

ASX RELEASE

20 NOVEMBER 2024

2024 ANNUAL GENERAL MEETING

Abacus Group (ASX:ABG) advises that the Annual General Meeting will be held today, Wednesday, 20 November 2024 at 12:00 noon 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 2024 Annual General Meeting.

END

Investor & Media Enquiries

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

ABACUS GROUP 2024 AGM CHAIR ADDRESS - MYRA SALKINDER SYDNEY, 20 NOVEMBER 2024

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 12pm and a quorum of securityholders is present, I declare the meeting open.

This meeting comprises the annual 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:

- Mark Haberlin, Chair of the Audit & Risk Committee and member of the People, Performance & Nomination Committee
- Trent Alston, Chair of the People, Performance & Nomination Committee and member of the Audit & Risk and Sustainability & WHS Committees
- Jingmin Qian, Chair of the Sustainability & WHS Committee and a member of the People, Performance & Nomination and Audit & Risk Committees
- 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.

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.

FY24 METRICS

Following the successful de-stapling, Abacus Group remains a diversified Commercial REIT, with a portfolio of 16 Commercial assets valued at \$1.9 billion.

Despite significant economic headwinds, our portfolio has demonstrated resilience by delivering Funds From Operations of \$82.5 million and a distribution of 8.5 cents per security in line with guidance.

The Group reported a full year statutory loss of \$241 million, primarily driven by fair value property changes due to global office cap rate expansion in a higher interest rate environment. While this outcome reflects broader market conditions, we remain focused on unlocking further value in the medium term.

As a standalone entity, we now have a more focused portfolio of Office and Retail assets and are well positioned to drive income growth over the short to medium term. We acknowledge that economic conditions remain challenging, but we are confident in our ability to leverage key enablers including:

- our people and culture, market insight and repositioning capability.
- strategic investment in assets in key markets with clear pathways to sustainable income growth.
- active management of our asset portfolio to maximise value creation.

Looking ahead, our strategy emphasises target investments in select real estate sectors, prioritising long-term, sustainable outcomes through active investment, asset and development management, and an unwavering focus on customer engagement and brand awareness.

We continue to build on embedding sustainable practices across the business demonstrated by a comprehensive review of our sustainability strategy. This review involved benchmarking against industry best practices, analysing global trends and gathering critical feedback from stakeholders, particularly our customers. We also considered the evolving legislative landscape. Through a series of workshops, we identified material factors relevant to our business and stakeholders.

Our refreshed sustainability strategy, encompasses governance, social and environmental priorities pertinent to the Groups' business. I encourage you to explore the details in our FY24 Sustainability Report, which outlines our approach and progress to date. Steven will provide further insights into this during his presentation.

Before I hand over to Steven, I would like to express my sincere gratitude to the Board and management team for their dedication and hard work during a transformative year. To our securityholders, thank you for your ongoing support and trust in Abacus Group. We are committed to delivering long-term value for you.

MANAGING DIRECTORS ADDRESS - STEVEN SEWELL

FY24 HIGHLIGHTS

Thank you Myra, good morning and welcome everyone.

Following completion of the de-staple in August 2023, our focus remains on maximising our income through the ongoing consolidation of our portfolio. After the post balance date divestment of Market



Central in Lutwyche, the Group now consists of 16 Commercial assets valued at \$1.9 billion. This consists of:

- 14 Office assets valued at \$1.5 billion, with 78%¹ A-grade office buildings in prime locations, diversified by market, asset life cycle, customer industry and customer profile, and
- 2² Retail assets valued at \$0.4 billion.

Additionally, the Group has exposure to the Self Storage industry via our 19.8% strategic stake in Abacus Storage King, which delivered investment earnings of \$16.1 million during the financial year and an additional \$14.5 million in management and development fees. The Abacus Storage King strategic stake is the largest asset on Abacus' balance sheet and the largest single source of income, both through distributions received and from the fees it earns providing management services to ASK.

We continued to refine our portfolio composition and during the year we divested one non-core Office asset and one non-core Retail asset valued for a total of \$108.4 million and increased our interest in the Myer store to 50% during the period.

COMMERCIAL PORTFOLIO

The Office portfolio performed well during the year, with occupancy of 93.4% and like for like income growth of 4.7% when compared to FY23, driven by strong leasing renewals, which is testament to our active management strategies.

The resilience in our occupancy and income growth is a result of our diversified lease profile with a WALE of 3.7 years. Our A-grade Office buildings in quality locations, often close to public amenities and transport, supported by high quality fitouts and amenity upgrades have proven attractive to potential and existing tenants.

Two primary examples of this were at 201 Elizabeth Street, Sydney where occupancy increased from 49.6% at the half year, to 78.2% as at 31 July 2024 and also here at 77 Castlereagh Street where occupancy increased from 77.6% at the half year to 95% as at 31 July 2024.

The Retail portfolio also performed well during the year with occupancy remaining high at 96.1% and a WALE of 5.8 years.

As a result of current market conditions and a shift in future expectations in the Office sector, we will continue to target assets that offer more stabilised income streams with longer dated value enhancing strategic opportunities. This capital allocation strategy supports the Group's focus on growing recurring earnings.

CAPITAL MANAGEMENT

Abacus is in a solid capital position with limited near-term capex expenditure forecast and gearing of circa 32.3% including the impact of divesting Market Central, Lutwyche QLD which occurred post balance date, which is well within our revised target range of up to 40%.

¹ Excludes Virginia Park, Bentleigh East VIC (part Industrial).

² Pro forma includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement occurred in October 2024.



The Group has sufficient liquidity and covenant headroom with an acquisition capacity of over \$325 million and an average cost of debt of 4.4% during the period. Abacus has guided to an average cost of drawn debt in FY25 of 5.1% with a debt term to maturity of 3.4 years.

During the year, the Group announced it would 50% frank the second half distribution, and in addition has an intention to distribute a further \$76 million of excess franking credits over the medium term.

Overall, the balance sheet is positioned to explore further platform opportunities such as joint ventures and capital partnerships, alongside our ongoing management of ASK. The Group continues to direct capital towards assets with the best risk adjusted returns, consistent with our ongoing theme of divesting non-core assets in recent periods.

ESG FOCUS

As Myra mentioned earlier, we have continued to build on our strategic approach to sustainability across the business and were pleased to report continued progress toward our ESG targets with 3 of our 5 targets already met ahead of their FY25 timeline. Other environmental highlights include:

- a 36% reduction in emission intensity from our FY19 baseline,
- achieving an average NABERS Energy Rating of 4.8 stars, and
- obtaining Climate Active certification on two of our assets at 99 Walker Street, North Sydney and 51 Allara Street, Canberra.

We remain focused on our people and are dedicated to fostering a safe and healthy work environment for our team members, which is reflected in 94% of our employees believing that Abacus is committed to their health and safety. During the year we enacted a number of initiatives designed to develop and enhance our team members' capabilities and effectiveness, and pleasingly this was reflected in our overall employee engagement score of 80%.

Underpinning our business is our governance framework which we believe is a shared responsibility involving our Board, Sustainability Committee, management team and all team members. We continue to ensure that good governance applies at all levels of the business, using external frameworks to align our approach to best practice. The team has also dedicated time to preparing for future mandatory commitments with the Australian Sustainability Reporting Standard, set to apply to Abacus Group from July 2027.

Looking forward in FY25 our focus remains on identifying opportunities to drive improvements across our portfolio and in doing so creating long term value for our stakeholders.

TRADING UPDATE

Moving now to current trading conditions for the quarter ended 30 September 2024.

The Group delivered solid operating metrics across our Office portfolio, with nearly 22,000 square metres of leasing completed across 34 transactions. Leasing spreads of 5.8% remain healthy, with a solid average occupancy of 92.5%. This overall occupancy is 90 basis points lower than the reported occupancy as at FY24, largely due to 201 Elizabeth Street no longer being classified as a development asset. On a like for like basis if 201 Elizabeth Street was still classified as a stabilising asset, the Group's occupancy would be 110 basis points higher than FY24 at 93.6%.



Solid leasing progress has been achieved at 201 Elizabeth Street with first quarter occupancy of 80.4%, up from 49.6% at FY24, reflecting the strong customer value proposition from the spec fitout work recently completed. The Office portfolio WALE at the end of the quarter was flat on FY24 at 3.7 years.

Over 1,300 square meters of leasing across eight transactions was completed across our Retail portfolio with average occupancy remaining strong at 96.6%, up 50 basis points during the first quarter, with our WALE broadly flat on FY24 at 5.7 years. Pleasingly, first quarter Retail leasing spreads were up 260 basis points compared to FY24, at 2.4%.

Following payment of the FY24 final dividend, the Group's first quarter gearing increased to 33.8%³ up 150 basis points from the pro-forma FY24 gearing of 32.3%, within our target range of up to 40%. We have minimal debt expiring in the near term and believe our balance sheet positions the Group well.

Turning now to the outlook, our active asset management capability combined with our portfolio of well located and high quality assets provides the Group with confidence moving forward. We continue to refine our business, focusing on our people, processes and systems to drive enhanced returns from our assets.

Consistent with our vision to create exceptional value for our stakeholders through the identification, ownership and management of a portfolio of real estate investments, the Group has also commenced exploring investment management initiatives and believe there are opportunities to invest capital more efficiently alongside capital partners moving forward, with the aim of driving higher returns on equity.

We are pleased to reaffirm our FY25 distribution guidance of 8.5 cents per security, with a payout ratio expected to be within 85% - 95% of FFO. Our guidance is subject to no material deterioration in current business conditions.

In closing, I would like to thank our entire team for their hard work and commitment and the Board for their guidance, and of course to you our securityholders for your continued commitment to Abacus.

END

³ Includes the impact of divesting Market Central, Lutwyche QLD which occurred in October 2024.





ABACUS

**ABACUS GROUP
ANNUAL GENERAL MEETING**

20 NOVEMBER 2024

ABACUS

CHAIR ADDRESS

MYRA SALKINDER



459-471 Church Street, Richmond VIC

MYRA SALKINDER

Chair and Non-Executive Director



Member of the Sustainability & WHS Committee

MARK HABERLIN

Independent Non-Executive Director



Chair of the Audit & Risk Committee

Member of the People Performance & Nomination Committee

TRENT ALSTON

Independent Non-Executive Director



Chair of the People Performance & Nomination Committee

Member of the Audit & Risk Committee

Member of the Sustainability & WHS Committee



JINGMIN QIAN

Independent Non-Executive Director



Chair of the Sustainability & WHS Committee

Member of the Audit & Risk Committee

Member of the People Performance & Nomination Committee



STEVEN SEWELL

Managing Director



FY24 METRICS



TOTAL ASSETS¹

\$2.6bn

↑ 1.4% on FY23⁴

WEIGHTED AVG
CAP RATE²

6.50%

↑ 79bps on FY23⁴

GEARING¹

32.3%

↓ 90bps on FY23

NET TANGIBLE
ASSETS

\$1.76ps

OCCUPANCY³

94.2%

STATUTORY LOSS

\$241.0m

FFO⁵

\$81.3m

↑ 3.0% on FY23⁶

FFO PER SECURITY

9.24cps

DPS

8.50cps

LEASING DEALS⁷

47,134sqm

1. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement occurred in October 2024.
2. Cap rate applied to 30 June 2024 investment properties of \$1,885.0 million.
3. Excludes development affected assets.

4. Excludes assets associated with discontinued operations of \$3.1 billion.
5. FFO from continuing operations.
6. Reflects FFO from the four remaining stapled entities of Abacus Group.
7. Based on 100% ownership.

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MANAGING DIRECTOR ADDRESS

STEVEN SEWELL



459-471 Church Street, Richmond VIC

FY24 HIGHLIGHTS

Strong Office and Self Storage performance, with non-core asset sales continuing in the period

Maximising Abacus Group's income



PORTFOLIO COMPOSITION

Ongoing consolidation

- Increased interest in Myer to 50% (up from 33%)
- Divestment of two non-core assets, at or near book value
- Exchanged¹ on Market Central post balance date



OFFICE PERFORMING

Active asset management strategies

- LFL occupancy and rent growth compared to FY23
- Over 40,500sqm leased with leasing spreads of 11.4%
- Strong retention reflects value proposition and service



ABACUS STORAGE KING

Diversified earnings

- Retention of 19.8% strategic stake in ASK
- FY24 income share from listed investment \$16.1m
- Funds management and development fees earned \$14.5m

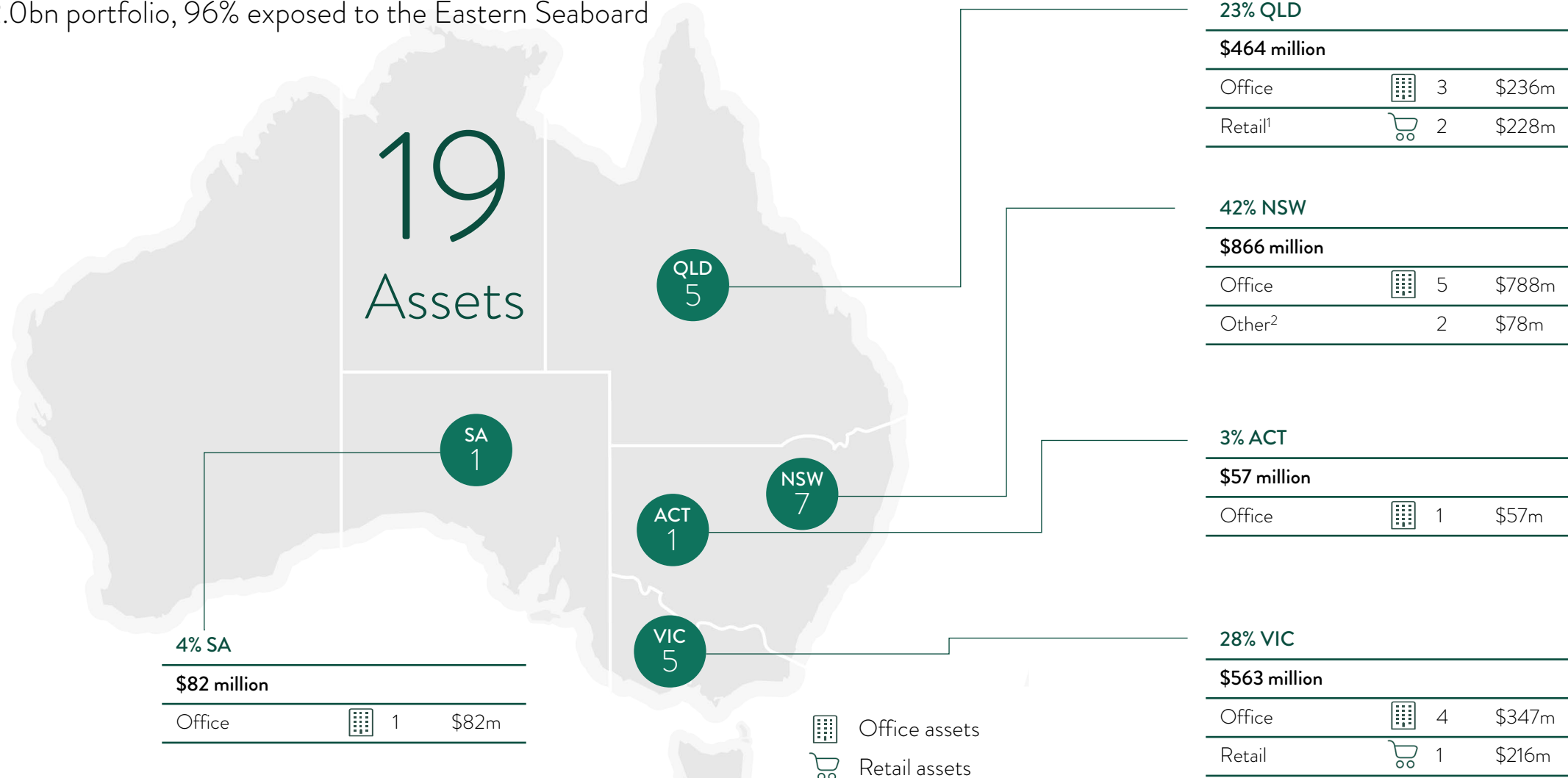
1. Exchanged on the divestment of Market Central, Lutwyche QLD post balance date. Settlement occurred in October 2024.





COMMERCIAL PORTFOLIO

\$2.0bn portfolio, 96% exposed to the Eastern Seaboard



1. Excludes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement occurred in October 2024.

2. Riverlands NSW and Camellia NSW.



CAPITAL MANAGEMENT

Disciplined approach with sufficient liquidity and covenant headroom

NTA¹

\$1.76ps

Total assets²

\$2.6bn

Acquisition capacity^{2,3}

>\$325m

FY24 avg. cost of debt⁴

4.4%

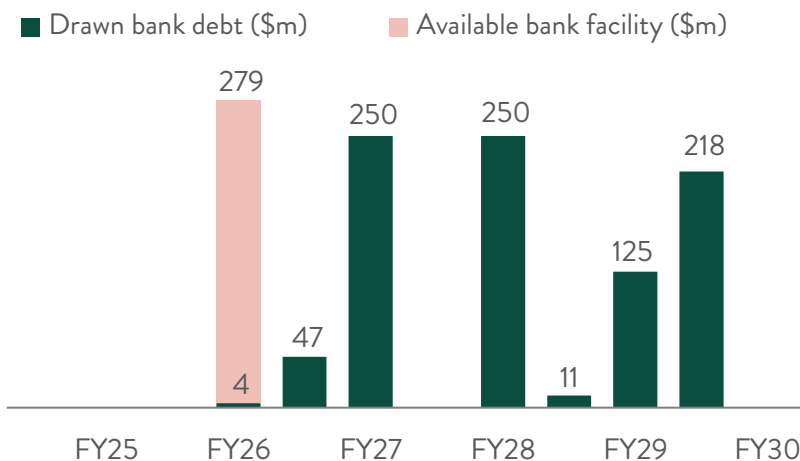
Gearing^{2,5}

32.3%

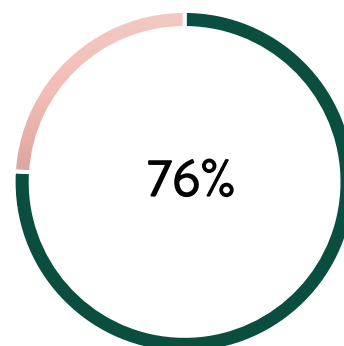
Debt term to maturity

3.4yrs

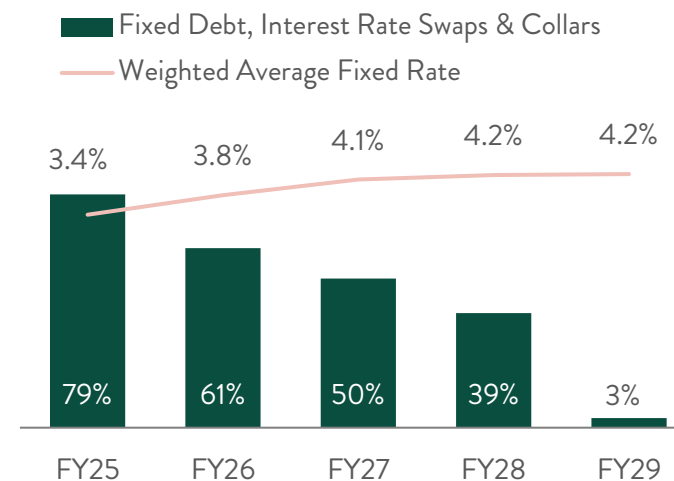
Debt expiry profile



Interest rate hedging – drawn debt



Hedging profile expiry



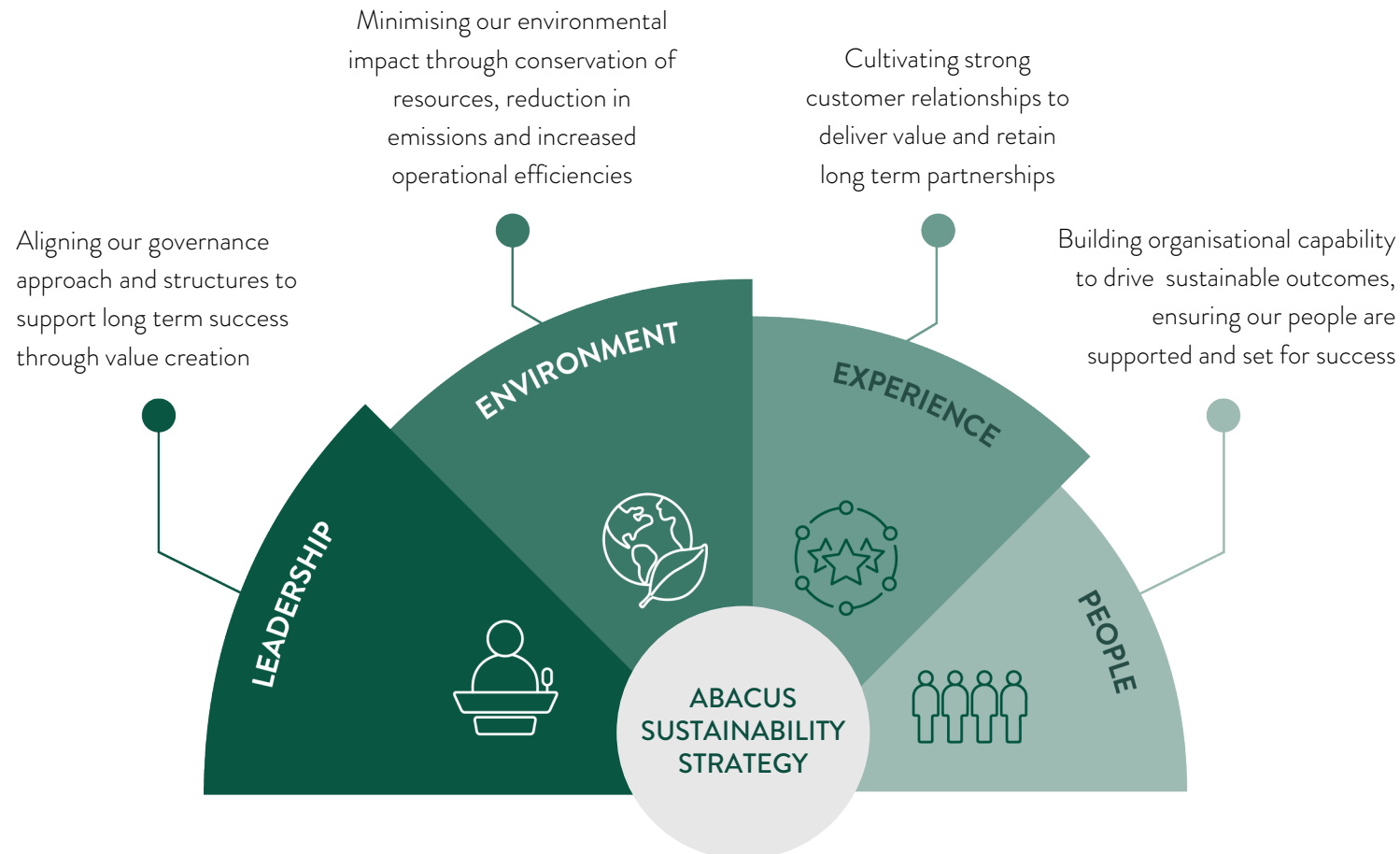
1. NTA calculated as: (net assets less goodwill less DTA plus DTL) divided by total securities as at 30 June 2024.
2. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement occurred in October 2024.

3. Based on revised target gearing of up to 40%.
4. FY25 guidance for average cost of drawn debt 5.1% assuming average floating rate of 4.2%.
5. Calculated as bank debt (\$846.5m) less cash (\$23.5m) divided by total assets less cash (\$2,545.0m).



ESG FOCUS

Vision: To concentrate on select real estate sectors that deliver long term and sustainable outcomes through active investment, asset and development management and a strong focus on customer and brand awareness



Emission intensity:

36% ↓ in scope 1 and 2 GHG emission intensity (vs. FY19)



Water reduction:

10% ↓ in water intensity (vs. FY19)



Carbon neutral buildings:

2 assets have been certified by Climate Active



Supporting our people: 94% of team members believe ABG is committed to health and safety



Energy and water efficiency¹:

4.8* Energy NABERS rating
4.0* Water NABERS rating

1. Average NABERS ratings.

TRADING UPDATE

For the quarter ended 30 September 2024



Office Operating Update

- Completed 21,940sqm of leasing across 34 transactions
- Leasing spreads of 5.8% (FY24: 11.4%)
- Occupancy 92.5% (FY24: 93.4%)
- WALE of 3.7 years (FY24: 3.7 years)



Balance Sheet Update

- Gearing of 33.8%¹ (FY24: 32.3%¹)



Retail Operating Update

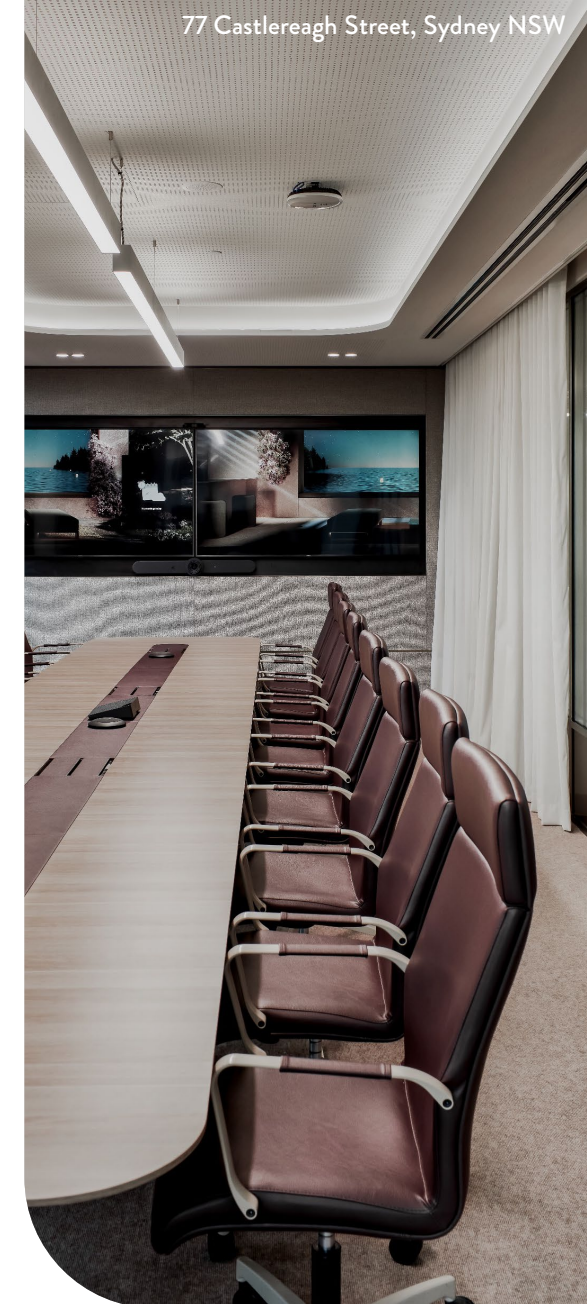
- Completed 1,322sqm of leasing across 8 transactions
- Leasing spreads of 2.4% (FY24: -0.2%)
- Strong occupancy of 97.9%¹ (FY24: 96.1%)
- WALE of 5.8 years¹ (FY24: 5.8 years)



Reconfirming FY25 Guidance

- Abacus Group FY25 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



1. Includes the impact of divesting Market Central, Lutwyche QLD which occurred in October 2024.

ABACUS

BUSINESS OF MEETING

MYRA SALKINDER



PROXY RESEARCH RECOMMENDATIONS



Resolution	CGI Glass Lewis	ISS	Ownership Matters	ACSI
1: Adoption of Remuneration Report	For	Against	For	For
2: Re-election of Mark Haberlin	For	For	For	For
3: Grant of FY25 Performance Rights to the MD	For	For	For	For
4: Grant of Replacement Rights to the MD	Against	Against	Against	Against
5: Grant of Corrective Rights to the MD	For	Against	Against	Against

ABACUS

THANK YOU





IMPORTANT INFORMATION

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Indications of, and guidance on, future earnings and financial position and performance are “forward-looking statements”. Due care and attention has been used in the preparation of forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Abacus Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.