

17 June 2021

FY21 UNAUDITED RESULTS AND ACQUISITIONS

Following a period of considerable activity, GARDA Property Group (GARDA) is pleased to provide the following update to investors.

Financial Summary

GARDA is pleased to announce unaudited FY21 Funds from Operations (FFO) of 7.7 cents per security. Total distributions payable totals 7.2 cents per security, reflecting a payout ratio of 93% compared to the forecast of 95-100% for FY21 and 104.5% GARDA delivered in FY20.

Strong outcomes from operations, transactions and revaluations have positively impacted GARDA's financial position and performance in FY21:

	Proforma FY21 ¹ :	FY20		Change
NTA per security	\$1.45	\$1.18	✓	22.9%
Gearing	35.1%	36.7%	✓	1.6%
FFO payout ratio ²	93.0%	104.5%	✓	11.5%

A final quarterly distribution for FY21 of 1.8 cents per security (Record Date of 28 June 2021) will be paid on 15 July 2021.

Acquisitions and divestments

- **North Lakes.** GARDA's \$16.0 million acquisition of a 32-hectare industrial development site at North Lakes settled today. The site has been independently valued at \$20.0 million, representing an unrealised gain on acquisition of \$4.0 million or 25% of the purchase price.

North Lakes will be developed into an integrated industrial park, providing approximately 98,000m² of GFA when completed. Bulk earthworks are not expected to commence until CY22 after final development and operational works approvals have been received. The staged construction of the industrial park will occur over a number of years.



Image: Render of possible configuration of 98,000m² at 109-135 Boundary Road, North Lakes (QLD)

¹ Proforma data is at 30 June 2021, is sourced from management accounts and is unaudited.

² Unaudited FFO includes 11 months of actual data and a one-month (June 2021) projection.

- **Wacol.** GARDA has settled two out of the three adjoining lots comprising a new, 41,250m² industrial development site at 372-402 Progress Road for \$4.4 million. The third and final lot is due to settle on 15 July 2021 for \$2.8 million.
- **Richlands.** GARDA's \$6.8 million acquisition of a 30,341m² industrial development site at Richlands is still due to settle in September 2021.
- **Divestments.** The sales of GARDA's Archerfield and Varsity Lakes properties have settled for a combined \$19.6 million. The \$11.0 million sale of the Lytton property is subject to a vendor works condition and is expected to settle in July 2021.

Portfolio Metrics

Following recent acquisitions and valuations, industrial properties now represent approximately half of the GARDA portfolio by value. This proportion will increase as sites at Acacia Ridge, North Lakes, Richlands, and Wacol are developed pursuant to GARDA's "*develop to own*" strategy.

Successful leasing outcomes at Berrinba, Botanicca 9, Cairns and Wacol have underpinned proforma WALE (by income) at 30 June 2021 of 5.4 years and occupancy of 89%.

In Cairns, the Queensland government has increased its footprint in the Cairns Corporate Tower by replacing an expiring lease over approximately half a floor with a new year 5-year lease over the entire floor. In Berrinba, the prospective tenant under a non-binding heads of agreement has advised it will not be proceeding with a lease for the remaining 2,726m². GARDA anticipates this available space will be leased in the first half of FY22.

Debt Facilities

GARDA has secured a \$28.0 million increase in its existing debt facility with ANZ Banking Group and St. George Bank. Establishment fees, line fees and margins are in line with the original \$200.0 million facility.

The \$228.0 million facility, secured against \$486 million of commercial and industrial property, is now drawn to \$210.0 million and has a term of 1.7 years until expiry.

GARDA's 'all in' fully-drawn weighted average cost of debt is approximately 2.2%.

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