

8 April 2021

Q3 FY21 MARKET UPDATE

GARDA Property Group (**GARDA** or **Group**) is pleased to provide a market update:

- **Three asset sales, all above book value, totalling \$30.6 million.**
- **Pro-forma NTA of \$1.215 per security.**
- **Tenant pre-committed development pipeline:**
 - **Building C (6,000m²), Progress Rd, Wacol due to complete end of May 2021.**
 - **Acacia Ridge stage 1 (6,200m²) construction now commenced.**
- **Leasing:**
 - **Berrinba is now 100% committed.**
 - **Further leasing at Botanicca 9 takes asset gross revenue to 47%.**
- **Approximately two-thirds of the portfolio is to be independently valued.**

Asset Divestment Update

GARDA disclosed that it had three non-core assets for sale in its HY21 Interim Financial Report.

The Archerfield property is now unconditional for \$7.0 million, representing a 12.9% premium to its independent valuation. It is due to settle mid-April.

Lytton is under contract for \$11.0 million, representing a 26.1% premium to its independent valuation and is subject to GARDA completing certain works. Lytton is expected to settle at the end of May 2021.

Varsity Lakes is now also unconditional for \$12.6 million, representing a 5% premium to its independent valuation. Settlement is expected to occur not later than 11 May 2021.

Industrial Development Pipeline

The net sale proceeds of the three divestments will initially be directed to debt reduction but will ultimately be utilised for the industrial development pipeline.

This will see funding directed to the completion of Building C at Wacol which is due for completion by the end of May 2021 and also the first stage of 69 Peterkin Street, Acacia Ridge where demolition of the original structure is now complete.

Wacol is a 6,000m² facility, pre-committed to YHI Australia for a lease term of 10 years and 5 months and will contribute \$0.7 million in gross income (annualised).

Stage-one of 69 Peterkin Street, Acacia Ridge is now also underway with the demolition of the existing building recently completed.

This 6,200m² facility is pre-committed to Austrans for a term of seven years and will provide \$0.8 million in gross income (annualised). Construction of the facility will be completed by the end of CY21 at a cost of \$7.6 million. There is room for a further 6,000m² to be built at this property.

Valuations

GARDA will instruct independent valuations across approximately two-thirds of its portfolio.

These valuations and resultant NTA movements will be disclosed upon completion of all valuations, in May 2021.

Berrinba Leasing

The Australian subsidiary of a large American multinational group has entered into a Heads of Agreement (**HOA**) for the remaining 2,726m² at Berrinba. The HOA is for a term of 5 years with the lease planned to begin in August 2021.

The Berrinba development was a speculative built industrial development, and construction was completed in late 2020.

GARDA has now secured two high quality international tenants at Berrinba, providing investors a strong income profile and a 5.0 year asset WALE.

Botanicca 9 Leasing

NuVasive, a US based medical device company, has leased the remaining 365m² of NLA available on the ground level. The lease will begin in June 2021 for a term of five years.

47% of Botanicca 9 expected revenue is now committed and provides a 4.6-year WALE. 4,264m² of NLA, being the top three floors, remain to be leased.

Pinkenba Tenant Acquisition

The tenant at GARDA's Pinkenba industrial property recently sold their business to a special purpose vehicle managed by Alceon Group, an Australian alternative investment manager with \$4.0 billion invested and \$1.8 billion funds under management.

All material terms of the original lease remain in place and the 15-year lease runs through to August 2033.

Financial and Portfolio Metrics

Following the three divestments and various leasing outcomes:

- Pro-forma NTA increases to \$1.215 per security;
- Occupancy increases to 89%; and
- Portfolio WALE increase to of 5.5 years.

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