

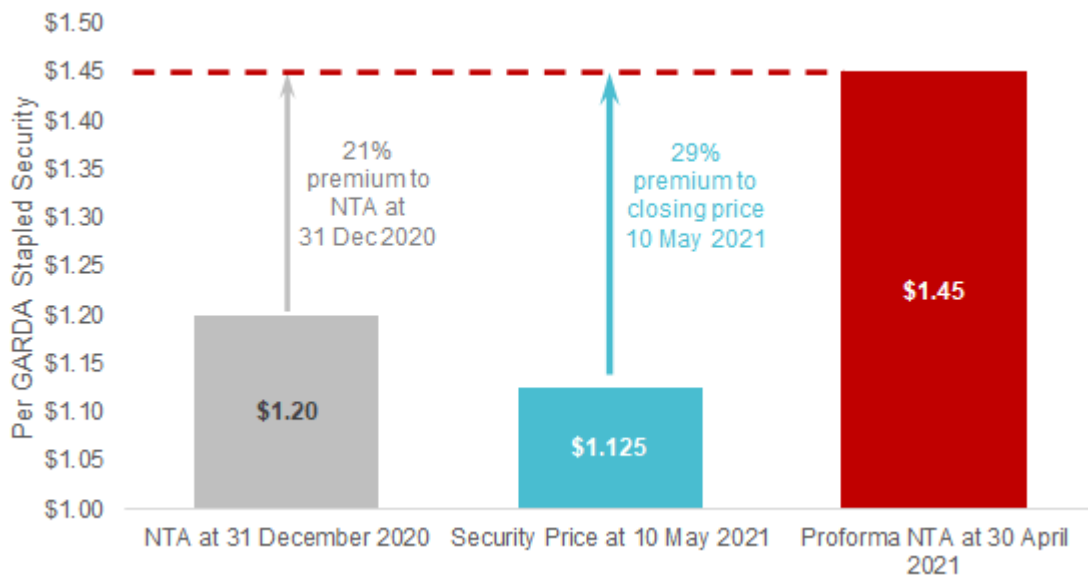
11 May 2021

### GARDA ANNOUNCES 21% INCREASE IN NTA

GARDA Property Group ("GARDA") today announced a 21% increase in proforma Net Tangible Assets<sup>1</sup> ("proforma NTA") to \$1.45 per stapled security.

The 21% increase in proforma NTA since 31 December 2020 follows the independent valuation of eight investment properties and the previously disclosed sales of three non-core properties, above book value.

**A proforma NTA per security of \$1.45 represents a 29% premium to GARDA's closing security price of \$1.125 on 10 May 2021:**



A proforma NTA of \$1.45 per GARDA security also implies:

- Gearing of 31.8%<sup>2</sup> - down from 38.9% at 31 December 2020.
- Total portfolio value of \$457 million.
- A portfolio WACR of 5.78%<sup>3</sup> - a compression of 65 basis points.

The independent valuation program included eight of GARDA's 14 investment properties, including six industrial and two commercial assets.

<sup>1</sup> Pro-forma NTA as sourced from management accounts at 30 April 2021. This figure is unaudited and adjusts NTA at 31 December 2020 for the independent valuations, announced asset divestments at Archerfield, Varsity Lakes and Lytton, movements in mark-to-market valuations of interest rates swaps and business and investment activities for the four months to 30 April 2021.

<sup>2</sup> Gearing defined as (total debt less cash) / (total assets less cash).

<sup>3</sup> GARDA's 31 December 2020 reported weighted average capitalisation rate ("WACR") of 6.43% included the assets sold, or held for sale, at Archerfield, Varsity Lakes and Lytton.

In accordance with GARDA's valuation practices, the remaining six properties, now representing 32% of the Group's portfolio, will be independently valued in the half year ending 31 December 2021.

A summary of the independent valuations is provided below:

Property	30 April 2021 Valuation \$m	Cap Rate %	Cap Rate Movement <sup>4</sup> bps	Movement in Valuation \$m
<b>Industrial</b>				
Acacia Ridge (69 Peterkin) <sup>5</sup>	11.0	na	-	(0.2)
Mackay	35.0	6.50%	75	4.0
Morningside	43.7	5.25%	50	2.1
Pinkenba	26.2	5.00%	175	5.7
Wacol (Westgate)	45.4	5.00%	50	4.4
Wacol (Pinnacle) <sup>6</sup>	22.3	5.00%	-	9.0
	<u>183.7</u>			<u>25.0</u>
<b>Office</b>				
Box Hill	39.0	5.50%	50	5.8
Cairns	86.5	6.75%	150	25.2
	<u>125.5</u>			<u>31.0</u>
<b>Total</b>	<b>\$309.2m</b>			<b>\$56.0m</b>

Industrial properties now represent approximately half of the GARDA portfolio by value, with this proportion to increase as GARDA's "develop to own" industrial pipeline is delivered.

Concurrently with its achievements in the industrial sector, GARDA's commercial portfolio has also achieved strong income and valuation outcomes.

The portfolio WACR is now 5.78%, with the WACR for commercial office buildings being 5.96% and for industrial buildings being 5.56%.

GARDA currently has \$17.1 million in liquidity<sup>7</sup> and following the completion of three asset sales, approximately \$23 million in debt facility headroom.

FY21 distributions guidance is reaffirmed at \$0.072 per security with an expected payout ratio of between 95% and 100% of earnings.

– END –

**Authorised for release by: Matthew Madsen (Executive Chairman)**

<sup>4</sup> Movement since last independent valuation of the property which was either at 31 December 2020 or 30 June 2020.

<sup>5</sup> Acacia Ridge has recently commenced construction which initially required the demolition of all pre-existing built form to allow for the new construction. The valuation movement on this asset reflects the demolition of the original buildings however the on-completion valuation of this tenant pre-committed project indicates a net positive valuation outcome, with further residual land remaining for future development.

<sup>6</sup> 498 Progress Rd, Wacol is a current development asset with one building (6,000m<sup>2</sup>) nearing completion. It has a 10 year pre-committed lease commencing upon completion. Building C has been valued at \$12.5 million on a 5.00% capitalisation rate with the balance of the land valued at \$9.825 million.

<sup>7</sup> Cash and cash equivalents including those held for regulatory requirements as at 30 April 2021.

For more information please contact:

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**About GARDA Property Group**

The ASX listed GARDA Property Group (ASX:GDF) is an internally managed real estate investment, development and funds management group.