



# GARDA

GARDA PROPERTY GROUP (ASX: GDF)

FY24 Year Results Presentation | 1 August 2024

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# OVERVIEW



Pinnacle West, Wacol

# GROUP OVERVIEW

## WHO IS GARDA AND WHAT IS ITS STRATEGY

### REAL ESTATE PLATFORM

- ✓ Internally managed REIT with predominantly south-east Queensland exposure.
- ✓ A proven “develop to own” industrial sector focus.
- ✓ Proportionally large development pipeline with developable industrial land representing 25% of total assets.
- ✓ A single 14,777m<sup>2</sup> office property that dominates its high yielding and low incentive market.
- ✓ Increasing exposure to property lending, representing 4.6% of total assets and 12% of FY24 Group revenue.

**\$509 million**

PORTFOLIO VALUE

**83% Industrial**

AS PERCENT OF PROPERTY

**\$128 million**

DEVELOPABLE INDUSTRIAL LAND

**17% Office**

AS PERCENT OF PROPERTY

**6.06%**

PORTFOLIO CAP RATE (WACR)

**4.6% Lending**

AS PERCENT OF TOTAL ASSETS

# FINANCIAL YEAR 2024

## KEY HIGHLIGHTS

### FY24 KEY FINANCIAL AND OPERATIONAL OUTCOMES

- ✓ Complete exit of Melbourne office portfolio at a 21% discount to book value.
- ✓ Completion of 12,912m<sup>2</sup> Richlands industrial facility in December 2023 and commencement of 14,777m<sup>2</sup> industrial built form at Acacia Ridge.
- ✓ Completed earthworks and commenced civil works on 25-hectare Brisbane industrial estate, located at North Lakes.
- ✓ Proactive capital management including share buy-back, reducing debt facility limit and restructuring hedging profile.
- ✓ Increased lending activities, providing enhanced returns.

**6.3 CPS**  
FY24 DISTRIBUTIONS

**97.5%**  
FFO PAYOUT RATIO

**100%**  
TAX ADVANTAGED

**36.5%**  
GEARING

**\$1.71**  
NTA PER SECURITY

**69%**  
DEBT HEDGED



# FY24 OPERATIONAL OUTCOMES

KEY STRATEGY EXECUTION RESULTS GREATER THAN FFO GUIDANCE



## Exit from Melbourne Office

Three remaining assets in the Melbourne office portfolio were divested, providing \$104.1 million in proceeds to partially repay debt.

Garda was able to exit the entire Melbourne office portfolio in less than 12 months at a discount to book value of 21%.

Repositioned as 'pure play' industrial REIT with Cairns Corporate Tower the only remaining office property.



## Industrial pipeline delivery

12,912m<sup>2</sup> Richlands industrial facility reached practical completion in December 2023, with a 10-year lease providing \$1.8 million in annualised income.

14,777m<sup>2</sup> Acacia Ridge built form construction commenced, with completion expected in December 2024.

North Lakes bulk earth works completed with civil works underway. Practical completion to estate quality land expected in Q1CY25.



## Proactive capital management

9.6 million securities were purchased at an average of \$1.21 per security, or a 30% discount to NTA per security, as part of the on-market security buyback. The buyback has been extended through to April 2025.

\$20.0 million of facility limit was reduced, providing savings on line fees payable.

\$50.0 million interest rate swap was restructured, benefiting FY25 FFO.



## Increased lending

Garda has \$26.2 million in deployed loans at June 2024, with \$16 million due for repayment in H1FY25.

Revenue from lending activities contributed 12% of FY24 Group Revenue with an increased contribution anticipated for FY25.

# GARDA PERFORMANCE

LATENT VALUE EXISTS VERSUS PEERS

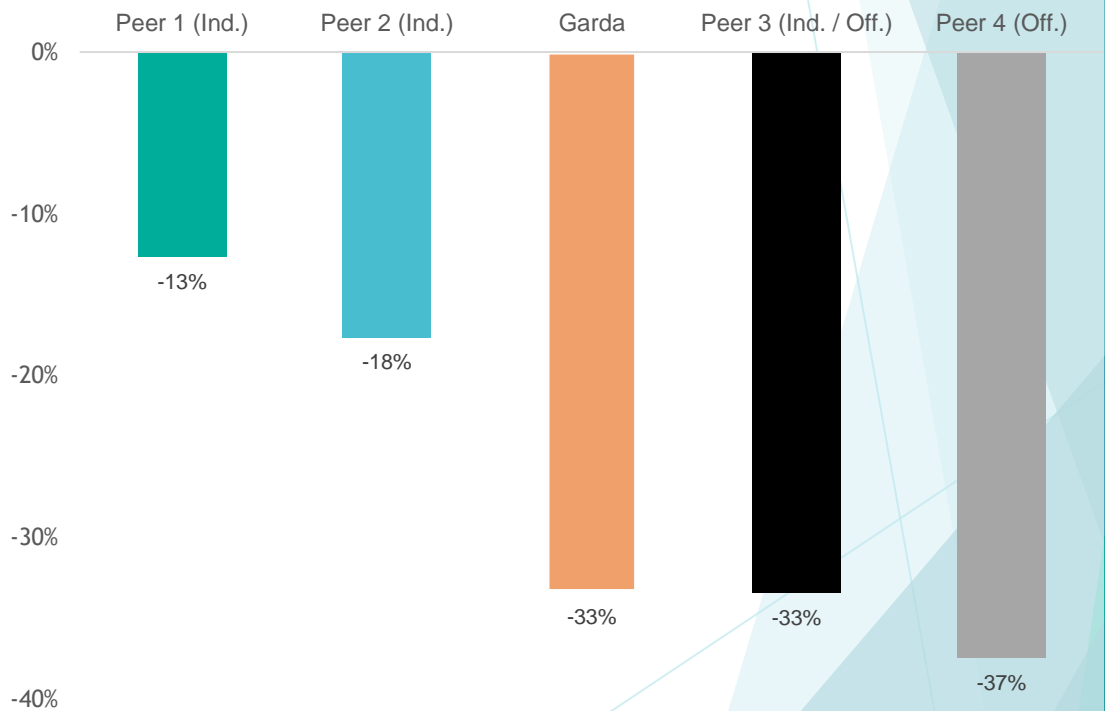
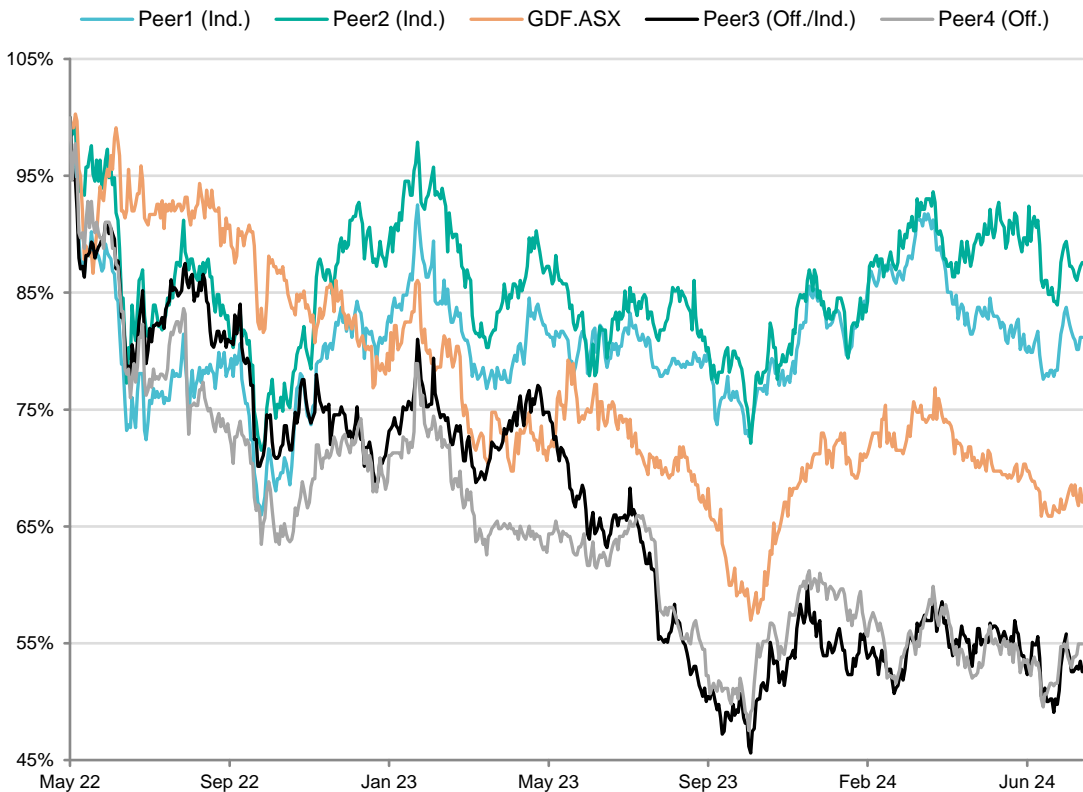
Garda continues to trade at deeper discounts to industrial REIT peers.

1

ASX Performance Since May 2022 (rebased)

2

ASX discount to NTA (%)



1. Market data as at 30 July 2024.  
2. Moelis Australia June 2024, adjusted for market data as at 30 July 2024.

# GARDA PERFORMANCE

## LATENT VALUE EXISTS VERSUS PEERS

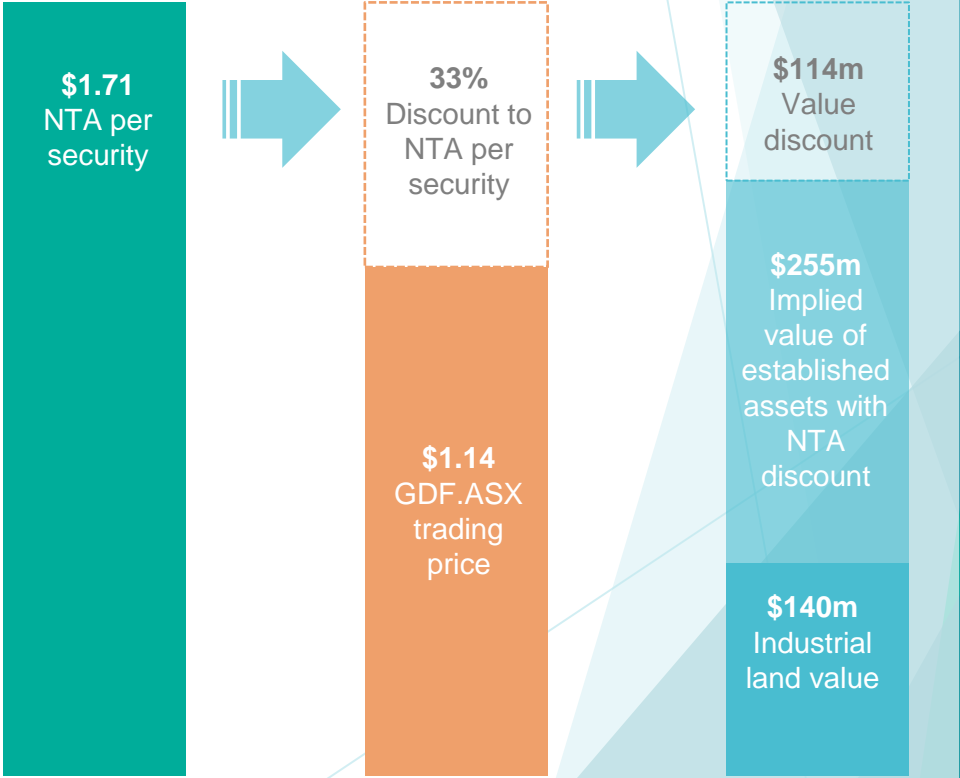
ASX security price to NTA disconnect, represented by a 33% discount to NTA of \$1.71 per security.

✕ The market barely ascribes value to the 25-hectare developable industrial land site at North Lakes; or

✕ established income producing assets have a further \$114 million of value adjustments to occur, translating to an implied capitalisation rate of 8.8%.



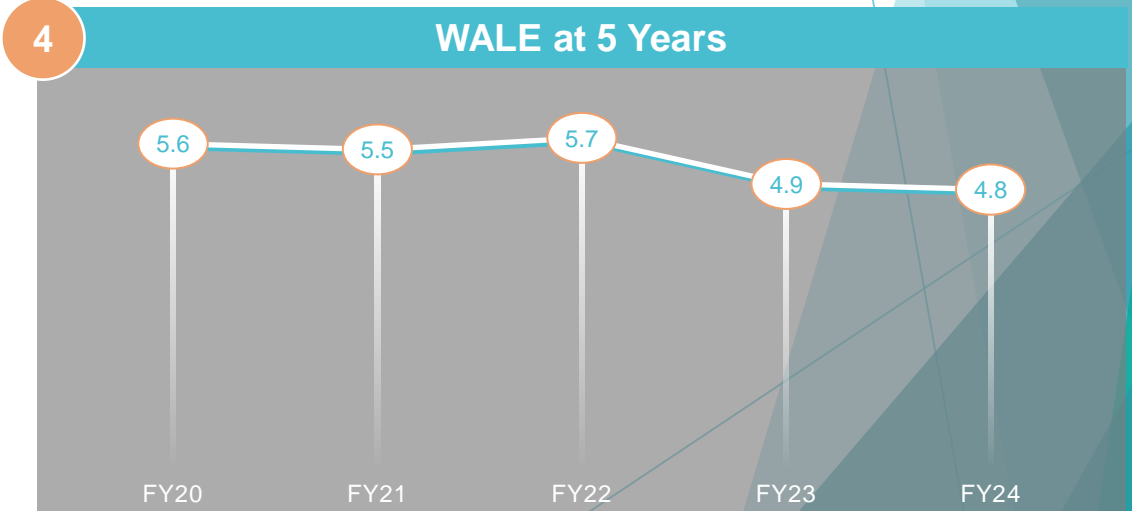
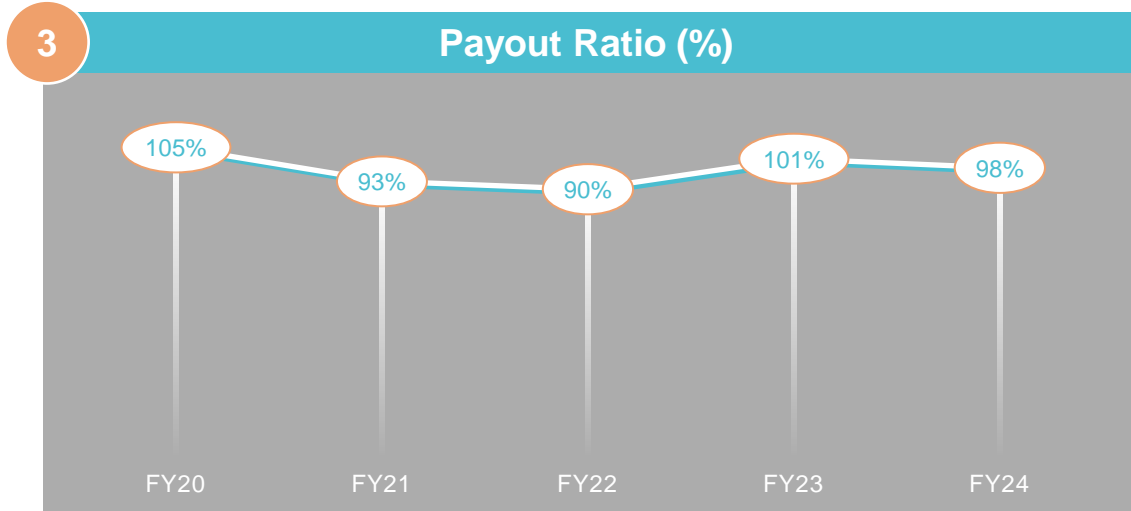
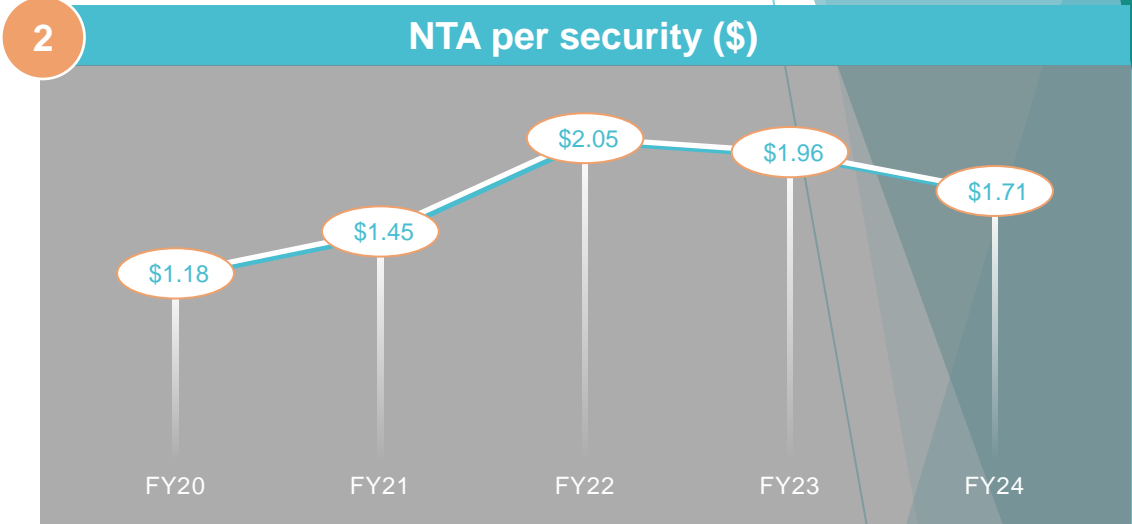
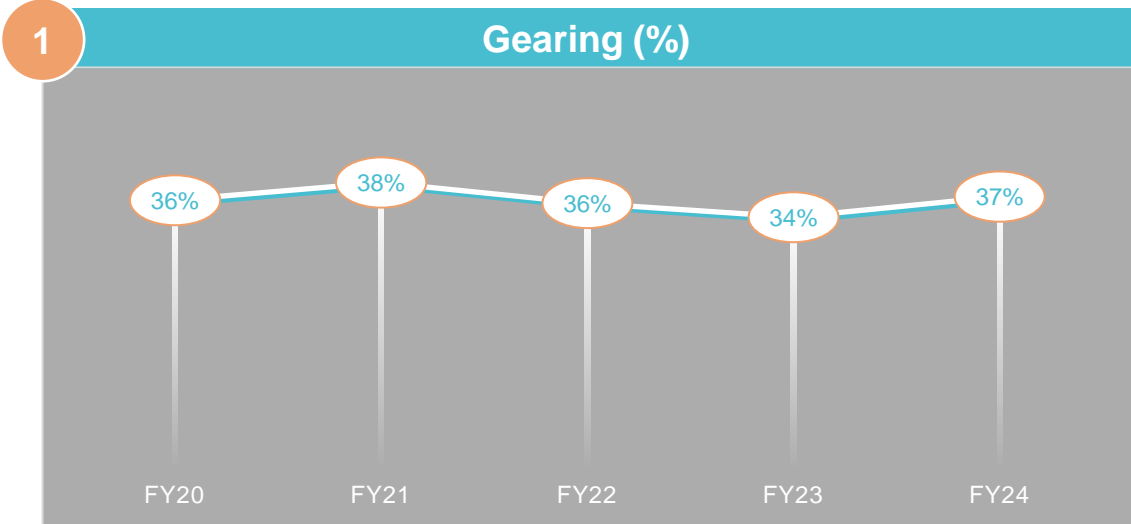
### 3 Garda Implied Value Discount





# GARDA HISTORICAL PERFORMANCE

NTA, GEARING AND PAYOUT RATIO ARE STABLE



# FINANCE



41 Bivouac Pl, Wacol

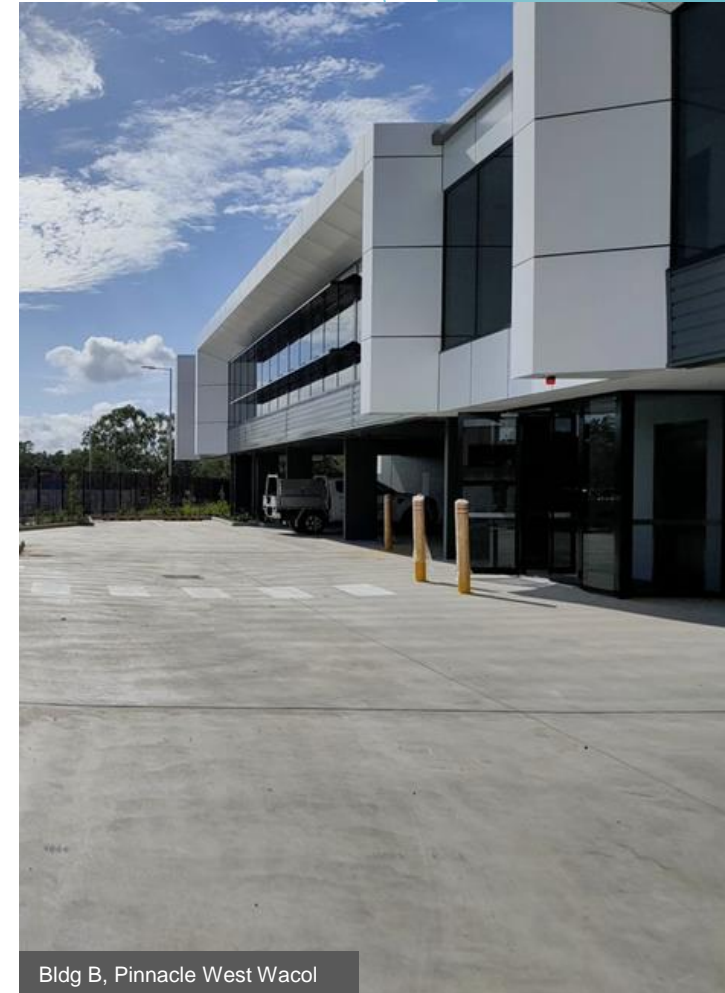
GARDA



# FUNDS FROM OPERATIONS (FFO)

	FY24 \$000	FY23 \$000
<b>Net loss after tax<sup>1</sup></b>	<b>(42,926)</b>	<b>(4,934)</b>
<b>Adjustments for non-cash items and one-off items:</b>		
Valuations – (deduct increases) / add back decreases:		
Investment properties	39,295	6,470
Derivatives	3,385	(638)
Asset disposals – (deduct gains) / add back losses:		
Investment properties	11,163	11,729
Other accounting reversals – (deduct income) / add back expenses:		
Security based payments expense	1,637	719
Net lease contract and rental items	713	1,565
Other	13	22
<b>FFO</b>	<b>13,280</b>	<b>14,933</b>
<b>FFO per security (cents)</b>	<b>6.3</b>	<b>7.2</b>
<b>Distributions</b>	<b>12,945</b>	<b>15,027</b>
<b>Distributions per security (cents)</b>	<b>6.3</b>	<b>7.2</b>
<b>Payout ratio</b>	<b>97.5%</b>	<b>100.6%</b>
<b>Tax Advantaged Distribution Component</b>	<b>100.0%</b>	<b>100.0%</b>

1. Pursuant to Australian Accounting Standards, Distributions exclude distributions made to treasury securities and to stapled securities (on which there is an outstanding loan) issued or transferred under the Garda Employee Security Plan.

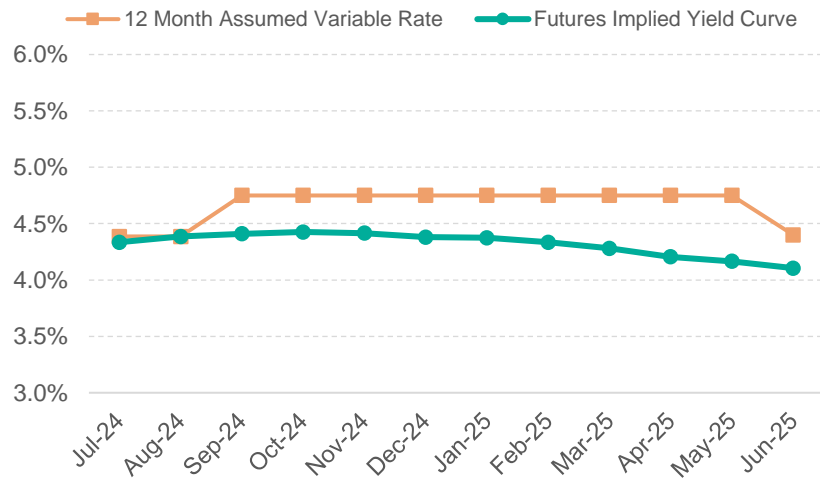




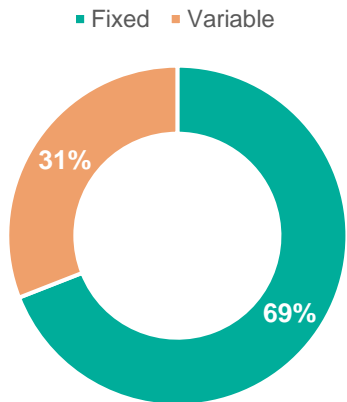
# CAPITAL MANAGEMENT

Key Debt Metrics – 30 June 2024	
Total debt facilities	\$270.0 million
Drawn debt	\$217.2 million
Cash	\$17.0 million
Weighted average debt duration	1.7 years
Hedged debt	\$150 million
Weighted average hedge duration	2.7 years
Gearing	36.5%
Interest Cover Ratio (covenant 1.5 times)	2.0 times

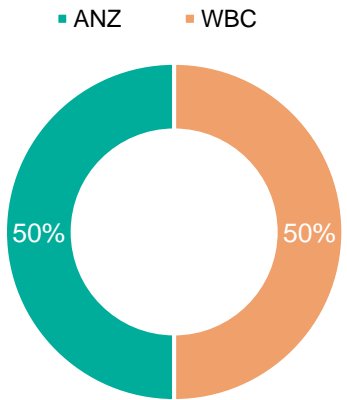
## 1 Variable rate assumptions vs implied yield curve



## 2 Hedge Profile



## 3 Participating Lenders



- 9.6 million stapled securities bought back at average price of \$1.21 representing 4% of securities on issue.
- Facility limit reduced by \$20.0 million, to \$270.0 million.
- The facility was drawn to \$217.2 million, providing \$52.8 million of undrawn headroom.
- 69% of drawn debt is currently hedged via \$150.0 million of interest rate swaps.
- Garda restructured its \$50.0 million June 2026 expiry swap, to expire in June 2025, reflecting a fixed rate of 2.61% for FY25.
- Weighted average hedged debt duration is 2.7 years.
- Forecast FY25 weighted average cost of debt (WACD), including all line fees, margins and establishment fees, is 4.8%.

# INCOME STATEMENT

		FY24 \$000	FY23 \$000
<b>Revenue</b>			
Rental and recovery revenue		27,129	28,781
Interest and lending revenue		3,647	2,775
Other income		674	418
Net gain in fair value of financial instruments		-	638
<b>Total revenue and other income</b>		<b>31,450</b>	<b>32,612</b>
<b>Expenses</b>			
Property expenses		(6,441)	(6,915)
Corporate and trust administration expenses		(1,872)	(1,945)
Finance costs	①	(7,141)	(6,313)
Employee benefits expense		(3,374)	(3,188)
Security based payments expense	②	(1,637)	(719)
Depreciation		(136)	(150)
Credit loss expense		(76)	-
Net loss on fair value investment properties	③	(39,295)	(6,470)
Net loss on fair value of financial instruments	④	(3,385)	-
Net loss on sale of investment properties	⑤	(11,163)	(11,729)
<b>Total expenses</b>		<b>(74,520)</b>	<b>(37,429)</b>
<b>Loss before income tax</b>		<b>(43,070)</b>	<b>(4,817)</b>
Income tax (expense) / benefit		144	(117)
<b>Loss after income tax</b>		<b>(42,926)</b>	<b>(4,934)</b>



- ① Although the average drawn debt was \$20 million lower throughout FY24, the net interest cost increased due to the variable rate peaking and remaining at the higher levels throughout the entire financial year.
- ② Increase largely attributed to the issue of 1.76 million deferred security awards to employees in November 2023.
- ③ Negative movement in the carrying value of investment properties following independent valuation and net realisable value adjustment for assets held for sale
- ④ Negative movement in mark-to-market valuation of \$150.0 million in interest rate swaps.
- ⑤ Loss related to the sale of the Melbourne office portfolio including Hawthorn East, Botanicca 7 and Botanicca 9.

# BALANCE SHEET

		30 Jun 2024 \$000	30 Jun 2023 \$000
<b>Current assets</b>			
Cash and cash equivalents		17,002	13,164
Trade and other receivables		150	257
Financial assets	①	26,177	11,953
Investment properties held for sale	②	13,298	111,750
Other assets		741	1,215
Derivative financial instrument		922	-
<b>Non-current assets</b>			
Trade and other receivables		-	44
Investment properties		495,366	488,783
Derivative financial instrument	③	11,220	15,527
Right-of-use assets		284	-
Deferred tax assets		444	300
<b>Total assets</b>		<b>565,604</b>	<b>642,993</b>
<b>Current liabilities</b>			
Trade and other payables	④	2,092	4,430
Contract liabilities	⑤	253	1,232
Distribution payable		3,163	3,751
Provisions		152	51
Lease liabilities		133	-
<b>Non-current liabilities</b>			
Tenant security deposits		347	739
Borrowings	⑥	216,622	224,269
Provisions		140	152
Lease liabilities		145	-
<b>Total liabilities</b>		<b>223,047</b>	<b>234,624</b>
<b>Net assets</b>		<b>342,557</b>	<b>408,369</b>
<b>Gearing (%)</b>		<b>36.5%</b>	<b>33.7%</b>
<b>NTA per security (\$)</b>		<b>1.71</b>	<b>1.96</b>

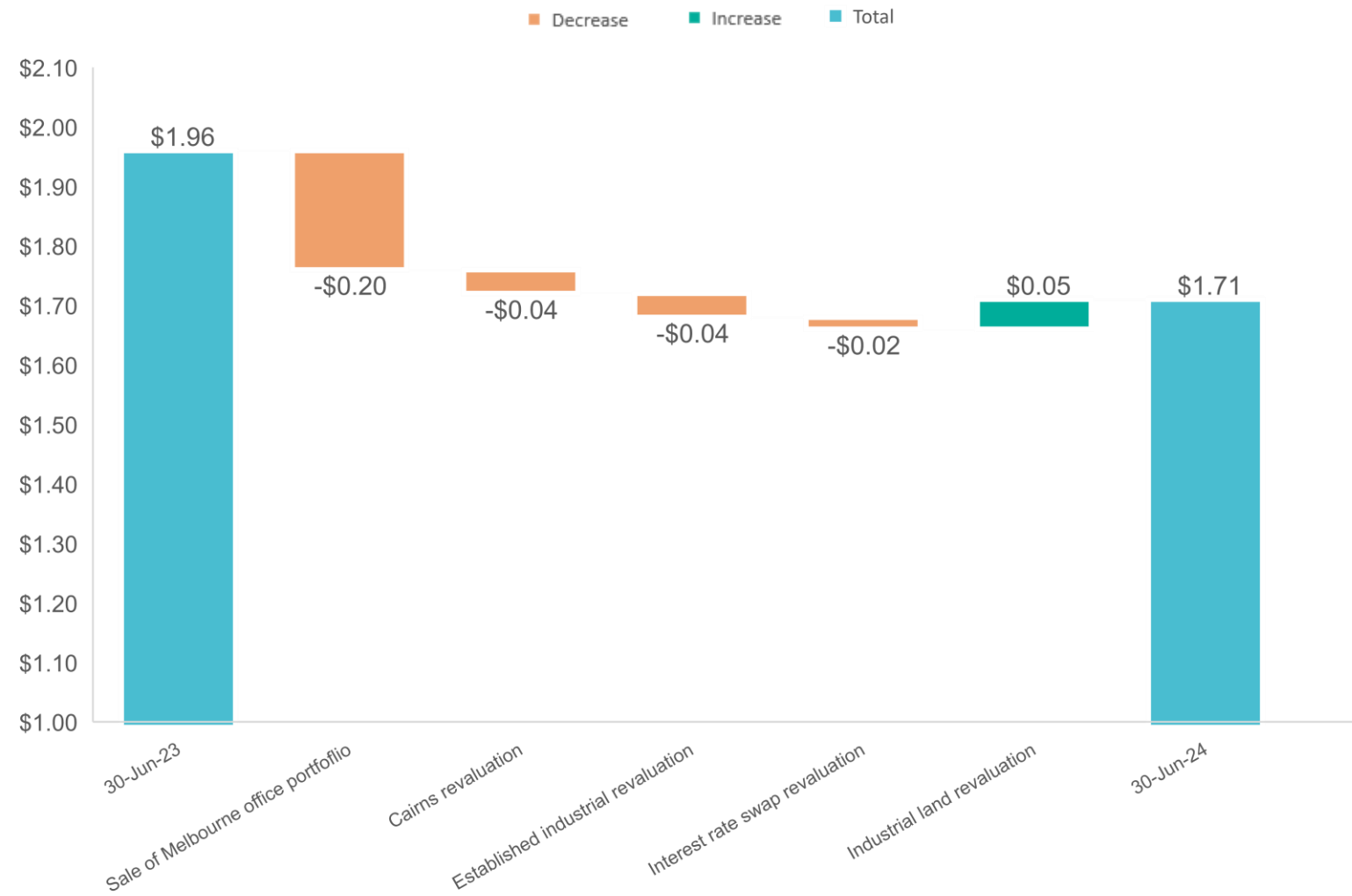


- ① Financial assets comprise commercial secured loans provided to external third parties.
- ② Represents the carrying value of Pinnacle East, Wacol, an industrial site that is due to settle on 20 August 2024.
- ③ Mark-to-market value of \$150.0 million worth of interest rate swap contracts.
- ④ Trade and other payables includes development construction expense accruals, statutory liabilities and accrued property expenses.
- ⑤ Contract liabilities represent the reversal of tenant rental pre-payments that have been classified in cash and cash equivalents.
- ⑥ Non-current borrowings decreased during the reporting period following the repayment of drawn facilities with proceeds from the Melbourne office portfolio sale. Facilities were subsequently redrawn to finance development construction, on-market buyback of securities and external lending activities.



# NET TANGIBLE ASSETS RECONCILIATION

NTA RESET FOLLOWING OFFICE DIVESTMENTS AND INDUSTRIAL REVALUATIONS



# PROPERTY PORTFOLIO



56-72 Bandara St, Richlands

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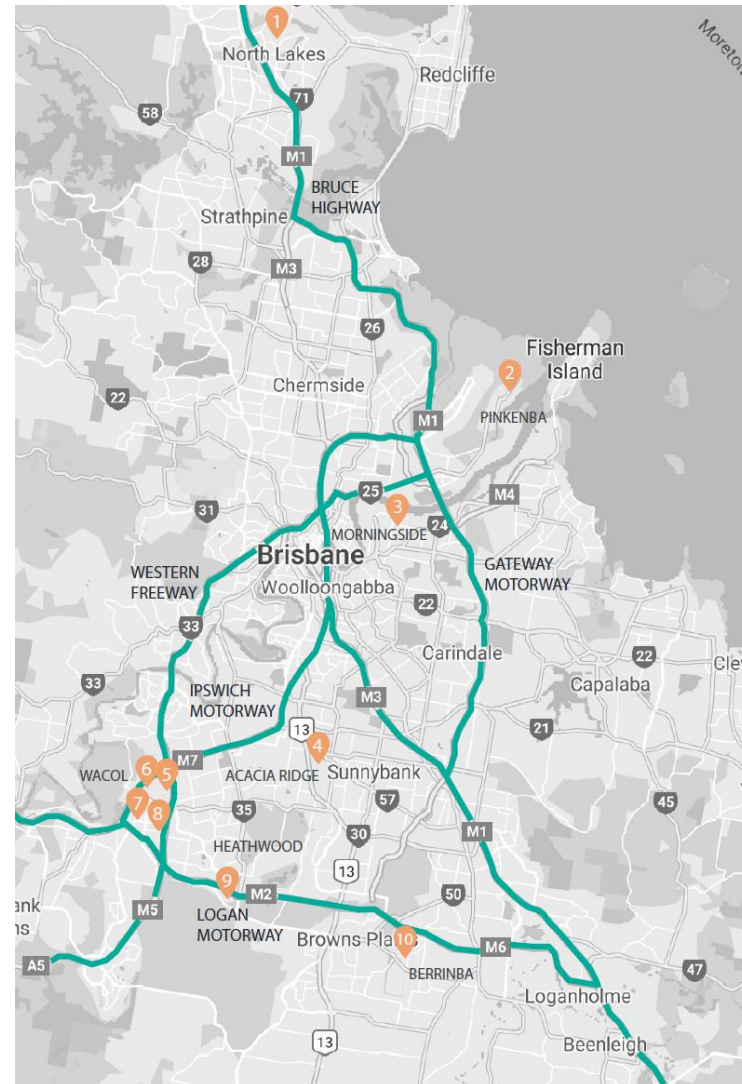


# PROPERTY PORTFOLIO

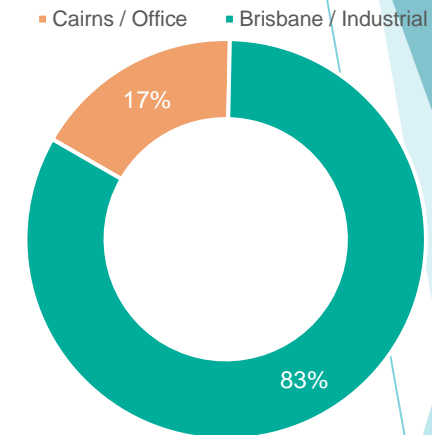
INTEGRATED SOUTH-EAST QUEENSLAND INDUSTRIAL PLATFORM



- 1 109-135 Boundary Road, North Lakes
- 2 70-82 Main Beach Road, Pinkenba
- 3 326 & 340 Thynne Road, Morningside
- 4 38, 56, 69 Peterkin Street, Acacia Ridge
- 5 41 Bivouac Place, Wacol
- 6 498 Progress Road, Wacol
- 7 372-402 Progress Road, Wacol
- 8 56-72 Bandara Street, Richlands
- 9 67 Noosa Street, Heathwood
- 10 1-9 Kellar Street, Berrinba



Geography and Sector (by Value)



Tenant	Property	Gross Income (%)
Volvo Group	Wacol	13.3%
Ausdeck	Richlands	9.9%
Komatsu	Morningside	9.5%
Pinkenba Operations	Pinkenba	8.5%
Qld Gov (DTMR)	Cairns	5.2%
James Energies	Heathwood	4.6%
CNW Pty Ltd	Morningside	4.3%
YHI	Wacol (Pinnacle West)	4.3%
Tas. Freight	Wacol (Pinnacle West)	3.1%
BDO	Cairns	2.9%
Top 10 Portfolio Tenants		65.6%



# VALUATION OVERVIEW



**5.58%**

INDUSTRIAL CAP RATE



**7.75%**

CAIRNS CAP RATE



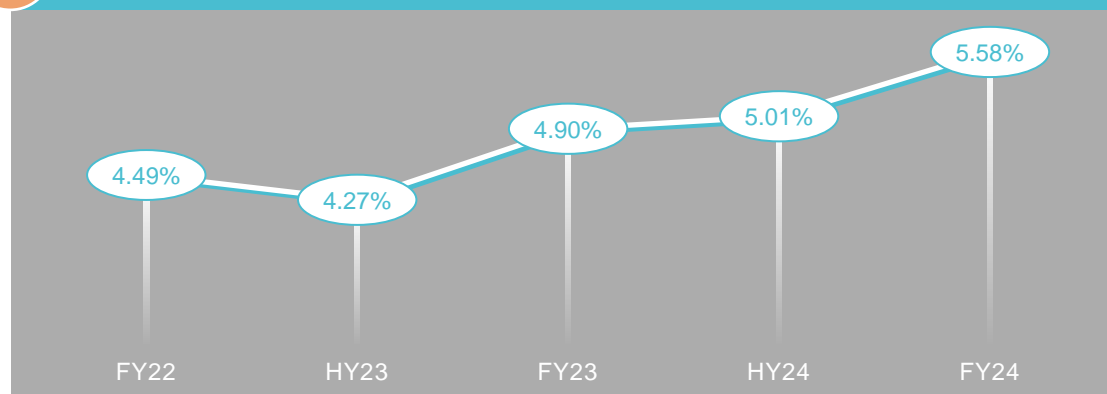
**6.06%**

PORTFOLIO CAP RATE

- Six of 12 properties were independently valued in May 2024 for the purposes of the full year reporting, resulting in a \$3.7 million (or 0.75%) decrease in the book value of the properties from HY24.
- Cairns and Richlands will be revalued in December 2024.
- Acacia Ridge (38-56 Peterkin St) will be independently value 'on completion' of its construction, anticipated to be in December 2024.
- Acacia Ridge (69 Peterkin St) will be independently valued upon completion of expansion works, anticipated in May 2025.
- North Lakes will be independently valued by Q1CY25 as it reaches practical completion for the various civil works programs. The independent valuation in December 2023 assessed gross realisation value at \$116.8 million.

1

**Industrial cap rates have expanded 131bps this cycle**



Valuation Date	Property	Sector	Valuation (\$m)	Cap Rate (%)
Dec-23	Acacia Ridge, 69 Peterkin St	Industrial	22.1	5.50
Dec-23	Acacia Ridge, 38-56 Peterkin St	Industrial Land	19.7	n/a
Jun-24	Wacol, Pinnacle East	Industrial Land	13.3 <sup>1</sup>	n/a
Dec-23	Richlands, 56-72 Bandara St	Industrial	37.8	5.25
Oct-23	Cairns, 7-19 Lake St	Office	82.0	7.75
May-24	Berrinba, 1-9 Kellar St	Industrial	16.0	5.75
May-24	Heathwood, 67 Noosa St	Industrial	16.9	5.75
May-24	Morningside, 326 & 340 Thynne Rd	Industrial	61.0	5.50
May-24	Pinkenba, 70-82 Main Beach Rd	Industrial	32.2	5.50
May-24	Wacol, 41 Bivouac Pl	Industrial	52.5	5.50
May-24	Wacol, Pinnacle West	Industrial	45.5	6.00
May-23	North Lakes, 109-135 Boundary Rd	Industrial Land	95.4 <sup>2</sup>	n/a
Total property value			<b>494.4</b>	<b>6.06%</b>
Value accretive capex <sup>3</sup>			14.3	
Total Portfolio			<b>508.7</b>	

1. Pinnacle East, Wacol was independently valued at 31 December 2023 at \$15.5 million. The property is currently under contract for \$13.5 million and will settle on 20 August 2024.
2. The current independent value is \$69.5 million. The independent 'on completion' value of the 25 hectares adopted by the valuer is \$116.8 million or \$467/m<sup>2</sup> of developable land. The difference between the adopted Directors' valuation of \$95.4 million and the assessed gross realisation of \$116.8 million is accounted for by the estimated 'cost to complete', add contingency.
3. Represents value accretive capital expenditure on independently valued properties, including development spend at Acacia Ridge.

# ASSET DIVESTMENTS

## FULL EXIT FROM CONTINUALLY DETERIORATING MELBOURNE OFFICE MARKET

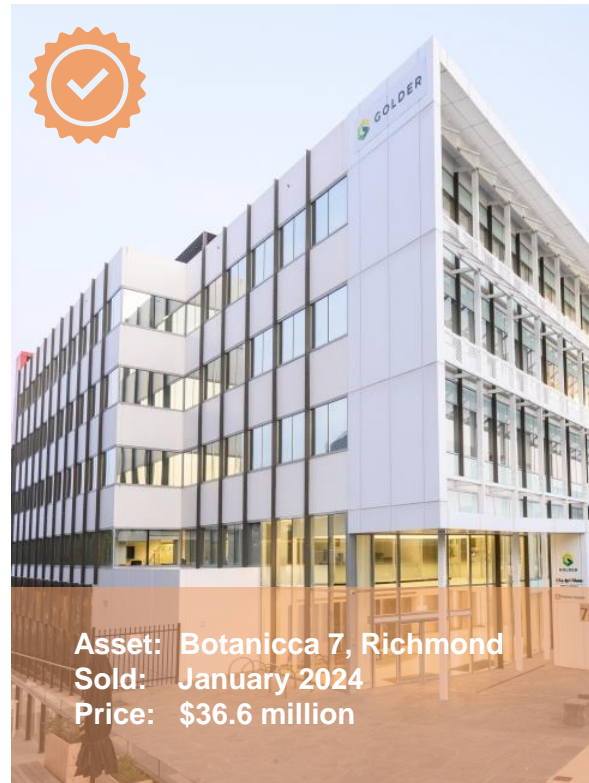


### Successful exit from the Melbourne suburban office portfolio

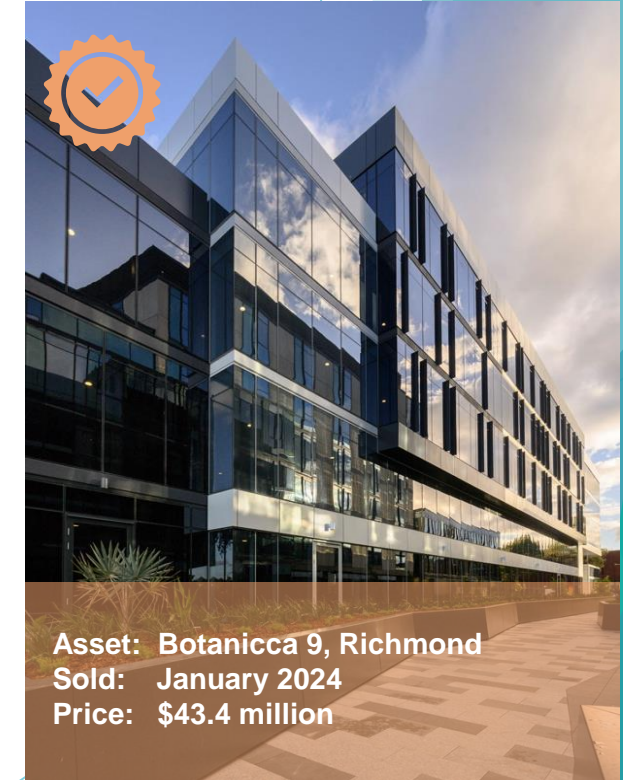
- \$104.1 million of office properties divested during FY24.
- Including the Box Hill sale in April 2023, Garda has fully divested all properties held in the highly incentivised Melbourne office market for \$144.4 million, representing a 21% discount to the combined independent valuations at the time of divestment.
- Proceeds were used to partially repay debt with the capital reallocated to the Brisbane industrial development pipeline and lending activities.



Asset: Hawthorn East  
Sold: December 2023  
Price: \$24.1 million



Asset: Botanicca 7, Richmond  
Sold: January 2024  
Price: \$36.6 million

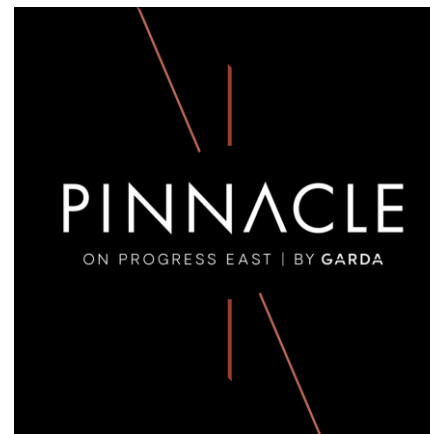


Asset: Botanicca 9, Richmond  
Sold: January 2024  
Price: \$43.4 million



# ASSET DIVESTMENTS

372-402 PROGRESS ROAD, WACOL



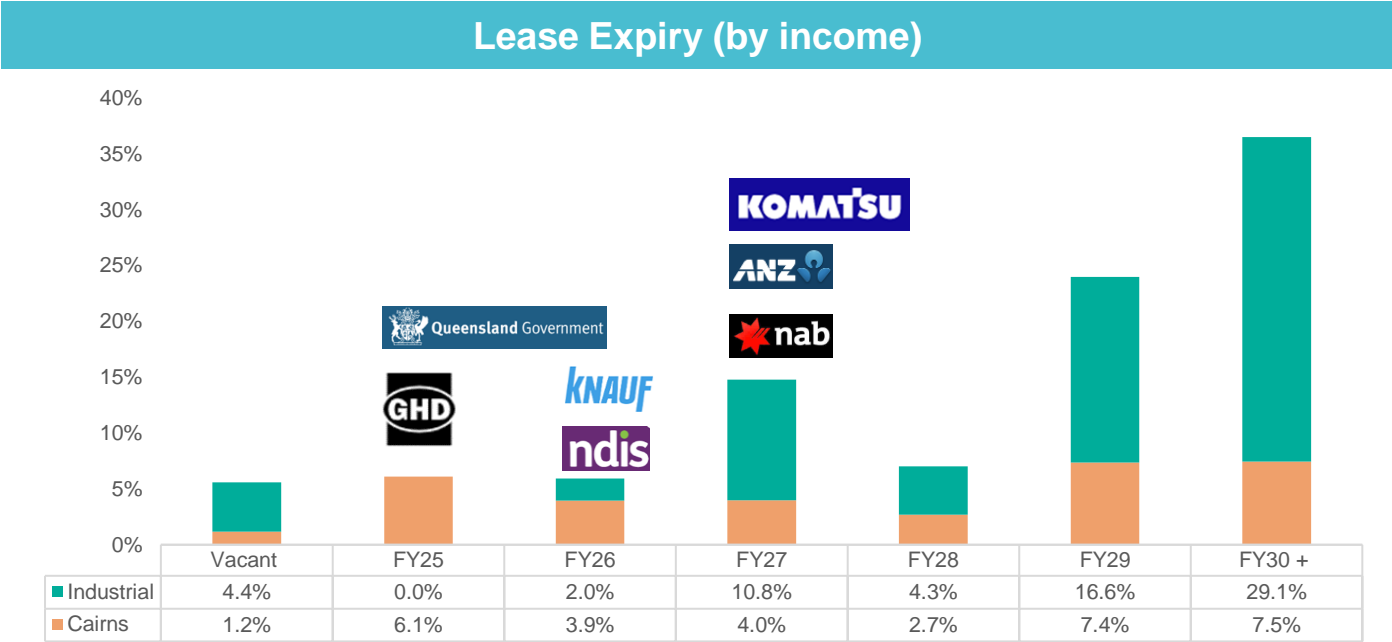
- The property has been sold unconditionally and is expected to settle on 20 August 2024 for \$13.5 million.
- The 4.1 hectare site has a DA approval in place for ~ 14,876m<sup>2</sup> of built form across four tenancies.
- The estimated development cost of \$35 million and the net sale proceeds will now be re-directed to the North Lakes development, providing higher anticipated returns.
- Net sale proceeds will be used to initially repay variable drawn debt.



# LEASE EXPIRY PROFILE

MANAGEABLE EXPIRY PROFILE IN FY25 AND FY26, UNDERPINNING PROPERTY INCOME

- FY25 expiry is isolated to the strongly performing Cairns Corporate Tower, Garda's only office property, where 2,707m<sup>2</sup> of NLA is due to expire across five tenancies.
  - 898m<sup>2</sup> - Qld government (DTMR) will be vacating in November 2024. Garda has allowed 12 months to make good and lease the full floor tenancy.
  - 869m<sup>2</sup> - GHD has a five-year option that may be exercised Q1FY25 prior to lease expiry in May 2025.
- Key vacancy is the recently handed back industrial facility at 69 Peterkin Street, Acacia Ridge. Garda is currently activating the balance of land to add 3,000m<sup>2</sup> of NLA and expects to lease the property with a substantial increase in net property income from the expansion and rent reversion.



# INDUSTRIAL DEVELOPMENT



Acacia Ridge – Stage 2

GARDA



# BRISBANE INDUSTRIAL SUPPLY

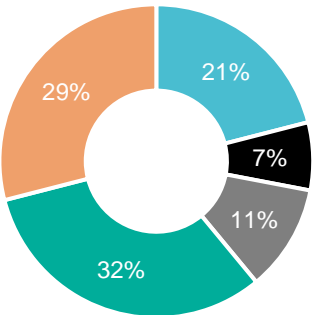
RENT GROWTH EXPECTED TO CONTINUE AS FUTURE SUPPLY REDUCES

Future industrial supply remains constrained. Future DA approved supply likely remains contingent on continued market rent growth.

- The Brisbane market supply for CY24 is estimated at ~670,000m<sup>2</sup>, approximately 200,000m<sup>2</sup> less than CY23 delivery.
- It also represents almost double the long run average annual supply of ~400,000m<sup>2</sup> of NLA historically delivered in Brisbane.
- 232,400m<sup>2</sup> of supply has been delivered in H1CY24, with approximately one-third of NLA being taken up.
- Approximately 435,000m<sup>2</sup> of NLA is forecast to be delivered in H2CY24, majority in the outer south (32%) and western corridors (29%). Over half of this NLA is pre-committed.
- CY25 pipeline is forecast around 600,000m<sup>2</sup>, however only approximately one-quarter of this is under construction.

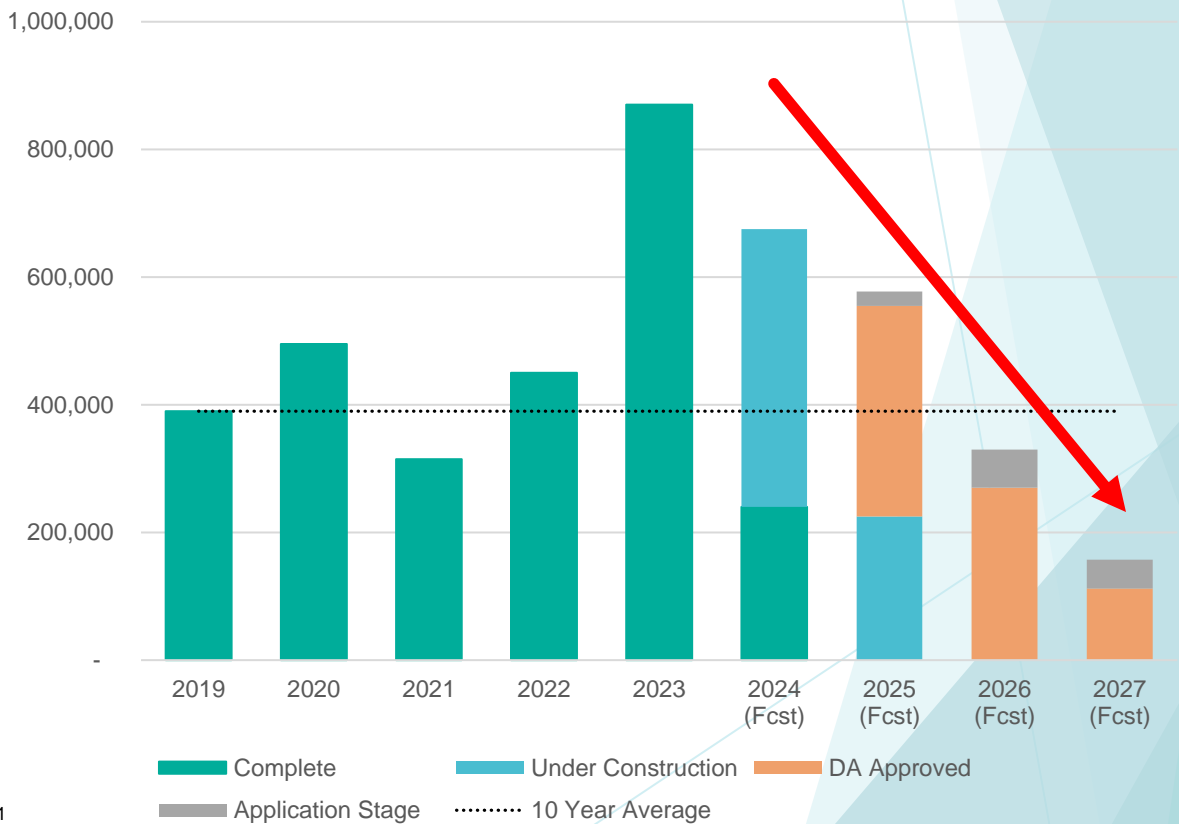
## New Developments Completing in 2024

- Trade Coast (Gateway)
- M1 Corridor
- North
- Outer South
- Western Corridor



Source 1: SA1  
Source 2: CBRE Research

## Brisbane Development Supply Pipeline (m<sup>2</sup> NLA)





# DEVELOPMENT TRACK RECORD

STRONG HISTORY OF ACQUIRING LAND AND DEVELOPING PRIME INDUSTRIAL ASSETS

## 1 1-9 Kellar Street, Berrinba



- Speculatively developed 5,683m<sup>2</sup> multi tenant facility completed in November 2020.
- 100% occupied with tier 1 covenant via Knauf lease.

## 2 69 Peterkin Street, Acacia Ridge



- 6,262m<sup>2</sup> facility completed in January 2022 as a pre-commit for a national freight and transport company.
- Balance of land provides substantial expansion opportunity.

## 3 Pinnacle West, Wacol



- 17,601m<sup>2</sup> multi-building facility completed in July 2023.
- Stage 1 and 3 were pre-committed and stage 2 was speculatively developed.
- 100% occupied across four tenants with a WALE of 6.9 years.

## 4 56-72 Bandara Street, Richlands



- 12,912m<sup>2</sup> facility completed in December 2023.
- Ausdeck consolidated four separate facilities into a new 10-year lease.
- As a pre-commit, significant consultation with Garda on required specifications.

# 38-56 PETERKIN STREET

ACACIA RIDGE, QUEENSLAND

Construction is well advanced, with practical completion expected in December 2024. Tenant leasing inquiry is positive, with several tenant engagements currently underway. Fully leased annualised net property income is forecast at \$3.0 million.

38-56 Peterkin St

**+ \$3.0** million p.a.  
FULLY LEASED INCOME

**\$200/m<sup>2</sup>**  
EXPECTED RENT

**\$17.7** million  
COST TO COMPLETE

**Dec 2024**  
COMPLETION

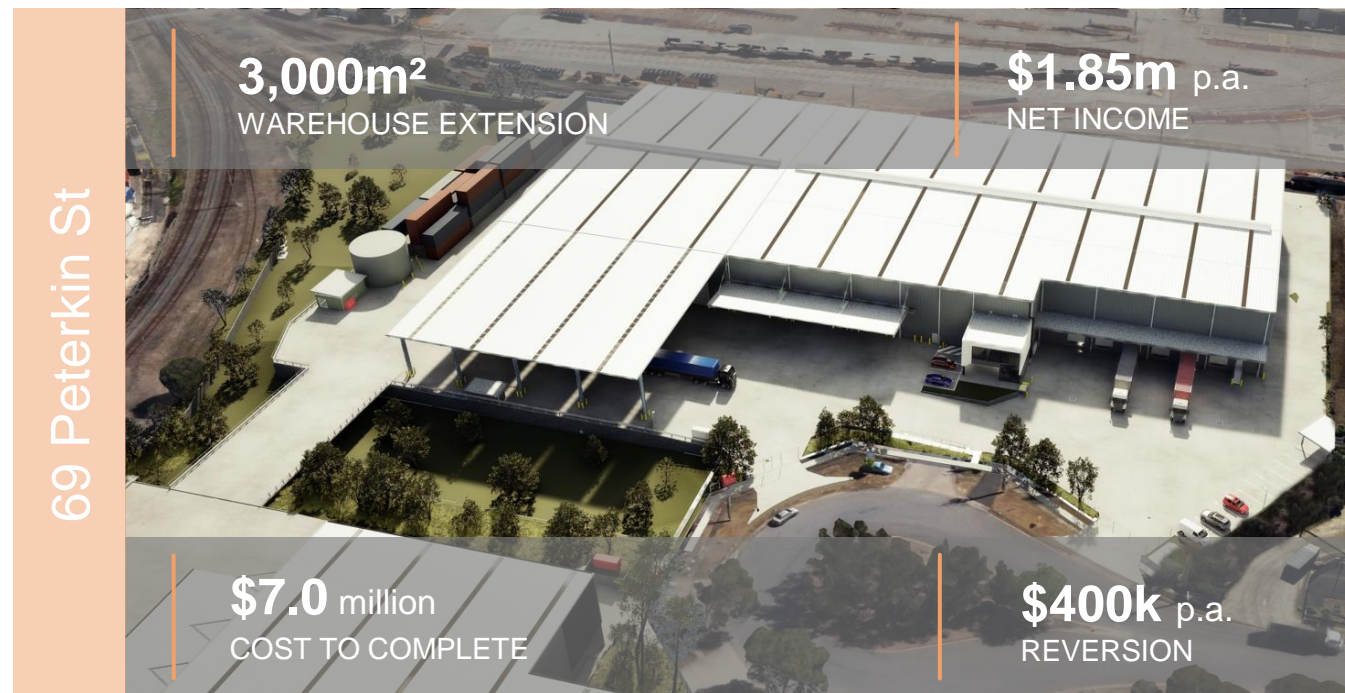
- Stage 2 of the Acacia Ridge development will deliver 14,777m<sup>2</sup> of prime industrial facilities, with flexible NLA offerings.
- Construction is well advanced with dado panels erected and structural steel in place. External slab pours are occurring with internal slab pours to occur once the roof has been fitted.
- Completion is expected in December 2024 with strong current leasing interest.
- Given the location, quality of build, super awning and container rated hardstand, expected rent is \$200/m<sup>2</sup>.
- Total forecast development cost of approximately \$50.0 million.
- When fully leased, the property will provide approximately \$3.0 million of additional net property income per annum, representing a yield on cost of 6.0%.



# 69 PETERKIN STREET

ACACIA RIDGE, QUEENSLAND

A tenant vacating the property has allowed Garda to activate the balance of land at the rear of the existing 6,262m<sup>2</sup> warehouse. A 3,000m<sup>2</sup> expansion will occur at a cost of ~\$7.0 million. A substantial market rent reversion for the entire 9,262m<sup>2</sup> facility is expected.



- A 6,262m<sup>2</sup> warehouse facility was developed in 2022 as stage 1A, with a seven-year lease in place.
- In June 2024, the lease to a national freight transport company was terminated.
- Garda has taken the opportunity to activate the balance land (stage 1B), expecting to deploy \$7.0 million to extend the existing facility by 3,000m<sup>2</sup>, to 9,262m<sup>2</sup>.
- At \$200/m<sup>2</sup>, the new facility will provide a yield on cost (existing value add expansion costs) of ~6.4%.
- Prior passing rent was \$135/m<sup>2</sup>.



# 109-135 BOUNDARY RD, NORTH LAKES

## VALUATION JOURNEY – PERMITTING, OPERATIONAL WORKS TO ESTATE QUALITY LAND

After acquiring the site for \$16m, Garda will have invested approximately \$35 million creating 25ha of estate quality land. Upon completion a cumulative ~\$65 million increase in value may be achieved, representing 32 cents NTA per security.

A	June 2021	B	June 2022	C	May 2023	D	June 2024	E	Q1CY25
	<b>Land Acquisition \$20.0 million</b>		<b>DA Approval \$45.0 million</b>		<b>Bulk Works Underway \$69.5 million</b>		<b>Civil Works Underway \$95.4 million<sup>1</sup></b>		<b>Estate Land \$116.8 million<sup>2</sup></b>
	<ul style="list-style-type: none"><li>32.4 hectare industrial land site settled for \$16.0 million.</li><li>Independently valued at settlement for \$20.0 million, or \$80/m<sup>2</sup> of developable land.</li></ul>		<ul style="list-style-type: none"><li>12 months to work through detailed design, zoning variation and subsequent development application completed for bulk earth and civil works.</li><li>Land revalued to \$45.0 million, or ~ \$180/m<sup>2</sup> of developable land.</li></ul>		<ul style="list-style-type: none"><li>All operational work approvals received allowing bulk earth and civil works contracts to be finalised.</li><li>Land revalued to \$69.5 million, or ~ \$280/m<sup>2</sup> of developable land.</li><li>Gross realisation assessed at \$116.8 million, allowing for \$27.5 million cost to complete and \$19.8 million of risk/profit margin.</li></ul>		<ul style="list-style-type: none"><li>Bulk earth works complete with civil works program commencing in May 2024.</li><li>Lot 2 built form DA approved. Likely handover for construction in Feb-25.</li><li>Lot 3 built form DA approval imminent.</li><li>Lot 1 built form DA submitted.</li></ul>		<ul style="list-style-type: none"><li>All works completed including external estate intersection.</li><li>Estate quality land independently assessed at \$116.8 million (or \$457/m<sup>2</sup>) in May 2023.</li><li>Independent valuation will be instructed upon completion.</li></ul>
									

1. Directors' valuation of \$95.4 million, allowing for deployed funds and reduced delivery risk

2. Independently assessed gross realisation valued from the May 2023 valuation. Garda will instruct a new independent valuation upon completion of civil works expected in Q1CY25..



# BUILT FORM AT NORTH LAKES

OPTIONALITY WITH LOT 1, 2 & 3 DA APPROVALS ANTICIPATED BY Q1CY25

PINNACLE  
NORTH LAKES  
BY GARDA

Lot 1-3 Metrics	Lot 1	Lot 2	Lot 3
Land (m <sup>2</sup> )	33,312m <sup>2</sup>	54,328m <sup>2</sup>	12,456m <sup>2</sup>
NLA (m <sup>2</sup> )	11,020m <sup>2</sup>	23,376m <sup>2</sup>	5,917m <sup>2</sup>
Estimated Costs @ \$1,550/m <sup>2</sup>	\$17.1m	\$36.5m	\$9.2m
Estimated Rent @ \$185/m <sup>2</sup>	\$2.0m	\$4.3m	\$1.1m
DA Status	Submitted	Approved	Submitted

Lot 3

Lot 2

Lot 1



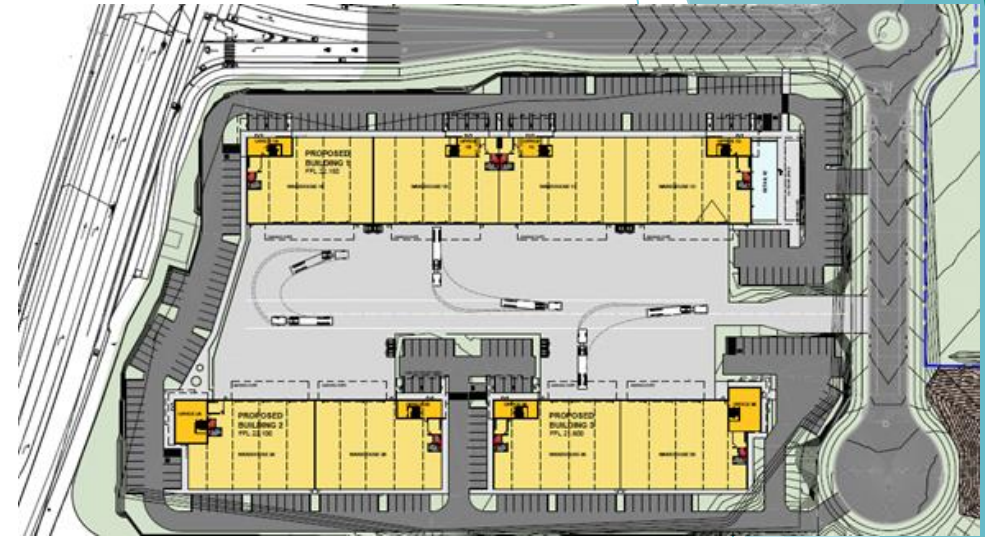
# LOT 1, NORTH LAKES

**11,020m<sup>2</sup>**  
TOTAL LOT 1 NLA

**Up to 8**  
TENANCIES



**1,200m<sup>2</sup> - 1,400m<sup>2</sup>**  
SMALL USER CONFIGURATIONS



DA lodged and expected approval in late CY24.



Debt headroom available for construction funding.



~10 month construction period.



Potential access to income in H2FY26.





# LOT 2, NORTH LAKES

**23,376m<sup>2</sup>**  
TOTAL LOT 2 NLA

**Up to 6**  
TENANCIES



**2,600m<sup>2</sup> - 6,000m<sup>2</sup>**  
SMALL USER CONFIGURATIONS



DA approved and construction ready.



Construction pricing received at \$36.5 million.



~12 month construction period.



Potential access to income in H2FY26.



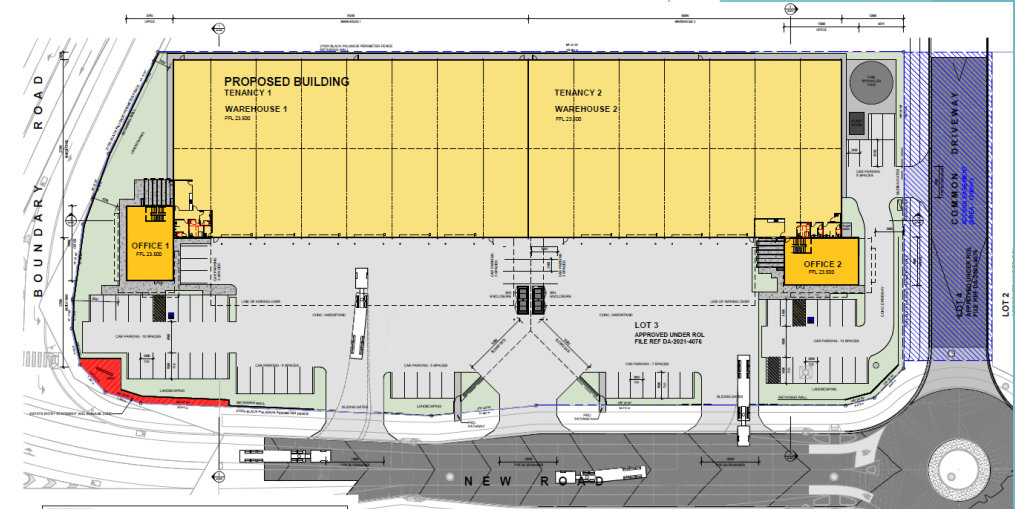
# LOT 3, NORTH LAKES

**5,917m<sup>2</sup>**  
TOTAL LOT 3 NLA

**1-2**  
TENANCIES



**2,443m<sup>2</sup> - 2,769m<sup>2</sup>**  
SMALL USER CONFIGURATIONS



- ✓ DA lodged and expected approval in late CY24.
- ✓ Debt headroom available for construction funding.
- ✓ ~10 month construction period.
- ✓ Potential access to income in H2FY26.





# LENDING



GARDA



# REAL ESTATE LENDING

## ENHANCED RETURNS FROM LENDING

Garda will continue to increase its lending activities in FY25, primarily to the residential and industrial sectors.



Attractive double-digit returns have been achieved.



Predominantly construction funding.



Exposure across the capital stack including senior and junior positions.



Targeted loans terms of less than 12 months.

**\$26.2 million**

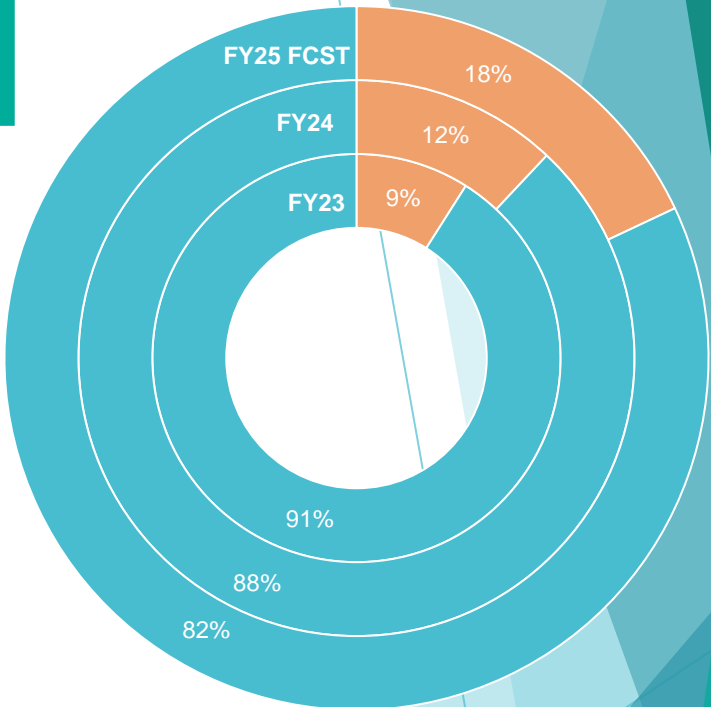
June 2024 Deployed Capital

**\$16.5 million**

Loans to be Repaid in FY25

**\$3.6 million**

FY24 Lending Revenue



■ Lending Revenue

■ Other Group Revenue

### Lending contribution to Group Revenue

- In FY24, lending as a percentage of revenue increased to 12%.
- \$3.6 million in revenue was received from lending activities.
- FY25 lending revenue is forecast to increase to 18% of group revenue.

# GUIDANCE



North Lakes (render)

GARDA



# GUIDANCE

PROJECT DELIVERY CONTINUES TO ORGANICALLY GROW NET PROPERTY INCOME

**6.3 cps**

FY25 DISTRIBUTION GUIDANCE



**0.9 cps**

FY24 FULLY FRANKED DIVIDEND



**7.2 cps**

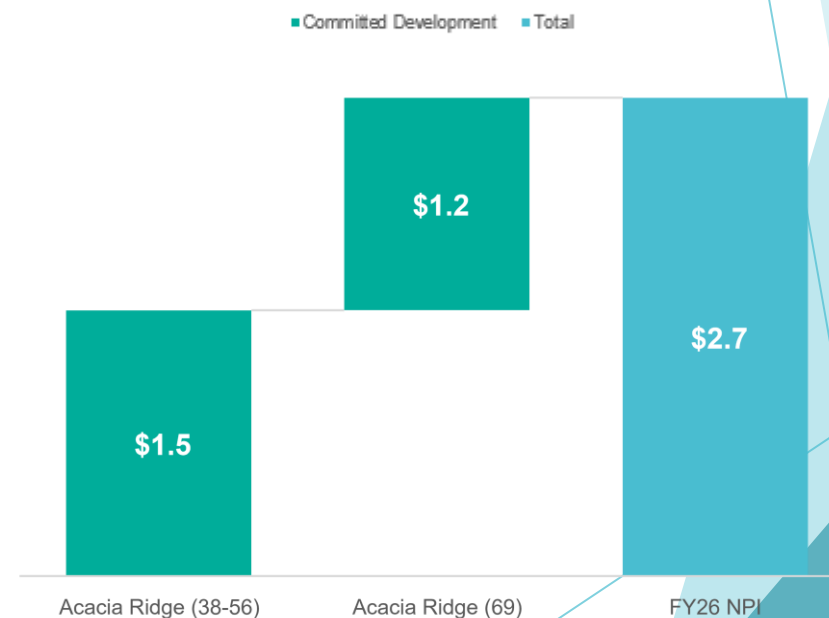
FY25 INCOME RETURN GUIDANCE

## Distribution & Dividend Guidance

- FY25 distribution guidance of \$0.063 per security, paid in \$0.01575 quarterly payments.
- Reflects an FY25 FFO payout ratio of approximately 100%.
- Distributions are expected to be 85% tax advantaged.
- Following the sale of a \$2 million non-core legacy land parcel during FY24, which was held by a group corporate entity, Garda has resolved to distribute a fully franked special dividend totalling \$1.8 million, or 0.9 cents per security.
- The special dividend will be paid in four equal instalments, in line with FY25 quarterly distributions.
- Total FY25 income return guidance is 7.2 cents per security, an increase of 14.3% from FY24.
- Reflects FY25 income yield of 6.3%.

1

## FY26 Additional NPI from Projects (\$m)



# GLOSSARY

## DEFINITIONS AND EXPLANATIONS

Item / Term	Definition / Explanation
CCT	Cairns Corporate Tower office building located at 15 Lake Street, Cairns.
EBIT	Earnings before income tax as defined by Garda's Syndicated Facility Agreement.
FFO	Funds from Operations is the Group's underlying and recurring earnings from its operations. It is determined by adjusting statutory net profit (under AIFRS) for certain non-cash and other one-off items. FFO is not recognised or covered by Australian Accounting Standards and has not been audited or reviewed by the auditor of the Group.
Futures Implied Yield Curve	ASX 30 Day Interbank Cash Rate Futures Implied Yield Curve as of close of 30 July 2024.
Gearing	Calculated as: (total drawn interest-bearing liabilities less cash), divided by (total assets less cash).
ICR	Interest cover ratio as defined by Garda's Syndicated Debt Facility.
FY25 income return profile	Income payments made to investors totaling 7.2 cents per security that includes FY25 distribution guidance of 6.3 cents per security and an FY24 fully franked special dividend of 0.9 cents per security.
FY25 income yield	FY25 income return of 7.2 cents per security divided by GDF ASX closing price of \$1.14 of 31 July 2024.
NLA	Net Lettable Area.
NPI	Net Property Income.
NTA	Net Tangible Assets.
Pinnacle East	Industrial development project currently under development located at 372-402 Progress Rd, Wacol (QLD).
Pinnacle North Lakes	Industrial development project currently under development at 109-135 Boundary Road, North Lakes (QLD).
Pinnacle West	Industrial estate at 498 Progress Rd, Wacol (QLD).
Portfolio Value	Calculated as 30 June 2024 total property investment assets less assets held for sale which have since settled, add value accretive capital expenditure.
WALE	Weighted Average Lease Expiry (by gross income).
WACD	Weighted Average Cost of Debt.
WACR	Weighted Average Capitalisation Rate.



# GARDA

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