

ASX Announcement / Media Release**GARDA Capital Group**

23 November 2018

GARDA Capital Group**2018 AGM Chairman's Address and Presentation**

Good morning Ladies and Gentlemen, it is 11:00am and as there is a quorum present, I declare this meeting open.

Welcome to the 2018 Annual General Meeting of GARDA Capital Group. My name is Matthew Madsen and I am the Executive Chairman and Managing Director for GARDA Capital Group (**Group**). The Group consists of GARDA Capital Limited and its subsidiaries, and also GARDA Capital Trust as a stapled security.

May I ask that you please turn your mobile phones off for the duration of the meeting? Thank you.

I would like to start by introducing my fellow Group Directors:

- Mr Philip Lee, a Non-Executive Director. Mr Lee chairs the Audit and Risk Committee, and is a member of the Nomination and Remuneration Committee.
- Mr Mark Hallett a Non-Executive Director who chairs the Nomination and Remuneration Committee, and is also a member of the Audit and Risk Committee.
- Mr Leylan Neep, Executive Director and Chief Financial Officer of the Group.

Also present today are:

- Mr Lachlan Davidson, Company Secretary and General Counsel for the Group;
- Mr Matt Foster of Link Market Services, our Share Registry. Mr Foster will oversee the conducting of the poll to be taken today.
- Mr Craig Jenkins and Mr Ryan Liddell from our auditors, BDO Audit Pty Ltd; and
- some staff of GARDA Capital Group.

I will provide an overview of the Group's business and achievements in the 2018 financial year. I will go through the Group's 2018 financial year performance and provide an update on the Group's activities. Following that we will move to the formal business of today's meeting and the Resolutions for your approval as detailed in the Notice of Meeting which was mailed to all securityholders on 24 October 2018.

I will take the Notice of Meeting as read. I will briefly reiterate the coloured card system.

Securityholders holding a YELLOW card are permitted to vote and ask questions at the appropriate time. Those with a BLUE card are not permitted to vote but are permitted to ask questions. Those with a WHITE card are a visitor and are not permitted to ask questions. We will take questions when we get into the formal part of the meeting.

Chairman's Address

I will now provide an overview of our 2018 financial year performance, and an outline of the Group's activities, objectives and strategy.

The Group achieved the following during the year:

- 51% increase in asset under management (AUM) from \$188 million (Jun-17) to \$284 million (Jun-18).
- Group NPAT of \$2.8 million (including operating activity earnings after tax of \$1.2million and investing activity earnings after tax of \$1.7 million), an 11% increase on the prior year (FY17 \$2.5 million)
- Total securityholder payments of 5.0 cents per stapled security for FY18, a 28% increase on FY17 made up of:
 - Full franked dividend of 1.128 cents per security; and
 - 97% tax-advantaged trust distributions of 3.872 cents per security.
- \$21.8 million investment in GDF at June 2018 close pricing of \$1.165 per unit. The GDF unit price has since increased to \$1.26 per unit resulting in an increased value of \$1.8 million.

The Group's objectives for the remainder of the 2019 financial year includes:

- the successful delivery of the Botanicca 9 project for GDF; and
- begin construction of a small industrial facility on the recently acquired Berrinba site.

Achievement of both these outcomes will deliver embedded AUM growth to approximately \$337 million.

The Group will continue to pass through tax-advantaged distributions received from GDF, and I'm happy to announce will also be paying a half year corporate dividend of 1.125 cents per security.

We are confident the Group is well positioned to deliver securityholder value into the future.

I would like to take this opportunity to thank the GARDA team for all their hard work throughout the year and to congratulate them on their achievements. I would also like to thank my fellow Directors for their dedicated service over the period.

-Ends-

For more information please contact:

Matthew Madsen

Executive Chairman

GARDA Capital Group

Phone: 07 3002 5300

matthew.madsen@gardacapital.com.au

Paul Brown

Manager, Investor Relations

GARDA Capital Group

Phone: 07 3002 5362

paul.brown@gardacapital.com.au

About GARDA Capital Group

GARDA Capital Group (GCM) is an ASX-listed (ASX: GCM) real estate investment and funds management group. GARDA Capital Group is a stapled structure comprising GARDA Capital Limited and GARDA Capital Trust.

GARDA Capital Limited (AFSL 246714) is the parent entity of the GARDA Capital Group and is also the responsible entity of the ASX-listed property fund, GARDA Diversified Property Fund (GDF).

GARDA Capital Trust is a registered managed investment scheme which is the primary investment vehicle for the GARDA Capital Group.



GARDA CAPITAL GROUP
(ASX CODE: GCM)

ANNUAL GENERAL MEETING

23 NOVEMBER 2018

IMPORTANT INFORMATION

Disclaimer:

The information provided in and accompanying this presentation (**Presentation**) has been prepared on behalf of GARDA Capital Limited (ACN 095 039 366) (**GARDA**), and GARDA Funds Management Limited (ACN 140 857 405) (AFSL 398764) (**GFML**), in its capacity as responsible manager of the GARDA Capital Trust, a registered managed investment scheme with ARSN 150 164 720 (**the Fund**), together the **GARDA Capital Group** or **GCM**. 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 activities of the GARDA Capital Group. It does not purport to be complete, or contain all the information which would be relevant to existing or prospective investors of GCM. No member of the GARDA Capital Group or any of their related entities and their respective directors, employees, officers and 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 the GARDA Capital Group believes to be reliable. However, it is not audited, and it is not a prospectus, product disclosure statement or other disclosure document as defined in the Corporations Act 2001 (Disclosure Document), and has not been lodged with the Australian Securities and Investments Commission. 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 Capital Group's website www.gardacapitalgroup.com.au and in the audited financial statements (also on the website). All references to dollars or \$ in this document are to Australian currency.

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 GCM. 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 a Disclosure Document, having regard to their own objectives, financial situation and needs and seek appropriate independent advice, including financial, legal and taxation advice appropriate to their jurisdiction. Neither GARDA nor GFML is licensed to provide financial product advice in respect of any securities, including the stapled securities comprising GCM. The GARDA Capital Group does not guarantee any particular rate of return or performance of GCM or any securities, nor do they guarantee the repayment of capital or any particular tax treatment.

This Presentation contains certain "forward looking statements" (**Forecasts**) with respect to the financial condition, results of operations and business relating to the GARDA Capital Group. These Forecasts 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 Forecasts are by their very 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 GARDA Capital Group. Various risk factors may cause the actual results or performance of GCM to be materially different from any future results or performance expressed or implied by such Forecasts. There can be no assurance that any Forecasts are attainable or will be realised. No representation, warranty or guarantee, whether express or implied, is made or given by any member of the GARDA Capital Group that any Forecast will or is likely to be achieved. Except as required by law, the GARDA Capital Group is not liable to release updates to the Forecasts to reflect any changes.

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

AGENDA

1. Executive Chairman's welcome and address
2. Board of Directors
3. Questions
4. Business of the Meeting

BOARD OF DIRECTORS



MATTHEW MADSEN
Executive Chairman



MARK HALLETT
Non-Executive Director



PHILIP LEE
Non-Executive Director



LEYLAN NEEP
Executive Director

OVERVIEW AND HIGHLIGHTS

- GARDA Capital Group operates and invests in real estate.
- The Group has continued to deliver strong returns on both activities for the 2018 financial year.
- GARDA considers the performance and value of each of these two activities separately:

Performance

- Operating activities – fee revenue generated from the Group's various activities.
- Investing activities – returns on capital deployed, e.g. distributions, interest, value changes.

Value

- Operating – underlying profit after-tax at a multiple.
- Investing – Group net assets.

BALANCE SHEET



- GCM currently holds a 12.05% GDF investment increasing to 13.82% following participation in the October 2018 placement.

DISTRIBUTIONS



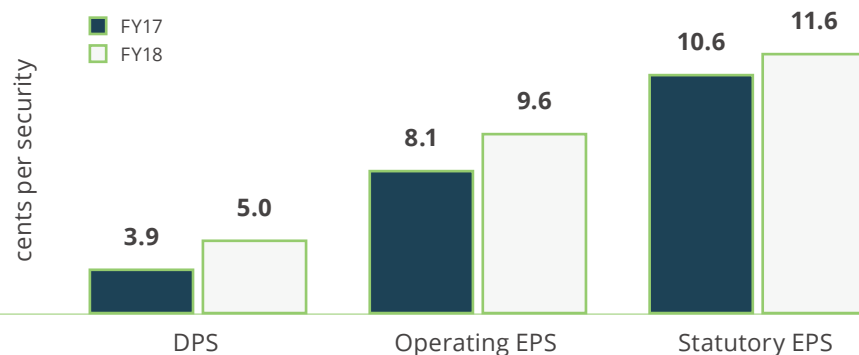
- Total security holder payments of 5.0 cents for FY18, a 28% increase on FY17, made up of:
 1. fully franked dividend of 1.128 cents per security; and
 2. 97% tax-advantaged trust distributions of 3.872 cents per security.
- GCM will pay a fully franked dividend of 1.125 cents per security for the half year ending 31 December 2018.

EARNINGS GROWTH AND RETURNS

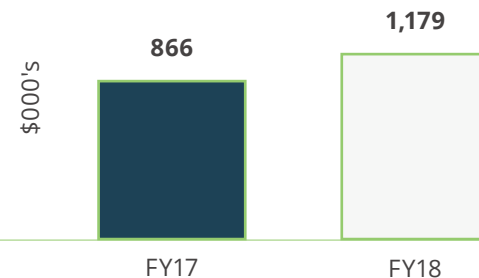
Operating Activities	Actual	
	FY17 \$000's	FY18 \$000's
Underlying operating activity earnings before tax	390	1,601
Income tax benefit / (expense)	476	(422)
Underlying operating activity earnings after tax	866	1,179
Investment		
Net distributions and interest revenue	1,072	1,197
Fair value movement	950	630
Income tax benefit / (expense)	(37)	(80)
Underlying investment activity earnings after tax	1,986	1,747
Underlying operating profit after tax	2,852	2,926
Statutory Profit Reconciliation		
Underlying operating profit after tax	2,852	2,926
Non-cash expenses	(342)	(139)
Statutory profit after tax	2,509	2,787

- 310% increase in underlying operating activity earnings before tax of \$1.6 million (FY17 \$0.4 million).
- 36% increase in underlying operating activity earnings after tax of \$1.2 million (FY17 \$0.9 million).
- 11% increase in Group NPAT to \$2.8 million (FY17 \$2.5 million).
- Total security holder payments of 5.0 cents for FY18 representing a 28% increase on FY17 distributions, made up of:
 - fully franked dividend of 1.128 cents and
 - 3.872 cents distributions (97% tax advantaged).

EARNINGS AND RETURNS PER SECURITY



UNDERLYING OPERATING ACTIVITY EARNINGS AFTER TAX

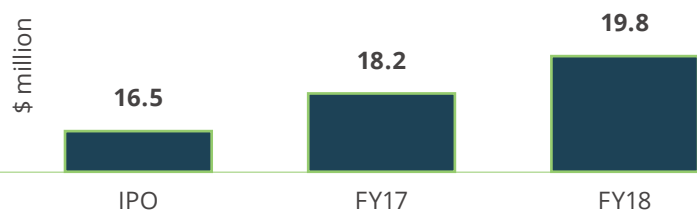


BALANCE SHEET

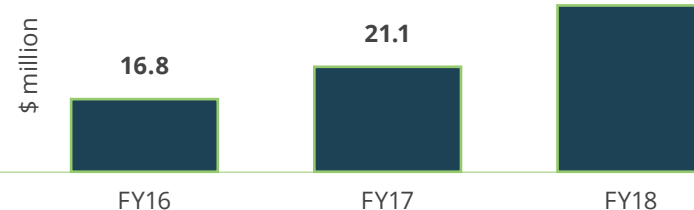
Summarised Statement of Financial Position	Full Year 30 June 17 \$000's	Full Year 30 June 18 \$000's
Assets		
Cash and Cash Equivalents	5,947	8,547
Trade and Other Receivables	1,942	1,133
Financial Assets	11,205	21,786
Investment Properties	1,201	1,250
Deferred Tax Asset	343	-
Intangible Asset	415	326
Other Assets	70	84
Total Assets	21,123	33,126
Liabilities		
Trade and Other Payables	797	1,153
Borrowings	2,070	11,970
Financial Liabilities Held at Fair Value Through Profit	-	-
Current Tax Liability	-	102
Deferred Tax Liability	-	57
Other Liabilities	33	42
Total Liabilities	2,900	13,324
Net Assets	18,223	19,802

- The Group's major balance sheet item is its unitholding in GDF.
- This investment (financial assets) is carried at the ASX closing price of \$1.165 per unit, compared to an underlying GDF NTA of \$1.29 per unit, a \$2.3 million difference.
- Net Assets for the year increased \$1.6 million (8.8%) from \$18.2 million to \$19.8 million.
- Total assets increased by \$12.0 million or 57% to \$33.1 million.
- Borrowings increased by \$10.0 million.
- Other Group debt is the capital adequacy loan of \$1.97 million which is subject to an ASIC deed of subordination.

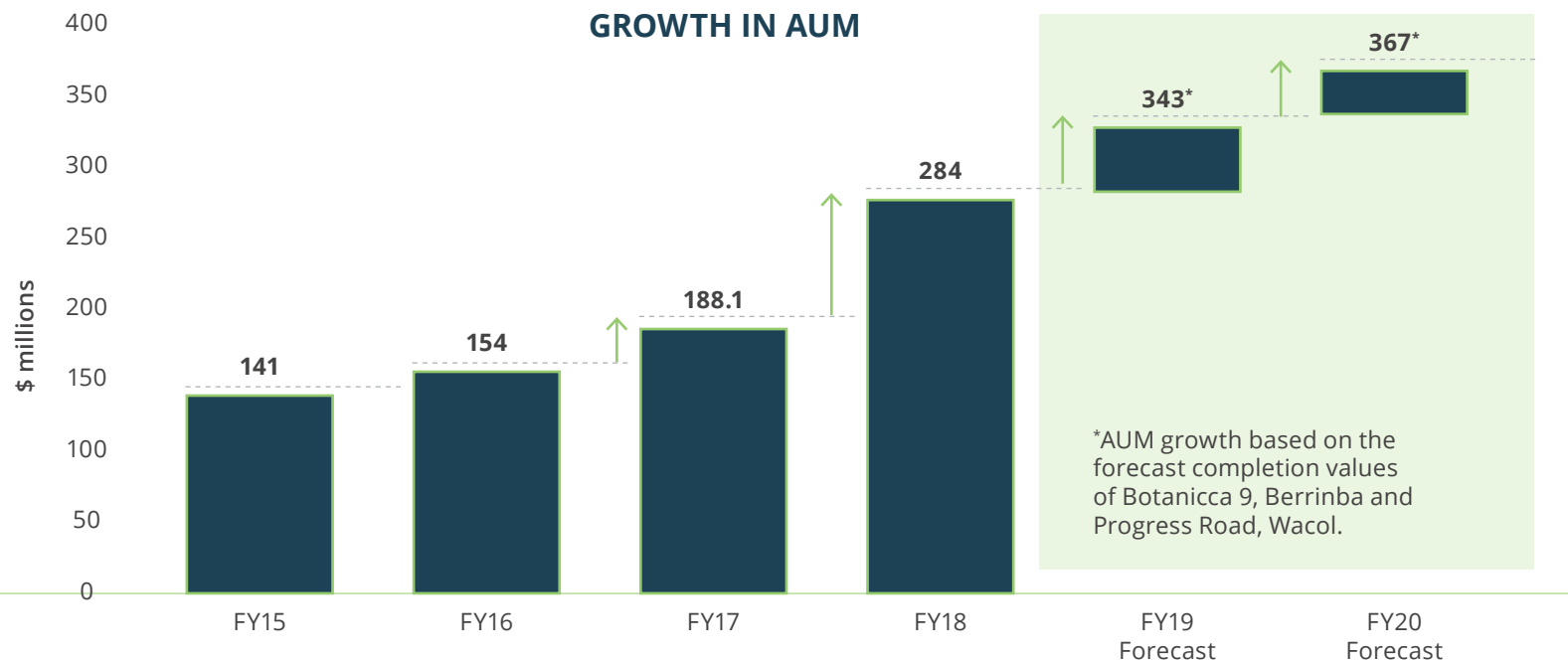
GCM NET ASSETS



GCM TOTAL ASSETS



GROWTH IN ASSETS UNDER MANAGEMENT (AUM)

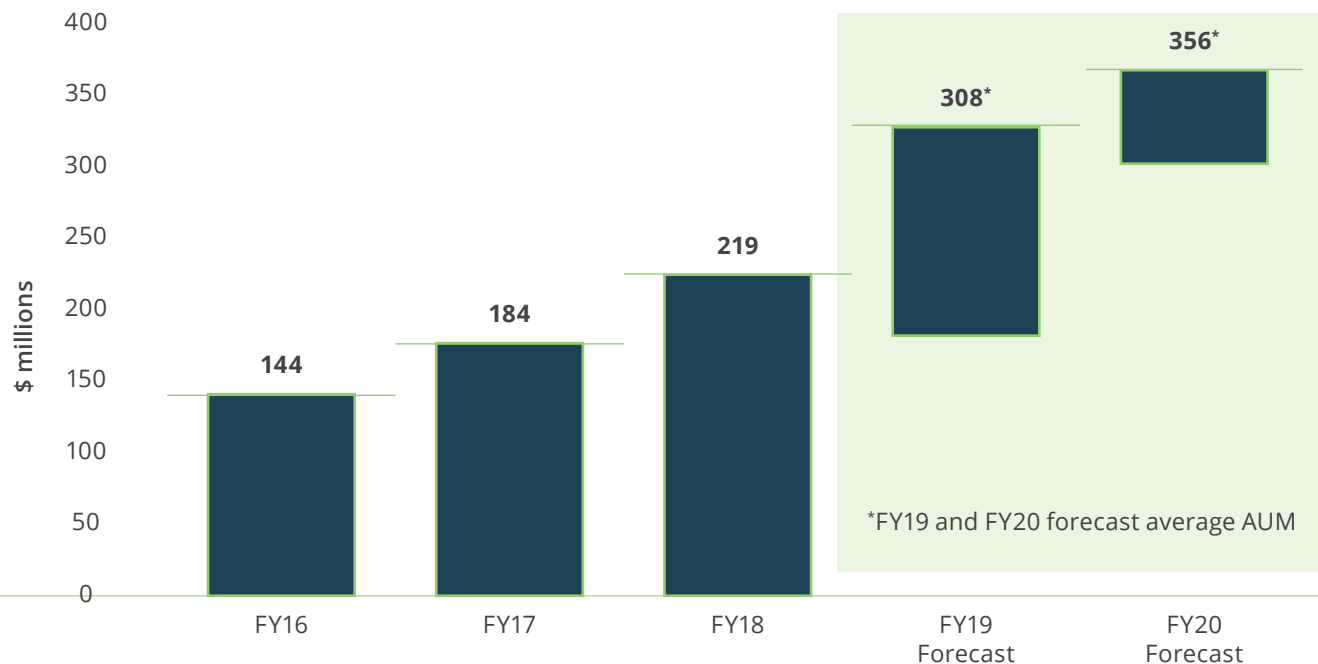


- GARDA continues to grow AUM year on year for the GARDA Diversified Property Fund.
- GARDA has embedded AUM growth from:
 - Botanica 9 project – 7,150m² office building due for completion Q4FY19 (AUM of \$327 million)
 - Berrinba project – approximate 6,000m² industrial building to commence 2HFY19 (AUM of \$337 million)
 - Progress Road, Wacol project - approximate 20,000m² industrial complex to commence construction 1HFY20 (AUM to \$367 million)

GROWTH IN AVERAGE AUM

- Average AUM in any year more accurately reflects the basis upon which funds management revenue has been derived for that year.
- AUM reported at year end provides the starting basis for funds management revenue for the future period.
- GARDA has demonstrated sustained growth in AUM with FY19 commencing AUM of \$284 million being an approximately 30% increase on average AUM of FY18.

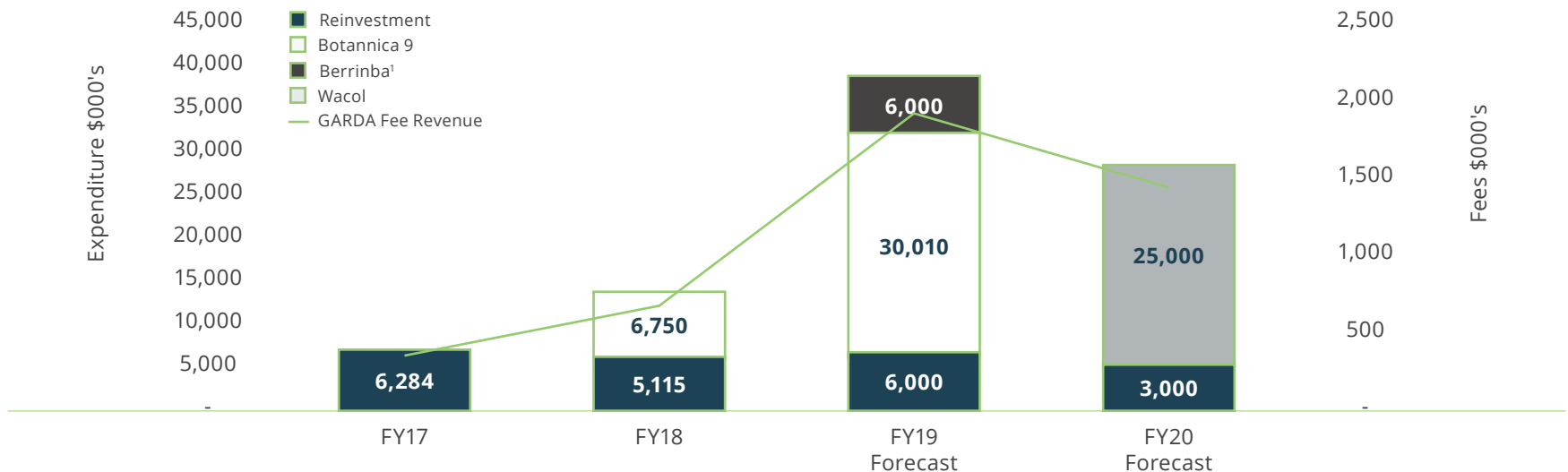
GROWTH IN AVERAGE AUM



CAPITAL EXPENDITURE REVENUE

- A key contributor to fee revenue is the GDF capital expenditure fee.
- GARDA receives capital expenditure fees of 5% of capital works by GDF.
- GDF has two primary capital expenditure activities:
 - (a) Capital reinvestment into existing assets (ongoing/recurring focus); and
 - (b) New building works – such as the current Botannica 9 office project.
- GDF has recently announced two industrial site acquisitions where it intends to build modern industrial facilities to retain as long term investments:
 - (1) Berrinba, QLD – expected to commence construction of a \$6 million facility in H2FY19.
 - (2) Wacol, QLD – expected to settle in June 2019 with construction of a \$25 million facility commencing H1FY20.
- Asset creation is a key differentiation and competitive advantage for both GCM and GDF.

GDF CAPITAL EXPENDITURE



¹ Timing of construction subject to change.

The page features abstract geometric line art in the top-left and bottom-right corners. These designs consist of interconnected lines forming various triangular and polygonal shapes, creating a complex, crystalline appearance. The lines are thin and grey, set against a plain white background.

QUESTIONS?

The background of the slide is decorated with abstract geometric line art. On the left and bottom, there are large, complex, overlapping wireframe structures made of thin grey lines, resembling crystalline or architectural forms. On the right side, there is a smaller, more compact geometric structure. The overall aesthetic is modern and minimalist.

BUSINESS OF THE MEETING

BUSINESS OF THE MEETING

1. FY18 Financial Statements and Report
2. Resolution 1 – Adoption of Remuneration Report
3. Resolution 2 – Re-election of Director – Mr. Philip Lee
4. Resolutions 3 - Approval of Additional 10% Placement Capacity

The Chairman intends to vote all undirected proxies in favour of the Resolutions

1. FY18 FINANCIAL STATEMENTS AND REPORT

To receive and consider the consolidated Annual Report (incorporating the Directors' Report and independent Auditor's Report) for GARDA Capital Limited and its controlled entities for the financial year ended 30 June 2018.

03 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	GARDA Capital Group		GARDA Capital Trust	
		2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Revenue	4	6,585	4,971	1,339	978
Other income	4	630	950	581	750
Employee benefits expense		(1,460)	(1,530)	-	-
Professional costs		(975)	(900)	(14)	(144)
Facilities management costs		(77)	(109)	-	-
Depreciation		(21)	(19)	-	-
Amortisation of intangible assets		(89)	(103)	-	-
Insurance		(128)	(112)	-	-
Occupancy costs		(269)	(266)	-	-
Finance costs		(546)	(296)	(385)	-
Security based payments expense	24	(29)	-	(29)	-
Other expenses		(332)	(296)	(10)	(30)
Impairment of intangible assets	10	-	(220)	-	-
Profit before income tax		3,289	2,070	1,482	1,554
Income tax (expense) / benefit	6	(502)	439	-	-
Profit after income tax		2,787	2,509	1,482	1,554
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		2,787	2,509	1,482	1,554
Total profit and total comprehensive income for the year attributable to:					
Members of GARDA Capital Limited		1,305	800	-	-
Unitholders of GARDA Capital Trust		1,482	1,709	1,482	1,554
Profit and total comprehensive income for the year		2,787	2,509	1,482	1,554
Earnings per stapled security:					
Basic and diluted earnings per stapled security (cents)	23	11.6	10.6	n/a	n/a
Basic and diluted earnings per unit (cents)	23	n/a	n/a	6.2	6.6

The above consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

04 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2018

	Note	GARDA Capital Group		GARDA Capital Trust	
		2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
ASSETS					
Current assets					
Cash and cash equivalents	22	8,547	5,947	2,807	2,780
Trade and other receivables	7	1,133	1,942	425	300
Total current assets		9,680	7,889	3,232	3,080
Non-current assets					
Property, plant and equipment		84	70	-	-
Financial assets	9	21,786	11,205	21,786	11,205
Investment properties	8	1,250	1,201	-	-
Intangible assets	10	326	415	-	-
Deferred tax asset	6	-	343	-	-
Total non-current assets		23,446	13,234	21,786	11,205
Total assets		33,126	21,123	25,018	14,285
LIABILITIES					
Current liabilities					
Trade and other payables	11	1,153	797	425	251
Borrowings	12	-	-	566	557
Provisions	13	20	20	-	-
Current tax liability	6	102	-	-	-
Total current liabilities		1,275	817	991	808
Non-current liabilities					
Deferred tax liability	6	57	-	-	-
Borrowings	12	11,970	2,070	10,000	-
Provisions	13	22	13	-	-
Total non-current liabilities		12,049	2,083	10,000	-
Total liabilities		13,324	2,900	10,991	808
Net assets		19,802	18,223	14,027	13,477
EQUITY					
Equity attributable to members of the Company					
Contributed equity	14	4,539	4,544	-	-
Retained earnings		1,081	47	-	-
		5,620	4,591	-	-
Equity attributable to unitholders of the Trust					
Contributed equity	14	12,832	12,863	12,832	12,863
Security based payments reserve	24	29	-	29	-
Retained earnings		1,321	769	1,166	614
		14,182	13,632	14,027	13,477
Total equity		19,802	18,223	14,027	13,477

The above consolidated Statements of Financial Position should be read in conjunction with the Notes to the Financial Statements.

2. RESOLUTION 1

ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, pass the following as a **non-binding ordinary resolution**:

“That the remuneration report for the year ended 30 June 2018 (set out on pages 9 to 15 of the GARDA Capital Group’s Annual Report 2018) be adopted.”

Note: In accordance with section 250R(3) of the Corporations Act, the vote on this ordinary resolution is advisory only and does not bind the Directors or the GARDA Capital Group

		Lodged For	Lodged Open	Lodged Against	Total Votes	%IC
1 ADOPTION OF REMUNERATION REPORT	VOTES	5,223,346	0	5,586	5,228,932	20.73%
	HOLDERS	14	0	1		
	PERCENTAGE	99.89%	0.00	0.11%		

Voting exclusions

In accordance with the Corporations Act, GCM will disregard any votes cast on the non-binding Remuneration Report resolution (Resolution 1):

- (a) in any capacity by or on behalf of the key management personnel (KMP) (whose remuneration details are contained in the Remuneration Report) or their closely related parties; or
- (b) as a proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties.

However, a vote may be cast on Resolution 1 by KMP or their closely related parties if:

- (c) the vote is cast by a person as a Proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (d) the KMP is the Chairman of the Meeting and the appointment of the Chairman as Proxy does not specify which way the Proxy is to vote on the resolution and expressly authorises the Chairman to exercise the Proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

3. RESOLUTION 2

RE-ELECTION OF DIRECTOR — PHILIP LEE

To consider, and if thought fit, pass the following as an **ordinary resolution**:

"That Mr. Philip John Lee, a Director retiring from office by rotation in accordance with Article 11.3(b) of the Constitution of GARDA Capital Limited, being eligible, be re-elected as a Director of GARDA Capital Limited."

Note: There are no voting exclusions on this Resolution 2.

		Lodged For	Lodged Open	Lodged Against	Total Votes	%IC
2 RE-ELECTION OF DIRECTOR MR PHILIP LEE	VOTES	20,877,769	5,586	0	20,883,355	82.77%
	HOLDERS	35	1	0		
	PERCENTAGE	99.97%	0.03%	0.00		

4. RESOLUTION 3

APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider, and if thought fit, pass the following as an **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Stapled Securities up to an additional 10% of the issued Stapled Securities (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Note: There are voting exclusions on this Resolution 3.

		Lodged For	Lodged Open	Lodged Against	Total Votes	%IC
3 APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY	VOTES	20,877,769	5,586	0	20,883,355	82.77%
	HOLDERS	35	1	0		
	PERCENTAGE	99.97%	0.03%	0.00		

Voting exclusions

GCM will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a Securityholder, and any associates of such person.

GCM need not disregard a vote if:

- (a) it is cast by a person as a Proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.



GARDA CAPITAL GROUP

(ASX CODE: GCM)