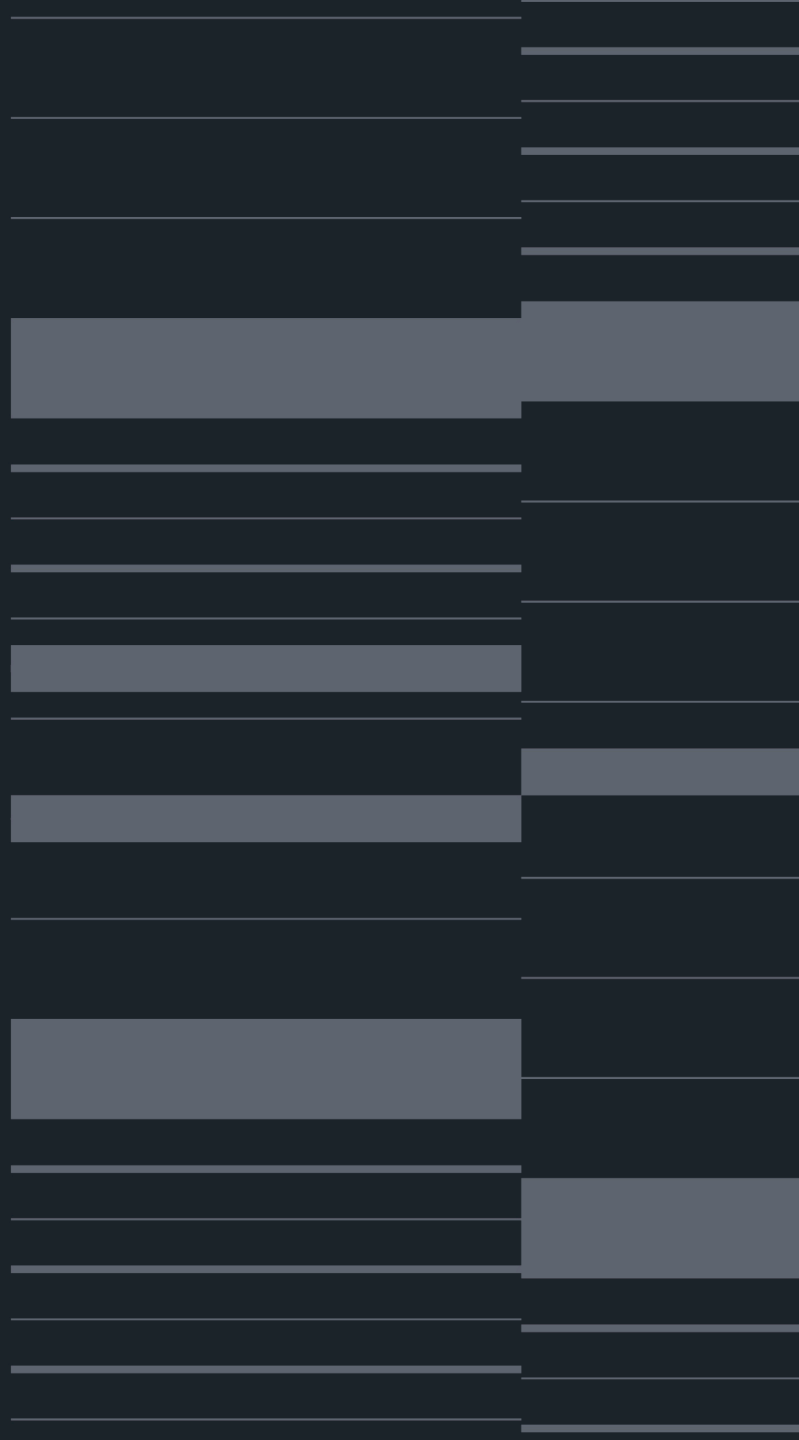


GARDA

— GARDA CAPITAL GROUP (ASX CODE: GCM)

Annual Results Presentation

22 August 2019



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.

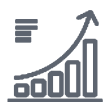
Nothing contained in the Presentation constitutes investment, legal, tax or other advice. It is not an offer of securities, or a recommendation to buy or sell securities in GCM. It has been prepared for general information only, and without taking into account the investment objectives, financial situation 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.

FY19 Highlights



Revenue and Fee Growth

AUM increased to **\$363m with potential growth** through future projects to **\$405 million**.
Revenue increased 98% with all key operating and investing units increasing.



Earnings and ROE

NPAT increased **200% to \$8.4 million**.
Return on starting **equity of 42.7%**.



Balance Sheet Assets

Group **assets increased to \$39.9 million** and net assets increased to **\$25.8 million**.
GDF investment valued at **\$30.7 million at 30 June 2019**.
NTA of \$1.07 per GCM security.



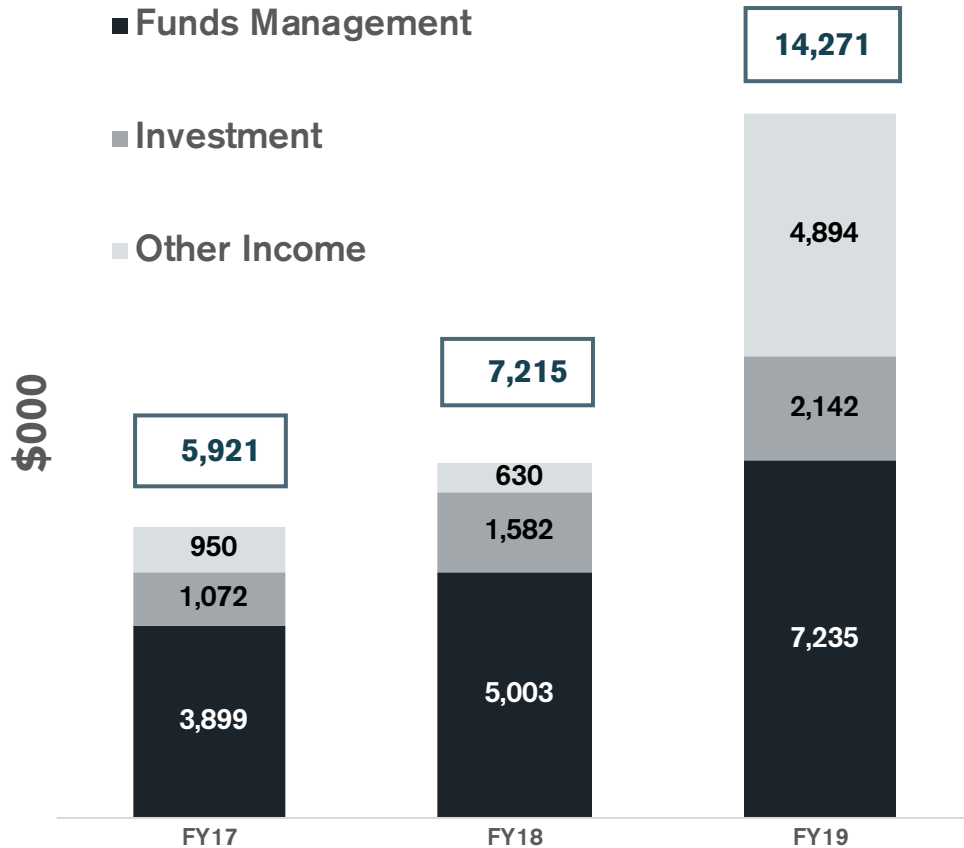
Returns and Distributions

97.5% increased in distributions/dividends paid during FY19.
FY19 distributions total 9.875 cents per security.
FY19 TSR of 51.1% following strong appreciation in the GCM ASX security price.

Revenue and Fee Growth



Segment Revenue Growth



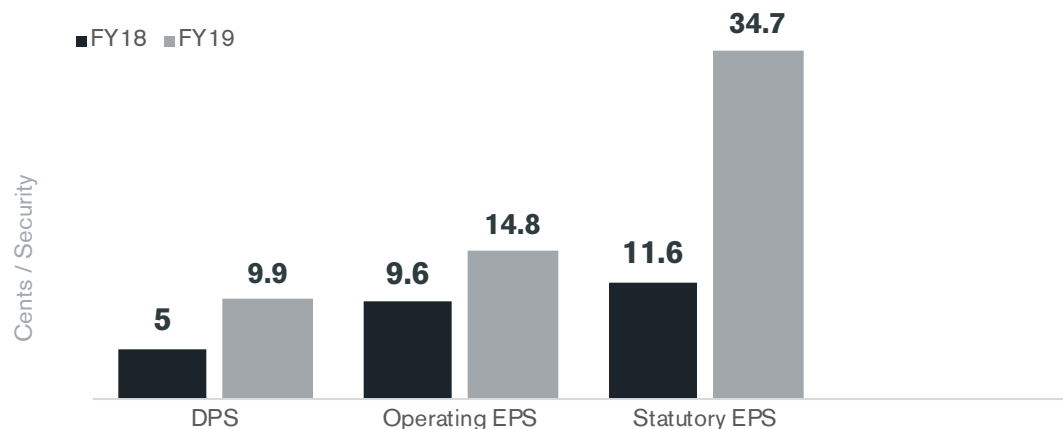
Total revenue and other income of \$14.3 million, an increase of \$7.1 million or 98% (FY18 \$7.2 million) consisting of:

- **\$2.2 million increase** in funds management revenue, largely attributable to increased assets under management (AUM) and capital expenditure fees associated with the GDF Botanicca 9 project.
 - **\$0.6 million increase** in investment revenue from the Group's increased strategic co-investment in GDF.
 - **A \$4.2 million increase** in other income, largely attributable to the mark-to-market value increase of the **21.9 million GDF units** held by the Group.
-
- **17% increase in assets** under management (AUM) from \$284 million (Jun-18) to \$333 million (Jun-19).
 - **Current AUM is \$363 million** with a potential growth through existing projects taking AUM to approximately **\$405 million**.
 - Pipeline of project assets in GDF including Berrinba, Wacol and Acacia Ridge assets underpinning the continuity of capital expenditure fees through FY20 and beyond.

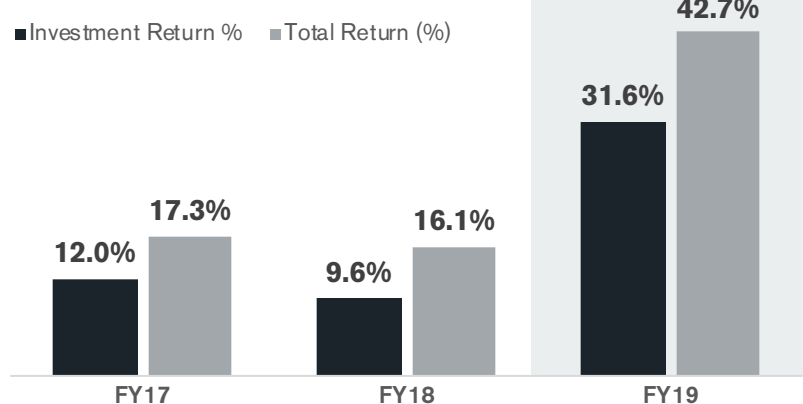
Earnings and Return on Equity



Distributions and Earnings per Security



Return on Total Equity



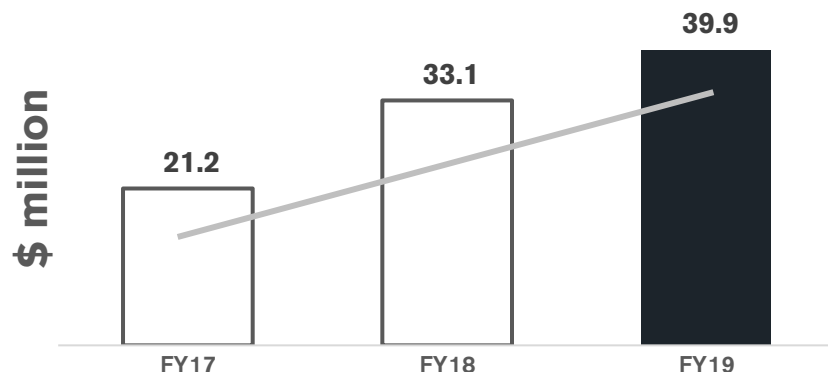
- The Group produced net profit after tax (NPAT) of **\$8.4 million** (including both operating and investing activities) in FY19, representing a **200% increase** on the prior financial year (FY18 \$2.8 million).
- **83% increase** in underlying operating activity earnings after tax of **\$2.2 million** (FY18 \$1.2 million).
- **265% increase** in underlying investment activity earnings after tax to **\$6.2 million** (FY18 \$1.7 million).
- A total return for FY19 of **\$8.5 million or 42.7%¹** was achieved on 30 June 2018 net assets of **\$19.8 million**.

1. Total return on security holders equity is measured, as the sum of the underlying operating activities earnings after tax and the underlying investing activities earnings after tax, over the Group's equity at the beginning of the financial period.

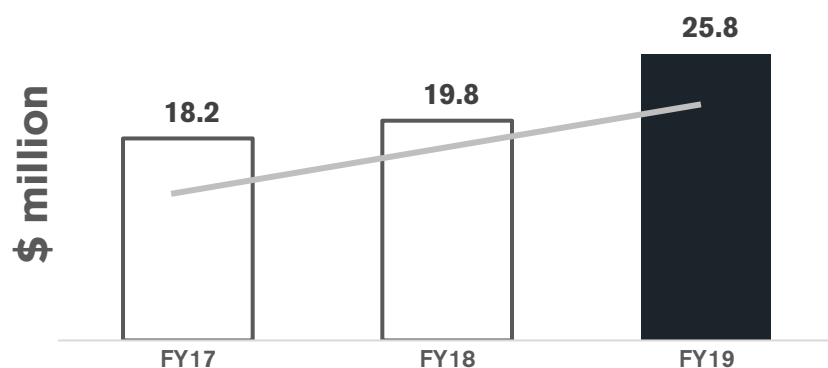
Balance Sheet Assets



GARDA Total Assets



GARDA Net Assets



- The Group's total assets increased **\$6.8 million to \$39.9 million (21% increase)** and net assets increased **\$6.0 million to \$25.8 (30% increase)**.
- Net tangible assets (NTA) at 30 June 2019 of **\$1.07 per security**.
- GCM increased its investment in GDF by **\$4.0 million** via participation in the GDF October 2018 placement at **\$1.25, taking its ownership interest to 13.5%**.
- The Group's **21.9 million unit investment** in GDF was valued at **\$30.7 million** at 30 June 2019 base on the ASX closing price of **\$1.40 per unit**.
- Using the current ASX trading price of **\$1.48¹ per unit**, this value has increased a further **\$1.8 million to \$32.4 million**.
- **\$2.5m** applied to debt investment, predominantly as co-investment with third party capital.

1. ASX trading price as at 21 August 2019.

Earnings and Return on Equity



GCM Securityholder Payments	H1FY19	H2FY19	Total FY19
	Cents per Stapled Security		
Total quarterly trust distributions	2.250	2.500	4.750
Fully franked dividend	1.125	4.000	5.125
Total securityholder payments	3.375	6.500	9.875

GCM ASX Price - FY19



Total securityholder payments of 9.875 cents per security for FY19, a 97.5% increase on FY18 (5.0 cents per security) comprising:

- Fully franked **5.125** cents per security corporate dividend; and
- **4.75 cents** per security 100% tax advantaged trust distributions.

- GCM ASX price increase from **\$1.25** per security to **\$1.79** per security during FY19.
- FY19 total shareholder return (TSR)¹ = **51.1%**

1. TSR calculated as the change in GCM ASX, plus dividends and distributions paid during the financial year, divided by GCM ASX price at the start of the year.

Operating Activities



The Group's operating activities generate revenues from funds management.

Equity Funds Management

- GARDA is the responsible entity and fund manager (and holds a 13.5% investment) of GARDA Diversified Property Fund (ASX: GDF).
- Fund management revenues are primarily derived from fees based on assets under management (AUM).
- Revenue for the year is driven from the average AUM, so a key metric is the starting AUM in FY20 compared to the average AUM for FY19.
- Additionally fund management revenues include capital expenditure fees (including project development), property and facilities management and other real estate agency functions such as leasing and sales.

Debt Funds Management

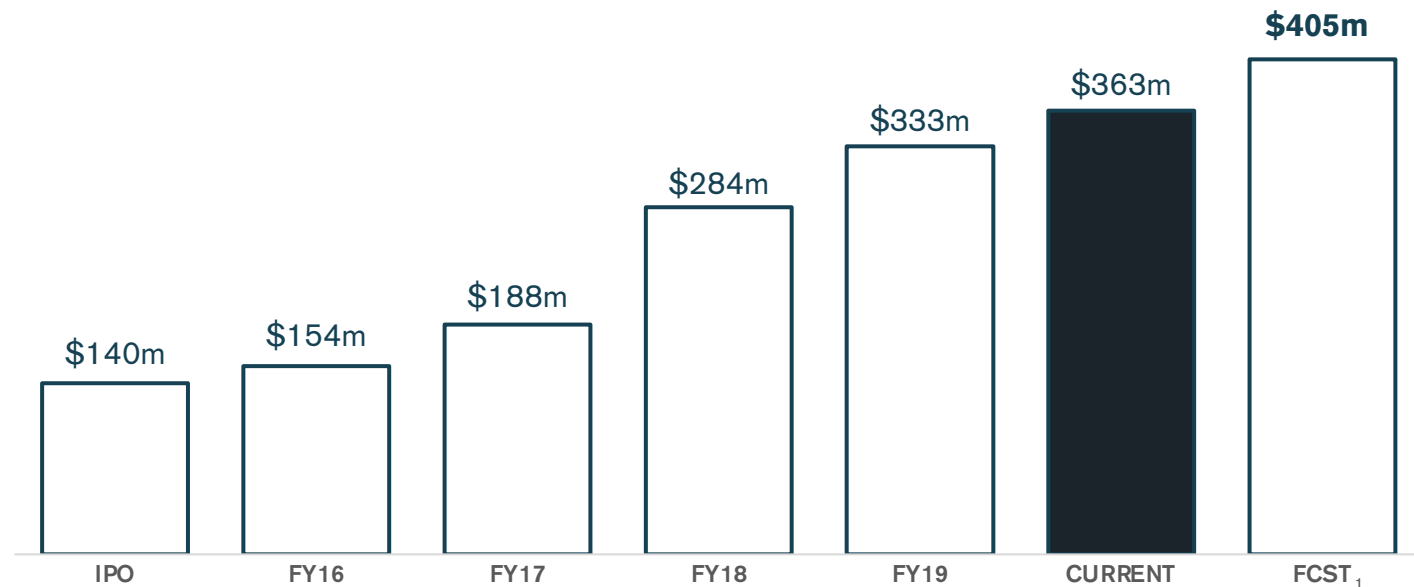
- The Group's debt activity is pivoting from traditional brokerage to a co-investment debt funds management model.
- Revenues consist of procurement, trail, establishment and line fees.
- GARDA completed its first syndicated advance during FY19, where it co-invested with external investors to provide debt funding.
- GARDA has identified and continues to work with wholesale investors to increase its exposure to this activity, however current limited free capital is currently restricting the growth of this activity.

Growth in Assets Under Management

AUM has increased \$79 million (27.8%) since 30 June 2018 due to the net movements of:

- Project deployment (\$42.5 million);
- Acquisitions (\$39.9 million);
- Divestment (\$14.2 million); and
- Revaluations / accretive CAPEX (\$10.2 million)

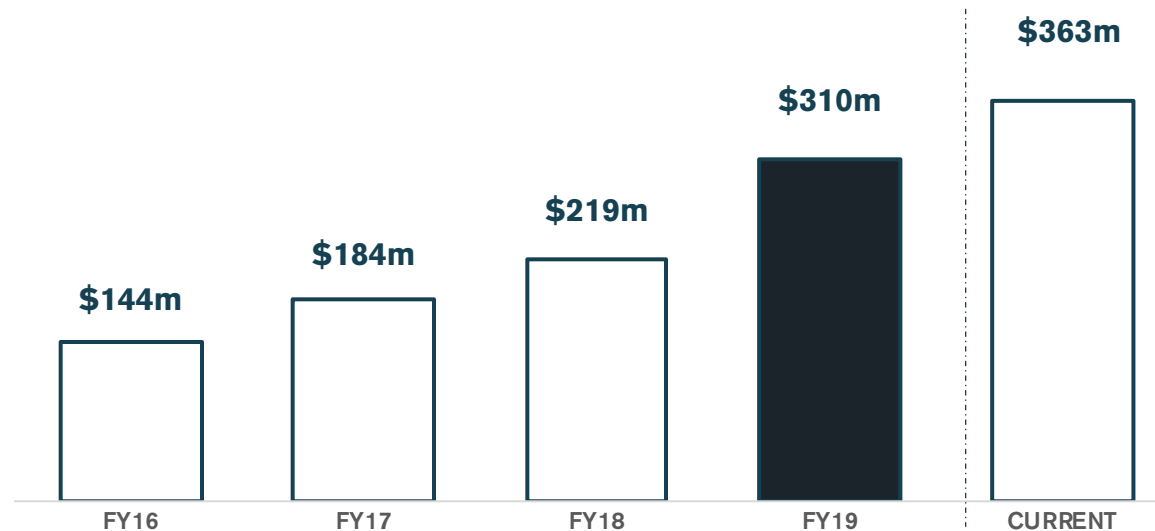
- Berrinba project – approximate 5,500m² industrial facility construction to commence shortly.
- Pinnacle on Progress (Wacol) project – approximate 17,000m² industrial facility construction to commence once all relevant approvals are completed (expected in H2CY19).



1. Forecast AUM includes the completed values of soon to commence industrial projects located at Berrinba and Wacol.

Growth in Average Assets Under Management

- **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 FY20 commencing **AUM of \$333 million** being a **7% increase** on average AUM of FY19.
- Current AUM of **\$363 million is 17% higher** than average AUM for **FY19 of \$310 million**.



Capital Expenditure fee revenue

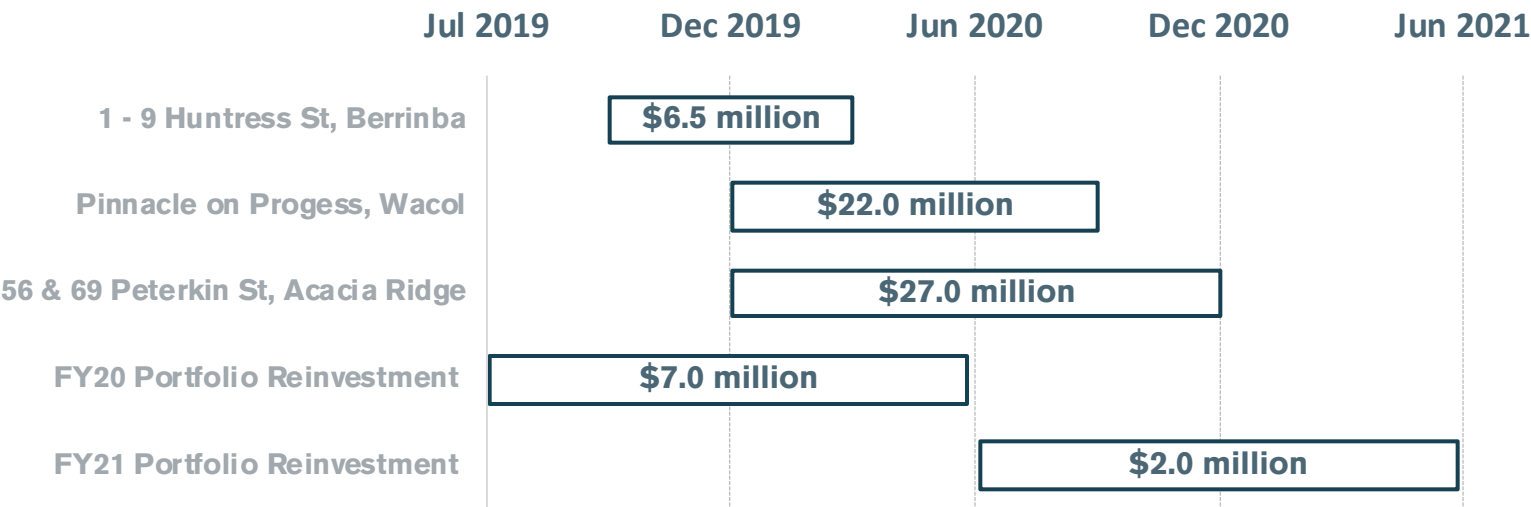


- A primary contributor to funds management fee revenue is the GDF capital expenditure fee.
- GARDA receives capital expenditure fees of **5% of capital** works performed for GDF.
- GDF has two primary capital expenditure activities:
 - **new project construction; and**
 - **capital reinvestment into existing assets (ongoing/recurring focus).**
- GDF has a pipeline of Brisbane industrial assets where it intends to build modern industrial facilities to retain as long term investments.
- The current projects pipeline provides a sound base to achieve similar revenue from capital expenditure in future periods.

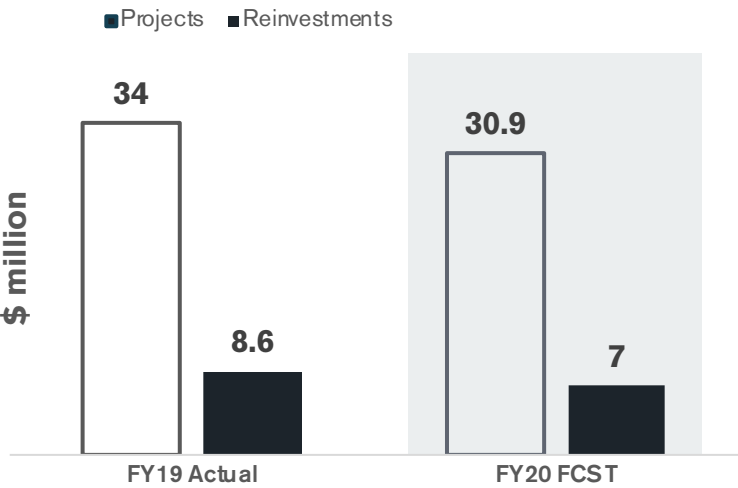
Capital Expenditure fee revenue



GDF projects pipeline - forecast capex deployment¹



GDF capital expenditure



1. Quantum deployed for projects capital expenditure are current estimates on proposed projects. Estimates for development costs may increase or decrease depending on tenant requirements and/or final build specifications. Construction start date and time to complete are indicative estimates only and may be subject to change.

Investment Activities



GARDA invests in real estate via both equity and debt positions.

EQUITY



- GARDA's primary investment is its **21.9 million units** in GDF, representing **13.5% of GDF units**.
- The Group deployed a further **\$4.0 million into GDF** as part of the **\$25 million placement** announced in October 2018.
- The Directors measure performance having regard to the distributions received, and the fair value movement (increase or decrease in asset values) of its investment in GDF, over each financial period.

DEBT



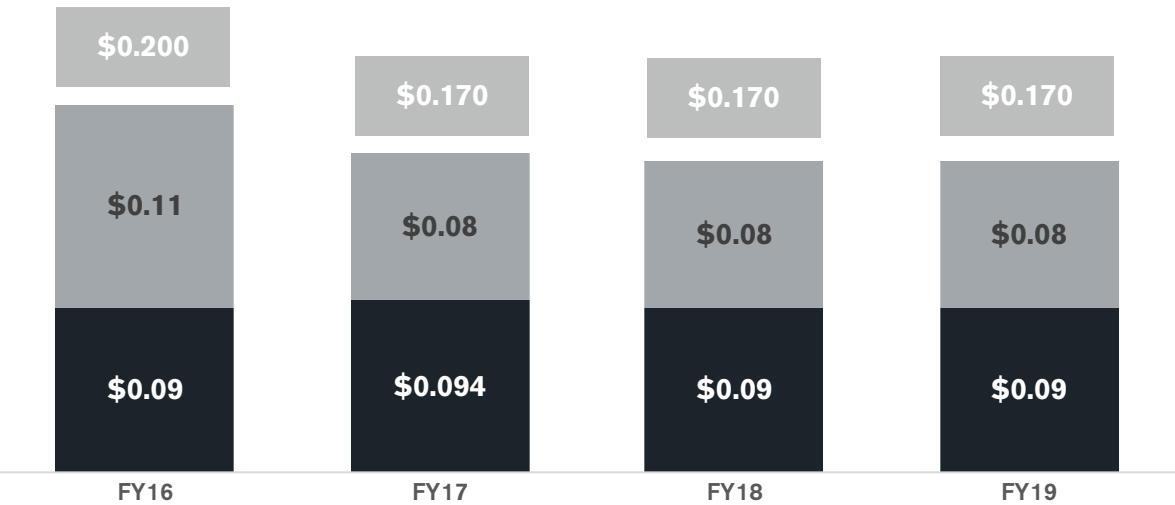
- GARDA also invests in property through debt positions.
- The Group made further investments in debt positions with the advancement of three new loans totalling **\$2.5 million** during the financial year, with **\$2.0 million** in loans and capitalised interest outstanding at 30 June 2019.
- Debt investment generates both fees (accounted for in the operating revenues of the Group) and interest (accounted for in the investing revenues of the Group).

Equity Investment - GDF

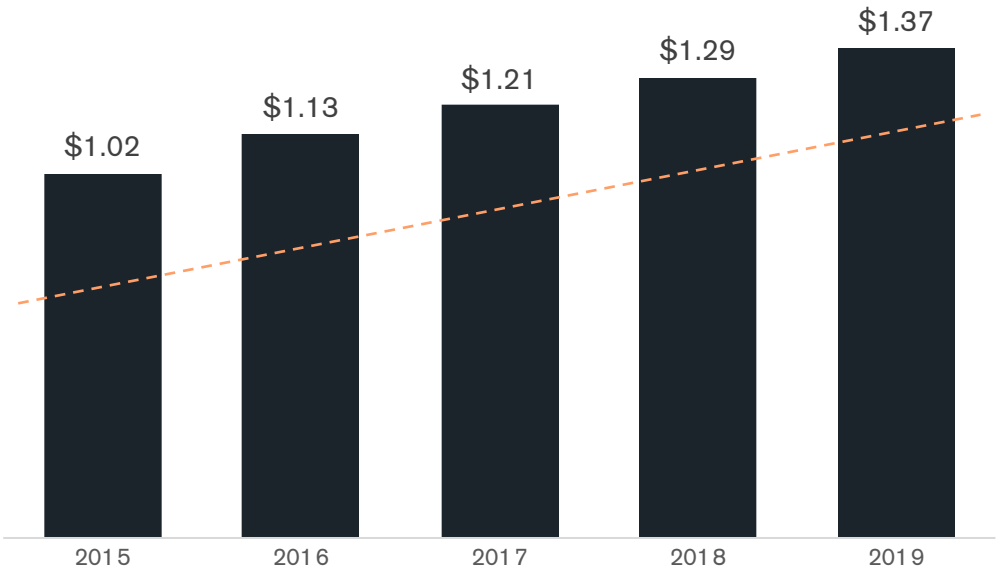


GDF Distribution and NTA Uplift per Unit

■ Distribuitions per units ■ NTA increase per unit



NTA (\$ Per Unit)



Equity Investment - GDF



- The Group's **21.9 million** unit investment in GDF performed strongly during FY19 providing reliable income yield and strong capital growth.
- GCM benefited from GDF's strong year-on-year distribution **return (FY19: 9 cents per unit)** and NTA per unit **uplift (FY19: 8 cents per unit)**.
- FY19 GDF TSR¹ was **26.9%** and ROE² was **13.2%**.
- The Group's investment in GDF was valued at **\$30.7 million** at 30 June 2019 ASX closing price of **\$1.40 per unit**.
- GDF has since traded strongly with a current ASX price of **\$1.48 per unit**.
- GDF is set to deliver **9 cents per unit** income distribution during FY20 at a **100-105% payout** ratio.

1. Total shareholder return calculated as (closing FY19 ASX unit price minus opening FY19 ASX unit price plus distributions) divided by opening FY19 ASX unit price.
2. Return of equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA.

Debt Investment

- GARDA obtains exposure to the **residential property sector** via its debt activities.
- GARDA is currently **focused on residential land subdivision** and small completed built form residual stock opportunities in and around Brisbane and South East Queensland.
- At 30 June **\$2m was deployed** and further opportunities are currently being assessed.
- GARDA compliments its limited capital with **third party investor capital** enabling a greater volume and diversification of debt exposures.
- GARDA has identified and continues to work with **wholesale investors to increase its exposure** to this activity, however limited available capital is currently restricting the growth of this activity.



Outlook

- The Group started FY20 with **\$333 million** of AUM, compared to the FY19 average AUM of **\$310 million**.
- Total immediate project pipeline of approximately **\$55 million** may be delivered over the next two years.
- AUM currently is **\$363 million** following acquisitions by GDF on 5 July 2019.
- GDF continues to target net AUM growth of approximately **\$100 million per annum** through acquisitions of established assets and new projects.
- GARDA capital expenditure fee revenue continues to benefit from the pipeline of development projects sitting within GDF, as part of it's '**asset creation**' strategy.
- GARDA will continue to focus on **the procurement of third party capital for debt opportunities** in which the Group will also participate as a co-investor.



Guidance

- Distributions will continue to include a pass through of income received from the Group's investment in GDF, forecast to be **\$0.05 per GCM security**.
- FY20 corporate dividends will be considered at financial half and full year reporting periods. GARDA has historically targeted a 50-60% payout ratio.

A low-angle, dark photograph of a modern glass skyscraper, showing geometric lines and reflections. The image is partially obscured by a dark blue gradient overlay.

Financial Information

GARDA

01

Earnings Growth and Returns

Operating Activities	FY19 \$000's	FY18 \$000's
Underlying operating activity earnings before tax	3,033	1,601
Income tax benefit / (expense)	(833)	(422)
Underlying operating activity earnings after tax	2,200	1,179
Investment		
Net distributions and interest revenue	1,440	1,197
Fair value movement	4,874	630
Income tax benefit / (expense)	(67)	(80)
Underlying investment activity earnings after tax	6,247	1,747
Underlying operating profit after tax	8,448	2,926
Statutory Profit Reconciliation		
Underlying operating profit after tax	8,448	2,926
Non-cash expenses	(91)	(139)
Statutory profit after tax	8,357	2,787

- **86% increase** in underlying operating activity earnings after tax to **\$2.2 million (FY18 \$1.2 million)**.
- **\$4.8 million** mark to market increase in the Group's 21.9 million unit co-investment in GDF following an increase in the GDF unit price during FY19 from **\$1.165 per unit to \$1.40 per unit**.
- 200% increase in Group NPAT to **\$8.3 million (FY18 \$2.8 million)**.

Statutory Revenue and Profit

Summarised Statement of Profit and Loss	FY19 \$000's	FY18 \$000's
Revenue	9,377	6,585
Other Income	4,894	630
Total Revenue	14,271	7,214
Segment revenue		
Funds Management	7,235	5,003
Investment	2,142	1,582
Total revenue	9,377	6,585
Operating expenses	(4,065)	(3,240)
Operating EBIT	5,312	3,344
Interest expense	(858)	(546)
Operating profit before tax	4,454	2,799
Income tax benefit/(expense)	(900)	(502)
Operating profit after tax	3,554	2,297
Specific non cash and mtm income	4,894	630
Specific non cash and mtm expenses	(92)	(139)
Net Movement	4,802	490
Statutory profit after tax	8,356	2,787

- **98% increase** in total revenue and other income.
- **42% increase** in revenue comprised of:
 - **45% increase** in funds management income, which included an increase in recurring and transactional revenue streams; and
 - **35% increase** in investment revenue, as a result of an increase in the Group's investment in GDF and increased interest received from real estate lending activities.
- Operating expenses **increased 25%** as a result of:
 - **Approximate \$0.4 million** in expenses related to recruitment, structuring and marketing that are considered non-recurring and once-off in nature; and
 - **Approximate \$0.4 million** increase in wages and salary due to recruitment of a Chief Operating Officer and a Head of Lending.

Balance Sheet

Summarised Statement of Financial Position

	Full Year 30 Jun 19 \$000's	Full Year 30 Jun 18 \$000's
Assets		
Cash and cash equivalents	3,878	8,547
Trade and other receivables	3,782	1,133
Financial assets	30,660	21,786
Investment properties	1,250	1,250
Deferred tax asset	–	–
Intangible asset	290	326
Other assets	64	84
Total Assets	39,924	33,126
Liabilities		
Trade and other payables	1,167	1,153
Borrowings	11,970	11,970
Current tax liability	938	102
Deferred tax liability	19	57
Other liabilities	25	42
Total Liabilities	14,119	13,324
Net Assets	25,805	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 at 30 June 2019 of **\$1.40 per unit**, compared to **\$1.165 per unit** at 30 June 2018.
- Cash decreased from **\$8.5 million to \$3.9 million** due to deployment into debt and equity investments.
- Net Assets for the year increased **\$6.0 million or 30%**, from **\$19.8 million to \$25.8 million**.
- Borrowings consist of a **\$10.0 million loan** to fund increased GDF investment, and a capital adequacy loan of **\$1.97 million** which is subject to an ASIC deed of subordination.



GDF Investment

GARDA

02

Real Estate Investment

Primary equity investment is substantial unitholder position (13.5%) in GARDA Diversified Property Fund

21.9m units valued at **\$30.7m**

\$0.09 per unit
forecast FY2020 GDF distributions

100% Tax advantaged income

Strategic Group Investment

- The GDF investment is considered both strategic to Group activities as well as compelling from a stand alone investment perspective given it presently yields 6.1% and its strong outperformance against the **S&P/ASX A-REIT 200 & 300 indices since IPO in July 2015.**

- The Group invested **\$10 million to acquire 10 million units** at IPO and has continued to participate in capital raisings to maintain a strategic and significant holding in the Fund, currently at **13.5% or 21.9 million units.**

GDF at a glance – August 2019



\$363 million¹

Commercial and industrial portfolio

\$240 million

market capitalisation

83% occupancy²

98% excluding Botanicca 9

5.3 years

WALE³

Weighted average rent reviews

3.14%

FY2019 distribution

actual **\$0.09** /unit

38.5%

LVR⁴

\$1.356

NTA Per Unit⁵

6.79%

Weighted average cap rate⁶

Aligned Manager

GARDA Capital holds
13.5% of GDF units

1. Includes the Acacia Ridge and Archerfield portfolio acquired on 5 July 2019.

2. Occupancy (by income) as at 1 July 2019 and includes the currently vacant Botanicca 9 office building, expected to contribute approximately \$4.0 million net income when fully leased.

3. WALE (by income) as at 1 July 2019 and includes rental support facilities totalling \$2.0 million allocated to the Acacia Ridge and Archerfield industrial assets.

4. LVR calculated as total drawn debt facilities divided by total property assets as at 19 August 2019.

5. NTA as at 31 July 2019.

6. Weighted average capitalisation rate includes Acacia Ridge and Archerfield portfolio acquired in 5 July 2019.



GARDA