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ABACUS

INVESTOR BRIEFING PRESENTATION

7 JUNE 2023



IMPORTANT NOTICE AND DISCLAIMER



Purpose

The purpose of this presentation (**Presentation**) is to provide Abacus Property Group securityholders with preliminary information about the Proposal which, if approved and implemented, will result in the de-stapling of Abacus Property Group and the creation of the following separate stapled groups:

- Abacus Group, being a stapled group comprising Abacus Group Holdings Limited (ABN 31 080 604 619) (**AGHL**), Abacus Trust (ARSN 096 572 128) (**AT**), Abacus Group Projects Limited (ABN 11 104 066 104) (**AGPL**) and Abacus Income Trust (ARSN 104 934 287) (**AIT**) (and their respective controlled entities), which will own the Commercial assets and business and remain internally managed. Abacus Group will remain listed on ASX under the new ticker 'ASX:ABG'; and
- Abacus Storage King, being a stapled group comprising Abacus Storage Property Trust (ARSN 111 629 559) (**ASPT**) and Abacus Storage Operations Limited (ABN 37 112 457 075) (**ASOL**) (and their respective controlled entities), which will own the Self Storage assets and business and be externally managed by Abacus Group. Abacus Storage King will seek to be separately listed on ASX under the new ticker 'ASX:ASK'.

Key defined terms

In this Presentation, the term:

- "Abacus Property Group" refers to the current stapled structure of AGHL, AT, AGPL, AIT, ASPT and ASOL and their respective controlled entities;
- "Abacus Group" is used to describe Abacus Property Group excluding Abacus Storage King;
- "Abacus Storage King" or "ASK" is used to describe the proposed separated stapled group comprising ASPT and ASOL and their respective controlled entities as it will exist if the de-stapling is implemented. This term is also used in this Presentation for simplicity of explanation only, to reflect the Self Storage aspects of Abacus Property Group's existing business;
- "Abacus Storage King Security" or "ASK Security" means a fully paid ordinary share in ASOL stapled to a fully paid unit in ASPT;
- "Commercial" refers to the Office and Retail real estate sectors;
- "Proposal" refers to the proposal to establish Abacus Storage King as a separate ASX listed stapled group to be implemented by way of the de-stapling of Abacus Storage King from Abacus Property Group, the separate listing of Abacus Storage King on ASX, the offer (the **Offer**) of new Abacus Storage King Securities by ASOL and Abacus Storage Funds Management Limited (ABN 41 109 324 834) as responsible entity of ASPT (**Abacus Storage King Entities**) and certain other implementation steps; and
- "Self Storage" refers to the Self Storage real estate asset class. Self Storage stores are designed to house individual units which are rented to retail and business customers.

No guarantee of a transaction

A decision to proceed with the Proposal and the timing of Abacus Storage King's proposed listing remains subject to market conditions, the approval of the Abacus Property Group board, an Independent Expert opinion that the de-stapling is fair and reasonable to securityholders, a securityholder vote at an extraordinary general meeting to vote on the Proposal, and the receipt of regulatory and any required third party approvals. No guarantee is given by Abacus Property Group or its related bodies corporate or affiliates, or any of each of their securityholders, directors, officers, employees, partners, consultants, contractors, agents or advisers (together, the **Beneficiaries**) that any transaction will proceed or reach completion.

To the maximum extent permitted by law, Abacus Property Group reserves the right not to proceed with the Proposal (either at all or on the timeframe set out in this Presentation) and the Abacus Storage King Entities reserve the right to not proceed with the Offer (either at all or on the timeframe set out in this Presentation) in their absolute discretion. The timeframes included in this Presentation are indicative only and subject to change in the absolute discretion of Abacus Property Group (or in the absolute discretion of the Abacus Storage King Entities in respect of the Offer).

Transaction Booklet

A transaction booklet, which will incorporate a notice of meeting, an explanatory memorandum, prospectus and product disclosure statement (together, the **Transaction Booklet**), is expected to be made available to investors in June 2023. Investors should consider the Transaction Booklet (including any supplement or replacement) provided to them or otherwise made available to them before making a decision to vote in favour of the Proposal or to apply for any new Abacus Storage King Securities as part of the Offer. Any investor who is eligible to participate and who wants to acquire new Abacus Storage King Securities under the Offer will need to complete the application form that will be included in or accompany the Transaction Booklet made available to Abacus securityholders (which will also be released on ASX). The Transaction Booklet will include details on how to access the target market determination for additional Abacus Storage King Securities.

Summary information

This Presentation contains summary information about the current activities of Abacus Property Group as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a notice of meeting, explanatory memorandum, prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act 2001 (Cth) or New Zealand law.

This Presentation is subject to change without notice and Abacus Property Group may in its absolute discretion, but without being under any obligation to do so, update or supplement the information in this Presentation. The information in this Presentation should be read in conjunction with Abacus Property Group's other periodic and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

To the maximum extent permitted by law, Abacus Property Group and its Beneficiaries make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including without limitation, liability for fault or negligence).

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The distribution of this Presentation in jurisdictions outside Australia and New Zealand may be restricted by law. Persons who come into possession of this Presentation who are not in Australia should seek independent professional advice and observe any such applicable restrictions. By accepting this Presentation, the recipient agrees to comply with these limitations. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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Financial information

All dollar values are in Australian dollars (A\$). The financial information contained in this Presentation is unaudited unless otherwise stated. Recipients are cautioned therefore to not place any reliance on the financial information.

Investors should be aware that this Presentation contains certain financial information and measures that are 'non IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non IFRS financial information' published by ASIC and 'non GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (**AAS**) and International Financial Reporting Standards (**IFRS**). These measures include, but are not limited to FFO, Distributions per security, EBIT, NTA and gearing. Such financial measures do not have standardised meanings prescribed by the applicable AAS or IFRS and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with the AAS and IFRS. Although Abacus Property Group believes these non IFRS / non GAAP financial measures provide useful information to users in measuring the financial performance and condition of Abacus Property Group's business, readers are cautioned not to place undue reliance on any non IFRS / non GAAP financial measures included in this Presentation.

Investors should note that this Presentation contains pro forma financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Abacus Property Group's views on Abacus Property Group, Abacus Group or Abacus Storage King, nor anyone else's, future financial condition and/or performance and does not purport to be in compliance with Article 11 of Regulation S-X under the U.S. Securities Act and was not prepared with a view towards compliance with the rules and regulations or guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants for the preparation and presentation of pro forma financial information.

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Some of the statements appearing in this Presentation may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Presentation should not be taken to be a forecast or prediction that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as “forecast”, “target”, “outlook”, “continue”, “predict”, “believe”, “aim”, “expect”, “anticipate”, “intending”, “foreseeing”, “likely”, “should”, “planned”, “may”, “estimate”, “potential”, or other similar words. Similarly, statements that describe the objectives, plans, goals or expectations of Abacus Property Group, Abacus Group or Abacus Storage King are or may be forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Abacus Property Group operates and in which Abacus Group and Abacus Storage King will operate if the Proposal is implemented, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Abacus Property Group, or post-de-stapling implementation, Abacus Group or Abacus Storage King, or any of each of their respective Beneficiaries, or any person named in this Presentation or involved in the preparation of this Presentation makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward looking statements in this Presentation reflect views held only at the date of this Presentation. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, Abacus Property Group, their directors and their respective officers disclaim any obligation or undertaking to distribute after the date of this Presentation, any updates or revisions to any forward looking statements to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Past performance information

This Presentation contains information relating to the past performance of Abacus Property Group. The Proposal, if approved and implemented, will result in the de-stapling of Abacus Property Group and the creation of two separate stapled groups, Abacus Group and Abacus Storage King. Past performance information relating to Abacus Property Group may not be a reliable indicator of the performance of Abacus Property Group, or post-de-stapling implementation, Abacus Group and Abacus Storage King, going forward.

Independent valuations

This Presentation contains information regarding the independent valuations of certain properties by independent valuers as at 30 April 2023. Valuations are an opinion of the market value payable by a willing buyer and acceptable by a willing seller at a point in time, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser or another valuer. The independent valuations are subject to a number of assumptions and conditions. Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuation were to change. A high degree of volatility in the real estate market may lead to fluctuations in values over a short period of time.

Financial amounts and currency

All financial amounts in this Presentation are expressed in Australian currency unless otherwise stated.

Any discrepancies between totals in tables or financial information, or in calculations, graphs or charts are due to rounding.

All financial and operational information set out in this Presentation is current as at the date of this Presentation, unless otherwise stated.

Times and dates

Unless otherwise indicated, all times and dates referred to in this Presentation are to Australian Eastern Standard Time (AEST), being the time in Sydney, Australia. All times and dates relating to the implementation of the Proposal (including the Offer) referred to in this Presentation may change and, among other things, are subject to all necessary approvals from regulatory authorities.

Third party industry and market data

This Presentation contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data. None of the Abacus Property Group nor any of its Beneficiaries have independently verified this information.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the third-party estimates or projections contained in this information will be achieved.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Presentation are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of this Presentation.

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Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Presentation.

Disclaimer

No person is authorised to give any information or to make any representation, in connection with the Proposal that is not contained in this Presentation. Any information or representation that is not in this Presentation may not be relied on as having been authorised by Abacus Property Group in connection with the Proposal. Except as required by law, and only to the extent so required, none of Abacus Property Group or its respective Beneficiaries or Barrenjoey Advisory Pty Limited or Morgan Stanley Australia Limited as financial advisers (**Financial Advisers**) or their respective Beneficiaries nor any other person, warrants or guarantees the future performance of Abacus Property Group, Abacus Group or Abacus Storage King or the repayment of capital, or any return on any investment made pursuant to this Presentation.

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Relief

This Presentation has been prepared in accordance with ASIC relief instrument 23-0446.

INVESTOR BRIEFING PRESENTATION



Agenda

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- 01 Overview of the De-Stapling
- 02 Abacus Storage King
- 03 Abacus Group post De-Stapling
- 04 Details of the Offer
- 05 Additional Information
- 06 Key Risks

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OVERVIEW OF THE DE-STAPLING



BACKGROUND TO THE PROPOSAL

Proposal delivers investors the ability to have a pure play exposure to Self Storage

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| | |
|---|---|
| <p>Self Storage platform</p> | <p>Abacus Property Group ('Abacus')¹ has successfully managed and enhanced the Storage King brand to become the most recognised Self Storage brand in Australia and New Zealand², with the acquisition of the balance of the Storage King operating platform in November 2020</p> |
| <p>Dedicated Self Storage REIT</p> | <p>Abacus Storage King ('ASK') will be a sector specific vehicle with exposure to the Self Storage portfolio and Storage King's operating platform, benefitting from strategic oversight and management by Abacus Group</p> |
| <p>ASK fundamentals</p> | <p>Post implementation of the Proposal, ASK will own, operate and manage a \$3.0 billion Self Storage portfolio comprising 131 assets including 110 trading stores with over 582,861 sqm of net lettable area, 21 future stores and other Self Storage Investments. In addition, ASK will own the Storage King operating platform and brand</p> |
| <p>Focused strategy for Abacus Group</p> | <p>Abacus Group will retain a strategic stake of up to 19.9% in ASK and own/operate a \$2.5 billion Commercial portfolio³ of 24 assets providing investors with a stable income growth profile, supported by high portfolio occupancy, a diversified lease profile and revenue streams from funds management activities of and strategic investment stake in ASK</p> |

Note: Portfolio metrics as at 30 April 2023.

1. Abacus Property Group will remain listed on the ASX under the new name Abacus Group and new ticker 'ASX:ABG' following implementation of the Proposal.

2. Self Storage Association Australasia's State of the Industry 2022 report.

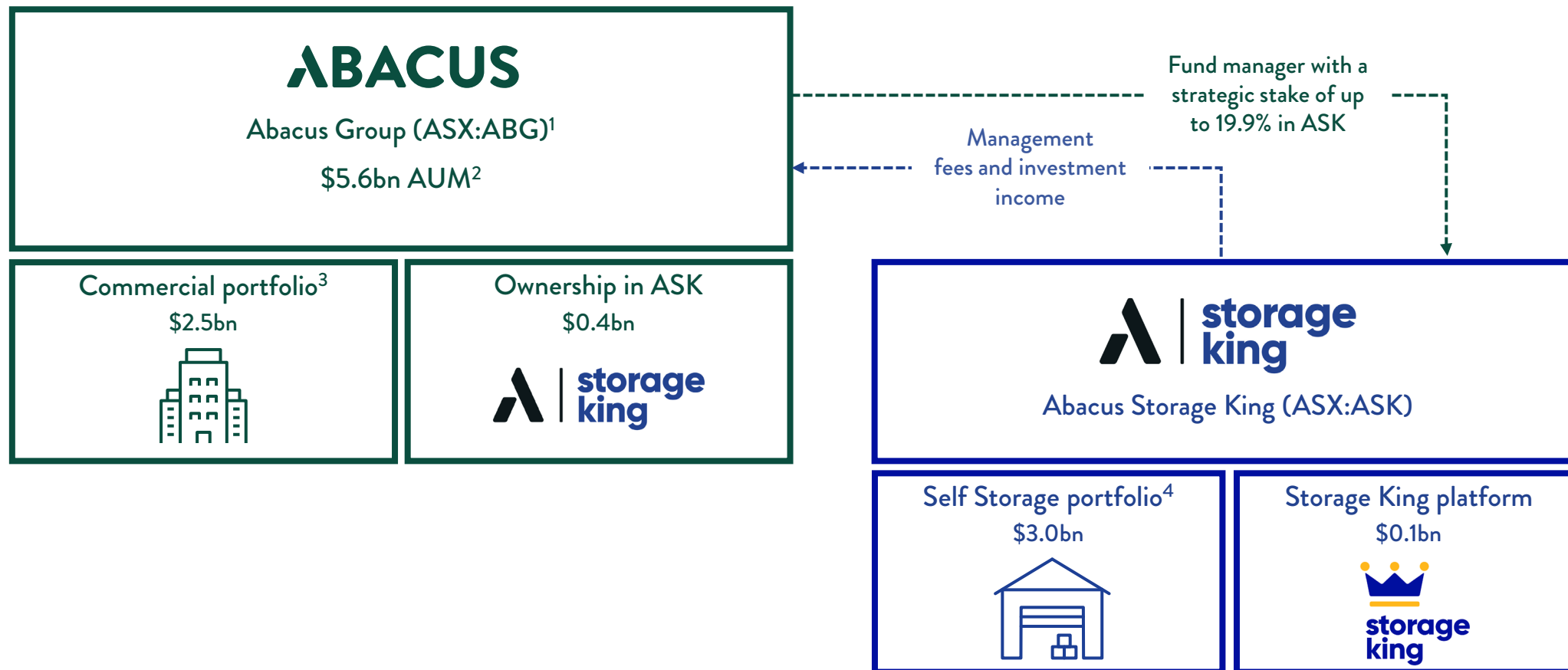
3. Includes Commercial properties and other assets.

ASK WILL CONTINUE TO BE MANAGED BY ABACUS GROUP



ASK will continue to benefit from Abacus Group's strategic oversight, and corporate and listed market expertise

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Note: Includes the impact of the Proposal, the Offer and certain post balance date events which have occurred subsequent to 31 December 2022 which ABG and ASK Directors believe to be material and relevant in further understanding the pro forma financial position of ABG and ASK. This information has not been subject to audit or review. Includes unaudited independent valuations across Abacus' properties as at 30 April 2023.

1. Abacus Group will remain listed on ASX under the new ticker 'ASX:ABG'.

2. AUM refers to assets under management.

3. Includes Commercial properties and other assets.

4. Includes Self Storage properties and other Self Storage investments.

POSITIONING ABACUS STORAGE KING



Sector specific exposure to ASK's \$3.1 billion Investment Portfolio¹ including the Storage King Platform

| | |
|--|---|
| Embedded Storage King portfolio | <ul style="list-style-type: none"> Fully integrated owner, operator and manager with demonstrated operational expertise from the embedded Storage King operating platform |
| Most recognised brand | <ul style="list-style-type: none"> Continued growth potential through expertise of sector leading and trusted Storage King brand and operating platform, which has operated for more than 25 years Most recognised brand in Australia and New Zealand Self Storage markets² |
| Strategically curated portfolio | <ul style="list-style-type: none"> A fully integrated owner, operator and manager of a Self Storage operating platform, with a portfolio of 131 strategically located properties³ in Australia and New Zealand |
| Embedded future development and acquisition opportunities | <ul style="list-style-type: none"> A development pipeline aiming to deliver 21 future stores Future acquisition opportunities supported by pre-emptive rights, which apply during the term of the licence agreements, to purchase further Storage King assets should those licensee owners wish to sell |
| Demand drivers | <ul style="list-style-type: none"> Closing the e-commerce penetration gap between Australia and New Zealand and other developed nations is expected to sustain longer term rental growth Supply chain challenges, the rise of online retail and the growing importance of last-mile distribution all contribute to the Self Storage sectors supply imbalance relative to demand |



Note: Portfolio metrics as at 30 April 2023.

1. Includes Self Storage properties, Storage King and other Self Storage investments.

2. Self Storage Association Australasia's State of the Industry 2022 report.

3. Includes 110 trading stores and 21 future stores.

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ABACUS STORAGE KING



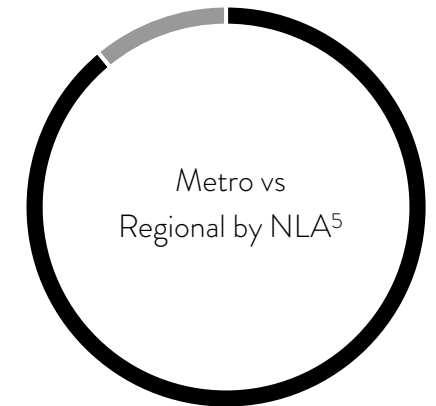
ABACUS STORAGE KING OWNED NETWORK

Strategically curated portfolio and Australia and New Zealand's most recognised Self Storage brand¹

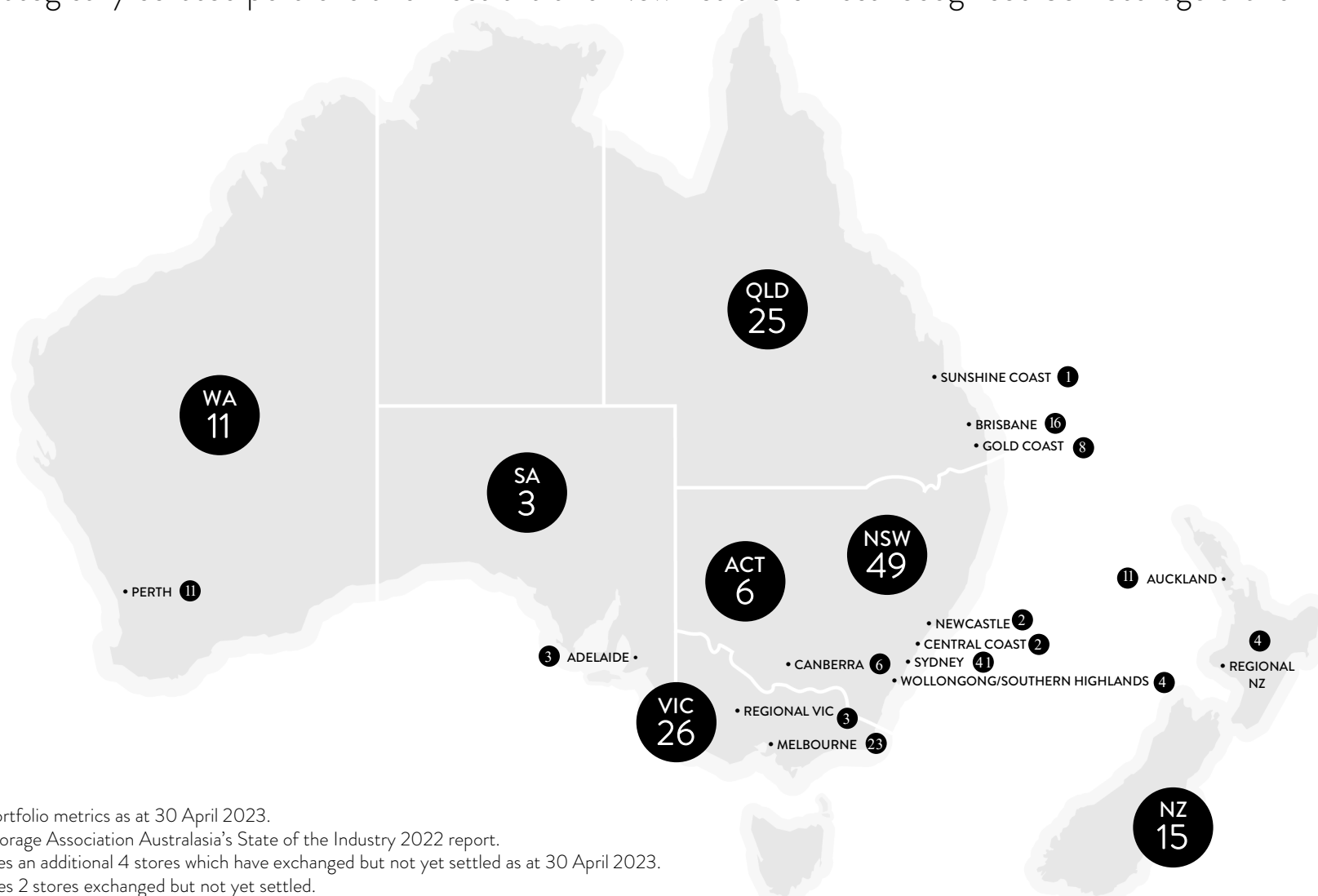


135²

Assets owned by ASK
112 trading stores³
23 future stores⁴



■ Metro 89%
■ Regional 11%



Note: Portfolio metrics as at 30 April 2023.

1. Self Storage Association Australasia's State of the Industry 2022 report.
2. Includes an additional 4 stores which have exchanged but not yet settled as at 30 April 2023.
3. Includes 2 stores exchanged but not yet settled.
4. Includes 18 developments, 3 stores currently under construction and 2 developments exchanged but not yet settled.
5. Refers to net lettable area.

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ASK INVESTMENT PORTFOLIO SNAPSHOT

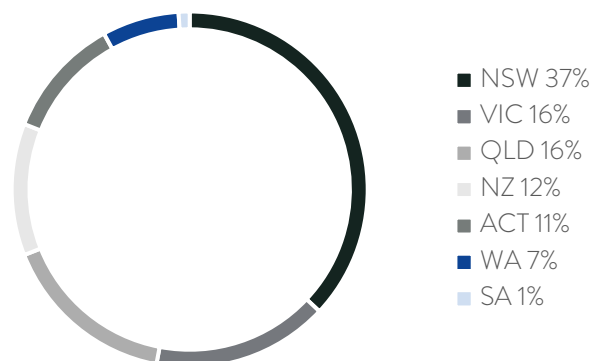


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| Investment property metrics (at 30 April 2023) | AUS | NZ | Total |
|--|---------|--------|---------|
| No. of assets (#) ¹ | 116 | 15 | 131 |
| NLA (sqm) ² | 505,006 | 77,855 | 582,861 |
| Occupancy (%) | 91.1% | 92.7% | 91.4% |
| Average Rent Per Square Metre (\$/sqm) | 352 | 336 | 348 |
| RevPAM (\$/sqm) ³ | 320 | 311 | 319 |
| WACR (%) | 5.51% | 6.00% | 5.54% |
| Book value (\$m) | 2,308 | 311 | 2,619 |

| Self Storage operating margin forecast ⁴ | FY24 pro forma (\$m) |
|---|----------------------|
| Storage revenue | 194.3 |
| Other revenue (net) ⁵ | 10.9 |
| Total revenue | 205.2 |
| Salaries & employee benefits | (30.0) |
| Other property expenses | (42.2) |
| Storage operating expenses | (72.2) |
| Operating profit | 133.0 |
| Operating margin⁶ | 65% |
| General & administration | (21.8) |
| Finance costs | (32.0) |
| Movement in lease liabilities | (0.6) |
| Tax | (7.2) |
| Other income (inc. share of profit from JV) | 11.2 |
| Pro forma forecast Funds From Operations ('FFO') | 82.6 |

% Value Breakdown (by geographic exposure)



Note: Portfolio metrics as at 30 April 2023.

1. Includes 21 development assets. Includes assets to be transferred to ASK as part of the Proposal.

2. Excludes 55,000 sqm of Commercial NLA.

3. Established portfolio average year-to-date to 30 April 2023 (by area).

4. Includes the impact of the Proposal, the Offer and certain post balance date events which have occurred subsequent to 31 December 2022 which ASK Directors believe to be material. This information has not been subject to audit or review. Refer to specific assumptions on Slide 30 and 31.

5. Includes \$4.4m rental income from commercial tenancies and \$16.2m fee income less \$9.7m of recoverable administrative and other expenses.

6. Operating margin represents the total operating profit as a percentage of total revenue.

DEVELOPMENT AND EXPANSION PIPELINE

Development pipeline aiming to deliver 15 Self Storage future stores in the short to medium term

Spent to date¹

\$170m

Cost to complete²

\$200m

Est. completion value¹

\$434m

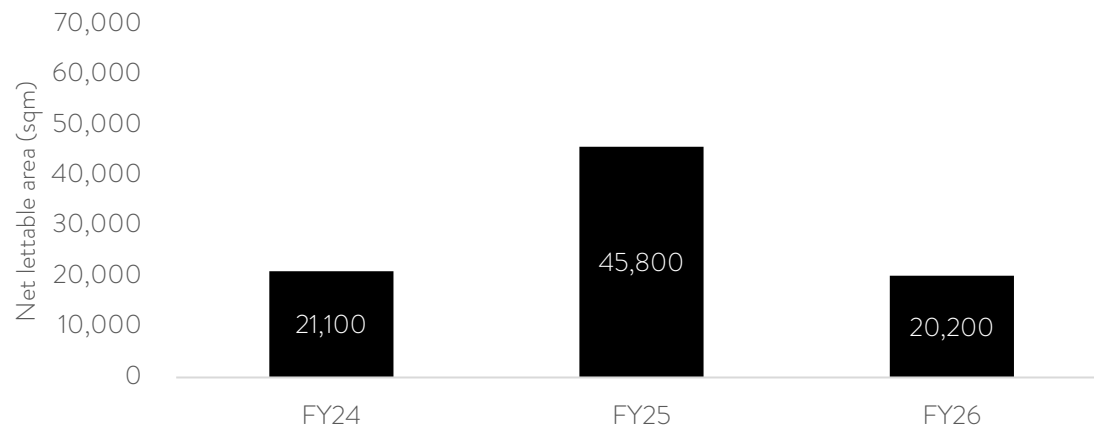
Development NLA¹

87,100sqm

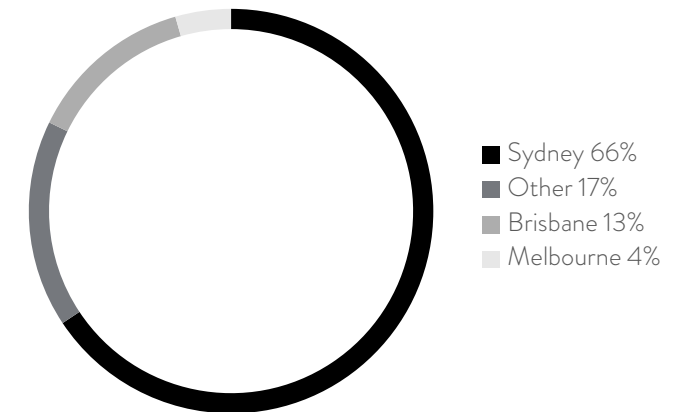
Expansion NLA

18,400sqm

Self Storage development pipeline (sqm)



Geographic weighting of Self Storage pipeline



Note: Development pipeline as at 30 April 2023.

1. 15 development sites aiming to be developed across FY24-26.

2. Forecast cost to complete 15 new development sites aiming to be developed across FY24-26.

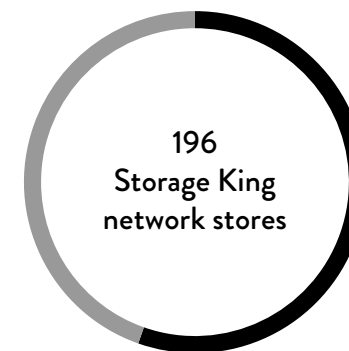
STORAGE KING OPERATING PLATFORM



Focused platform providing in-house Self Storage management services to ASK and third party owner partners

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| | |
|---|--|
| <p>Storage King track record</p> | <ul style="list-style-type: none"> Established in 1998, the day-to-day operations of Storage King are overseen by co-founder and CEO Michael Tate Storage King’s c.500 employees specialise in hybrid revenue management, marketing, customer engagement, delivery of the business plan and the provision of services to ASK and third party owners |
| <p>Growing Network strategy</p> | <ul style="list-style-type: none"> Undertake disciplined acquisitions according to the ASK Network strategy which will focus on securing assets in high quality locations and strong demographic drivers to complement the existing network |
| <p>Future capital growth opportunities</p> | <ul style="list-style-type: none"> Abacus has a track record of acquiring assets, having acquired 32 third party owned assets from the Storage King platform totalling \$542 million, with 72% of trading store acquisitions originating from Storage King licenced assets Storage King licensed assets provide ASK with pre-emptive rights over the majority of the remaining 86 storage facilities¹ |



80,000+

Customer units²

3.4 years

Average length of stay³

■ 110 Abacus owned stores

■ 86 Managed and/or licensed⁴

Note: Development pipeline as at 30 April 2023.

1. Relates to storage facilities which are managed and licensed by Storage King in the event they are offered for sale.

2. All ASK and managed stores.

3. For existing customers in the Established Portfolio of 76 mature stores open at 1 July 2021.

4. Storage King manages and licenses 55 stores and licenses but does not manage a further 31 stores.

COMPETITIVE LANDSCAPE




Market consolidation continues to drive acquisition opportunities in a fragmented sector

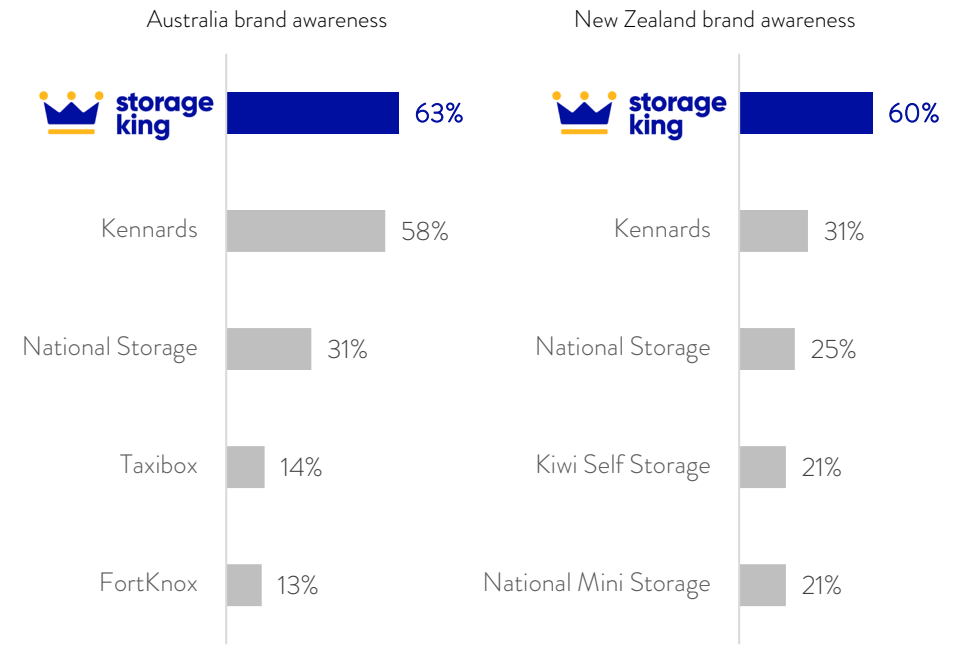
“Storage King is the most recognised Self Storage brand in Australia and New Zealand”.
Self Storage Association Australasia’s State of the Industry 2022 report

Australian market share by NLA

Australian Self Storage Operators

| | |
|--|-------------|
| Independents/Other | 47% |
| National Storage | 18% |
|  Storage King | 14% |
| Kennards Self Storage | 12% |
| StoreLocal | 2% |
| Fort Knox (QLD) | 2% |
| Fort Knox (VIC) | 1% |
| Rent A Space | 1% |
| Wilson Storage | 1% |
| Storage Choice | 1% |
| Store-It | 1% |
| Total | 100% |

Top 5 most recognised Self Storage brands in Australia and New Zealand



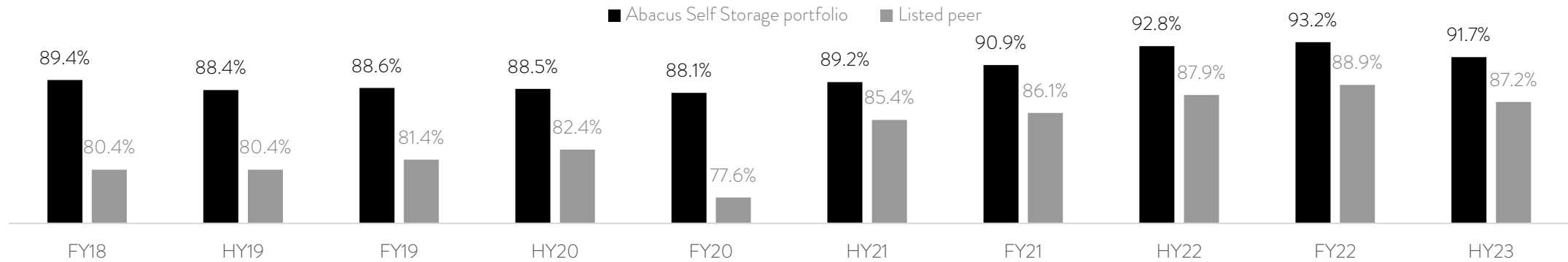
Source: Self Storage Association Australasia’s State of the Industry 2022 report.

TRACK RECORD OF OPERATIONAL PERFORMANCE

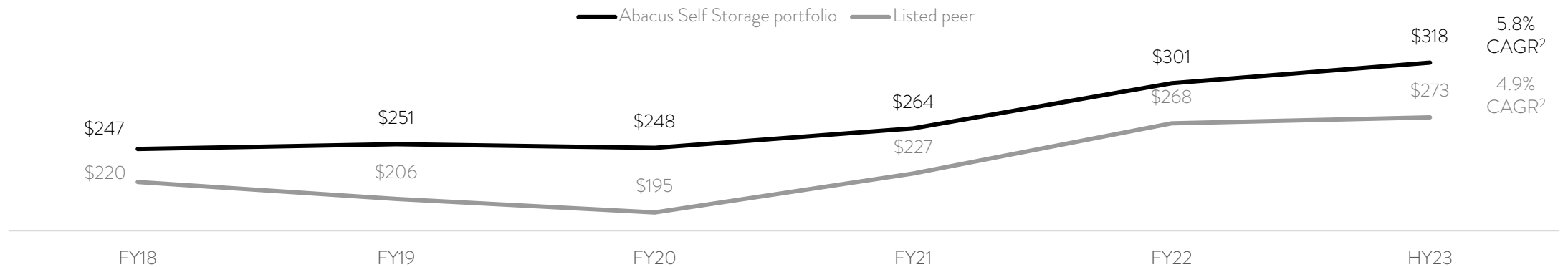


Storage King delivers sector leading operating metrics in Self Storage

Historical occupancy trend¹



Historical RevPAM (\$ per square metre)¹



Source: Company filings.

1. Refers to Abacus Property Group's Established portfolio and listed peer's stabilised metrics.

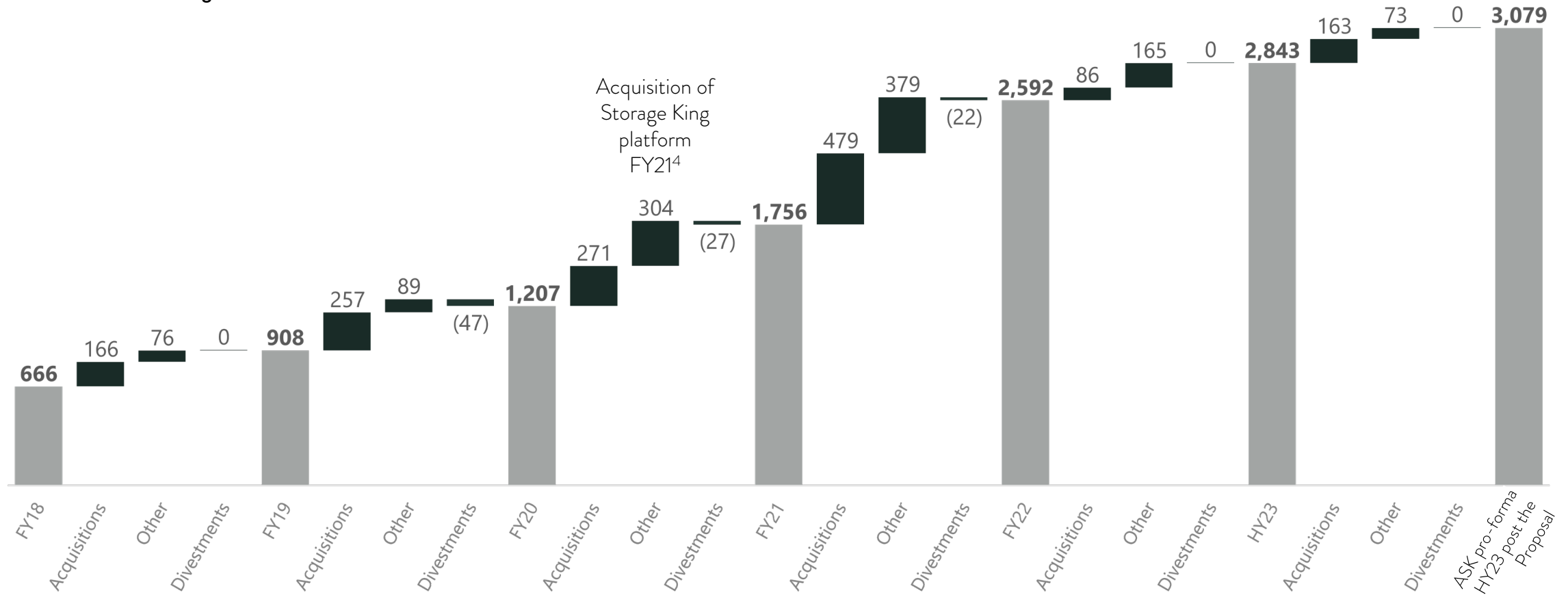
2. CAGR refers to compound annual growth rate.

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SELF STORAGE CAPITAL DEPLOYMENT

\$1.4 billion deployed into Self Storage acquisitions since FY18

Movement in Self Storage Investment Portfolio (\$m)^{1,2,3}



1. Includes equity accounted investments and other assets.
 2. Includes impact of post balance date transactions (excluding transaction costs).
 3. 'Other' category includes valuations, capital expenditure and other Self Storage investments.
 4. \$304m 'Other' in FY21 includes the \$50m acquisition price for the remaining 75% interest in Storage King.

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ABACUS GROUP'S MANAGEMENT OF ASK



Abacus Group continues to provide corporate strategy, operational oversight and investment expertise

Abacus Group Management Services

| | |
|--|---|
| Corporate strategy | <ul style="list-style-type: none"> Make recommendations in relation to ASK's corporate strategy and portfolio composition Prepare ASK's business plan, forecasts and budgets |
| Capital transactions | <ul style="list-style-type: none"> Identify acquisition, development and divestment opportunities, undertake due diligence and source funding Prepare and deliver capital expenditure plans |
| Development management | <ul style="list-style-type: none"> Manage and deliver development projects Oversee implementation of capital expenditure at the sites |
| Property management | <ul style="list-style-type: none"> Provide property management and facility management services on relevant Commercial tenancies |
| Investor relations | <ul style="list-style-type: none"> Provide information necessary for reporting to ASK securityholders Liaise with ASK securityholders and sell-side research |
| Financial reporting | <ul style="list-style-type: none"> Prepare statutory and management accounts for ASK reporting Prepare reporting suite for ASX disclosures, ASK Board and Abacus management |
| Regulatory functions | <ul style="list-style-type: none"> Engage with ASX and deliver on ASK's requirements under the Listing Rules |
| Back office corporate functions | <ul style="list-style-type: none"> Deliver tax, treasury and accounting services, capital raising preparation and valuations, risk and compliance and insurance services and strategic oversight of Storage King |

Abacus Group will receive a base management fee of 40bps of ASK gross asset value plus market standard property, leasing and development management fees

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PROPOSED ASK BOARD OF DIRECTORS

ASK will be overseen by a majority independent Board of Directors



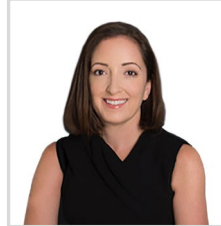
John O'Sullivan
Independent Chair

- John has over 45 years' experience as a corporate lawyer, investment banker and company director
- In his executive career, he was a M&A and Corporate Partner at law firm now known as Herbert Smith Freehills and General Counsel at Commonwealth Bank of Australia for 5 years
- Spent 10 years at Credit Suisse Australia where he was Executive Chair of Investment Banking and Capital Markets for Australia
- John is currently a Non-Executive Director of The Lottery Corporation and Non-Executive Chairman of Serendipity Capital



Stephanie Lai
Independent Non-Executive Director

- Stephanie has over 25 years' experience, is a Chartered Accountant and a former Transaction Services Partner of Deloitte and KPMG.
- Non-Executive Director of HomeCo Daily Needs REIT, HealthCo Healthcare and Wellness REIT and Future Generation Australia
- Significant experience providing due diligence and advisory services, including forecast reviews to listed entities, sovereign wealth funds, wealth managers and private equity
- Holds a Bachelor of Business (UTS) and is a graduate member of the Institute of Chartered Accountants (Australia and New Zealand) and AICD



Karen Robbins
Independent Non-Executive Director

- Karen has over 25 years' of experience across the legal and finance industries, both in Australia and overseas
- Currently a Non-Executive Director of Cricket New South Wales
- Karen has worked as a solicitor with UK Magic Circle Law firm, Linklaters, as well as in the structured finance business of Commonwealth Bank of Australia
- Most recently she spent over 10 years running M&A and operations for the ASX-listed Challenger Group's balance sheet business



Steven Sewell
Executive Director of ASK
Managing Director of Abacus Group

- Steven was appointed Managing Director of Abacus in April 2018, bringing over 20 years' experience in real estate funds management, asset management, equity/debt capital markets and M&A transactions
- Previously Steven held roles as CEO of Federation Centres prior to creation of Vicinity Centres, and various roles at Macquarie Asset Management Including CEO of Macquarie Countrywide Trust (which became Charter Hall Retail REIT)



Mark Bloom
Non-Executive Director

- Mark had an extensive 36 year career as a Finance Executive in Australia, Canada and South Africa, with his most recent role as CFO at Scentre Group and prior to that Deputy Group CFO at Westfield Group
- Mark acts as a consultant to Calculator Australia Pty Limited
- Mark is also a Non-Executive Director of AGL Energy Limited, Pacific Smiles Group Limited and EBOS Group Limited
- Subject to completion of the Proposal, Mark Bloom would step down from the Abacus Group Board

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ASK PRO FORMA STATEMENT OF PROFIT AND LOSS



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| ASK pro forma FY24 forecast Statement of Profit and Loss ¹ | \$m |
|---|----------------|
| Storage income | 198.7 |
| Fee income | 16.2 |
| Share of profit from equity accounted investments | 0.5 |
| Other income ² | 10.7 |
| Total revenue | 226.1 |
| Storage expenses and outgoings | (42.2) |
| Administrative and other expenses ³ | (61.5) |
| Depreciation and amortisation | (3.1) |
| Transaction costs relating to the Offer and Proposal ⁴ | - |
| Total expenses | (106.8) |
| EBIT | 119.3 |
| Net finance costs | (32.0) |
| Income tax expense | (7.2) |
| Pro forma forecast net profit after tax (NPAT)⁵ | 80.1 |

| ASK pro forma FY24 forecast FFO ¹ | \$m |
|--|-------------|
| Pro forma forecast NPAT | 80.1 |
| Adjustments: | |
| Depreciation and amortisation | 3.1 |
| Movement in lease liabilities | (0.6) |
| Pro forma forecast FFO | 82.6 |
| FFO per Security (cents) | 6.3 |
| Distribution per Security (cents) | 6.0 |

Distribution policy and expected FY24 distribution

- ASK expects to target a distribution payout ratio of 90% to 100% of FFO
- The distribution for the first full financial year to 30 June 2024 is forecast to be 6.0 cents per security
- ASK's distribution will be paid on a six monthly basis with the first distribution expected to be paid by February 2024

1. Includes the impact of the Proposal, the Offer and certain post balance date events which have occurred subsequent to 31 December 2022 which ASK Directors believe to be material. This information has not been subject to audit or review. Refer to specific assumptions on Slide 30 and 31.

2. Relates to distribution income in relation to Abacus Storage King's investments in listed securities.

3. Includes general & administration costs, storage salaries & employee benefits and recoverable administrative and other expenses.

4. Total transaction costs of \$15.5 million expected to be incurred by Abacus Storage King in relation to the Proposal, of which \$3.0 million is forecast to be expensed in the year ending 30 June 2024 with the remaining portion either offset against contributed equity or expensed in the year ending 30 June 2023.

5. Pro forma forecast NPAT represents amounts attributable to the members of ASOL and ASPT.

ASK PRO FORMA STATEMENT OF FINANCIAL POSITION



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| ASK pro forma key financial metrics ¹ | \$m |
|--|---------|
| Total assets | 3,079.4 |
| Net tangible assets | 2,056.6 |
| Acquisition capacity ² | 380.2 |
| Gearing (%) ³ | 26.8% |
| Net tangible assets per security (\$) | \$1.58 |

| ASK pro forma statement of financial position ¹ | \$m |
|--|----------------|
| Cash and cash equivalents | 67.1 |
| Investment properties ⁴ | 2,634.9 |
| Equity accounted investments | 15.7 |
| Other financial assets | 237.4 |
| Other assets | 124.3 |
| Total Assets | 3,079.4 |
| Interest bearing loans and borrowings | 874.2 |
| Other liabilities | 121.5 |
| Total Liabilities | 995.7 |
| Net Assets | 2,083.7 |



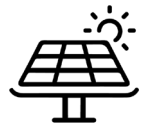
1. Includes the impact of the Proposal, the Offer and certain post balance date events which have occurred subsequent to 31 December 2022 which ASK Directors believe to be material and relevant in further understanding the pro forma financial position of ASK. This information has not been subject to audit or review.
 2. Assumes acquisition capacity up to gearing of 35%.
 3. Gearing represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents.
 4. Investment property values are based on the 30 April 2023 valuations.



ABACUS STORAGE KING ESG INITIATIVES

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| Environmental | Social | Governance |
|---------------|--------|------------|
|---------------|--------|------------|



Solar roll out ongoing with 52 sites having solar installed, delivering 1,235Kw of Solar Capacity at April 2023. Roll out of program on track to deliver further sites during CY23



Self Storage LED upgrade now covering 95% of the portfolio following systematic upgrades to 15 older facilities in VIC & NSW



Solar battery trial commencing at Storage King South Dandenong



Storage King community initiatives raising funds for:



In addition, individual Storage King stores run programs that support local charities on an ongoing basis



Storage King continues to identify suppliers in high-risk categories and work with them on Modern Slavery compliance while supporting ongoing monitoring and continuous improvements to their programs



Abacus Storage King are implementing a robust governance framework, leveraging the Abacus Group expertise and capability



The newly formed Abacus Storage King Board will achieve gender diversity of 40% female

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ABACUS GROUP POST DE-STAPLING





ABACUS GROUP POST DE-STAPLING

Abacus Group will continue to be an active investor and manager of Commercial real estate

| | |
|--|---|
| Portfolio fundamentals | <ul style="list-style-type: none"> A \$2.5 billion eastern seaboard focused portfolio¹ with exposure to markets with deep tenant pools (71% in Sydney and Melbourne) |
| Commercial market fundamentals | <ul style="list-style-type: none"> Stable income growth profile, supported by high portfolio occupancy and diversified lease profile |
| Relationship with ASK as fund manager | <ul style="list-style-type: none"> Fund manager of ASK, with recurring income from a strategic investment of up to 19.9% |
| Core capabilities | <ul style="list-style-type: none"> Highly experienced and fully integrated management platform, with strong asset management capabilities and relationships with tenant customers Active with strategic partnerships across major markets |
| Development pipeline | <ul style="list-style-type: none"> A pipeline of growth opportunities, including mixed-use repositioning, embedded in its existing portfolio to be unlocked over time |
| Capital management | <ul style="list-style-type: none"> Conservative gearing profile and a balance sheet positioned to deliver on active asset management strategy |



99 Walker Street, North Sydney NSW



14 Martin Place, Sydney NSW

1. Includes Commercial properties and other assets.

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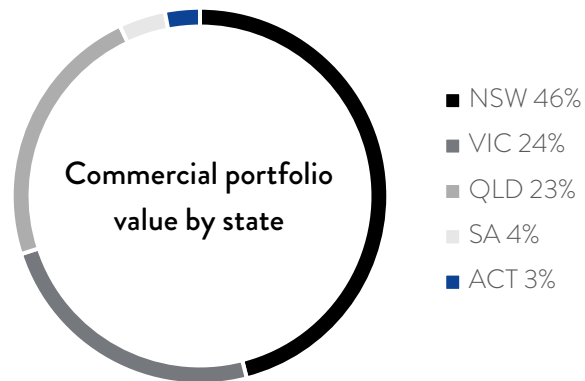
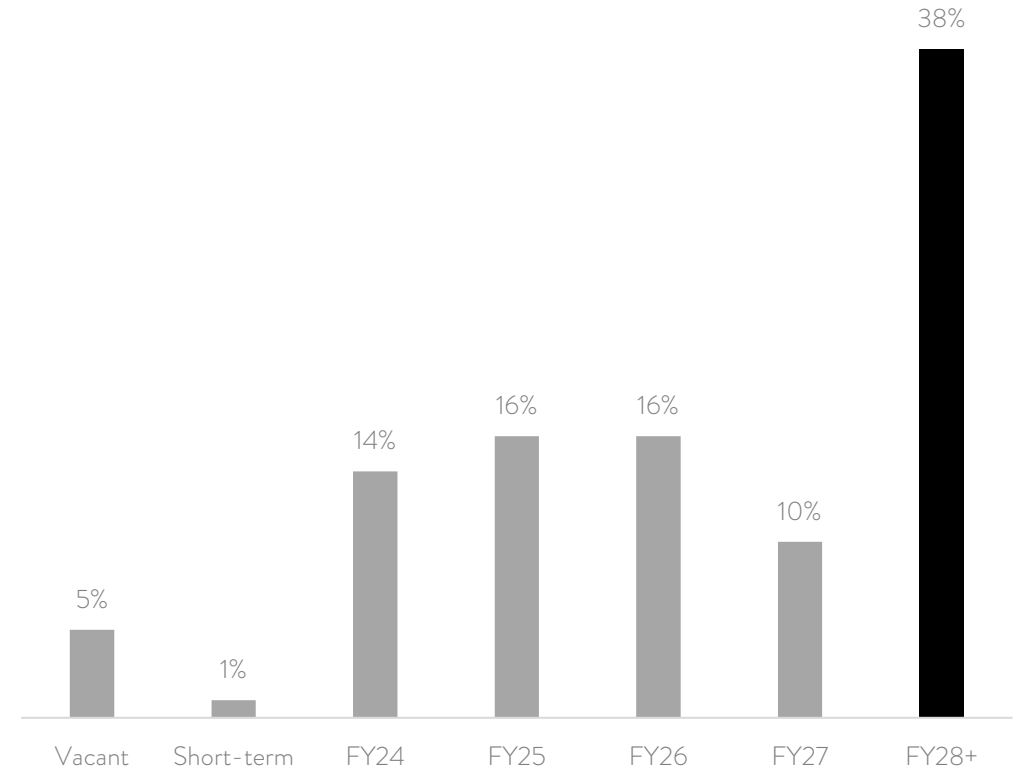


ABACUS GROUP PORTFOLIO SUMMARY

Abacus Group will continue to own and manage its current \$2.4 billion Commercial property portfolio¹

| Portfolio metrics | Office | Retail & Other | Total |
|----------------------------|---------|----------------|---------|
| No. of assets (#) | 18 | 6 | 24 |
| NLA (sqm) ^{2,3} | 130,822 | 62,256 | 193,078 |
| Occupancy (%) ³ | 94.1% | 93.3% | 93.9% |
| WALE (years) ³ | 3.6 | 5.7 | 4.2 |
| WACR (%) | 5.49% | 6.15% | 5.62% |
| Book value (\$m) | 1,844 | 548 | 2,392 |

Office lease expiry profile⁴



Note: Portfolio metrics as at 30 April 2023.

1. Excludes investments in cash and other assets.

2. Abacus Group ownership basis.

3. Excludes development affected assets.

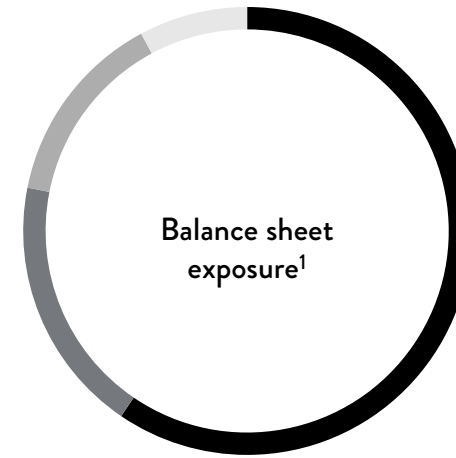
4. As at 30 April 2023. Excludes development affected assets. Abacus Group ownership basis.



ABACUS GROUP OVERVIEW

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- Abacus Group will continue to own and manage a Commercial portfolio
- Abacus Group will be the fund manager of ASK
- Accordingly, Abacus Group will have diverse income streams including:
 - Rental income from diversified property investments across its Commercial portfolio
 - Investment income from its interest in ASK
 - Management fees from the management of ASK
- Abacus Group's \$5.6 billion of assets under management will be comprised of \$2.5 billion of assets which will remain on Abacus Group's balance sheet and \$3.1 billion of assets in ASK



- Office properties 60%
- Retail & other properties 19%
- ASK stake 14%
- Cash and other assets 8%

Office
\$1.8bn / 18 assets

Retail and Other
\$0.5bn / 6 assets

Abacus Storage King
\$0.4bn / 19.9% stake in ASK

Cash and other assets
\$0.2bn



Note: Includes the impact of the Proposal, the Offer and certain post balance date events which have occurred subsequent to 31 December 2022 which ABG Directors believe to be material and relevant in further understanding the pro forma financial position of ABG. This information has not been subject to audit or review. Includes unaudited independent valuations across Abacus' properties as at 30 April 2023.

1. Includes Abacus Group's investment properties and equity accounted investments.

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DETAILS OF THE OFFER



DETAILS OF THE ASK OFFER

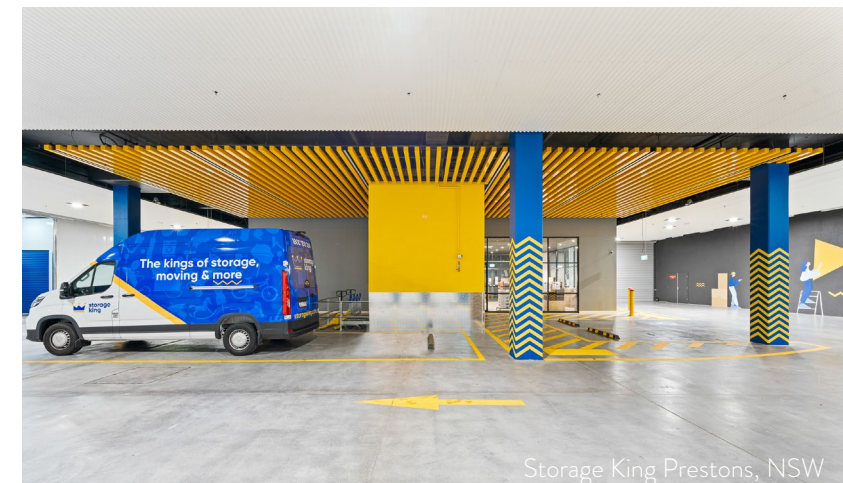
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| | |
|--|---|
| Offer structure | <ul style="list-style-type: none"> As part of the Proposal, Abacus is proposing to conduct a Securityholder Offer of new ASK Securities (Offer) Abacus is seeking to raise approximately \$225m under the Offer and the targeted ASK gearing ratio will be approximately 26.8%, which is at the lower end of its target gearing range of 25-35% Completion of the Offer is subject to certain conditions precedent being met or waived if applicable (including but not limited to Securityholder approval to undertake the Proposal, regulatory approvals) and the Proposal (or the Offer itself) not being otherwise withdrawn |
| Process | <ul style="list-style-type: none"> New ASK Securities will be offered on a pro rata basis with reference to existing Abacus Securities held on the Record Date (the day Abacus re-commences trading following the trading halt) <ul style="list-style-type: none"> Abacus' eligible institutional securityholders will have the opportunity to participate in the Offer on an accelerated timeline (Institutional Securityholder Offer) during the trading halt Abacus' eligible retail securityholders will have the opportunity to participate and oversubscribe in the Offer following lodgement of the Transaction Booklet, with the Retail Securityholder Offer expected to close at 5:00pm on the date of Abacus' EGM |
| Major securityholder intentions | <ul style="list-style-type: none"> ASK's free float is expected to be approximately 41% of ASK Securities on issue following completion of the Proposal <ul style="list-style-type: none"> Calculator Australia¹, Abacus' major securityholder, is supportive of the Offer and is expected to have a direct interest in ASK of approximately 40% following completion of the Offer Abacus is expected to have a collective interest in ASK of up to 19.9% as a result of exchanging a proportion of the balance of intercompany loans for equity in ASK and through the transfer of certain Self Storage assets to ASK which will result in all of the Self Storage assets being owned by ASK Further details in relation to the Offer will be provided at launch of the Institutional Securityholder Offer |

1. Calculator Australia Pty Ltd as trustee for Calculator Australia Trust.

Indicative key dates

| | |
|---|--------------|
| Trading halt and Institutional Securityholder Offer | Mid June |
| Abacus' Extraordinary General Meeting | Late July |
| Implementation Date | Early August |



Storage King Prestons, NSW

OFFER SUMMARY



Proceeds from the Offer will be used to:

- Position ASK's capital structure with its pro-forma gearing expected to be reduced to 26.8% at completion of the Offer;
- Provide balance sheet capacity to take advantage of acquisition and development opportunities;
- Fund capital expenditure for ASK's development pipeline;
- Provide ASK with working capital; and
- Fund the transaction costs associated with the Proposal

| Sources of funds | \$m | Uses of funds | \$m |
|----------------------|------------|--|------------|
| Offer proceeds | 225 | Acquisition costs associated with Storage King Castle Hill, Woolloomooloo, Homebush and Miami ¹ | 21 |
| | | Repayment of intercompany loan to Abacus Group | 161 |
| | | Repayment of existing bank debt | 31 |
| | | Transaction costs | 12 |
| Total sources | 225 | Total uses | 225 |

1. Includes cash consideration paid for the Castle Hill asset and stamp duty for acquisition of Castle Hill and purchase of units in ART (entity which owns Woolloomooloo, Homebush and Miami).

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ADDITIONAL INFORMATION



SPECIFIC ASSUMPTIONS



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| Assumption | Commentary |
|---|--|
| Storage income | Storage income has been forecast on a property-by-property basis based on historic and current storage rental rates and occupancy of existing Self Storage centres, with forecasts based on Abacus Storage King Directors best estimate assumption for future occupancy rates, customer retention and market rentals. Across Abacus Storage King’s established portfolio, the average occupancy was 90.9% as at 30 April 2023. In the year ending 30 June 2024 average occupancy is forecast to slightly decrease from 90.9% to 90.5%. |
| Average rate per square metre growth | Based on Abacus Storage King Directors’ best estimate of future rental growth and with reference to historical growth rates, the annualised average rental rate growth per square metre for the established portfolio, stabilising portfolio and acquisition portfolio is forecast at approximately 4.4%, 7.8% and 7.8% respectively, which has been adopted for the purpose of forecasting rental growth for the year ending 30 June 2024. |
| Storage expenses | Storage expenses have been forecast on a property-by-property basis having regard to current property operating expenses and assumptions for future costs of the existing and committed acquisitions and developments for the year ending 30 June 2024. Property operating expenses typically include land tax, council rates, building insurance, waters rates, repairs and maintenance amongst other things. Property operating expenses are forecast to increase in line with known increases (for agreed contracts) or CPI (assumed for forecast purposes to be 4.3%). |
| Finance costs | The Abacus Storage King Debt Facilities are forecast to incur an average interest rate of 3.6% on drawn amounts inclusive of line fees and forecast hedging arrangements for the year ending 30 June 2024. |
| Valuation of investment properties | Abacus Storage King's Self Storage Properties have been independently valued by CBRE at approximately \$2,305 million for Australian based properties and NZ\$335 million for New Zealand based properties as at 30 April 2023. Comprises PP&E and investment properties but excludes properties that have exchanged but not settled. |

SPECIFIC ASSUMPTIONS



| Assumption | Commentary |
|----------------------------|--|
| Capital expenditure | Forecast development capital expenditure has been made on a property-by-property basis for existing development and expansion projects. Such capital expenditure relates to planning costs, consultant fees, incentives and construction costs. The total amount of forecast development and expansions are \$81.6 million and \$6.5 million respectively. |
| Management fees | Abacus Group will receive a base management fee of 40bps of ASK gross asset value plus market standard property, leasing and development management fees. |
| Corporate expense | Corporate expenses include Abacus Storage King Directors fees, ASX listing fees, staff salaries and incentives, legal fees, audit fees, valuation fees, share registry fees, tax and compliance fees and other costs which Abacus Storage King expects to incur. These other expenses have been forecast based on relevant agreements and quotes from external parties and by taking into account factors likely to influence the level of these expenses. |
| Transaction costs | Transaction costs include underwriting, advisor and consultancy fees, stamp duty and other expenses associated with the Proposal including the Offer. At the date of this Presentation, the total transaction costs have been estimated at \$21.9 million based on existing agreements and quotes, and applicable stamp duty rates. |

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KEY RISKS



KEY RISKS



The risks set out below are not necessarily listed in order of materiality and do not constitute an exhaustive list of all risks regarding the Proposal or an investment in Abacus Group Securities or Abacus Storage King Securities. Further details regarding the risks will be provided in the Transaction Booklet and no investment decision should be made before reviewing the Transaction Booklet in its entirety.

1. Main risks of the Proposal

The main risks of the Proposal are set out below:

- Following completion of the Proposal, some or all of the expected potential benefits of the Proposal may not be able to be achieved by Abacus Group or Abacus Storage King or the operating costs of these two listed entities may be greater than expected.
- There is a potential risk that the trading price of Abacus Storage King Securities will reduce from their price on commencement of trading post-listing, and that the combined price of Abacus Group Securities and Abacus Storage King Securities will be less than the current price of Abacus Property Group Securities. If the Proposal does not proceed, there is no assurance that Abacus Property Group Securities will continue to trade at prices in line with recent levels.
- Following completion of the Proposal, Abacus Group will maintain an ongoing relationship with Abacus Storage King. Given it is anticipated that Abacus Group and Abacus Storage King will act with separate commercial objectives in their dealings post-completion of the Proposal, there is a risk that their commercial interests may diverge and disputes may occur over time. This may have an adverse impact on the respective financial position, financial performance and reputation of either or both groups.
- The Proposal may have potential adverse tax implications for Abacus Property Group Securityholders. The material Australian income taxation consequences of the Proposal for Abacus Property Group Securityholders will be provided in an Australian taxation report in the Transaction Booklet.
- Adverse stamp duty and tax consequences may arise if the stamp duty exemptions sought and obtained or that are expected to be obtained in relation to the Proposal are denied or withdrawn or the ATO does not issue or withdraws the class ruling sought in relation to the Proposal or if taxation authorities take different views in the interpretation or application of certain taxation laws or treatment of certain tax issues.

- ASFML, the responsible entity of ASPT and Manager of ASOL, is a wholly owned subsidiary of Abacus Group. As such, Abacus Group will be exposed to the extent ASFML incurs any liability for which it is not fully indemnified out of the assets of the relevant Abacus Storage King Entities. If any gap in the indemnification coverage is significant, this could have an adverse impact on the financial position and performance of Abacus Group.
- Abacus Group's and Abacus Storage King's credit profiles may change which may affect their respective access to, and cost of, debt.
- There is a risk that the relevant conditions precedents to the Proposal being implemented may not be satisfied or waived or that their satisfaction may be delayed. If they are not satisfied or waived, then the Proposal cannot proceed.
- If any of the data or information provided to and relied upon by Abacus Property Group in its due diligence process and its preparation of this presentation and the Transaction Booklet proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Abacus Group Securities or Abacus Storage King Securities post completion of the Proposal may be materially different to the financial position and performance expected and reflected in the Transaction Booklet.
- Following the implementation of the de-stapling, the reduced level of asset diversification in each of Abacus Group and Abacus Storage King may increase the risk of an adverse impact on either group if either or both of the Commercial and Self Storage asset classes (as applicable) experiences a downturn in performance. This can include impacts on distributions, the ability to raise capital and financial covenant compliance.
- A key element of Abacus Storage King's future strategy is expected to involve the acquisition of new Self Storage properties, the development of new Self Storage properties and the expansion of existing stores. If these opportunities cannot be realised, through increased competition or regulatory restrictions or impediments, there is a risk that the performance of Abacus Storage King will be lower than expected.
- The outlook for interest rates is a key driver of investment demand for, and valuations of, commercial real estate assets due to the impact on capitalisation rates and borrowing costs. Lower interest rates generally result in tighter capitalisation rates, which has the effect of increasing property valuations, while higher interest rates have the inverse effect. Further, lower interest rates generally result in lower debt financing costs, which has the effect of increasing financial returns to investors, while higher interest rates have the inverse effect.

Further details regarding the risks in relation to the Proposal will be provided in the Transaction Booklet.

KEY RISKS



2. Main risks of an investment in Abacus Storage King (post completion of the Proposal)

Demand for storage space

Various factors may adversely affect the demand for storage space, many of which will be outside the control of Abacus Storage King. These factors include fluctuations in economic conditions, changes in consumer behaviour in respect of using storage space or requiring different types of storage space, changes in demand from business customers and changes in demand from retail customers.

If there is a decrease in the demand for storage space, this will have a materially adverse impact on Abacus Storage King's revenue and therefore its financial position and performance.

Supply of storage space

If competitors in the Self Storage industry increase the available space for Self Storage in areas where Abacus Storage King operates, this may limit prices that Abacus Storage King can charge, cause any price increases to be deferred and cause negative pressures on margins. Alternatively, if more buildings become available for conversion to Self Storage uses, this may cause the supply of Self Storage space to increase. If there is an increase in the supply of Self Storage space which results in these adverse impacts, this will have a materially adverse impact on Abacus Storage King's revenue and therefore its financial position and performance.

Competition

Competition from other existing or new Self Storage operators could adversely impact on the occupancy level and rental rates of Abacus Storage King's Self Storage stores. While Abacus Property Group undertakes all reasonable due diligence in its business planning and operations (and post implementation of the Proposal Abacus Storage King will undertake all reasonable due diligence), the business does not have influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of Abacus Storage King.

Furthermore, the traditional Self Storage market may also be disrupted by new business models that are unanticipated which could affect Abacus Storage King returns. If Abacus Storage King cannot adapt to a more competitive environment, its operating and financial performance may be adversely affected.

Valuations

The value of the portfolio of Self Storage Properties, or individual assets within the portfolio, may be impacted by a number of factors affecting the property market generally such as interest rates, and for Abacus Storage King in particular, factors such as adverse movements in rate and occupancy may affect rental income.

Abacus Storage King intends to have the Self Storage Properties in its Self Storage Investment Portfolio revalued in accordance with its valuation policy. Reported valuations will represent only the analysis and opinion of the Abacus Storage King Directors and/or the relevant valuation experts at a certain date, and are not guarantees of present or future property values. Property values may fall if the underlying assumptions on which the valuation reports are based change in the future. Valuations may differ depending on the valuer appointed. A valuation may not reflect the actual price that would be realised if a property is sold. As property valuation adjustments are reflected in Abacus Storage King's statement of profit and loss, any decreases in value would have a corresponding effect on the statement of profit and loss and Abacus Storage King's financial position and performance.

Financial covenants

Post completion of the Proposal, Abacus Storage King will have various covenants in relation to its debt facilities.

Factors such as falls in rental income, falls in asset values, increased interest expenses and the inability to achieve timely asset sales at prices acceptable to Abacus Storage King, could lead to a breach of financial covenants. In these circumstances, lenders may seek to exercise enforcement rights under the finance documentation (with such rights may include requiring the loans to be repaid immediately). Such events may require Abacus Storage King to raise further equity, dispose of assets for a lower market value than could otherwise have been realised or reduce or suspend distributions to Abacus Storage King Securityholders in order to repay the relevant debt facility.

Operating business

As an operating business, the Self Storage business needs to be (and post implementation of the de-stapling, Abacus Storage King needs to be) adequately resourced to manage growth in storage stores, maintain good customer engagement, continue marketing of the Storage King brand, maintain stores in line with the relevant

KEY RISKS



legislation and regulations, and minimise the risks associated with work health and safety incidents and plant and equipment usage. If it does not have adequate resources to achieve any of these, Abacus Storage King may suffer a lack of customer or employee satisfaction, a decline in revenue, increased expenditure to fix dilapidated stores, fines, regulatory action, litigation, adverse media coverage, or reputational damage. Any of these may, as a consequence, have an adverse impact on Abacus Storage King's financial position and performance.

Arrangements with Self Storage licensees

As part of the Self Storage business, Abacus Property Group manages and licenses (and post implementation of the de-stapling Abacus Storage King will manage and license) Self Storage stores for third party owners. As a result, the Self Storage business is (and post implementation of the de-stapling, Abacus Storage King will be) responsible for ensuring those sites are properly operated. If those operations are not well maintained, or if there is an incident that causes damage to a property or person, this may result in regulatory action, litigation, fines, damages or compensation being payable, and may involve adverse media coverage, each of which could be reputationally damaging to Abacus Storage King and could adversely impact on financial position and performance.

Acquisitions and developments

A key element of Abacus Storage King's future strategy is expected to involve the acquisition of new Self Storage properties, development of new Self Storage properties and expansion of existing stores. If these opportunities cannot be realised, through increased competition or regulatory restrictions or impediments there is a risk that the performance of Abacus Storage King will be lower than expected.

Further details regarding the risks in relation to an investment in Abacus Storage King (post completion of the Proposal) will be provided in the Transaction Booklet.

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KEY RISKS



3. Main risks of an investment in Abacus Group (post completion of the Proposal)

Demand for commercial properties

Various factors may adversely affect the demand for commercial properties, many of which will be outside the control of Abacus Group. These include fluctuations in economic conditions, demand for office space and changes to working patterns and changing requirements of office fit outs / rental terms.

A decrease in the demand for commercial properties will have a materially adverse impact on Abacus Group's revenue and therefore its financial position and performance.

Competition

Competition from other existing or new commercial property groups could adversely impact on Abacus Group's operations, which may result in a loss of potential tenants or customers to competitors and inability to negotiate lease renewals or to avoid reduction in rents for Abacus Group's tenants and customers. While Abacus Property Group undertakes (and Abacus Group will undertake from implementation of the de-stapling) all reasonable due diligence in its business planning and operations, it has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of Abacus Group. If Abacus Group cannot adapt to a more competitive environment, its operating and financial performance may be adversely affected.

Valuations

The value of the Abacus Group Commercial Portfolio, or individual assets within the portfolio, may be impacted by a number of factors affecting the property market generally such as interest rates, and for Abacus Group in particular, factors such as the ability to renew leases and the level of tenant incentives may affect rental income, capital costs to maintain assets and new supply creating competition.

Abacus Group intends to have the properties in its Commercial portfolio revalued regularly in accordance with its valuation policy. Reported valuations will represent only the analysis and opinion of the Abacus Group Directors and/or the valuation experts at a certain date, and are not guarantees of present or future property values.

Financial covenants

Factors such as falls in rental income, falls in asset values, increased interest expenses and the inability to achieve timely asset sales at prices acceptable to Abacus Group, could lead to a breach of financial covenants of its debt facilities. In these circumstances, lenders may seek to exercise enforcement rights under the finance documentation (with such rights may include requiring the loans to be repaid immediately). Such events may require Abacus Group to raise further equity, dispose of assets for a lower market value than could otherwise have been realised, or reduce or suspend distributions to Abacus Group Securityholders in order to repay the relevant debt facility.

Investment mandate

A key element of Abacus Group's future strategy is expected to involve the investment of capital to add to its Commercial portfolio. Whilst it is Abacus Property Group's policy (and will, post implementation of the Proposal, be Abacus Group's policy) to conduct a robust investment approval process together with formal due diligence process in relation to its investments, risks remain that are inherent in such investments.

These risks include investments not performing in line with Abacus Group's forecasts, capital expenditure required in any of the acquisition or business opportunities being greater than expected and a breakdown in relationship with joint venture partners or issues with neighbouring properties.

The occurrence of these risks may adversely affect Abacus Group's financial condition, credit profile, net tangible assets and/or operational results. There is also a risk that adverse changes in market conditions may negatively impact on growth and returns to Abacus Group Securityholders.

Management of commercial assets

Abacus Group relies (and post implementation of the de-stapling Abacus Group will rely) on external property agents to manage the Commercial property assets on behalf of its tenants. Abacus Group's reputation as well as its financial position and performance are reliant on its ability to maintain existing lease terms, renew existing tenant leases and replace outgoing tenants with new tenants.

Further details regarding the risks in relation to an investment in Abacus Group (post completion of the Proposal) will be provided in the Transaction Booklet.