

ASX
release



17 November 2021

2021 Annual General Meeting

Attached are the Chair and Managing Director Addresses and Presentation to be given at the Abacus 2021 Annual General Meeting, being held today at 2:30pm AEST.

END

INVESTOR & MEDIA ENQUIRIES

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ABACUS PROPERTY GROUP 2021 AGM

CHAIR ADDRESS – Myra Salkinder

Sydney, 17 November 2021

- Good afternoon and welcome to the 2021 Abacus Property Group Annual General Meeting.
- My name is Myra Salkinder, and I am the Chair of the Group.
- On behalf of the Board, I'd like to acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land and pay our respects to their Elders past, present and emerging.
- While much effort has gone into conducting our first virtual AGM, it isn't as good as all being in the same room with the ability to look each other in the eye. I look forward to returning to in person AGM's as soon as it becomes practical to do so. In particular, I would like to thank you, our securityholders, for joining today's proceedings electronically.
- I wish to inform you that the meeting is being recorded.
- Let me introduce my fellow directors here at the meeting:
 - Steven Sewell – our Managing Director,
 - Mark Haberlin,
 - Mark Bloom,
 - Holly Kramer,
 - Jingmin Qian, and
 - Trent Alston.
- Also present in the audience are members of the Abacus management team.
- The Group's auditor, Anthony Ewan from Ernst and Young, has dialled in to the meeting.
- As it is past the appointed time of 2:30 pm, I declare the meeting open.
- This meeting comprises the annual general meetings of the members of:
 - Abacus Group Holdings Limited,
 - Abacus Group Projects Limited, and
 - Abacus Storage Operations Limited.



in conjunction with the meetings of the members of:

- Abacus Trust,
- Abacus Income Trust, and
- Abacus Storage Property Trust.

- If we encounter any technical issues resulting in securityholders being unable to reasonably participate in this meeting, I will adjourn for 30 minutes, after which time the meeting will be reconvened.
- If the technical issues continue, we will adjourn the meeting to a future time, and outline the next steps via an announcement to the ASX.
- I will now outline the procedural matters for this meeting.
- You are entitled to ask a question or speak to a resolution if you are a securityholder or the representative of a securityholder. Via the LUMI AGM platform, securityholders and proxyholders can vote on the resolutions by clicking the VOTING tab at the top of the screen on the navigation bar.
- To ask a question, you can do this in one of two ways. Simply dial the number displayed on the LUMI platform and follow the instructions, or press the speech bubble icon where there is a section for you to type and submit your questions. Questions may be submitted at any time from the start of the meeting, although questions that relate to a resolution contained in the Notice of Meeting will be answered as each resolution is presented.
- Questions may be submitted now and I will answer them at the appropriate point in the meeting, or you may ask questions during the business of the meeting.
- Turning now to the business of the meeting, I will explain the voting procedure.
- The poll on all resolutions will be opened at the same time, to give you a chance to cast your votes at any time during the meeting.
- I will then identify each resolution and open the item for discussion.
- Once questions have concluded, I will ask you to cast your votes if you haven't already done so and the Meeting will be brought to a close.
- Voting on all resolutions will be conducted by a Poll.
- All valid open proxies directed to the Chair will be voted in favour of the resolution.
- Since our 2020 AGM, we have continued to navigate our path through this ongoing COVID-19 pandemic with our primary focus being on ensuring safe and healthy environments and supporting our people and customers. In June, when Greater Sydney and our office were placed under lockdown restrictions, we were again fortunately able to seamlessly adapt our business to remote working.
- I would like to take this moment to thank our many stakeholders who were both accommodating and collaborative as we adapted to a remote way of conducting business. Together we were able



to continue to execute on our strategy to invest capital in targeted real estate opportunities that deliver long-term sustainable outcomes through active management.

- Our vision to create exceptional long-term value, together with our embedded values of being entrepreneurial, responsible, and accountable were and continue to be our guiding principles as we navigate this challenging environment.
- Abacus has emerged as a strong asset back annuity style investment house with \$4.3 billion of total assets, of which 97% are deployed in the Commercial and Self Storage sectors.
- Focusing on the activities of the past year, and despite the challenging conditions it was satisfying to see \$1 billion¹ of capital successfully deployed into assets in our strategically identified sectors that provide potential for enhanced income growth and ultimately value creation.
- This was achieved through a series of acquisitions and joint ventures which were funded by a combination of non-core asset disposals, debt and other initiatives, including completion of an Accelerated Non-Renounceable Pro Rata Entitlement Offer, raising \$402 million in December 2020.
- The Board periodically reviews the Group's levels of liquidity and gearing, to ensure it is appropriately capitalised to support all future growth opportunities. In August, Abacus thought it prudent to strengthen its balance sheet, by increasing its banking facilities by \$500 million on favourable terms. As at 30 September 2021, gearing is at 30.4% and sitting within our target range of up to 35%.

FINANCIAL RESULTS

- Turning now to our FY21 results that clearly demonstrate the benefits of our diversified portfolio.
 - The Group delivered a statutory profit of \$369.4 million, up 336% compared to FY20. This was achieved primarily as a result of an increase in the fair value of our Self Storage portfolio and increased rental income arising from acquisitions made during the year and the full ownership of prior year acquisitions.
 - Funds from Operations (FFO) was \$136.4 million, up 9.5% on FY20, equating to 18.4 cents per security and with a 95% payout ratio, the full year distribution was 17.5 cents².
 - Net tangible assets (NTA) per stapled security of \$3.43, up 3.3% on FY20, which was also positively impacted by the increase in fair value of our Self Storage portfolio.
- We were pleased with the strong and resilient result in a COVID-19 context and would especially like to note that Abacus has not applied for or received any funds from the Australian Government's JobKeeper scheme.
- Steven will elaborate on the operating performance of our business shortly.

SUSTAINABILITY

- The Board and team at Abacus are proud of our commitment to Sustainability.

¹ Including post balance date transactions.

² Includes additional 0.5c announced in August 2012.



- Sustainable practices and enhancements continue to be embedded into how we conduct business and as part of our strategic repositioning, Abacus has made a considerable reinvestment in people, culture, processes, and systems.
- During FY21 the Board set clear sustainability targets to improve our environmental performance, transparency and accountability. Our targets are focused on energy, emissions, water and waste across our property portfolio and were developed in conjunction with our asset management team.
- To achieve these targets, we have developed a Sustainability Strategy and improvement pathways for our assets which are aligned with our operational and capital works upgrades.
- Solid progress has been made across our sustainability targets areas and this year we recorded a 25% reduction in greenhouse gas emission intensity across our operations compared to the 2019 baseline, noting the impact from lower usage due to COVID-19. Pleasingly our office portfolio has achieved 4.6 stars for NABERS Energy and 4.0 stars for NABERS Water.
- I encourage you to refer to our 2021 Sustainability Report for more detail on the progress we are making.
- The Abacus Board renewal process has now been completed with the appointment of Mark Bloom during the year. Abacus is proud to have a strong Board comprising 43% female representation and a Non-Executive Director cohort with a diverse range of skills, expertise and backgrounds.
- The Abacus Board is focused on ensuring the Group delivers long-term value to securityholders, and together with the appropriate governance structures and a highly capable executive team, believe we are well placed to take advantage of business opportunities as they arise.
- I would like to thank Steven and the Abacus team including my Board colleagues, for their dedication and commitment as we continue to navigate these challenging times and deliver on our strategic objectives.
- Before handing over to Steven, I would also like to thank all our securityholders for their continued support.



ABACUS PROPERTY GROUP 2021 AGM MANAGING DIRECTOR ADDRESS – Steven Sewell Sydney, 17 November 2021

- Good afternoon and welcome everyone.
- I'd also like to acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land and pay my respects to the Elders both past, present and emerging.

EXECUTING ON OUR STRATEGY

- With \$4.3 billion of assets and 97% of investments concentrated in our key sectors, of Commercial and Self Storage, Abacus is a strong asset backed, annuity style business model, positioned to deliver superior long term returns and maximise securityholder value.
- We have had a multi-year transition where we have deployed over \$2.3 billion in the Commercial and Self Storage sectors and have reduced our investments in non-core assets where as at year end they only represented 3% of our portfolio. During the year we also acquired the balance of our Self Storage operating platform, Storage King.
- Following this significant transition, we felt it was the appropriate time to define and refine what active management, a key part of our Strategy, means at Abacus. After dedicated consideration we have established that active management revolves around three main focal areas:
 - Investment management - where we strategically invest in assets in all major markets with a clear path to sustainable income growth,
 - Asset management - where we provide Commercial and Self Storage space solutions with compelling value propositions for our customers, and
 - Customer and brand management - where through close engagement with our customers, we aim to deliver best in class Commercial and Storage services that meet their evolving needs and in doing so, build the Storage King brand to be the most recognisable and valued in the market.
- Getting to this point has required much dedication and focus from the whole Abacus Team. It is our people, market insight and repositioning capability together with strategic partnering that are the key enablers of our strategy and without them could not have achieved what we did this year.
- Adding to the significant progress made in previous years, a further \$1 billion³ of capital was successfully and deliberately deployed into our key sectors of Commercial and Self Storage.
 - Particular emphasis was placed on our Self Storage business, a sector where we believe we have a clear competitive advantage, with \$575 million⁴ invested, including the acquisition of the remaining 75% interest in our operating platform, Storage King and a significant portfolio of Sydney stores.
 - A further \$425 million⁵ was also invested in the Commercial sector, including the acquisition of a 33% interest in Myer Melbourne, Melbourne VIC, and the remaining 60% portion of The Oasis Centre, Broadbeach QLD which now takes Abacus to full ownership of the asset.

³ Including post balance date transactions.

⁴ Including \$257 million exchanged post balance date.

⁵ Including \$135 million exchanged post balance date.



- These investments have enhanced our portfolio quality and are expected to underpin long term stability of income.

SELF STORAGE

- Abacus has been investing in the Self Storage sector since 2005 and has been able to accumulate a high quality portfolio of 115 existing and future locations, with a valuation of over \$2 billion today.
- It was a particularly pleasing step to be able to acquire the remainder of our operating platform, Storage King. The acquisition was identified as a key strategic imperative given our Self Storage exposure comprises nearly half of our Balance Sheet. An expert and capable management business is critical to driving our Self Storage operations and enhancing associated asset returns.
- To date we have taken various steps to enhance Storage King which have delivered operational improvements, technological advancement and increased the customer value proposition at the Storage King branded stores, owned by Abacus and our licensee partners – all considered vital to enhancing the platforms scalable and sustainable offering.
- Owing to a strong operational performance in addition to the pace of our acquisitions, our Self Storage portfolio delivered 46% growth in net property income and contributed \$69.6 million of FFO which was a 15.5% increase on FY20.
- Despite the overall impact of the COVID-19 pandemic, trading conditions in our Self Storage Portfolio have proved resilient. The rebound in occupancy during FY21, following the COVID-19 related declines, has continued throughout the September quarter with Established Portfolio⁶ occupancy levels increasing to an all time high of 92.4%.
- Again looking at our Established Portfolio⁶, Average Rent per square metre and RevPAM grew to \$306 and \$283 up from \$285 and \$260 respectively at the full year, as trading conditions continue to strengthen nationally.
- Our outlook for the Self Storage sector in Australia remains strong, and as a result we remain focused on a multi-pronged growth strategy including: acquisition, development, expansion and optimisation of our existing Portfolio.

COMMERCIAL

- Following a number of acquisitions, some as recently as the September quarter, our Commercial Portfolio now comprises 27 assets with market value of \$2.1 billion on a 5.5% cap rate.
- Also owing to the pace of our acquisitions and a steady operational performance, our Commercial Portfolio delivered 14% growth in net property income and contributed \$86.9 million of FFO which was a 23.9% increase on FY20.
- With the headwind of a challenging operating environment, we were pleased with the performance in the Commercial Portfolio during FY21. Active leasing and asset management strategies delivered like for like Office rental growth of 4.3%⁷, Office Portfolio occupancy increased

⁶ Established portfolio: 62 mature stores open at 1 July 2020.

⁷ Excludes development affected assets.



to 95.5%⁷, and year end the Office Portfolio weighted average lease expiry (WALE) increased to 3.9 years⁷.

- During the first quarter, COVID-19 related disruptions in a number of our key Office markets have impacted leasing transaction volumes, but pleasingly occupancy was flat, WALE stable and incentives were only marginally elevated.
- As our key market of Sydney opens up we are starting to see increased enquiry levels and a willingness to commit to space solutions offered and are positive about the outlook for the portfolio.
- Despite the complex backdrop, our Retail portfolio delivered solid results during FY21 with like for like income growth up 1.9%⁸, WALE up marginally to 5.4 years⁸ and occupancy reducing slightly to 92.7%⁸.
- COVID-19 related border closures and restrictions presented a challenging first quarter in our Retail portfolio but as restrictions ease across our Retail portfolio markets we expect to see consumer and customer confidence gradually return.
- Rent collection was resilient with 97% of Commercial portfolio rents collected in the first quarter.

NON-CORE AND LEGACY INVESTMENT UPDATE

- The Group has continued to execute on its planned repatriation of equity from legacy investments in non-core sectors and during the year sold \$107 million of small scale assets. Residential loan assets were reduced by 50% during the year with non-core residential now representing 3% of total assets⁹, or \$116 million.

CONCLUSION

- Abacus' FY21 results have progressed our vision to create exceptional value for our customers and stakeholders as an owner and manager of real estate and operator of storage locations. The size, nature and market positioning of our key sector investments will permit the Group to deliver recurring income and value creation over the long term.
- Acknowledging the uncertainty caused by the COVID-19 pandemic, we remain positive on Abacus' differentiated AREIT positioning in the Commercial and Self Storage sectors and expect active investment and asset management together with responsive customer and brand management will deliver long-term sustainable outcomes.
- I would like to take this opportunity to thank the entire Abacus team for their hard work and commitment to our business. I would also like to thank my fellow Directors for their expertise and guidance, and of course, our securityholders for your continued and valued investment in Abacus.

⁸ Excludes development affected assets.

⁹ Excludes investments in cash and other assets.

2021 Annual General Meeting

17 November 2021

Chair Address

Myra Salkinder

Abacus Business Model



Abacus Property Group is a diversified Australian REIT with an investment portfolio concentrated in the Commercial property and Self Storage sectors. We invest capital in real estate opportunities to deliver superior long-term returns and maximise securityholder value.

Strategy

Concentrate on select real estate sectors that deliver long-term sustainable outcomes through active management

Investment management

Strategically invest in assets in all major markets with a clear path to sustainable income growth

Asset management

Provide Commercial and Self Storage space solutions with compelling value propositions for our customers

Customer and brand management

Through close engagement with customers, deliver best in class commercial and storage services that meet their evolving needs. In doing so, build the Storage King brand to be the most recognisable and valued in the market

Vision

Create exceptional value for our customers and stakeholders as an owner and manager of real estate and operator of storage locations

Values

Entrepreneurial

Deliver innovative and informed commercial insights and solutions

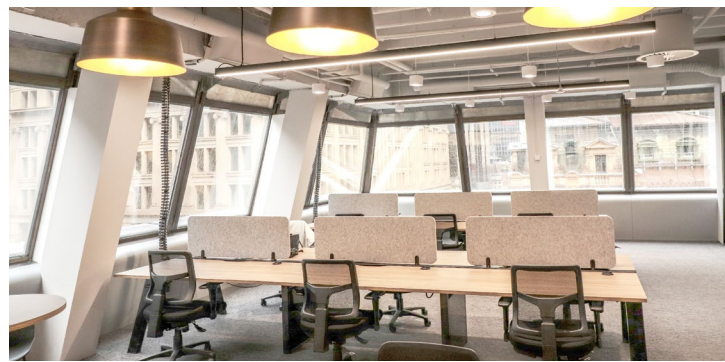
Responsible

Always do the right thing and make a positive difference

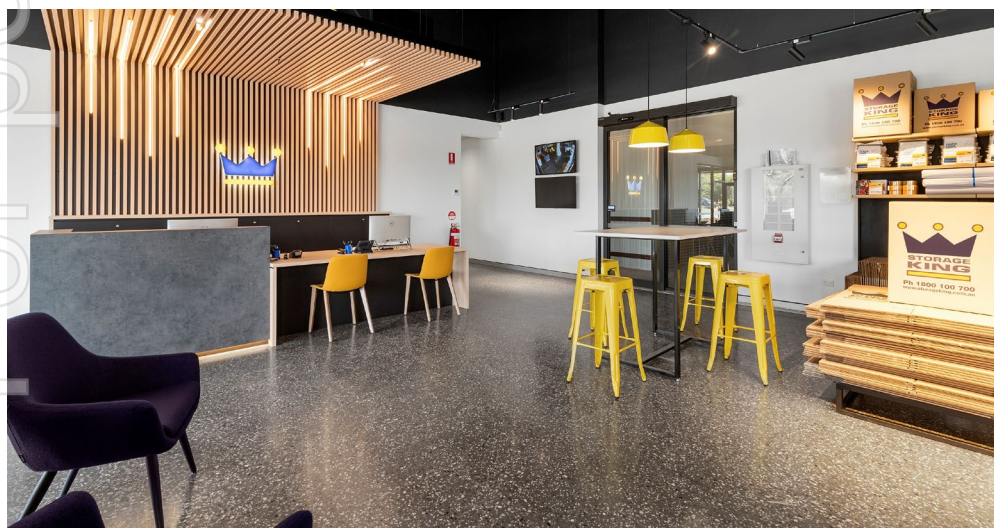
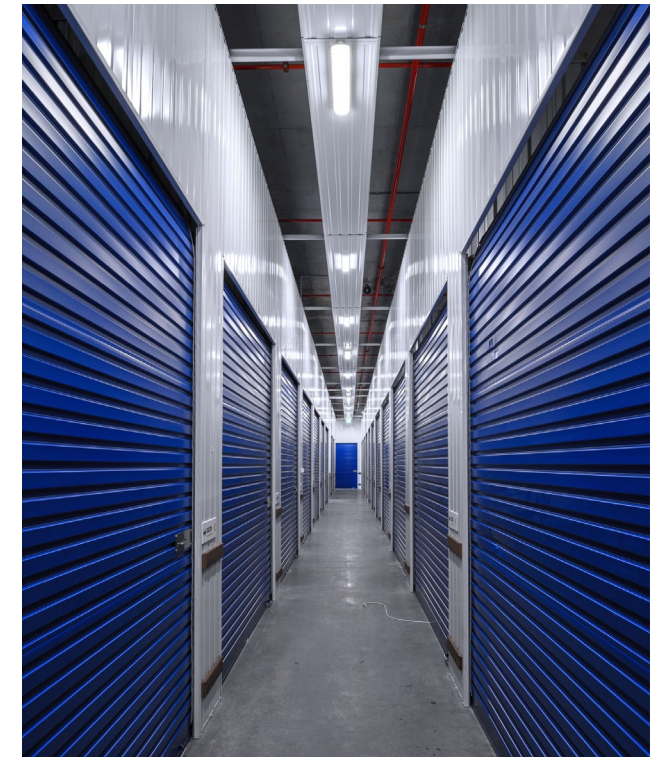
Accountable

Be answerable for our actions and decisions

Commercial capital deployment



Self Storage capital deployment



Platform metrics FY21



PROFORMA¹ TOTAL ASSETS

A\$4.3bn
↑30.0% on FY20

WEIGHTED AVERAGE CAP RATE

5.65%^{2,3}
↓35bps on FY20

PROFORMA¹ GEARING

28.3%
↑180bps on FY20

NET TANGIBLE ASSETS

\$3.43ps
↑3.3% on FY20

STATUTORY PROFIT

\$369.4m
↑336.0% on FY20

FFO

\$136.4m
↑9.5% on FY20

FFO PS

18.4cps
↓5.1% on FY20

DPS

17.5cps⁴
↓5.4% on FY20

1. Includes post balance date transactions (as outlined on slide 10).
2. Includes equity accounted investments.
3. Commercial portfolio 5.6%, Self Storage portfolio 5.7%.
4. Includes additional 0.5c announced 18 August 2021.

Public Sustainability Targets



Actively exploring opportunities and managing risks

ENERGY

↓15%

BY FY25 (From FY19 base year)
Scope 1 & 2
GHG emissions intensity

5.0★

NABERS Energy
Office portfolio average

WATER

↓10%

BY FY25 (From FY19 base year)
Water intensity

4.0 ★

NABERS Water
Office portfolio average

WASTE

50%

BY FY25
Diversion from landfill

EMISSIONS

Net zero 2050

NET ZERO EMISSIONS BY 2050
(Scope 1 & 2)



Abacus
Property
Group

Sustainability
Report 2021

Abacus Sustainability Strategy



Deliver long-term sustainable outcomes for our stakeholders



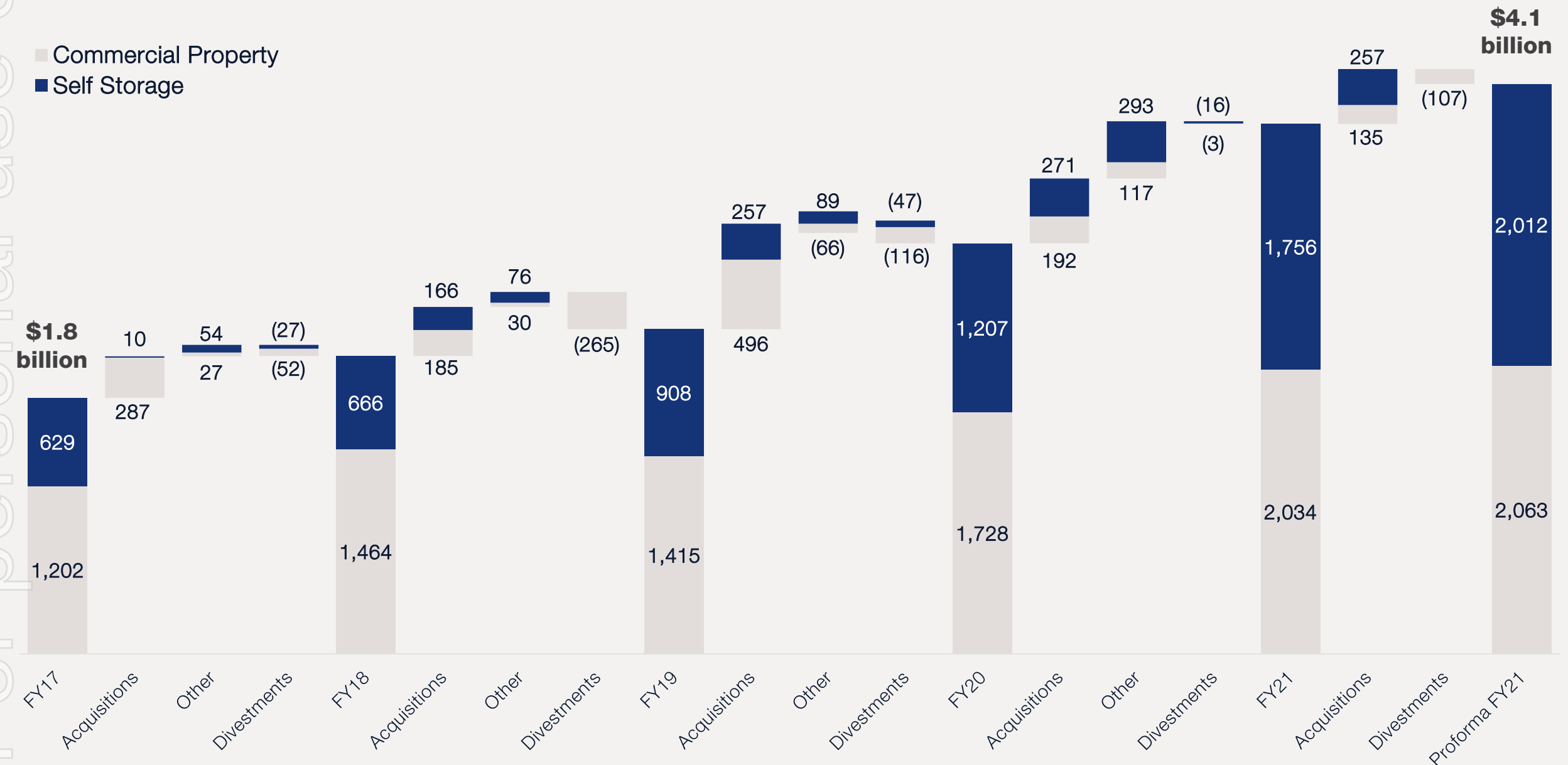
Managing Director
Address
Steven Sewell

Capital deployment

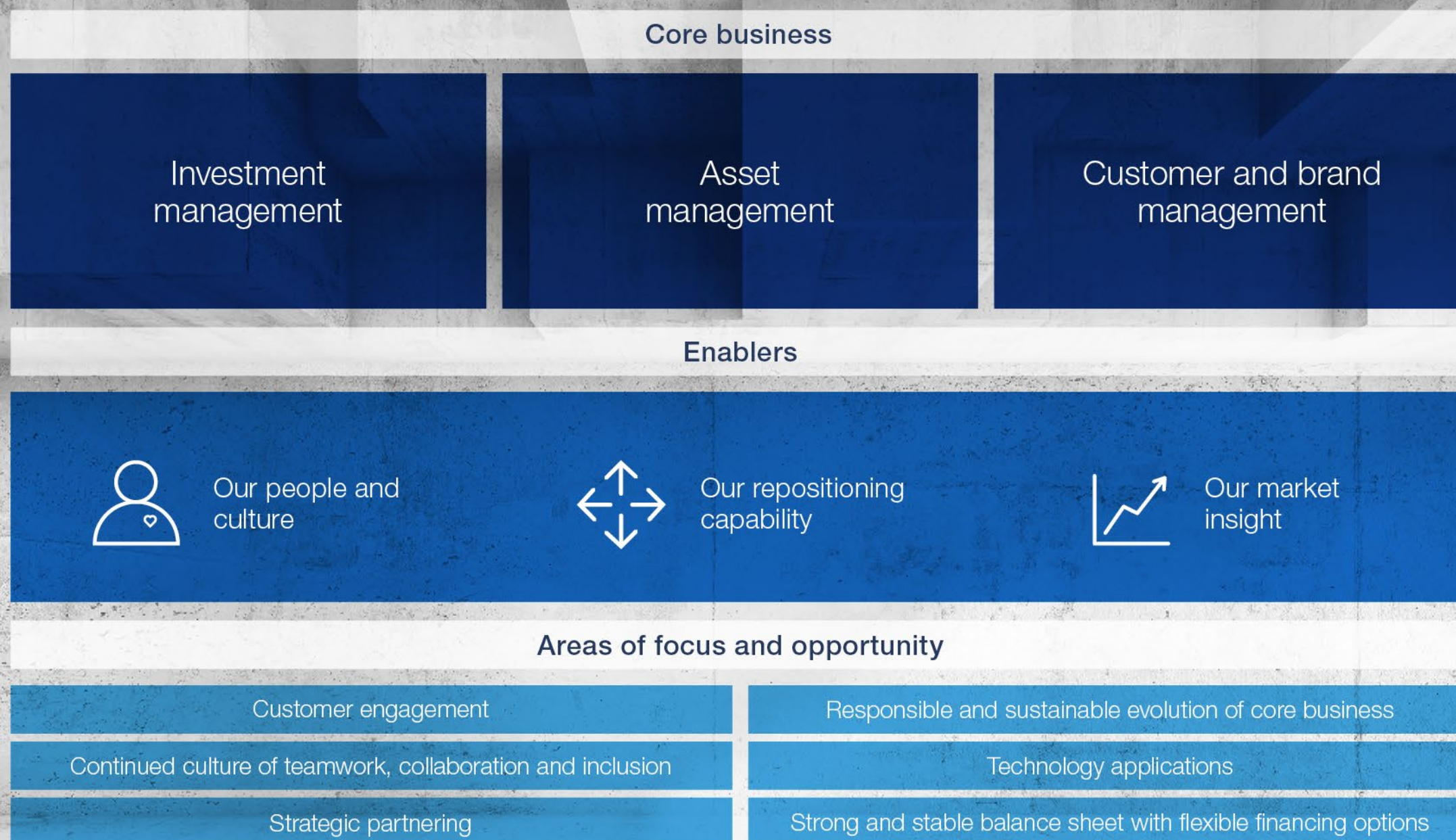


Diligent deployment of over \$2.3 billion into key sectors since FY17 has transformed Abacus into a strong asset backed, annuity style investment house

Movement in Investment Portfolio¹ (in millions)



1. Excludes investments in cash, other assets and residential assets.



Proforma¹ balance sheet allocation



JUNE 2021

\$4.3 billion of Total Assets²

Commercial
\$2.1 billion

49%

Self Storage
\$2.0 billion

48%



Office

\$1,581m



Established³

\$874m



Retail

\$478m



Stabilising⁴

\$754m



Other⁵

\$384m

JUNE 2020

\$3.3 billion of Total Assets²

Commercial
\$1.7 billion

55%

Self Storage
\$1.2 billion

39%



Office

\$1,493m



Established³

\$722m



Retail

\$198m



Stabilising⁴

\$294m



Other

\$37m



Other⁵

\$191m

1. Includes post balance date transactions (as outlined on slide 10).

2. Includes investments in cash and other assets and Residential assets of \$116 million in FY21 and \$183 million in FY20 not pictured above.

3. Established portfolio: 52 mature stores open at 1 July 2019.

4. Stabilising portfolio: 44 stores owned or exchanged as at 18 August 2021. 22 stores owned at 30 June 2020.

5. Includes Storage King, developments and other Self Storage investments.

Self Storage – FY21 snapshot



Storage King, Robina QLD

SELF STORAGE \$1.8 billion (45% of total assets¹)

5.8%
Passing yield²

63%
Assets located in Top 3
Significant Urban Areas³

\$264
RevPAM²

\$290
Average rent psm²

90.9%
Occupancy
(Established)²

75.1%
Occupancy
(Stabilising)⁴

6.3%
RevPAM growth
(Established)²

20.1%
Revenue growth
(Stabilising)⁵

1. As at FY21. Excludes investments in cash and other assets.
2. Established portfolio: 52 mature stores open at 1 July 2019.
3. As defined by the Australian Bureau of Statistics. Top 3 markets by population are Sydney, Melbourne and Brisbane.
4. Stabilising portfolio: 34 stores owned at 30 June 2021. Excludes post balance date transactions.
5. Stabilising portfolio (like for like): 10 stores owned at 1 July 2019.

Commercial – FY21 Office snapshot



OFFICE \$1.6 billion (42% of total assets¹)

95.5%
Occupancy²

4.3%
LFL income growth^{2,3}

3.9 yrs
WALE²

5.50%
WACR⁴

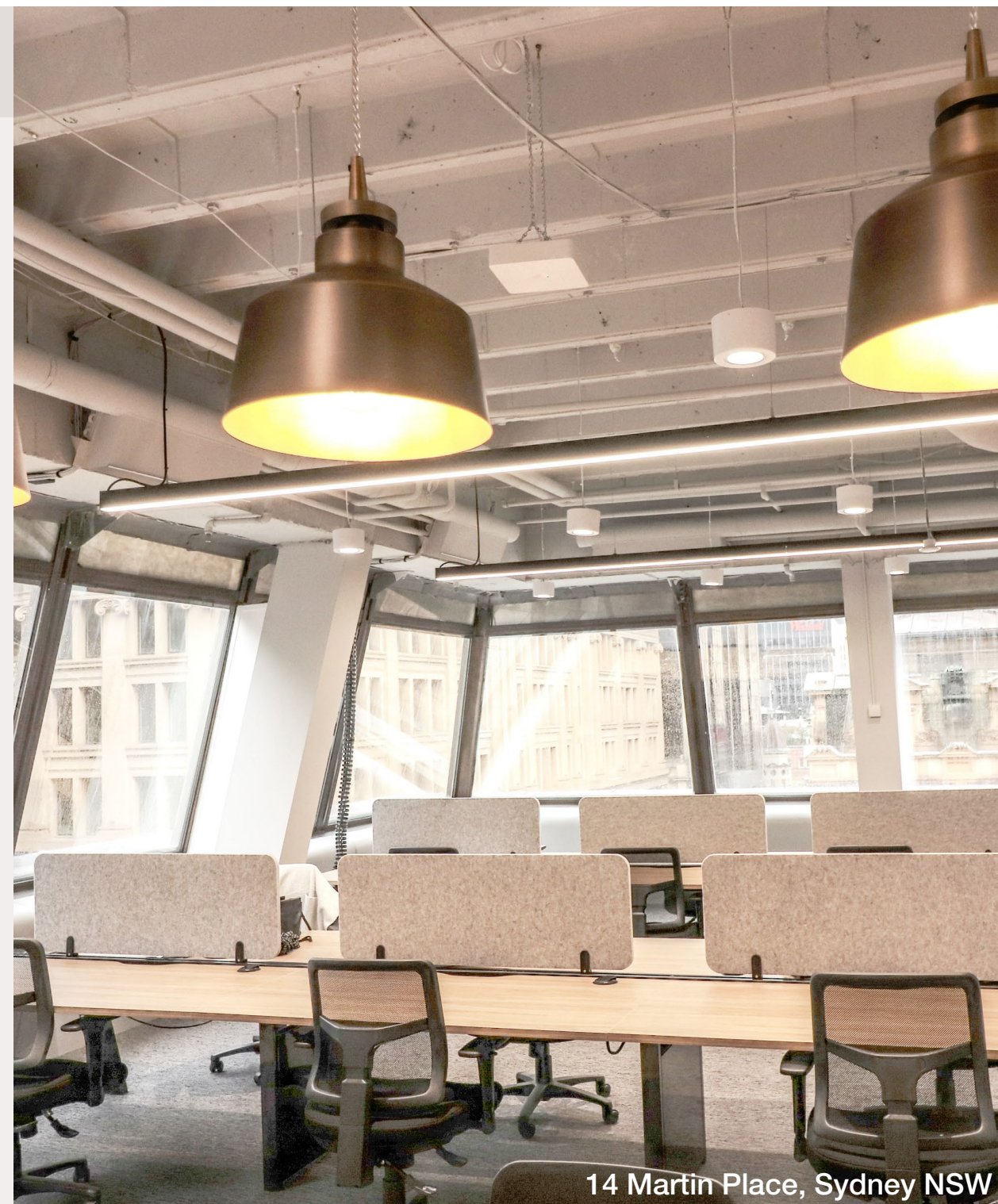
100
Leasing deals

372
Customers

98%
Rent collected⁵

1%
Waivers provided⁶

1. As at FY21. Excludes investments in cash and other assets.
2. Excludes development affected assets.
3. Occupancy increased 400bps during the period, at same occupancy LFL income growth was flat for the period.
4. Including equity accounted investments.
5. Calculated as rent invoiced less arrears > 30 days, less any waivers provided.
6. Waivers provided during the year due to the impact of COVID-19.



14 Martin Place, Sydney NSW

Business of the Meetings

Resolutions



Item 1: Annual Financial Report

To receive and consider the Annual Financial Report, Directors' Report and Auditor's Report of Abacus Property Group and its controlled entities for the year ended 30 June 2021

Item 2: Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2021

Item 3: Election of Directors

3.1 To elect Mark Bloom as a director of Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited.

3.2 To re-elect Mark Haberlin who retires in accordance with the Constitutions and, being eligible, offers himself for re-election as a director of Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited.

Item 4: Grant of rights to the Managing Director

That approval be given for the Company to grant 367,648 Rights under the Equity Incentive Plan to the Managing Director, Steven Sewell, on the terms set out in the Explanatory Memorandum

Item 5: Changes to Constitution of each Company

That for the purposes of section 136 of the Corporations Act 2001 (Cth.) and for all other purposes, approval is given for the constitution of the Company to be amended as set out in the Explanatory Memorandum

Item 6: Changes to Constitution of each Trust

That for the purposes of section 601GC of the Corporations Act 2001 (Cth.) and for all other purposes, approval is given for the constitution of the Trust to be amended as set out in the Explanatory Memorandum

Proxy Results



Resolution	For	Open	Against	Totals
Resolution 2: Adoption of remuneration report	712,548,692	505,184	14,563,882	727,617,758
Resolution 3.1: Election of Mark Bloom	698,145,342	504,137	29,433,377	728,082,856
Resolution 3.2: Re-election of Mark Haberlin	719,534,586	504,561	8,047,638	728,086,785
Resolution 4: Grant of security acquisition rights to the Managing Director	703,359,592	501,830	23,691,448	727,552,870
Resolution 5: Changes to constitution of each Company	630,518,179	533,766	96,954,644	728,006,589
Resolution 6: Changes to constitution of each Trust	630,513,939	537,766	96,954,884	728,006,589

Questions

Thank you

Important information



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