

15 May 2025

FY25 MARKET UPDATE

- **FFO upgraded by a further \$1.6 million, or 12% to \$15.0 million (7.4 cps).**
- **Distributions maintained, reflecting an 85% FY25 FFO payout ratio.**
- **Settlement of North Lakes sale is expected during August 2025.**

1. Funds from Operations guidance upgrade

FY25 Funds from Operations (FFO) expected to be approximately \$15.0 million (7.4cps), representing:

- \$1.6 million increase, or 12% higher than previous FY25 guidance (February 2025); and
- \$2.2 million increase, or 17% higher than initial FY25 guidance (August 2024).

The forecast increase in FFO is a result of several factors however the primary contributor is an increase in Garda's lending activities.

2. Distributions guidance maintained

FY25 distribution guidance is maintained at 6.3 cents per security, representing a FFO payout ratio of 85%.

Additionally, the fully franked special dividend of \$0.009 per security is maintained.

The distribution and dividend, totalling 7.2 cents per security, are payable quarterly. The final quarter payment is expected to be made on 15 July 2025.

This represents a yield of 6.34% on Garda's ASX closing price of \$1.135 on 14 May 2025.

3. North Lakes

a) August 2025 settlement

Garda expects the settlement of the North Lakes sale to occur in late August 2025.

The net sale proceeds of approximately \$113 million will be used to reduce Garda's borrowings to approximately \$157 million, representing pro-forma gearing of approximately 28%.

The civil construction works have been delayed by persistent wet weather with completion of the works program now expected during June 2025. Plan sealing and titling is anticipated during July with settlement following in August 2025.

b) FY25 capital gains estimate

The sale of North Lakes will give rise to an attributable capital gain for Garda securityholders in **FY25**. Although settlement is anticipated to occur in FY26, the capital gain will be incurred by Garda securityholders in the taxation period ending **30 June 2025**.

The gross capital gain is estimated to be 22.3 cents per security, with a 50% CGT discount of 11.15 cents per security potentially available to securityholders. The final assessable gain will then be taxed at an individual investor's applicable tax rate, indicatively as per below:

	Superfund	Company	Individual
Example tax rate	15.0%	30.0%	47.0%
Estimated FY25 tax payable per security	1.7 cents	3.3 cents	5.2 cents

Garda annual AMMA statements (tax statements) will be provided in September 2025, confirming all individual securityholder tax information. Securityholders should obtain their own individual taxation advice.

c) Special distribution

Following consultation with securityholders, and as settlement of the North Lakes transaction will not occur in FY25 as originally anticipated, Garda no longer intends to pay a one-off special distribution in respect of the capital gain in FY25.

5. Property – Leasing and Valuations

a) 69 Peterkin Street, Acacia Ridge

A 19-month lease has been signed with timber supplier Tasman KB for the 6,214m² building. The lease will commence in June 2025 at a face rent of \$200/m², representing a substantial 48% reversion from the \$135/m² face rent under the prior lease.

b) Berrinba

TLC Warehouse Solutions, a current tenant at the Berrinba industrial facility, has signed a new three-year lease across its 2,736m² tenancy. The new lease term will commence from August 2026 at a face rent of \$190/m² up 15% from its current face rent of \$165/m².

c) Independent Valuations

Independent valuations for 30 June 2025 financial reporting have been instructed for those assets not independently valued in December 2024 including, Acacia Ridge (69 Peterkin Street), Berrinba, Heathwood, Morningside, Pinkenba and the two Wacol properties.

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