

20 May 2022

Q4 FY22 FINANCIAL UPDATE

GARDA Property Group (“GARDA” or “Group”) is pleased to provide the following financial update:

- **DA Approval received** for the North Lakes industrial development site
- \$36.0 million increase in portfolio valuation to **\$639.4 million**
- \$0.17 increase in proforma NTA to **\$2.03 per security**
- 160bps reduction in gearing to **35.5%**
- FY22 **distribution guidance reaffirmed** at 7.2 cps at a ~90% FFO payout ratio

North Lakes DA Approval

GARDA has recently been notified by the Moreton Bay Regional Council that its 32-hectare North Lakes industrial development site has achieved DA Approval (‘DA’). The DA allows GARDA to proceed with the various bulks earth works and civil works required to advance the site to ‘construction ready’ industrial estate quality land yielding 25 hectares across four master lots. The four master lots will be completed over the next twelve months at a cost of \$11.3 million, with GARDA expecting built form construction to commence prior to these works completing, potentially in H1CY23. When fully developed, the North Lakes estate will sustain approximately 100,000m² of quality industrial facilities.

Independent valuations

Following the independent valuations of nine established properties as at 1 April 2022¹, GARDA has now received additional ‘as is’ independent valuations as at 1 May 2022 of four industrial development properties.

These latest valuations have resulted in a \$36.0 million uplift in the total value of GARDA’s portfolio to \$639.4 million.

A summary of the four new independent valuations is provided below:

Property	Sector	Valuation – 1 May 2022	
		Value (\$m)	Movement (\$m)
Acacia Ridge, 38-56 Peterkin St	Industrial Land	18.0	3.4
North Lakes, 109-135 Boundary Rd	Industrial Land	45.0	25.0
Richlands, 56-72 Bandara St	Industrial Land	13.7	3.8
Wacol, Pinnacle East	Industrial Land	11.0	3.8
		87.7	36.0

The North Lakes valuation has been completed on a hypothetical development and direct comparison basis. Importantly the independent valuer has applied market values to each of the four super lots totalling \$82.9 million. The difference between the current valuation of \$45.0 million and the gross realisation of \$82.9 million is accounted for by the \$11.3 million in ‘cost to complete’ and significant profit and risk, and interest allowances to develop the project.

¹ See GARDA’s 7 April 2022 announcement “Valuations and NTA Increase”.

Increase in NTA

Following receipt of the new independent valuations, GARDA's unaudited proforma NTA has increased by \$0.17 (or 9.1%) to \$2.03 per security, as at 30 April 2022.

At a closing price² of \$1.46, GARDA's securities are now trading at a 28.1% discount to NTA per security.

Gearing

GARDA's gearing has also been positively impacted by the revaluations, with a 160bps reduction in unaudited proforma gearing as at 30 April 2022 to 35.5%.

FY22 Distribution Guidance

FY22 distribution guidance of 7.2 cents per security is reaffirmed. GARDA expects this distribution to reflect an FY22 Funds from Operations (FFO) payout ratio of approximately 90%.

The final FY22 quarterly distribution of 1.8 cents per security will be announced in early June 2022.

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² GARDA's ASX closing price as at 19 May 2022 of \$1.46 per security.