ASX RELEASE

13 AUGUST 2024

STRONG, RESILIENT OPERATING METRICS

Abacus Storage King (ASX:ASK) ('ASK') today announced its results for the year ended 30 June 2024, delivering funds from operations (FFO) of $81.1 million, representing 6.36 cents per security and a distribution of 6.0 cents per security, in line with guidance.

FY24 Highlights

- Statutory net profit of $138.2 million
- FFO of $81.1 million (6.36 cents per security)
- Distribution of 6.0 cents per security, reflecting an FFO payout ratio of 94%
- NTA of $1.58 per security
- WACR of 5.55%, tightened two basis points (FY23: 5.57%)
- Established portfolio[1] operating metrics
  - Average RevPAM of $327psm, growth of 4.6% on FY23
  - Average Rental Rate of $360psm, growth of 3.8% on FY23
  - Average Occupancy of 91.0%, up 60 basis points on FY23
- Growth drivers
  - Acquisitions: $137 million invested in 8 operating stores and 3 development sites, adding 35,100 sqm of NLA (5% of portfolio)
  - Developments: Delivered 3 new operating stores, valued at $81 million, adding 22,000 sqm of NLA (3% of portfolio)
  - Platform: Storage King maintained number one most Google searched Self Storage brand in Australia in FY24
- Capital management
  - Pro forma gearing is 27.5%[2], comfortably within target range of 25-35%
  - Significant pro forma funding capacity of over $350 million[2]
  - FY24 average cost of debt was 3.5%, with minimal debt expiry in FY25-26
  - Credit approved underwriting commitment for $1.25 billion unsecured debt platform, extending tenor and reducing margin
- Earnings guidance[3]
  - FY25 distribution guidance of 6.1 cents per security, targeting a full year payout of 90%-100% of FFO

1 Established portfolio includes 86 mature stores as at 1 July 2022. (FY23 established portfolio has been restated for comparison purposes).
2 Includes impact of divestment of stake in listed peer, announced on 17 July 2024 and settlement of five properties post year end.
3 Guidance predicated on no material decline in current business conditions.

Abacus Storage King - Level 13, 77 Castlereagh Street, Sydney NSW 2000 AUSTRALIA +61 2 9253 8600
Abacus Storage Funds Management Limited ACN 109 324 834 ASFL 277357 as Responsible Entity of
Abacus Storage Property Trust ARSN 111629 559 | Abacus Storage Operations Limited ACN 112 457 075.
abacusgroup.com.au

Resilient organic operating performance

Self Storage operating conditions remained robust, despite the ongoing economic uncertainty and consumer sentiment challenges faced during the period.

ASK's strong operational performance reflects its irreplaceable, metro focused property portfolio together with the Storage King operating brand and platform. Operational highlights include established store RevPAM increasing by 4.6% to $327psm (FY23: $313psm), driven by rental rate growth of 3.8% to $360psm (FY23: $347psm), and a 60 basis point increase in occupancy to 91.0% (FY23: 90.4%).

Multi-pronged growth drivers expanding portfolio net lettable area (NLA)

Enhancing the portfolio's organic growth are ASK's acquisition, development, and platform strategies:

- **Acquisitions:** Sourced in majority from the Storage King network, ASK acquired eight operating stores and three development sites for $137 million adding 35,100 sqm of NLA (5% of portfolio).
- **Developments and expansions:** The development pipeline delivered three new, strategically located stores valued at $81 million, adding 22,000 sqm of NLA (3% to the portfolio). ASK has a significant development pipeline expected to deliver 18 new stores with an estimated NLA of 103,000 sqm (~16% of ASK's current NLA) over the short to medium term. It is anticipated that these next generation Self Storage assets in prime metropolitan locations, will enhance the average RevPAM across the established portfolio over time. In addition, 16,000 sqm of expansion NLA (or ~2% of total current NLA) is expected in the short to medium term.
- **Platform:** Storage King remained the number one most Google searched Self Storage brand in Australia in FY24, an important lead indicator for future enquiries. Pleasingly, operating margins remained resilient at 65% (FY23: 66%) despite the inflationary environment. A number of initiatives are being actively pursued, such as investing in revenue and data management technology which are expected to expand margins over the longer term.

Sustainability progress

During FY24 we developed ASK's standalone sustainability strategy, including the establishment of our materiality matrix and from this our sustainability initiative roadmap, which provides a framework for resource prioritisation and monitoring progress on our sustainability journey. The strategy centres around three key pillars, Connect to People, Care for the Planet and Commit to do the Right Thing. In line with the strategy we have continued to progress towards our net zero emissions by 2030[4] target with initiatives focused on energy efficiencies across our stores, enhancing the customer experience through active engagement and continuing to support our employee health and wellbeing through a range of initiatives. Further details will be provided in ASK's first standalone Sustainability Report due to be released later this year.

Balance sheet capacity to fund growth initiatives, transition to unsecured debt platform

Following the post balance date divestment of the remaining securities in our Self Storage listed peer, ASK is conservatively geared at 27.5%[2] with over $350[2] million of capacity to fund future acquisition and

4 Scope 1 & 2 greenhouse gas emissions for ASK owned stores assuming access to green power remaining a feasible option, if required.

development initiatives, enabling growth in the medium to long term. The average cost of debt in FY24 was 3.5% and is expected to increase to an average cost of debt of 3.75%[5] in FY25.

Post balance date, credit approved underwriting commitments have been executed for a new $1.25 billion unsecured syndicated loan facility which will replace the existing secured debt facility. The commercial terms of the debt include a lower margin and increased tenor when compared with the existing facility.

Abacus Group's Chief Financial Officer, Evan Goodridge, commented "FY24 was a strong first financial year for ASK as a standalone entity. We remain disciplined on directing capital towards assets that provide potential for enhanced income growth and the creation of medium to long term value. It was particularly pleasing to execute a credit approved underwriting commitment and transition to an unsecured debt platform, which will unlock significant value and once again evidences a strong show of support from our lenders."

Outlook and guidance

Abacus Group's Managing Director, Steven Sewell commented, "The continued growth in RevPAM is a result of our portfolio of right sized, urban locations combined with our sector leading operating platform, Storage King. Despite the inflationary headwinds, we expect our portfolio to continue to benefit from a range of tailwinds over the short to medium term, including organic growth as the Self Storage category continues to mature in Australia and New Zealand, acquisition opportunities in a heavily fragmented sector and the longer term platform initiatives to drive growth in brand, customer and revenue management.

ASK remains well positioned to leverage its key enablers and deliver recurring income and value creation over the medium term, underpinned by its multi-pronged growth strategy. Longer term, ASK is focused on implementing platform enhancements across technology, data and revenue management to enhance the growth outlook and support our vision to be the undisputed leader in the Self Storage industry by being the most respected, responsive, and recognised owner, operator and manager."

ASK provides FY25 distribution guidance of 6.1 cents per security, targeting a full year distribution payout of 90%-100% of FFO. Our guidance is predicated on no material decline in current business conditions.

Market briefing

Abacus Storage King will conduct a market briefing on Tuesday, 13 August at 9:00am (AEST).

Access will be via webcast at: https://abacusgroup.com.au/investor-centre/abacus-storage-king/key-dates-events/event/ask-fy24-results-presentation/

END

Investor & Media Enquiries
Cynthia Rouse
Executive General Manager
Investor Relations and Corporate Communications
+61 2 9253 8600

Authorised for release by Lucy Spenceley, Company Secretary ASX:ASK

5 As part of ASK's transition to an unsecured debt platform, the ASK hedge book value will be utilised to target an FY25 average cost of debt no greater than 3.75% assuming an average floating rate of 4.2%.