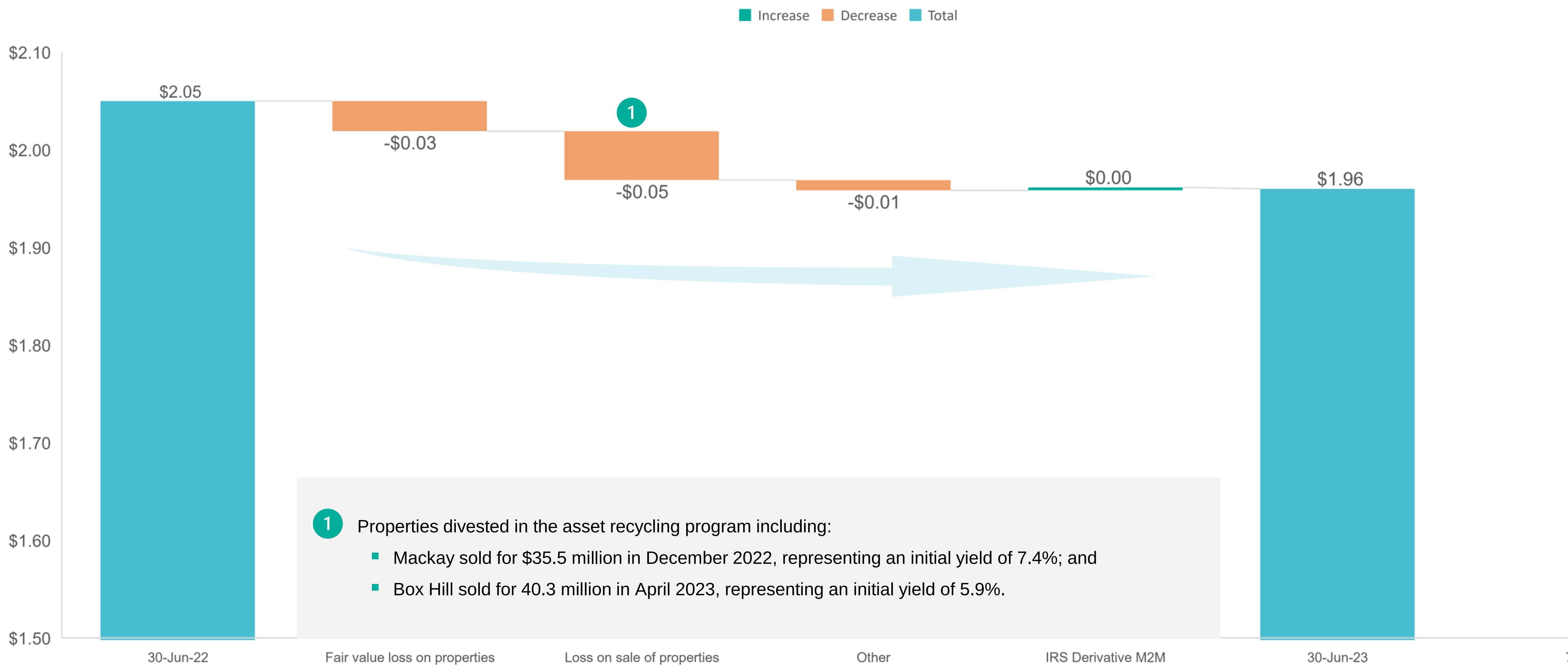


4 ASX discount to NTA (%)



NET TANGIBLE ASSETS RECONCILE

4.4% DECREASE IN NTA PER SECURITY FOLLOWING ASSET RECYCLING PROGRAM



1 Properties divested in the asset recycling program including:

- Mackay sold for $35.5 million in December 2022, representing an initial yield of 7.4%; and
- Box Hill sold for 40.3 million in April 2023, representing an initial yield of 5.9%.

GARDA

HIGHLIGHTS

KEY OUTCOMES FOR THE YEAR ENDED 30 JUNE 2023

Valuations and Rent Growth

- 13 of 15 properties valued for financial year end resulting in a modest fair value loss of $6.5 million.
- Brisbane industrial market rent growth has largely offset cap rate decompression.
- North Lakes industrial land value has increased substantially.
- Continue to observe increases in achievable rents as tenants engage on Acacia Ridge, Pinnacle East and North Lakes.

Asset Recycling

- Recycling of established property remains the preferred form of capital management.
- Mackay and Box Hill were sold during FY23 for a collective $75.8 million, before costs.
- Botanicca 7 and 9 are presently held for sale with a collective independent value of $110.5 million.

Capital Management - Debt

- Net sale proceeds reduced drawn debt by $74.8 million.
- The facility limit was reduced by $30.0 million to $290.0 million with available headroom of $64.8 million.
- An additional $50 million three year interest rate swap was executed in April 2023 at 3.3% (current three year swap is 4.6%).
- Gearing remains conservative at 33.7%.

Projects and Revenue Growth

- Pinnacle West, Wacol completed in June 2023 is now fully developed with the estate providing $1.74 million net income in FY24.
- Richlands (13,000m^2) practical completion is expected in December 2023, contributing $1.8 million annualised income.
- Acacia Ridge will be built throughout FY24. When fully leased, it is expected to provide $2.3 million annualised income.

1.

VALUATION OVERVIEW

INDEPENDENT VALUATION OUTCOMES

4.90%
INDUSTRIAL CAP RATE

6.36%
OFFICE CAP RATE

5.60%
PORTFOLIO CAP RATE

Property	Sector	Valuation Date	Valuation ($m)	Cap Rate (%)	Movement (%)	Occupancy (%)	WALE (years)
Acacia Ridge, 69 Peterkin St	Industrial	May-23	21.4	4.75%	0.75%	100%	5.6
Acacia Ridge, 38-56 Peterkin St	Industrial Land	May-23	18.4	-	-	-	-
Berrinba, 1-9 Kellar St	Industrial	May-23	15.4	5.25%	0.75%	100%	1.8
Cairns, 7-19 Lake St	Office	Oct-22	87.8	7.00%	-	94%	4.0
Hawthorn East, 8-10 Cato St	Mixed Use	Dec-22	25.0	5.75%	-	33%	4.8
Heathwood, 67 Noosa St	Industrial	May-23	15.5	5.50%	1.25%	100%	4.8
Morningside, 326 & 340 Thynne Rd	Industrial	May-23	54.5	5.25%	0.75%	100%	3.7
North Lakes, 109-135 Boundary Rd	Industrial Land	May-23	69.5	-	-	-	-
Pinkenba, 70-82 Main Beach Rd	Industrial	May-23	35.5	4.50%	0.00%	100%	10.1
Richlands, 56-72 Bandara St	Industrial Land	May-23	13.7	-	-	100%	10.0
Wacol, 41 Bivouac Pl	Industrial	May-23	58.5	4.75%	0.75%	100%	5.0
Wacol, Pinnacle East	Industrial Land	May-23	11.0	-	-	-	-
Wacol, Pinnacle West	Industrial	May-23	45.9	4.75%	0.50%	100%	4.2
Wacol, Pinnacle West (land)[1]	Industrial Land	May-23	-	-	-	-	-
Richmond, 572-576 Swan St (Bot 7)	Office	May-23	50.5	6.13%	1.13%	100%	3.3
Richmond, 588A Swan St (Bot 9)	Office	May-23	60.0	5.88%	0.88%	73%	5.0
Townsville, 30 Palmer St	Residential Land	May-22	1.3	-	-	-	-
Total Independent value			583.7				
Value accretive capex[2]			16.8				
Total Portfolio			**600.5**	5.60%		91%	4.9

1. Pinnacle West, Wacol is now fully developed and there is no remaining land value.
2. Represents value accretive capital expenditure on independently valued properties between the date of independent valuation and the end of the relevant financial period.

- Asset sales during the reporting period included Mackay and Box Hill.
- 13 of 15 portfolio properties representing 80% of properties by value, were independently valued in May 2023.
- Weighted average capitalisation rate (WACR) for the portfolio increased by 55 basis points to 5.60%.
- Capitalisation rates for Botanicca 7 and 9 office assets increased by an average of 100 basis points, resulting in a $20.7 million decrease in property value.
- Capitalisation rates across seven established Brisbane industrial assets increased by an average of 68 basis points, with those increases ranging from between 0.50% and 1.25%.
- An average market rental growth of approximately 14% across those Brisbane industrial properties has insulated much of the negative impact of capitalisation rate softening.
- North Lakes industrial land valuation increased 54%, to $69.5 million, representing approximately $278/m² of developable land.
- Land values continue to be driven by constrained land supply in established corridors.

ASSET RECYCLING PROGRAM

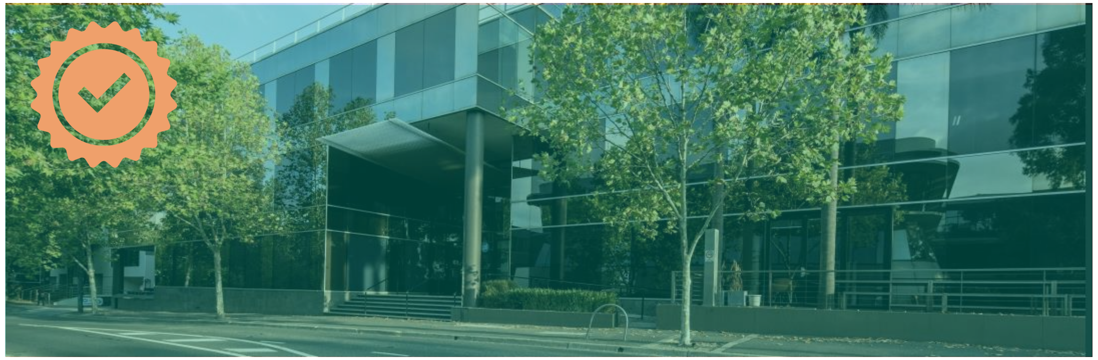
$75 MILLION OF CAPITAL HAS BEEN RELEASED AND ALLOCATED TO INDUSTRIAL PIPELINE

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 and reduce the borrowing limit by $30.0 million to $290.0 million.

436 Elgar Road, Box Hill

- Box Hill was valued at $18.5 million on a 9.0% capitalisation rate at IPO in 2015.
- Sale occurred on 3 April 2023 for $40.3 million, representing a 5.9% initial yield and 14% discount to book value.
- Net sale proceeds were used to partially reduce drawn debt.



$75.8m

Botanicca 7 and 9, Richmond (Melbourne)

- Botanicca 7 and 9 were revalued at 6.13% and 5.88% respectively and both assets are presently held for sale.
- The Box Hill office building was sold in March 2023 at an initial yield of 5.9%.

$110.5m
BOOK VALUE

PORTFOLIO LEASING

HIGH TENANT RETENTION RATES IN CAIRNS

15 Lake Street, Cairns

3,693m²
FY23 OFFICE LEASING

91%
PORTFOLIO OCCUPANCY

Portfolio Leasing

- Limited portfolio leasing has occurred during the financial year given only 2% of gross income was due to expire.
- Eight office leases representing 3,693m² were executed.
- Following the 7-year lease to Dutton Group (503m²) Botanicca 9 has one full floor (1,558m²) and one part floor (725m²) available for lease.
- Botanicca 9 is 73% occupied (by income).
- Cairns – six existing tenants across 2,737m² renewed/extended and one new lease across 453m² was executed. The building is 94% occupied and provides a 4.0 year WALE:
  - BDO (1,316m²) – extended its lease by 5 years to November 2029.
  - 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.
  - Torres Strait Sea Land Council – new three year lease across 453m², expiring in March 2026.

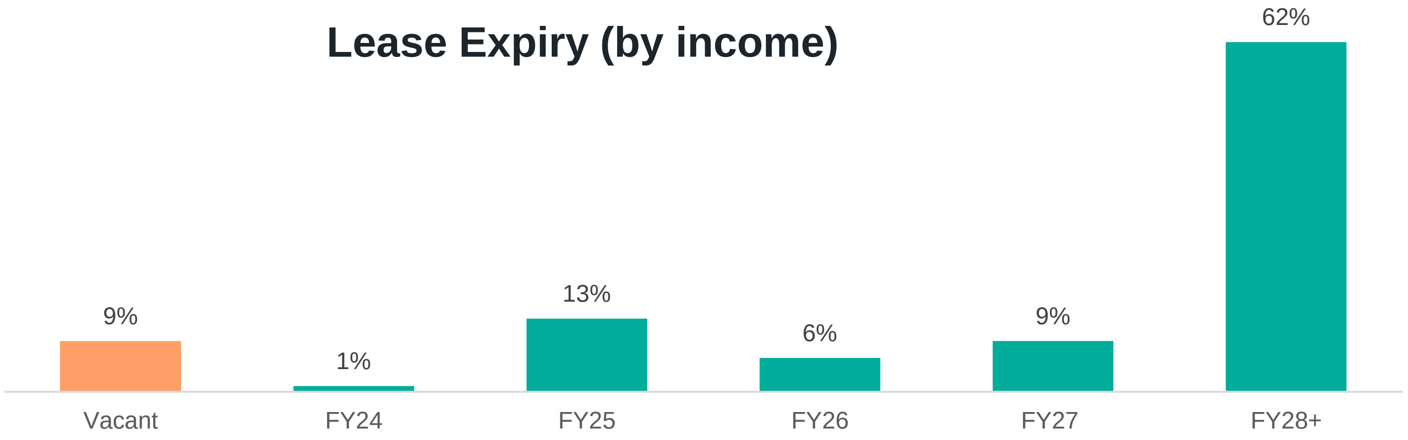
LEASE EXPIRY PROFILE

LIMITED REVENUE EXPIRY IN FY24

‘At Risk’ Income

- Limited income is at risk in FY24, with only three small office tenancies in Cairns due to expire, representing 641m² or 1% of gross income.
- FY25 expiry includes:
  - Berrinba (industrial) – TLC Warehouse Solutions (2,736m²).
  - Botanicca 7 (office) – Golder Associates (3,155m²).
  - Cairns (office) – eight leases representing (2,947m²).
- Current vacant space comprises 2,283m² in Botanicca 9, 1,754m² in Hawthorn East and 852m² in Cairns.
- Richlands industrial development (13,000m²) is fully leased on completion for 10 years.
- Acacia Ridge industrial development (~15,000m²) is not pre-committed however strong leasing interest exists and the property is anticipated to lease during construction.

Lease Expiry (by income)



1-9 Kellar Street, Berrinba

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INDUSTRIAL DEVELOPMENT

BRISBANE INDUSTRIAL MARKET OVERVIEW

CONTINUED MARKET RENT GROWTH EXPECTED

- Market rents across Brisbane have grown at approximately 10% y-o-y (prime and super-prime) with established precincts providing superior locations with last mile logistics style accommodation growing at greater rates.
- Secondary stock experienced 13% y-o-y rent growth as tenants are pushed into secondary markets due to limited availability of prime and super-prime space.
- Brisbane vacancy rates are at historic lows (less than 1.0%), driving the take-up of speculative built stock.

FIGURE 7: Brisbane Vacancy by precinct

	ATC	Outer South	North	Western Corridor	Near City
1H22	0.9%	1.7%	0.2%	1.5%	0.0%
2H22	0.6%	0.5%	0.2%	0.6%	0.0%

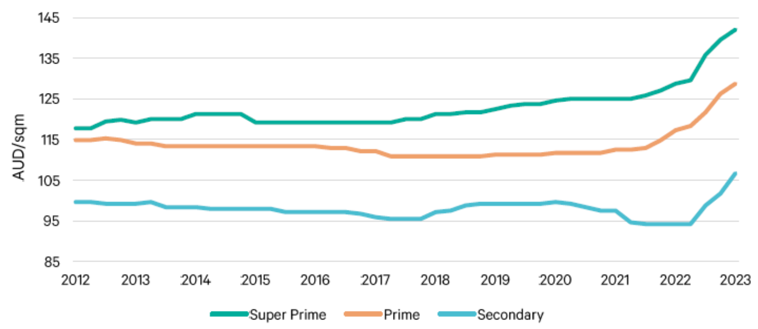
Source: CBRE Research. As at H2 2022

- Brisbane rents are expected to continue their recent strong growth with demand continuing to absorb the supply pipeline.
- Land absorption in Brisbane continues to outpace the ability to achieve relevant approval and permitting, driving continued growth in land value.

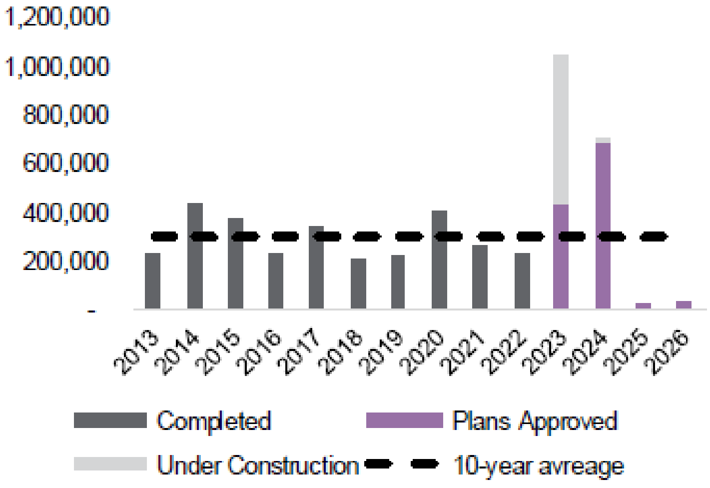
191,480m²
New industrial supply Q123

135,333m²
Gross industrial take-up Q123

FIGURE 18: Brisbane Average Rent by Asset Grade



Source: CBRE Research 1Q23



Source: JLL Research as at 4Q22

‘BUILD TO OWN’ INDUSTRIAL DEVELOPMENT PIPELINE

28,000M² TO BE COMPLETED IN FY24 WITH BULK EARTH AND CIVIL WORKS TO BE COMPLETED AT NORTH LAKES AND WACOL

INDUSTRIAL DEVELOPMENT PIPELINE

PROJECT CAPITAL REQUIREMENTS

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

FY23	FY24			
Jun 23	Sep 23	Dec 23	Mar 24	Jun 24

Richlands

- Construction of 13,000m² facility well advanced with completion expected by Dec 2023.
- ★ 10-year leasing pre-committed for entire facility

$16 million to complete

Acacia Ridge

- Completion of remediation works is imminent.
- Construction of the 15,000m² industrial facility is expected to take 9 months.
- ★ Strong tenant inquiry

9 months - $19 million[1]

North Lakes

- ★ Strong tenant demand for ~38,000m² of NLA
- Early works program has commenced with majority of bulk earthwork to take 12 months.
- Built form construction may start 1HCY24 once bulk earthworks are completed, subject to individual building development approval.

12 months - $22 million[2]

Pinnacle East, Wacol

- Minor amendment to the existing approval is expected in H1FY24.
- Bulk earth works are expected to take 12 months.
- ★ Strong tenant inquiry

12 months

1. Final contract pricing is to be finalised and subject to price change from the original forecast.
2. Total cost of bulk earthworks, civil works including stormwater and sewerage, retaining walls, internal roads and traffic intersection less $2.7 million land resumption payment due from the Moreton Bay Regional Council.

PINNACLE WEST NOW COMPLETE

DEVELOPED AND FULLY LEASED WITHIN FOUR YEARS OF ACQUISITION

WORKS TO ESTATE QUALITY LAND → **CONSTRUCTION OF BUILT FORM INDUSTRIAL FACILITIES**

A — May 2019

Land Acquisition
$5.9 million

- 4.1 hectare industrial land site settled for $5.9 million.
- Design, zoning variation and subsequent development application completed.

PINNACLE ON PROGRESS BY GARDA

B — March 2020

Bulk Earth Works
$4.5 million

- Nine month program of bulk earth works, including retaining walls, delivers construction ready estate quality land.
- Land revalued to $13.35 million.

C — November 2020

Bldg C (6,000m²)
$5.2 million

- YHI pre-commitment for a 10 year lease with starting rent at $108/m².
- Construction of 6,000m² facility is completed in April 2021.

D — June 2022

Bldg B (8,201m²)
$10.7 million

- Speculative development reached practical completion in March 2023.
- Two leases signed during construction for 7 and 10 years, both at $125/m².

E — January 2023

Bldg A (3,324m²)
$6.4 million

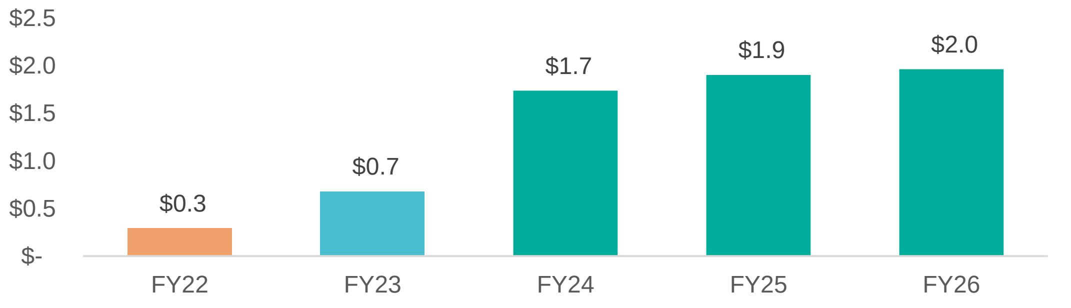
- Doherty Couplers commits to a 7 years lease at $140/m².
- Practical completion achieved in June 2023.
- Estate now valued at $45.9 million.

7.9 Years
WALE

$45.9m
VALUATION

17,525m²
NLA

Net Property Income Contribution ($m p.a.)



PINNACLE BY GARDA

GARDA

PINNACLE EAST, WACOL

12 MONTHS TO COMPLETE BULK EARTH WORKS PRIOR TO BUILT FORM

PINNACLE BY GARDA
ON PROGRESS EAST

PINNACLE BY GARDA
ON PROGRESS WEST

Western Corridor Development

- Pinnacle West, a 17,525m² industrial complex across three buildings reached practical competition in June 2023.
- Pinnacle East, is a 4.1 hectare site adjacent to Pinnacle West, located at 372 Progress Rd, Wacol
- Project optimisation has resulted in a 9% increase in NLA footprint, increasing the completed project NLA to approximately 15,000m².
- Bulk earth works scope is advanced and expected to occur over a 12 month period.
- When fully developed and leased, Pinnacle East will provide approximately $2.5 million annualised net income.
- Building A, the final building developed in Pinnacle West, leased in December 2022 to Doherty Couplers for $140/m².

109-135 BOUNDARY ROAD

NORTH LAKES, QUEENSLAND

PINNACLE NORTH LAKES BY GARDA

~ 38,000m² of NLA across 4 buildings in advanced leasing discussions

Early works program has commenced

Bulk earthworks due to commence in Q4CY23

'AS IS' VALUATION SUMMARY	
Valuation Date	1 May 2023
Valuation – development land	$69,500,000
Total Useable Land (m²)	249,970
Value ($) per square metre of useable land	$278/m²
Planned Net Lettable Area (m²)	~ 97,000

56-72 BANDARA STREET

RICHLANDS, QUEENSLAND

ASSET SUMMARY

Land Area (m²)	30,351
Lettable Area (m²)	13,000
Occupancy (by income) 'on completion'	100%
WALE (by income) 'on completion'	10.0 years

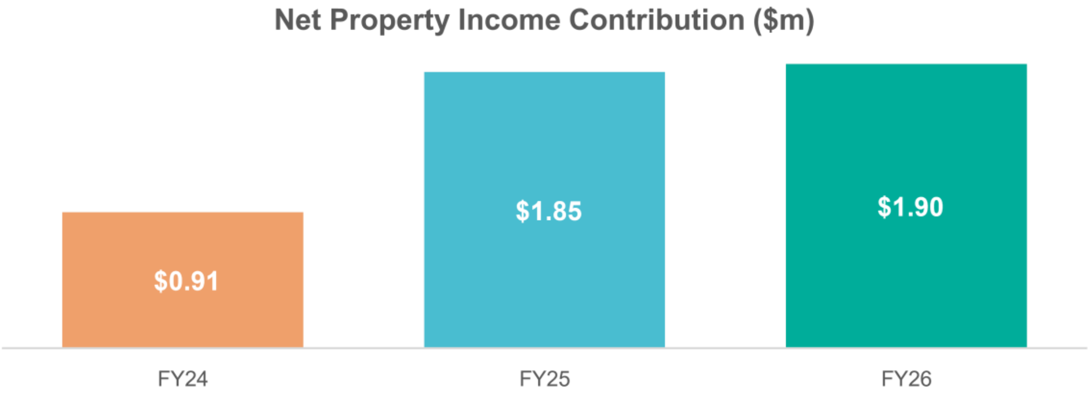
VALUATION SUMMARY

Valuation Date	1 May 2023
Capitalisation Rate / Discount Rate	4.75% / 6.25%
Valuation – 'On Completion'	$38,400,000
Valuation – 'As Is' development land	$13,700,000
Gross Value ($) per square metre of developable land	$450/m²

PRACTICAL COMPLETION DUE BY DECEMBER 2023.
AUSDECK TO BEGIN 10 YEAR LEASE AT $140/M²

PROJECT STATUS

- Construction of the 13,000m² industrial facility is well advanced.
- The facility will provide 11,000m² of industrial NLA and 2,000m² of office accommodation.
- Practical completion is expected by December 2023.
- The entire facility (13,000m²) is leased to Ausdeck for 10 years, commencing at $140/m². The lease is forecast to begin by January 2024.
- 1 May 2023 Independent 'on completion' valuation of $38.4 million at 4.75% capitalisation rate, including $2.0 million in deductions for known incentives.
- Annualised net property income of $1.8 million ($0.9 million in FY24).




Richlands – 20 July 2023

38-56 PETERKIN STREET

ACACIA RIDGE, QUEENSLAND

ASSET SUMMARY

Land Area (m²)	34,275
Lettable Area (m²)	15,000
Occupancy (by income) ‘on completion’	0%
WALE (by income) ‘on completion’	N/A

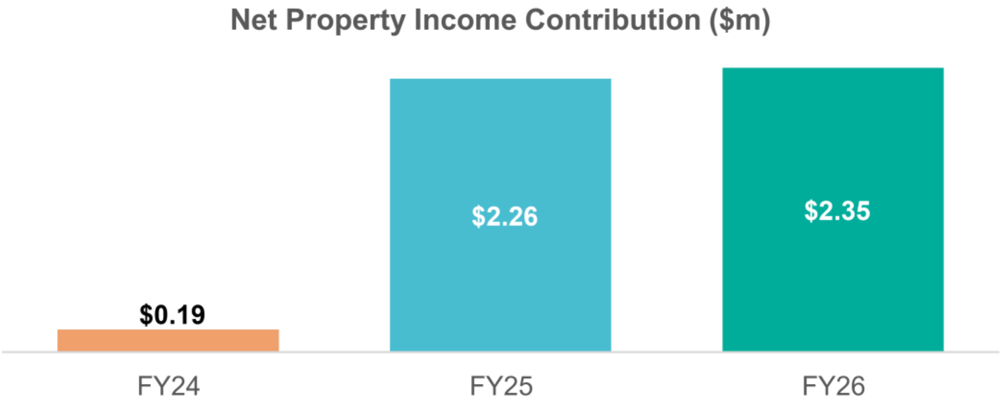
‘AS IS’ VALUATION SUMMARY

Valuation Date	1 May 2023
Capitalisation Rate / Discount Rate	N/A / N/A
Valuation – development land with DA	$18,350,000
Gross Value ($) per square metre of developable land	$525/m²

PROJECT STATUS

- Minor contamination was identified following demolition of the previous existing aged improvements.
- Remediation completion is imminent, allowing potential construction throughout FY24.
- An updated building contract is required, with expectations that costs Will not vary materially to prior guidance of $19 million.
- Strong inbound tenant inquiry exists.
- The building design is flexible and easily split into two tenancies.
- When leased, the property is expected to provide annualised net income of $2.3 million.
- 1 May 2023 Independent ‘on completion’ valuation of $39.5 million at 5.00% capitalisation rate, allowing $3.0 million in deductions for leasing up and incentives.

CONSTRAINED SUPPLY IN SOUTH-WEST CORRIDOR DRIVING RENT GROWTH.



Acacia Ridge – render

GARDA

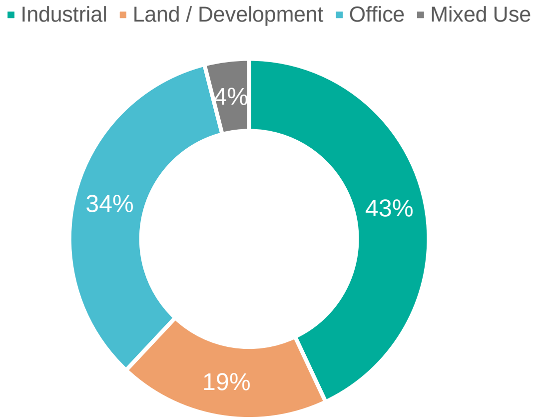
PROPERTY PORTFOLIO

41 Bivouac Pl, Wacol

PORTFOLIO OVERVIEW

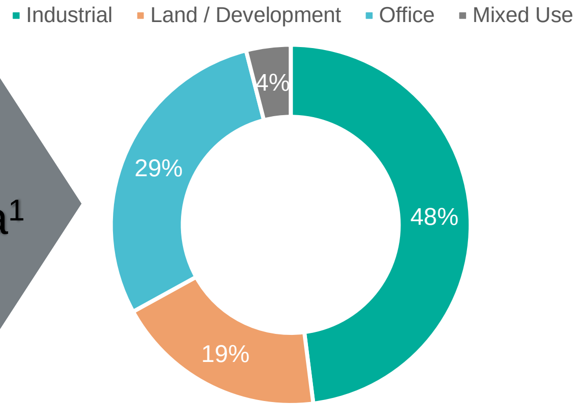
RECYCLING AND DEVELOPMENT IS REWEIGHTING PORTFOLIO TO BRISBANE INDUSTRIAL

Sector (by Value)



Pro-Forma[1]

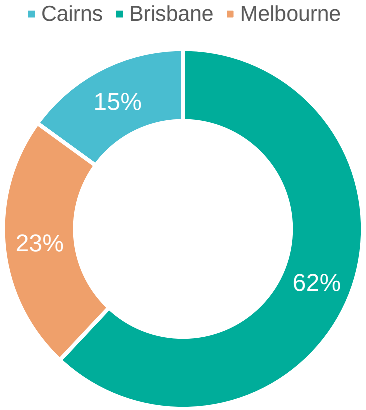
Sector (by Value)



Top 10 Tenants

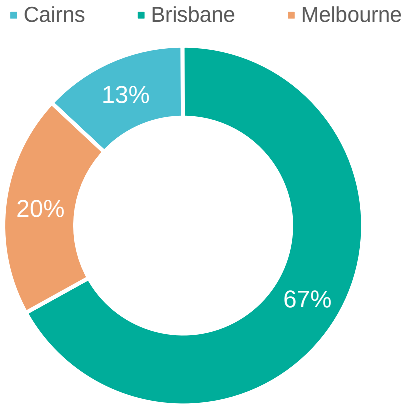
Tenant	Property	Gross Income (%)
Volvo Group	Wacol	10.0%
Komatsu	Morningside	7.3%
Golder Associates	Botanicca 7	6.9%
Pinkenba Operations	Pinkenba	6.5%
Fujifilm Business Innovation	Botanicca 9	5.5%
Qld Gov (DTMR)	Cairns	5.5%
Fulton Hogan	Botanicca 7	3.8%
Austrans	Acacia Ridge	3.7%
McLardy McShane	Botanicca 7	3.6%
James Energies	Heathwood	3.6%
Top 10 Portfolio Tenants		**56.4%**

Geography (by value)



Pro-Forma[1]

Geography (by value)

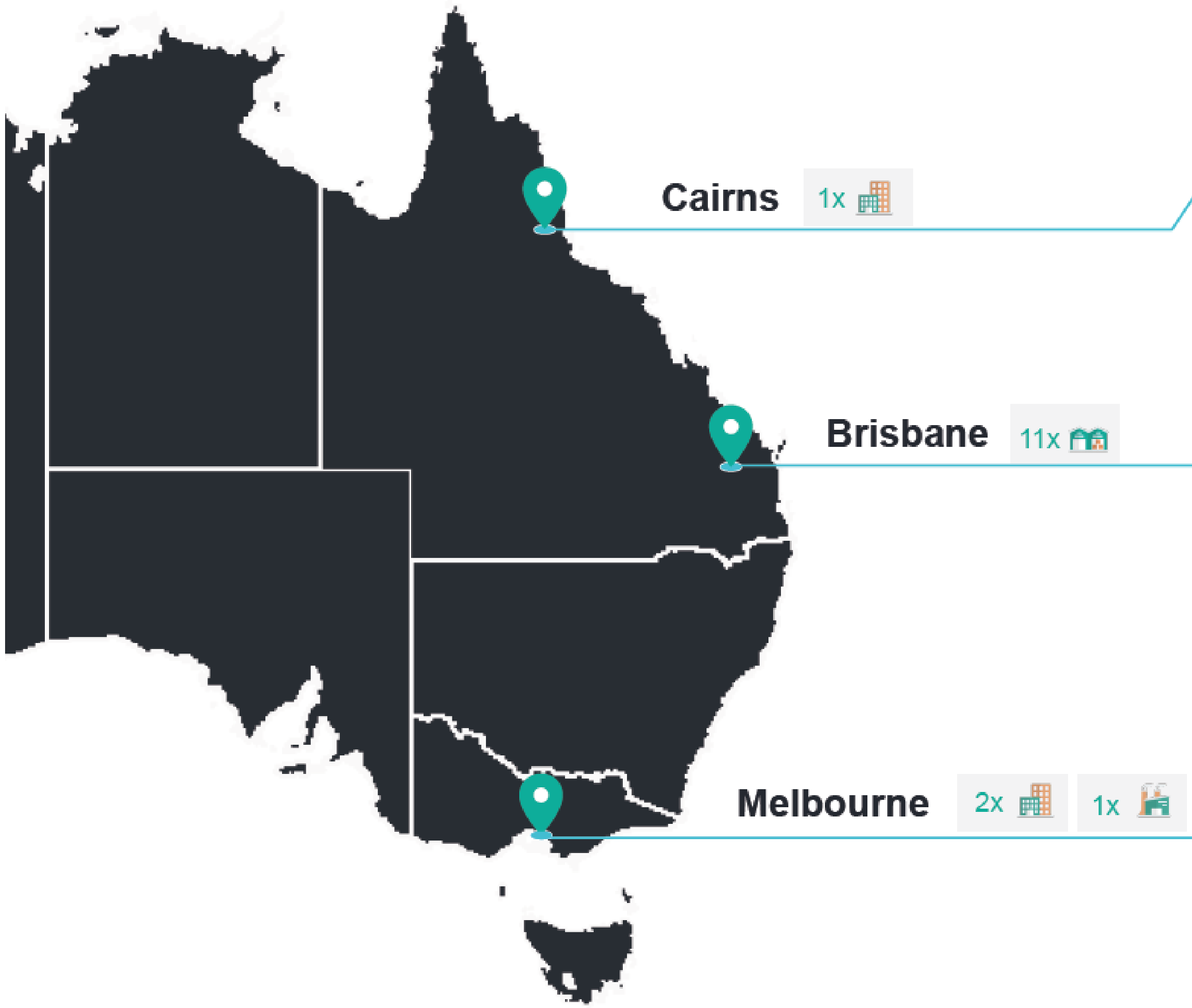


69 Peterkin St, Acacia Ridge

1. Pro-forma property metrics includes independent ‘on completion’ values for industrial buildings at 38-56 Peterkin St, Acacia Ridge, 56-72 Bandara St, Richlands and estate quality land at 109-135 Boundary Road, North Lakes.

PROPERTY PORTFOLIO

INTEGRATED, COMMERCIAL AND INDUSTRIAL PROPERTY PLATFORM



Cairns, 7-19 Lake Street **($87.8m)**

Acacia Ridge, 38 - 56 Peterkin Street **($18.4m)**
Acacia Ridge, 69 Peterkin Street **($21.4m)**
Berrinba, 1-9 Kellar Street **($15.4m)**
Heathwood, 67 Noosa Street **($15.5m)**
Morningside, 326 & 340 Thynne Road **($54.5m)**
North Lakes, 109-135 Boundary Road **($69.5m)**
Pinkenba, 70-82 Main Beach Road **($35.5m)**
Richlands, 56-72 Bandara Street **($13.7m)**
Wacol, 41 Bivouac Place **($58.5m)**
Wacol, Pinnacle East **($11.0m)**
Wacol, Pinnacle West **($45.9m)**

Richmond, 572-576 Swan Street **($50.5m)**
Richmond, 588A Swan Street **($60.0m)**
Hawthorn East, 8-10 Cato St **($25.0m)**

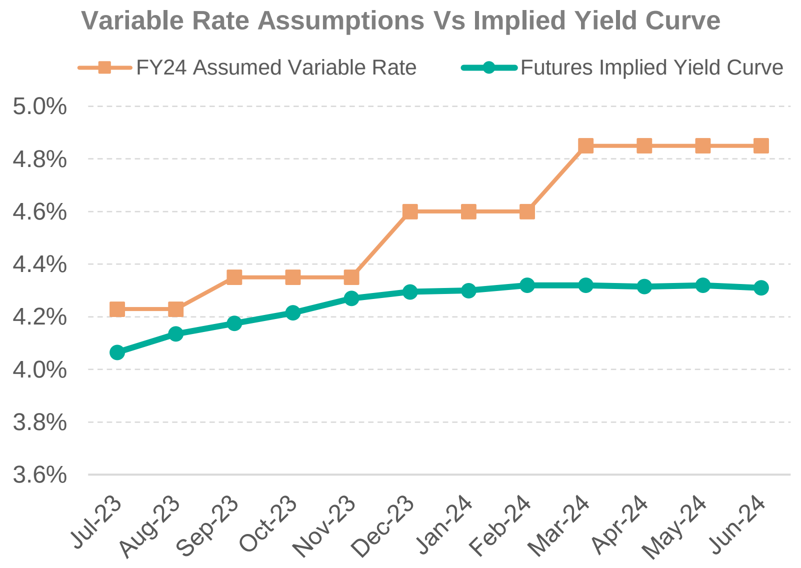
FINANCE

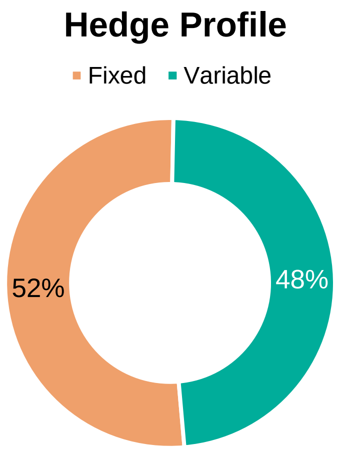
41 Bivouac Pl, Wacol

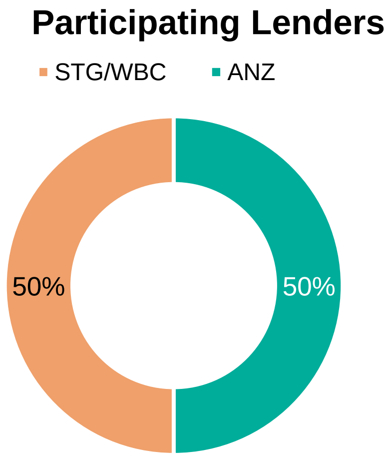
CAPITAL MANAGEMENT

INTEREST RATE HEDGING INCREASED TO $150 MILLION

Key Debt Metrics – 30 June 2023	
Total debt facilities	$290.0 million
Drawn Debt	$225.2 million
Cash	$13.2 million
Weighted average debt duration	2.7 years
Hedged debt	$150 million
Weighted average hedge duration	4.0 years
Gearing	33.7%
Interest Cover Ratio (covenant 2.0 times)	2.4 times







- At 30 June 2023, the facility was drawn to $225.2 million providing $64.8 million worth of immediate funding capacity.
- Gearing at 30 June 2023 was 33.7%.
- GARDA recently executed a three-year, $50.0 million interest rate swap agreement at a base rate of 3.30% per annum, expiring in June 2026.
- GARDA's other interest rate swaps total $100 million including:
  - $70 million expiring in March 2027 at 0.82%; and
  - $30 million expiring in March 2030 at 0.98%.
- GARDA's hedged debt is now 52% of the fully drawn facility and the weighted average hedged debt duration is 4.0 years.
- FY23 weighted average cost of debt (**WACD**), including all line fees, margins and establishment fees, was 4.0%.
- Forecast FY24 WACD is 4.9%.
- 30 June 2023 Interest Cover Ratio (**ICR**) of 2.4 times EBIT (covenant of 2.0 times).
- GARDA has renegotiated ICR covenants with its lenders as follows:
  - 1 July 2023 to 30 June 2024: 1.5 times EBIT
  - 1 July 2024 to 30 June 2025: 1.75 times EBIT
  - 1 July 2025 onwards: 2.0 times EBIT

GUIDANCE

PROJECT DELIVERY KEY TO REVENUE GROWTH

FY24 Distribution and FFO Guidance

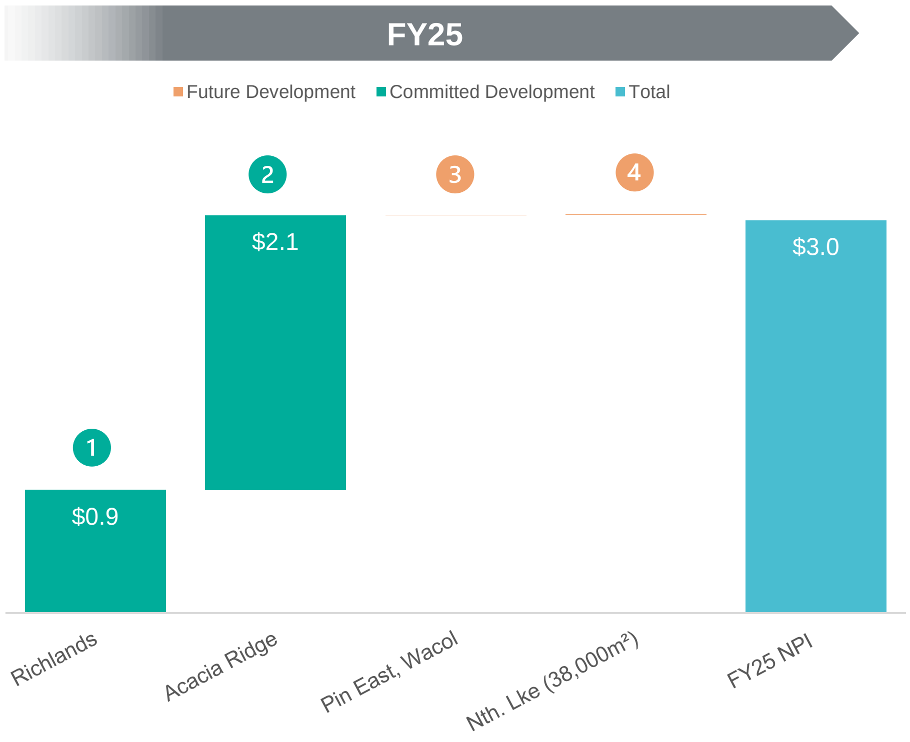
- FY24 distribution guidance of $0.063 per security, paid in $0.01575 quarterly payments.
- The 26 July 2023 ASX closing price of $1.225 per security reflects a distribution yield of 5.1% and 38% discount to NTA per security.
- FY24 distribution payout ratio is expected to be approximately 100% of FFO (FY23: 100.6%), reflecting FY24 FFO of approximately $13.2 million.

Project Delivery = Revenue Growth

1. Richlands, a 13,000m² fully leased building providing $1.8 million annualised income, will reach practical completion by December 2023. FY24 forecast includes $0.9 million in income and the property will deliver an additional $0.9 million in FY25.
2. Acacia Ridge[1] is anticipated to be developed throughout FY24 and is expected to provide $2.3 million annualised income.
3. Pinnacle East, Wacol requires 12 months to complete bulk earth works prior to commencing built form industrial. When built and leased, the 15,000m² facility may provide income in FY26.
4. North Lakes early works program has begun, and it is anticipated built form construction may commence by April 2024. This would activate the construction of four facilities (~38,000m²), with those potential leases providing income during FY26.

1. Acacia Ridge (~15,000m²) is currently not leased but given the strong leasing inquiry, is expected to be largely leased by completion in May 2024. The property is forecast to provide $0.2 million in FY24.

FY25 Additional Project NPI ($ million)

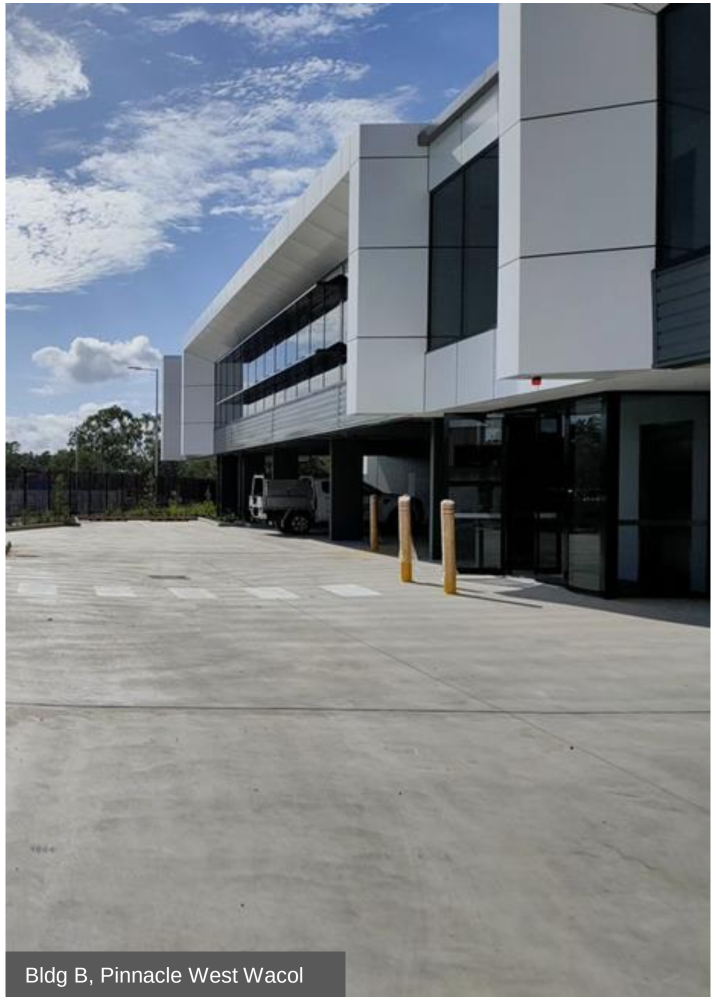


GARDA

FUNDS FROM OPERATIONS

	30 Jun 2023 $000	30 Jun 2022 $000
Net profit / (loss) after tax[1]	**(4,934)**	**140,519**
Adjustments for non-cash items and one-off items:		
Valuations – (deduct increases) / add back decreases:		
Investment properties	6,470	(111,642)
Derivatives	(638)	(12,832)
Asset disposals – (deduct gains) / add back losses:		
Investment properties	11,729	511
Other accounting reversals – (deduct income) / add back expenses:		
Security based payments expense	719	669
Net lease contract and rental items	1,565	(611)
Other	22	39
FFO	**14,933**	**16,653**
FFO per security (cents)	**7.2**	**8.0**
Distributions	**15,027**	**15,018**
Distributions per security (cents)	**7.2**	**7.2**
Payout ratio	**100.6%**	**90.2%**
Tax Advantaged Distribution Component	**100.0%**	**81.6%**

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



Bldg B, Pinnacle West Wacol

GARDA

INCOME STATEMENT

		FY23 $000	FY22 $000
Revenue			
Revenue from ordinary activities	❶	31,556	33,709
Other income		418	68
Net gain in fair value of financial instruments	❷	638	12,832
Net gain in fair value of investment properties		-	111,642
Total revenue		**32,612**	158,251
Expenses			
Property expenses		(6,915)	(6,926)
Corporate and trust administration expenses		(1,945)	(1,970)
Finance costs	❸	(6,313)	(4,078)
Employee benefits expense		(3,188)	(3,564)
Depreciation		(150)	(161)
Credit loss expense		**-**	(6)
Security based payments expense		(719)	(669)
Net loss on fair value of investment properties	❹	(6,470)	-
Net loss on sale of investment properties	❺	(11,729)	(511)
Total expenses		**(37,429)**	(17,885)
Profit/(loss) before income tax		**(4,817)**	140,366
Income tax (expense) / benefit		(117)	153
Profit / (loss) after income tax		**(4,934)**	140,519

❶ Revenue decreased due to the net impact of:

- reduced lease revenue and recovery income following the divestment of Mackay and Box Hill;
- additional lease revenue and recovery income from new leases commencing at Pinnacle West, Wacol; and
- additional interest and advisory revenue from lending activities.

❷ Movement in the mark to market valuation of $150 million in interest rate swaps.

❸ Net interest cost increased due to higher variable interest rates, partially offset by an increase in project interest capitalisation during construction of various projects.

❹ Negative movement in the carrying value of investment properties following independent valuation.

❺ Related to the sale of Mackay and Box Hill.

BALANCE SHEET

		30 Jun 2023 $000	30 Jun 2022 $000
Current assets			
Cash and cash equivalents		13,164	19,794
Receivables and other assets	1	12,210	7,654
Other assets – prepayments		1,215	1,274
Assets held for sale	2	111,750	-
Non-current assets			
Receivables and other assets		44	86
Investment properties	3	488,783	650,733
Property, plant and equipment		-	13
Derivative financial instrument		15,527	14,889
Right-of-use assets		-	137
Deferred tax assets		300	417
Total assets		**642,993**	**694,997**
Current liabilities			
Trade and other payables	4	4,430	2,773
Contract liabilities	5	1,232	607
Distribution payable		3,751	3,754
Provisions		51	42
Lease liabilities		-	130
Non-current liabilities			
Tenant security deposits		739	561
Borrowings	6	224,269	258,898
Provisions		152	92
Total liabilities		**234,624**	**266,857**
Net assets		**408,369**	**428,140**
Gearing (%)		**33.7%**	**35.6%**
NTA per security ($)		**1.96**	**2.05**

1 Receivables and other assets largely comprises commercial loans provided to external third parties.

2 Three property assets held for sale at:

- Botanicca 7 office building in Richmond ($50.5 million);
- Botanicca 9 office building in Richmond ($60.0 million); and
- Development land parcel in Townsville ($1.25 million).

3 Investment properties decreased as a result of:

- $111.7 million decrease following the reclassification of Botanicca 7 and 9 office buildings and the Townsville land parcel to property held for sale;
- $86.5 million decrease following the sale of Mackay and Box Hill;
- $41.5 million increase from capital expenditure of properties under construction;
- $2.1 million increase from capital expenditure on investment properties;
- $1.1 million in straight lining of rental income, leasing costs and incentives; and
- $6.5 million net loss from fair value adjustments.

4 Trade and other payables includes development construction expense accruals, statutory liabilities and accrued property expenses at reporting date.

5 Contract liabilities of $1.2 million represent the reversal of tenant rental pre-payments that have been classified in cash and cash equivalents.

6 Non-current borrowings have decreased $34.6 million during the reporting period following repayment of variable debt facilities at the conclusion of the Mackay and Box Hill asset sales. Facilities have subsequently been drawn to assist with funding development activities.

GLOSSARY

DEFINITIONS AND EXPLANATIONS

Item / Term	Definition / Explanation
DPS	Distribution per security
EBIT	Earnings before income tax as defined by GARDA's Syndicated Facility Agreement.
Forecast FY24 DPU Yield	Calculated as the forecast FY24 distribution rate of $0.063 per security divided by GARDA's ASX closing price of $1.245 per security on 26 July 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.
Futures Implied Yield Curve	ASX 30 Day Interbank Cash Rate Futures Implied Yield Curve as of close of 19 July 2023.
Gearing	Calculated as: (total drawn interest-bearing liabilities less cash), divided by, (total assets less cash).
ICR	Interest Cover Ratio as defined by GARDA's Syndicated Debt Facility.
NLA	Net Lettable Area.
NPI	Net Property Income.
NTA	Net Tangible Assets.
Pinnacle East	Industrial development project currently under development 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 at 498 Progress Rd, Wacol (QLD).
Portfolio Value	Calculated as 30 June 2023 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).
WACD	Weighted Average Cost of Debt
WACR	Weighted Average Capitalisation Rate

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