

ASX RELEASE

17 NOVEMBER 2023

2023 ANNUAL GENERAL MEETING

Abacus Group (ASX: ABG) advises that the Annual General Meeting will be held today, Friday, 17 November 2023 at 10.30am AEDT at Level 13, 77 Castlereagh Street, Sydney NSW 2000.

Attached are the Chair and Managing Director addresses and presentation to be given at the 2023 Annual General Meeting.

END

Investor & Media Enquiries

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Authorised for release by Belinda Cleminson, Company Secretary ASX:ABG

ABACUS GROUP 2023 AGM CHAIR ADDRESS - MYRA SALKINDER SYDNEY, 17 NOVEMBER 2023

Good morning everyone. My name is Myra Salkinder and I am the Chair and a Non-Executive Director of Abacus Group.

I will chair today's Annual General Meeting of Abacus Group Securityholders, which is being recorded.

On behalf of the Board of Directors, it is my pleasure to welcome you to this meeting.

This meeting has been convened in accordance with the Corporations Act. As it is past the appointed time of 10.30am and a quorum of securityholders is present, I declare the meeting open.

This meeting comprises the extraordinary general meetings of the members of:

- Abacus Group Holdings Limited, and
- Abacus Group Projects Limited

in conjunction with the meetings of the members of:

- Abacus Trust, and
- Abacus Income Trust,

I am joined today by my fellow Abacus Directors - our independent non-executive directors Sally Herman, Trent Alston, Mark Haberlin and Jingmin Qian, and our Managing Director, Steven Sewell.

We are also joined today by members of the Abacus management team and the Group's auditor, Anthony Ewan from Ernst & Young.

De-staple

Post balance date, Abacus Property Group held an Executive General Meeting with 99.97% of securityholders voting in favour of the de-stapling proposal to create two new ASX listed REITs to be referred to as Abacus Group and Abacus Storage King.

As previously announced, Abacus Group will be the manager of Abacus Storage King and has retained a strategic minority interest of 19.9% in Abacus Storage King. Post de-staple, Abacus Storage King will be the standalone owner, operator and manager of the Storage King operating platform, and a \$3.1 billion Investment Portfolio including 131 Self Storage Properties and Other Investments.

Abacus Storage King will be externally managed by Abacus Group and will provide securityholders with access to Australia and New Zealand's most recognised Self Storage brand.

Post de-staple, Abacus Group will continue to own and manage its high quality, Australian eastern seaboard focused \$2.5 billion portfolio. Abacus Group will have diverse income streams including: Office and Retail rental income, investment income from its 19.9% interest in, and management fees from the management of Abacus Storage King.

The two entities will provide separate results from the first half of financial year 2024. To assist our stakeholders, we have provided a range of pro forma FY23 metrics for Abacus Group post de-stapling and Abacus Storage King in our AGM presentation. This AGM will focus on Abacus Group, which was formerly the Commercial segment of Abacus Property Group. Please note that the discontinued Storage business of Abacus Property Group, is now operating as Abacus Storage King, and will be conducting its own AGM immediately after this AGM.

Before we move to the formal voting on the resolutions, Steven and I will provide a brief business update. There will also be time for you to ask any questions in relation to the Resolutions during the meeting and any other general questions you may have at the end of the meeting.

FY23 Platform Metrics

The global real estate sector faced a challenging environment in FY23, characterised by declining asset valuations in response to higher interest rates, particularly within the Office sector. This dynamic significantly impacted our statutory performance for FY23. Nevertheless, it's encouraging to note that our underlying operational performance remained solid despite these prevailing conditions.

Abacus Group's Commercial portfolio maintained robust occupancy rates of 95% in FY23. This, coupled with solid income growth and the full year ownership of recent acquisitions, drove a strong increase in rental income, up 17% compared to FY22 and our Funds From Operations (FFO) for the year reached \$175 million, marking a 9% increase on FY22. Our distribution of 18.4cps was delivered in line with market guidance.

Our Office and Retail portfolios remain weighted to high quality assets, located mainly within prime locations in the main economic centres of Sydney and Melbourne. These assets are further strengthened by a well diversified tenant base, representing a wide spectrum of small and medium sized enterprises across various industries.

I want to emphasise that the post balance date completion of the de-stapling, marks a significant milestone in our evolution. We were delighted with the overwhelming support and approval from our securityholders, with 99.97% voting in favour of the de-stapling. The de-stapling and associated equity raise within Abacus Storage King allowed us to reset our Balance Sheet, reducing proforma gearing to 28.3% as at 30 June 2023, which the Board considers appropriate in the current environment.

As we move forward as a standalone entity, Abacus Group's \$2.5 billion eastern seaboard focused Commercial portfolio remains committed to delivering a stable income growth profile for our securityholders. This commitment is underpinned by high portfolio occupancy rates and a well diversified lease profile. We will maintain our active role as an investor in and manager of Commercial real estate across Australia.



FY23 ESG Sustainability

The Group made solid progress on its sustainability journey during FY23, with our dedicated team focussed on the long term sustainability targets set by the Board.

We recently issued our FY23 Sustainability Report, and I encourage you to read the report which sets out our commitment to sustainability and the approach we are taking along with our progress to date.

From an environment perspective, we brought forward our commitment to achieve Net Zero scope 1 and 2 emissions from 2050 to 2030 for Office assets under our ownership and control and believe this will ensure that we take meaningful steps in achieving long term sustainable environmental outcomes.

These achievements would not have been possible without our dedicated team. We remain focused on providing a safe, healthy, and constructive work environment and understand the significance of investing in our people, both for their well-being and for the growth of our business.

We also remain committed to supporting our team members in their philanthropic endeavours, and in the fiscal year 2023, our team members collectively volunteered over 400 hours for important causes, including organisations such as Good 360 and the Infants House.

The implementation of our Modern Slavery Action Plan is ongoing in collaboration with the Property Council Modern Slavery working group. Work in this area has included the introduction of a questionnaire as a pre-qualification before engaging contractors.

During the year we placed a strong emphasis on embedding our enhanced Risk Management Framework throughout the organisation and fostering a risk culture at Abacus that aligns with the Board's risk appetite. Given the heightened cyber risk landscape, we also implemented a program of work to strengthen our cyber security in line with industry best practices.

MANAGING DIRECTOR ADDRESS – STEVEN SEWELL

Following a multi-year transformation of our real estate portfolio including the acquisition and enhancement of the Storage King operating platform, we as a business determined that the Self Storage portfolio had reached a scale where it justified being separately listed with its own capital structure. We are proud to have reached this important milestone in the evolution of the Group and it was particularly pleasing to have resounding securityholder support and approval for separating the Self Storage portfolio with its own capital structure.

I would like to acknowledge Myra and the Board for their guidance and support during FY23 and throughout the de-staple transaction.

Office Portfolio has been Reset

After several years of strategic transformation, the Office portfolio has now been reset and despite the prevailing macro factors our Office portfolio of 21 assets with a combined value of \$2.5 billion remained resilient over FY23.

Our active leasing and asset management strategies enabled our team to lease over 44,000 square metres of Office space across 94 leasing deals during FY23. The result being occupancy growth of



30 basis points to reach over 95%, like for like income growth of 1.7% and year end weighted average lease expiry (WALE) relatively flat at 3.7 years.

It is our view that this outcome was supported by our high quality portfolio, diversified across several key portfolio attributes including; market, asset grade, asset life cycle, customer industry and customer profile.

Achieving these outcomes in a challenging market is a result of our active asset and investment management strategies. This has included disposing of smaller scale non-core assets, reviewing and finessing operational plans and future asset strategies, as well as strategic and portfolio complimentary acquisition of assets.

Our Retail portfolio also performed well during FY23 with occupancy steady at just over 95%, like for like income growth of 3.8% and WALE down marginally to 5.8 years.

While the quantum of acquisitions we executed in FY23 was below that of recent years, we remain confident that capital discipline in the current economic environment is imperative. Our balance sheet positions the Group well for opportunities that may present themselves over the next 12 months and beyond.

Capital Management: ABG Pro Forma

As at FY23 our balance sheet remained prudently geared at 28.3% with a weighted average debt maturity of four years. This debt has significant hedging over the next five years and provides material protection against interest movements over the medium term. Strong capital discipline during FY23 has resulted with the Group being in a robust financial position with solid investment capacity, providing the flexibility to take advantage of opportunities that create long term value and income growth for our securityholders.

Sustainability - Tracking Our Progress

As the sustainability landscape continues to change, we as a business have to evolve with it. This year we focused on embedding sustainable practices across the Group. This has been driven by our Board, WHS and Sustainability Committee and our ESG working group, which was formed with employees across the business to further integrate and embed sustainability in our business. We regularly review our practices, adapting them as necessary to meet emerging sustainability standards and best practices, while remaining focused on embedding sustainability into every aspect of our operations.

As Myra mentioned earlier, we continue to track toward our sustainability targets with solid progress made across the board in FY23.

Our current Environmental focus is on achieving our Board approved target of net zero by 2030 across our Office portfolio. We plan to meet this target through purchasing green power, driving operational efficiencies and capex upgrades. We will utilise Climate Active Carbon Neutral Certification for individual assets to demonstrate our achievements.

Another important focus for the Group is on the engagement, wellbeing and development of our people. We are enacting a range of initiatives designed to support a contemporary and future focused culture, with the results of these enhancements already starting to be reflected in our Abacus employee pulse survey which pleasingly reported an 83% overall engagement score.



Trading update

Moving now to the current trading conditions for the quarter ended 30 September 2023.

Operating conditions were subdued across our Office portfolio with 9,000 square metres of leasing completed across 23 transactions. Leasing spreads of 5.0% remain positive, however are marginally lower than the 6.7% reported in FY23, with incentives flat compared to FY23. Our recently developed asset at 459 Church Street, Richmond Victoria, in partnership with Salta Properties achieved full occupancy during the quarter, however we are experiencing longer downtimes across our remaining portfolio. Office portfolio occupancy declined to 93.2% from 95.0% in FY23 due to a major tenant vacating 3,000 square metres at 77 Castlereagh Street, Sydney as foreshadowed. Refurbishment works are underway over these three floors to introduce a mix of tenants to enhance rental potential. WALE increased marginally to 3.8 years up from 3.7 years at FY23.

During the first quarter, over 2,300 sqm of leasing across 12 transactions was completed in our Retail portfolio. Over half of the leasing deals were at Market Central, Lutwyche which has achieved an occupancy of 87.7%, up from 82% in FY23. Overall Retail portfolio occupancy held steady at 95.2% over the quarter while WALE reduced to 5.6 years down from 5.8 years in FY23. Retail leasing spreads remain positive at 1.2%, but are slightly lower than the 1.6% reported in FY23.

First quarter gearing sits at 29.8% up from 28.3% in FY23 and sits comfortably within our target range of up to 35%. We have minimal debt expiring in the medium term and believe our balance sheet positions the business well.

Turning now to the outlook, our Office portfolio continues to demonstrate resilience, with our relatively affordable face rents offering an attractive value proposition in the current environment. It's worth noting that there are no ongoing or planned Office developments following the recent completion of our Richmond and Abbotsford assets. We also maintain our commitment to exploring opportunities for divesting non-core assets, with both on and off market approaches from interested parties over several assets.

As for the retail portfolio, our assets have exhibited robust performance in the early part of FY24 and arrears have remained at a low level. It is however, important to acknowledge that leasing deals are taking longer to finalise, due to heightened market uncertainty.

Subject to no material deterioration in current business conditions, Abacus Group reaffirms its FY24 distribution guidance of 8.5 cents per security, with a payout ratio expected to be within 85% - 95% of FFO.

In closing, we look forward to the challenges ahead, as we focus on refining our business and focus on our people, processes and systems to drive enhanced returns from our assets.

END





ABACUS

**ABACUS GROUP
ANNUAL GENERAL MEETING**

17 NOVEMBER 2023

ABACUS

CHAIR ADDRESS

MYRA SALKINDER



91 King William Street, Adelaide SA

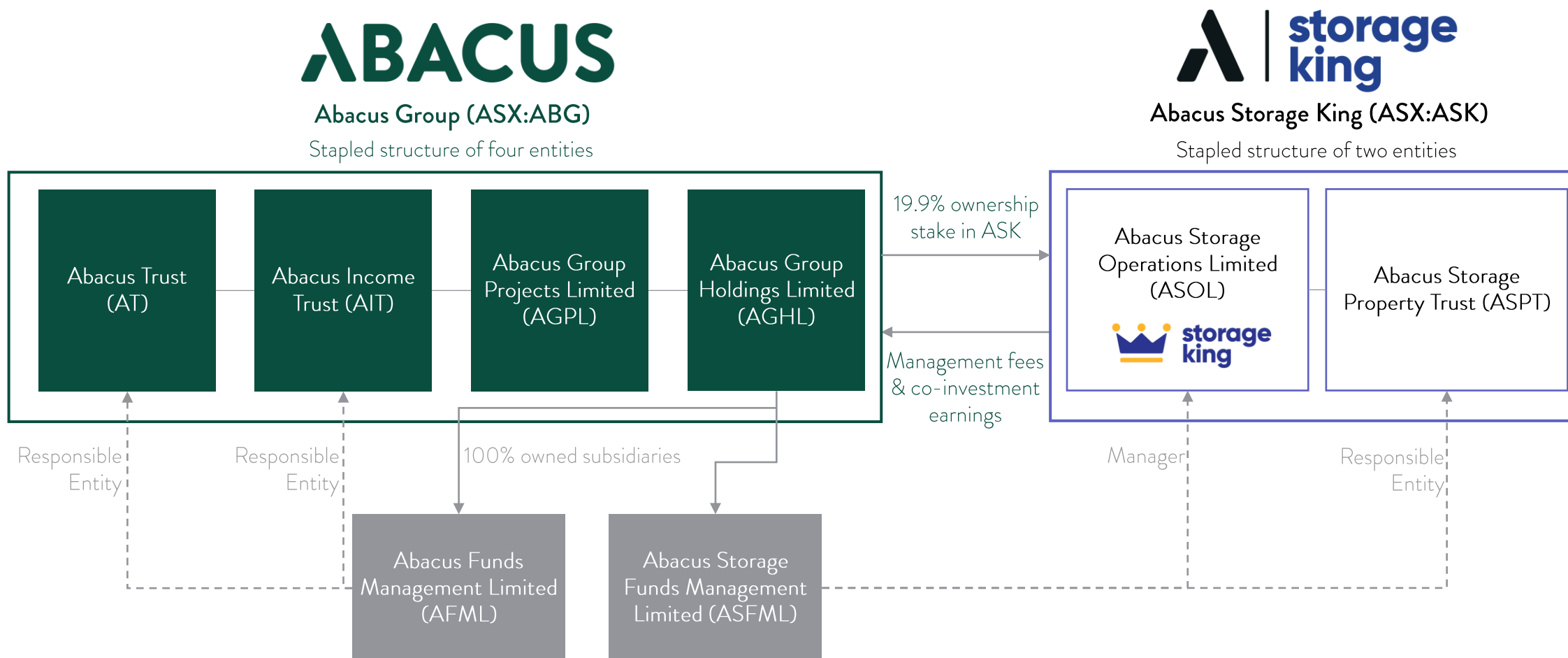


ABACUS ACKNOWLEDGES
THE TRADITIONAL OWNERS
OF THE LAND ON WHICH OUR
BUSINESS OPERATES, AND WE
PAY OUR RESPECT TO ELDERS
PAST, PRESENT AND EMERGING



ESTABLISHMENT OF PURE PLAY STORAGE VEHICLE

Post de-staple structure of Abacus Group (ASX:ABG) and Abacus Storage King (ASX:ASK) separately listed on the ASX



Note: The diagram above should be read in conjunction with, and is qualified by reference to, the Transaction Booklet released on the ASX on 19 June 2023.

FY23 PLATFORM METRICS



	STATUTORY PROFIT	FFO	FFO PER SECURITY	DPS
ABP (Statutory)	\$25.5m ↓ 95.1% on FY22	\$175.0m ↑ 8.8% on FY22	19.6cps ↑ 3.0% on FY22	18.4cps ↑ 2.2% on FY22
	TOTAL ASSETS	WACR ¹	GEARING	NET TANGIBLE ASSETS
ABG (Pro forma) ¹	\$2.9bn	5.71%	28.3%	\$2.11ps
ASK (Pro forma) ²	\$3.1bn	5.57%	26.2%	\$1.56ps

1. Cap rate applied to ABG investment properties of \$2,169 million and ASK investment properties of \$2,432 million.

FY23 ESG FOCUS



	Environmental	Social	Governance
Progress to date	 4.7 star Office NABERS energy rating 4.5 star Office NABERS water rating  34% reduction in Scope 1 & 2 GHG Emissions Intensity compared to FY19 baseline  62.5% of Self Storage stores have behind the meter solar to offset consumption  Board approved Net Zero Target of 2030 for Scope 1 & 2 emissions ¹	 Engagement score from employee survey - 83% Abacus Group - 82% Storage King  Abacus employees volunteered for over 400 hours supporting: The Infants Home and Good 360  Storage King community initiatives raised c.\$100k for charities including: McGrath Foundation, STEPTEMBER and Good360  46% of Abacus Group employees are female	 Introduced a Modern Slavery questionnaire as a pre-qualification before engaging contractors  Abacus has implemented a program of work to strengthen cyber security in line with industry best practice  Implemented governance framework for ASK, with a majority independent Board  Reinforcing zero tolerance to Sexual Harassment in the workplace by updating a standalone policy
Current focus	Reducing our emissions • Scope 1 - capital expenditure upgrades • Scope 2 - Greenpower contracts • Battery testing to capture solar generated electricity Climate Active Carbon Neutral Certification • Strategy to pursue for identified assets by 2030	Supporting our people • Employee benefits focusing on health and wellbeing • Enhancing Storage King leave and benefits programs to support gender equality • Establishment of Abacus Gender Equality, Diversity, and Inclusion (GEDI) committee Developing our People • Enhancing our learning and development framework	Risk Management • Assess and manage existing and emerging risks • Framework aligned to Board risk appetite • Employee education and training Climate related financial disclosures • Business preparedness for reporting

1. Office assets owned and managed by Abacus.

ABACUS

MANAGING DIRECTOR ADDRESS

STEVEN SEWELL

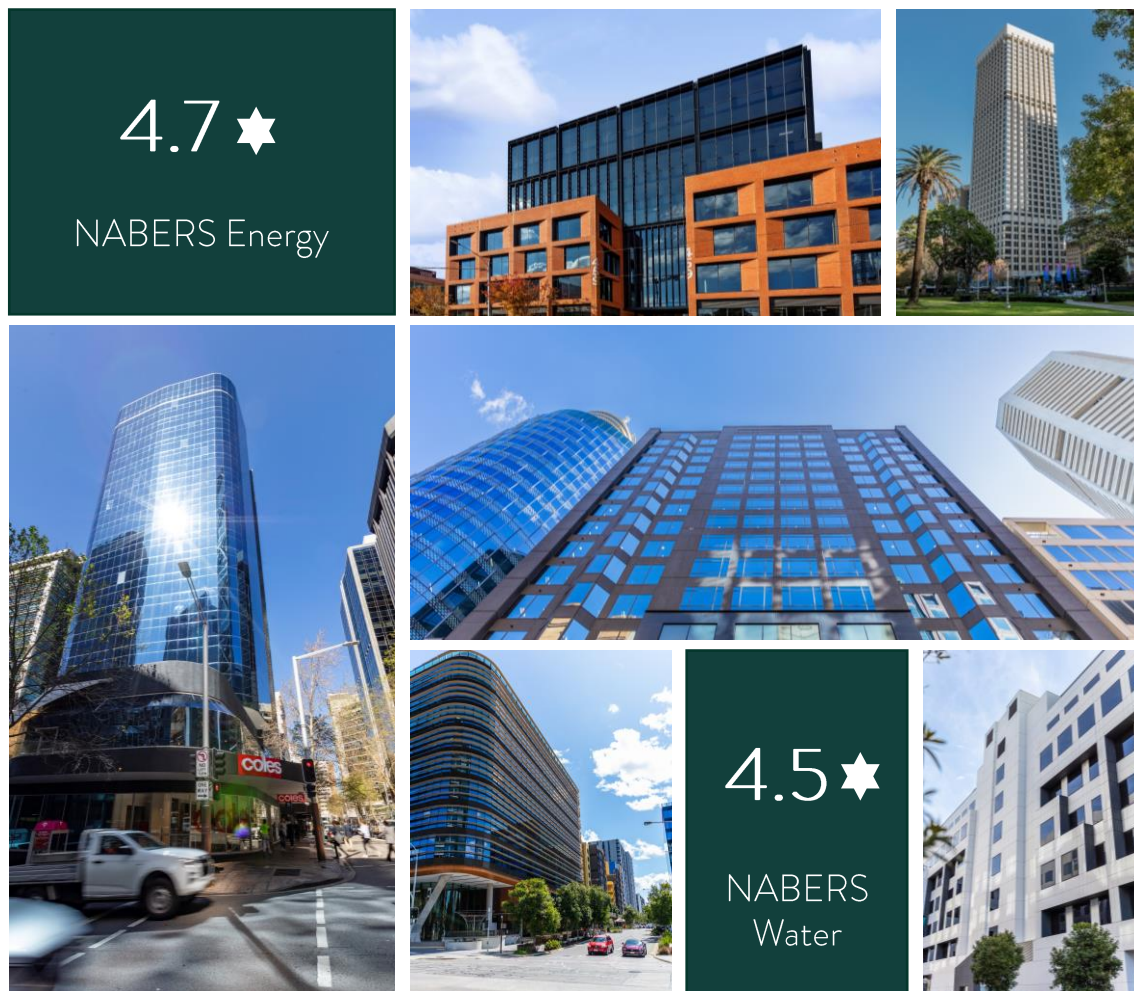


The Oasis, Broadbeach QLD

OFFICE PORTFOLIO HAS BEEN RESET



High quality portfolio in premium locations underpinned by a diversified tenancy base



Market profile: Geography¹



Asset profile: Grade¹



Asset profile: Life cycle¹



Customer profile: Top 5 industries²



Customer profile: SME customers³



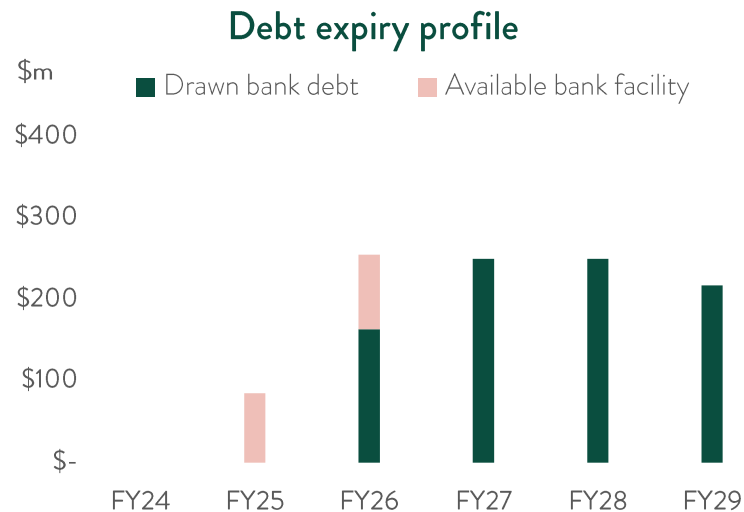
Office locations clockwise from top left: 459-471 Church Street, Richmond VIC, 201 Elizabeth Street, Sydney NSW, 77 Castlereagh Street, Sydney NSW, 51 Allara Street, Canberra ACT, 2 King Street, Fortitude Valley QLD and 99 Walker Street, North Sydney NSW.

1. By fair value.
2. By rent.
3. By count.

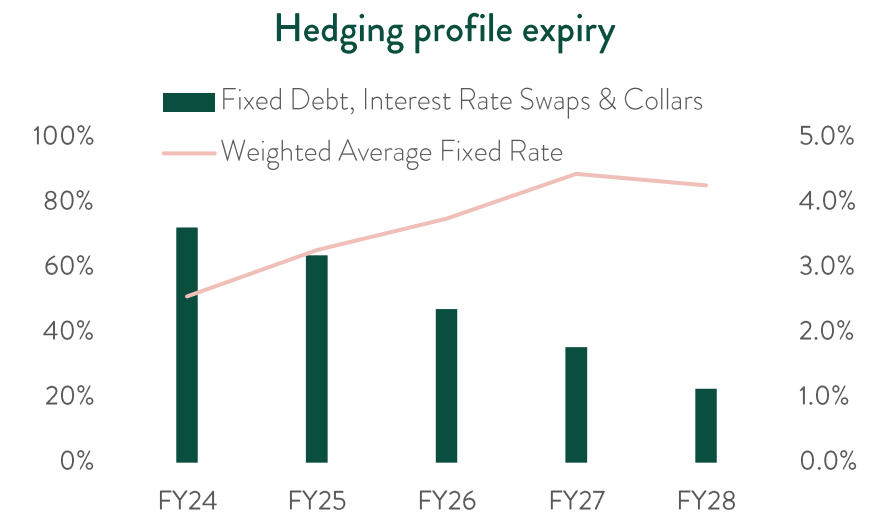
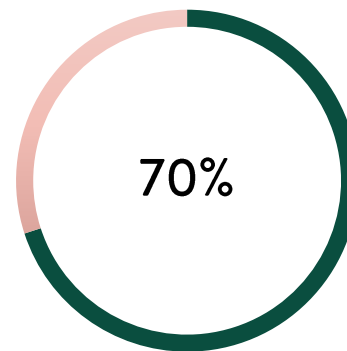


CAPITAL MANAGEMENT: ABG PRO FORMA¹

NTA	ABG total assets	Acquisition capacity ²	FY24 anticipated avg. cost of drawn debt ³	Gearing	Debt term to maturity
\$2.11ps	\$2.9bn	\$297m	4.7%	28.3%	4.0yrs



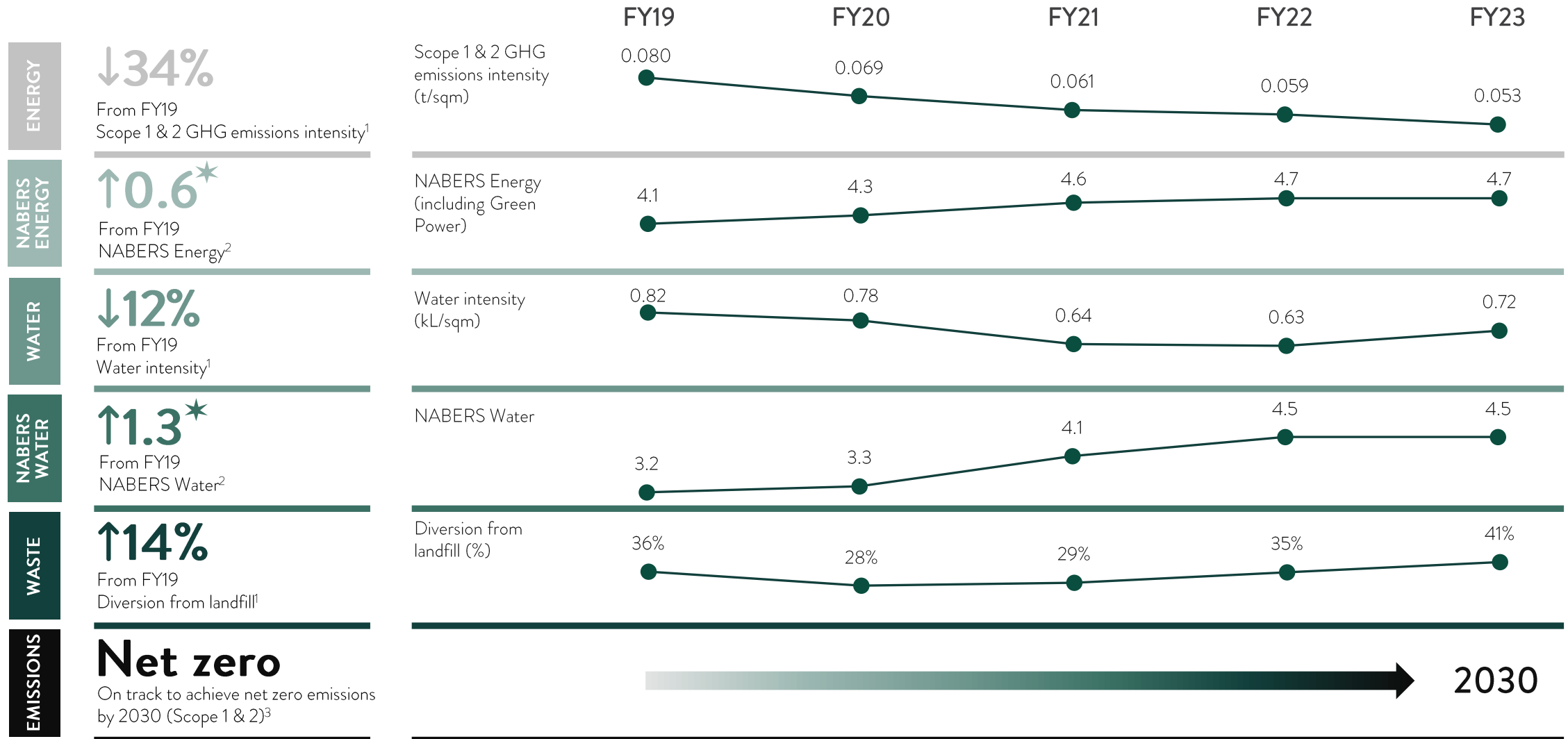
**FY24 avg. interest rate hedging
– drawn debt**



1. As at 30 June 2023.
2. Based on ABG target gearing of up to 35%.
3. Assumes average floating rate of 4.1%.



SUSTAINABILITY: TRACKING OUR PROGRESS



1. Commercial portfolio.
2. Office portfolio.
3. Office assets owned and managed by Abacus.



TRADING UPDATE

For the quarter ended 30 September 2023



Office Operating Update

- Completed over 9,000 sqm of leasing across 23 transactions
- Leasing spreads of 5.0% (FY23: 6.7%)
- Occupancy declined to 93.2% (FY23: 95.0%) due to tenant vacating 3 floors at 77 Castlereagh Street, Sydney, as expected
- WALE of 3.8 years (FY23: 3.7 years)



Balance Sheet Update

- Gearing of 29.8% (FY23: 28.3%) maintaining a solid balance sheet



Retail Operating Update

- Completed over 2,300 sqm of leasing across 12 transactions
- Leasing spreads of 1.2% (FY23: 1.6%)
- Strong occupancy of 95.2% (flat on FY23)
- WALE of 5.6 years (FY23: 5.8 years)



Reconfirming FY24 Guidance

- Abacus Group FY24 distribution guidance of 8.5 cents per security, targeting a payout ratio in the range of 85%-95% of FFO

Our guidance is predicated on no material deterioration in current business conditions

ABACUS

BUSINESS OF MEETING

MYRA SALKINDER



99 Walker Street, North Sydney NSW

PROXY RESEARCH RECOMMENDATIONS



Resolution	CGI Glass Lewis	ISS	Ownership Matters	ACSI
1: Adoption of Remuneration Report	For	Against	For	For
2: Election of Sally Herman	For	For	For	For
3: Re-election of Myra Salkinder	For	Against	For	For
4: Grant of Performance Rights to the MD	For	Against	For	For

ABACUS

THANK YOU

