ABACUS

ABACUS PROPERTY GROUP

Transaction Booklet

In relation to the Proposal which involves the De-stapling of Abacus Property Group (ASX:ABP) to create two separately listed groups Abacus Group (initially ASX:ABP and then ASX:ABG) and Abacus Storage King (ASX:ASK), the ASX Listing of Abacus Storage King, the Offer by the Abacus Storage King Entities and certain other Implementation Steps.

THE PROPOSAL HAS THE UNANIMOUS SUPPORT OF THE ABACUS PROPERTY GROUP DIRECTORS.

The Independent Expert has concluded that the Proposal is fair and reasonable to Abacus Property Group Securityholders.



JOINT LEAD MANAGERS

Barrenjoey
Partnering with BARCLAYS

Morgan Stanley

This is an important document and requires your immediate attention.

You should read this Transaction Booklet carefully and in its entirety prior to making a decision as to how to vote on the Resolutions to facilitate the Proposal and, if eligible, whether or not to participate in the Offer and, if necessary, seek advice from your stockbroker, accountant, tax adviser, independent financial adviser and/or other professional adviser(s).

If you have any questions about this Transaction Booklet or the Proposal, please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays).

If you have any queries or uncertainties relating to aspects of this Transaction Booklet or the Proposal, please consult your stockbroker, accountant, tax adviser, independent financial adviser and/or other professional adviser(s).

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Abacus Group Holdings Limited ABN 31 080 604 619 | Abacus Funds Management Limited ABN 66 007 415 590 AFSL 227819 as responsible entity of Abacus Trust ARSN 096 572 128 and Abacus Income Trust ARSN 104 934 287 | Abacus Storage Funds Management Limited ABN 41 109 324 834 AFSL 277357 as responsible entity of Abacus Storage Property Trust ARSN 111 629 559 | Abacus Group Projects Limited ABN 11 104 066 104 | Abacus Storage Operations Limited ABN 37 112 457 075

IMPORTANT NOTICES

What is this Transaction Booklet?

This Transaction Booklet is dated 19 June 2023 and has been prepared by Abacus Property Group (see the part titled "Responsibility for information" below for further information on the preparation of this document). The purpose of this Transaction Booklet is to provide Abacus Property Group Securityholders with 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 property (including Retail and other) business and remain internally managed. Abacus Group will remain listed on ASX using the ticker 'ASX:ABP' until shortly after the Normal Trading Date when it is expected to be changed to 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 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'.

The Transaction Booklet also provides Abacus Property Group Securityholders and other prospective investors with information about the Offer which the Abacus Storage King Entities will proceed with if the Proposal is approved and implemented.

This Transaction Booklet comprises:

- a Notice of Meeting and an explanatory memorandum for Abacus Property Group Securityholders in relation to the Resolutions and provides such information as is prescribed or otherwise material to the decision of Abacus Property Group Securityholders on how to vote on the Resolutions at the Meeting;
- a prospectus for the purposes of Chapter 6D of the Corporations Act issued by ASOL for the issue of fully paid ordinary shares in ASOL under the ASK Stake Acquisition and the Offer (**Prospectus**); and
- a product disclosure statement for the purposes of Part 7.9 of the Corporations Act issued by Abacus Storage Funds Management Limited (ABN 41 109 324 834, AFSL 277357) (**ASFML**) as responsible entity of ASPT for the issue of fully paid units (interests) in ASPT under the ASK Stake Acquisition and the Offer (**PDS**).

The Proposal is subject to a number of Conditions Precedent, including Abacus Property Group Securityholders approving the Proposal (see Section 3.4).

Defined Terms

Capitalised terms used in this Transaction Booklet are defined in Section 18 of this Transaction Booklet.

In this Transaction Booklet, the term:

- "Abacus Property Group" refers to the current stapled structure;
- "Abacus Group" is used to describe Abacus Property Group excluding Abacus Storage King; and
- "Abacus Storage King" is used to describe the proposed separated stapled group comprising ASPT and ASOL as it will exist if the De-stapling is implemented. This term is also used in this Transaction Booklet for simplicity of explanation only, to reflect the Self Storage aspects of Abacus Property Group's existing business.

References in this Transaction Booklet to matters that have been or will have been determined on or prior to the De-stapling Implementation by the boards and directors of Abacus Group or Abacus Storage King reflect the determinations by the current directors and boards of Abacus Group and Abacus Storage King (as applicable) as at the Transaction Booklet Date (see Sections 4.6 and 8.2.1 for further details). It is intended that the boards of Abacus Group and Abacus Storage King will be reconstituted on or as soon as practicable after the De-stapling Implementation Date to reflect the board composition set out in Sections 4.6 and 8.2 respectively.

References in this Transaction Booklet to strategies or policies to be applied by Abacus Group and Abacus Storage King following the De-stapling Implementation reflect the views and intentions of the intended directors of Abacus Group Board and Abacus Storage King Board from the De-stapling Implementation Date.

This information is important and requires your attention

It is important that you read this Transaction Booklet carefully and in its entirety prior to making a decision as to how to vote on the Resolutions and prior to making your investment decision with respect to the Offer. In particular you should pay careful consideration to the disadvantages and key risks of the Proposal (including the Offer) outlined in Sections 3.8 and 3.9, the risk factors outlined in Sections 4.3, 5.6 and 14 and the tax implications in Annexure D of this Transaction Booklet as they relate to your personal investment objectives, financial circumstances and needs and the views of the Independent Expert set out in the Independent Expert's Report, a copy of which is contained in Section 13 of this Transaction Booklet. The potential tax effects of the Offer will vary between investors. Other risk factors may exist in addition to those identified in this Transaction Booklet which should also be considered in light of your personal circumstances. If you have any questions about this Transaction Booklet or the Proposal, please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays). If you have any queries or uncertainties relating to aspects of this Transaction Booklet or the Proposal, please consult your stockbroker, accountant, tax adviser, independent financial adviser and/or other professional adviser(s) before deciding how to vote on the Resolutions and whether to invest in the Offer.

Responsibility for information

Except as outlined below, the information in this Transaction Booklet has been prepared by AGHL, Abacus Funds Management Limited (ABN 66 007 415 590, AFSL 227819) (**AFML**) as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT.

AGHL, AGPL and AFML (as responsible entity of each of AT and AIT) have prepared and are responsible for the Abacus Group Information. None of ASOL or the ASPT Responsible Entity, nor any of their respective directors, officers or advisers (except for those who are also directors, officers and advisers of AGHL, AGPL and AFML (as responsible entity of each of AT and AIT) with respect to the Abacus Group Information in that capacity) assumes any responsibility for the accuracy or completeness of the Abacus Group Information.

ASOL and the ASPT Responsible Entity have prepared and are responsible for the Abacus Storage King Information. None of AGHL, AFML as responsible entity of each of AT and AIT, or AGPL, nor any of their respective directors, officers or advisers (except for those who are also directors, officers and advisers of ASOL and the ASPT Responsible Entity with respect to the Abacus Storage King Information in that capacity) assumes any responsibility for the accuracy or completeness of the Abacus Storage King Information.

Ernst & Young Strategy and Transactions Limited (ABN 87 003 599 844, AFSL 240585) has prepared and is responsible for the Independent Limited Assurance Report set out in Annexure B of this Transaction Booklet. None of AGHL, AFML as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT or any of their respective directors, officers or advisers (other than Ernst & Young Strategy and Transactions Limited) assume any responsibility for the accuracy or completeness of any information contained in the Independent Limited Assurance Report.

Kroll Australia Pty Ltd (ABN 73 116 738 535) (**Independent Expert**) has prepared and is responsible for the Independent Expert's Report, a copy of which is set out at Section 13 of this Transaction Booklet. None of AGHL, AFML as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT or any of their respective directors, officers or advisers (other than the Independent Expert) assume any responsibility for the accuracy or completeness of any information contained in the Independent Expert's Report.

PricewaterhouseCoopers (ABN 52 780 433 757) (**PwC**) has prepared and is responsible for the taxation considerations set out in Annexure D of this

Transaction Booklet. None of AGHL, AFML as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT or any of their respective directors, officers or advisers (other than PwC) assume any responsibility for the accuracy or completeness of any information contained in Annexure D.

CBRE Valuations Pty Limited (ABN 15 008 912 641) (**CBRE**); CIVAS (NSW) Pty Limited (ABN 32 168 282 728) and CIVAS (QLD) Pty Limited (ABN 87 168 282 522) (collectively **Colliers**); Cushman & Wakefield (Valuations) Pty Ltd (ABN 18 090 139 076) (**Cushman & Wakefield**); Knight Frank NSW Valuations and Advisory Pty Ltd (ABN 48 631 678 503) and Valuations Service (VIC) Pty Ltd (ABN 74 098 875 211) (collectively **Knight Frank**); M3 Property Australia Pty Ltd (ABN 60 153 395 405) (**M3 Property**); and Savills Valuation Pty Ltd (ABN 73 151 048 056) (**Savills**) have prepared and consented to the inclusion of their respective summary of valuation reports in Annexure C of this Transaction Booklet. None of AGHL, AFML as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT or any of their respective directors, officers or other advisers assume any responsibility for the accuracy or completeness of any information contained in Annexure C.

The ASPT Responsible Entity has prepared a Target Market Determination (**TMD**) for ASPT in connection with the Offer, which includes information for the Joint Lead Managers, stockbrokers and other distributors about the class of investors for whom ASPT (as part of a stapled entity, being Abacus Storage King following De-stapling Implementation) would likely be an appropriate investment, having regard to their objectives, financial situation and needs. The TMD is accessible at www.abacusgroup.com.au.

Lodgement and listing

This Transaction Booklet is dated 19 June 2023 (**Transaction Booklet Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on the Transaction Booklet Date.

ASOL and the ASPT Responsible Entity will, within seven days of the Transaction Booklet Date, apply for the admission of Abacus Storage King to the Official List of ASX and the quotation of the Abacus Storage King Securities on ASX (**ASX Listing**). Neither ASIC nor ASX takes any responsibility for the contents of this Transaction Booklet or the merits of the investment to which this Transaction Booklet relates.

ASX reserves the right (but without limiting its absolute discretion) to remove one or more entities with stapled securities from the Official List if any of their securities cease to be 'stapled' together, or any equity securities are issued by one entity which are not stapled to equivalent securities in the other entity or entities.

While the Offer is being extended to New Zealand investors under the Mutual Recognition Regime, no application for listing and quotation is being made to NZX.

Not investment advice

The information contained in this Transaction Booklet should not be taken as financial product advice and has been prepared as general information only without consideration for your particular investment objectives, financial circumstances or particular needs.

In particular you should pay careful consideration to the disadvantages and key risks of the Proposal (including the Offer) outlined in Sections 3.8 and 3.9 and the risk factors outlined in Sections 4.3, 5.6 and 14 in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified and should also be considered before deciding whether or not to vote in favour of the Resolutions and whether or not to invest in the Offer.

If you have any queries or uncertainties related to aspects of this Transaction Booklet or the Proposal, please consult your stockbroker, accountant, tax adviser or independent financial adviser and/or other professional adviser(s) before deciding whether or not to vote in favour of the Resolutions and whether or not to participate in the Offer.

Similarly the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives. You should consider the tax implications outlined in Annexure D of this Transaction Booklet and obtain your own professional taxation advice prior to deciding whether or not to vote in favour of the Resolutions and whether or not to participate in the Offer.

Exposure period

The Corporations Act prohibits ASOL and the ASPT Responsible Entity from processing Applications for Abacus Storage King Securities under the Offer in the seven-day period after the date of lodgement of this Transaction Booklet (**Exposure Period**). This period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Transaction Booklet to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

No cooling off rights

Cooling-off rights do not apply to an investment in Abacus Storage King Securities pursuant to the Offer. This means that, in most circumstances, you will be unable to withdraw your Application once it has been accepted.

Rights and liabilities attached to the Abacus Storage King Securities

From the date the Abacus Storage King Securities under the Offer are issued, all Abacus Storage King Securities will rank equally in all respects with the Abacus Storage King Securities issued under the Offer.

Details of the rights and liabilities attached to each Abacus Storage King Security are set out in Section 17.7 and in the Constitutions of ASOL and ASPT and the Abacus Storage King Stapling Deed, copies of which will be made available for inspection at the registered office of ASOL and the ASPT Responsible Entity within normal trading hours.

Electronic Transaction Booklet

An electronic copy of this Transaction Booklet may be viewed online by Australian and New Zealand investors on ASX and at www.abacusgroup.com.au on and from the Transaction Booklet Date. The Abacus Property Group Securityholders can also view an electronic copy of this Transaction Booklet at the Registry's Investorserve website at www.investorserve.com.au on and from the Despatch Date. If you access this Transaction Booklet electronically please ensure that you download and read this Transaction Booklet in its entirety. The Retail Securityholder Offer (including the Retail Oversubscription Facility) is available to persons receiving this Transaction Booklet (electronically or otherwise) in Australia and New Zealand only. However, all Abacus Property Group Securityholders may vote on the Resolutions unless they are restricted from doing so by the voting exclusions set out in Sections 11.6.2 and 11.6.3.

A paper copy of this Transaction Booklet can be obtained, free of charge, during the Offer Period by contacting the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691(outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays). Applications for Abacus Storage King Securities under the Retail Securityholder Offer (including the Retail Oversubscription Facility) will only be considered if applied for on an Application Form that accompanies this Transaction Booklet or obtained via the Registry's Investorserve Website at www.investorserve.com.au or if the Application is otherwise made in accordance with the instructions in this Transaction Booklet (refer to Section 12.11 for further information) or in accordance with any directions from Abacus Storage King or the Registry. Application Forms for the Retail Securityholder Offer (including the Retail Oversubscription Facility) will become available from the start of the Offer Period.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this Transaction Booklet in its paper form or the complete and unaltered electronic form.

Third party industry and market data

This Transaction Booklet contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data, such as the Self Storage industry overview in Section 7. The Self Storage industry overview includes or is otherwise based on information supplied to the Abacus Storage King Entities, including internal financial and operational information of Abacus Storage King. In addition, the Self Storage industry overview includes or is otherwise based on information

IMPORTANT NOTICES CONTINUED

obtained from (i) various data collection agencies, industry associations, forums and institutes and private market analysts; and (ii) publicly available information, such as federal and state government budgets, tender publications, and other information publicly released by corporations and government departments, as well as primary interviews conducted with industry experts and participants and secondary market research. None of the Abacus Property Group Entities 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.

Disclosure regarding forward looking statements

Some of the statements appearing in this Transaction Booklet may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Transaction Booklet (including in the Independent Expert's Report) 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, 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 responsible entities, directors, officers, or any person named in this Transaction Booklet or involved in the preparation of this Transaction Booklet 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 Transaction Booklet reflect views held only at the Transaction Booklet Date. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Abacus Property Group, and post-De-stapling Implementation, Abacus Group and Abacus Storage King, and each of their responsible entities, their directors and their respective officers disclaim any obligation or undertaking to distribute after the Transaction Booklet Date, 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 Transaction Booklet 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.

Overseas investors

This Transaction Booklet has been prepared to comply with the requirements of Australian law. The Offer to which the Prospectus and PDS that form part of this Transaction Booklet relate is only being made available to:

- in respect of the Institutional Securityholder Offer, Eligible Institutional Abacus Property Group Securityholders with a registered address as at 7.00pm (AEST) on the Offer Record Date in an Eligible Institutional Jurisdiction, being Australia, Canada (British Columbia and Ontario provinces only), Germany (existing Abacus Property Group Securityholders only), Hong Kong, New Zealand, Singapore, Switzerland or the United States;
- in respect of the Institutional Shortfall Offer, Eligible Institutional Investors in an Eligible Institutional Jurisdiction, being Australia, New Zealand, Canada (British Columbia and Ontario provinces only), Germany (existing Abacus Property Group Securityholders only), Hong Kong, Singapore, Switzerland or the United States; and
- in respect of the Retail Securityholder Offer (including the Retail Oversubscription Facility), Eligible Retail Abacus Property Group Securityholders with a registered address as at 7.00pm (AEST) on the Offer Record Date in an Eligible Retail Jurisdiction, being Australia or New Zealand.

The Abacus Storage King Entities may also determine to extend the Offer to investors in other jurisdictions in its absolute discretion.

This Transaction Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of this Transaction Booklet outside of Australia and New Zealand (whether electronically or otherwise) may be restricted by law. Persons who receive this Transaction Booklet outside of Australia and New Zealand are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

Unless otherwise agreed with ASOL and the ASPT Responsible Entity, any person subscribing for Abacus Storage King Securities in the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Transaction Booklet, and are not acting for the account or benefit of a person in such jurisdiction.

To the maximum extent permitted by law, none of Abacus Property Group, Abacus Group, Abacus Storage King, the Joint Lead Managers, nor any of their respective related bodies corporate, affiliates or controlled entities, or any of their respective directors, officers, employees, partners, consultants, contractors, agents, representatives or advisers (together, the **Beneficiaries**) accepts any liability (including for fault or negligence) or responsibility to determine whether a person is able to participate in the Offer.

See Section 17.13 for further details.

Warning statement for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial

products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

A copy of this Transaction Booklet, other documents relating to the Offer and a copy of the Constitutions of ASPT and ASOL have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (offer number, OFR13550). While the Offer is being extended to New Zealand investors under the Mutual Recognition Regime, no application for listing and quotation is being made to NZX.

United States

This Transaction Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Abacus Storage King Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Abacus Storage King Securities may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The Abacus Storage King Securities to be offered and sold under this Transaction Booklet to Eligible Abacus Property Group Securityholders (as defined in this Transaction Booklet) will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S thereunder.

Each Applicant in the Offer under this Transaction Booklet will be taken to have represented, warranted and agreed on behalf of itself and each person for whom it is applying for Abacus Storage King Securities as follows:

- it understands that the Abacus Storage King Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and any other applicable securities laws;
- it is not in the United States at the time of such Application;
- it has not and will not send this Transaction Booklet or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Abacus Storage King Securities in the United States or in any other jurisdiction outside Australia or New Zealand except in transactions exempt from, or not subject to, registration under the U.S. Securities Act in compliance with applicable laws in the jurisdiction in which Abacus Storage King Securities are offered and sold.

This Transaction Booklet may not be distributed in the United States or to any person in the United States unless it is attached to, or constitutes part of, the U.S. Private Placement Memorandum that describes selling restrictions applicable in the United States, and may only be distributed to any person to whom the Offer may be lawfully made in accordance with the laws of any applicable jurisdiction. Offers to any persons in the United States are only being made pursuant to, and in accordance with the terms described in, the U.S. Private Placement Memorandum. The Offer is not an offer or invitation in any jurisdictions where, or to any person to whom, such an offer or invitation would be unlawful.

Based upon its current and projected financial position, including anticipated proceeds raised in connection with the Proposal, Abacus Property Group does not expect that either Abacus Group or Abacus Storage King will be a 'passive foreign investment company' or 'PFIC' for U.S. federal income tax purposes for the FY24 taxable year. However, because PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of our income and assets, there can be no assurance that Abacus Group and/or Abacus Storage King will not be a PFIC for any taxable year.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Proposal which is not contained in this Transaction Booklet. Any information or representation not contained in this Transaction Booklet may not be relied on as having been authorised by AGHL, AFML as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT in connection with the Proposal or by ASOL and the ASPT Responsible Entity in connection with the Offer.

Independent Valuations

This Transaction Booklet contains information regarding the independent valuations of the 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 (see Annexure C for a summary of the valuations). 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 information, financial amounts and currency

Sections 9 and 10 set out in detail the financial information of Abacus Group and Abacus Storage King respectively referred to in this Transaction Booklet and the basis of preparation of that information. The financial information in this Transaction Booklet should be read in conjunction with, and is qualified by reference to, the information contained in Sections 9 and 10.

All financial amounts in this Transaction Booklet 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 Transaction Booklet is current as at the Transaction Booklet Date, unless otherwise stated.

Non-IFRS financial information

Investors should be aware that certain financial information included in this Transaction Booklet is 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC. These non-IFRS financial measures are not prescribed under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although Abacus Group Directors believe the non-IFRS financial information provides useful information for measuring the financial performance and conditions of Abacus Group and Abacus Storage King Directors believe the non-IFRS financial information provides useful information for measuring the financial performance and condition of Abacus Storage King, Abacus Property Group Securityholders, Abacus Group Securityholders and Abacus Storage King Securityholders are cautioned not to place undue reliance on any non-IFRS financial measures included in this Transaction Booklet.

Times and dates

Unless otherwise indicated, all times and dates referred to in this Transaction Booklet 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 Transaction Booklet may change and, among other things, are subject to all necessary approvals from regulatory authorities.

IMPORTANT NOTICES CONTINUED

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Transaction Booklet 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 Transaction Booklet Date.

Use of logos

Where logos and company names are used in this Transaction Booklet, the logos and company names are trade marks of their respective holders, owners or registered proprietors (**Trade Mark Owners**). Except as otherwise expressed in this Transaction Booklet, use of these logos and company names in this Transaction Booklet does not imply any affiliation with or endorsement by the relevant Trade Mark Owner. No Trade Mark Owner has authorised or caused the issue of this Transaction Booklet, nor has any Trade Mark Owner made any statement in this Transaction Booklet. Accordingly, no Trade Mark Owner makes any representation regarding, nor takes any responsibility for, any statements or materials in, or omissions from, this Transaction Booklet.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Transaction Booklet 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 Transaction Booklet.

Privacy and personal information

The personal information is collected for the primary purpose of implementing the Proposal and administering the Abacus Property Group Securityholders', Abacus Group Securityholders' or Abacus Storage King Securityholders' respective Securityholdings in respect of, or arising from, (as applicable) the Proposal. The personal information may be disclosed to the Registry, to Abacus Group's and Abacus Storage King's security registries, to securities brokers, to print and mail service providers and to any other service providers and advisers engaged by Abacus Property Group, Abacus Group or Abacus Storage King as applicable, or their respective security registries for this purpose. The personal information may include the names, addresses, payment instructions, other contact details and details of the Securityholdings of Abacus Property Group Securityholders, and the names of individuals appointed by Abacus Property Group Securityholders as proxies, corporate representatives or attorneys at the Meeting.

The main consequence of not collecting the personal information outlined above would be that Abacus Property Group may be hindered in, or prevented from, conducting the Meeting and implementing the Proposal, and Abacus Storage King may be hindered in, or prevented from, conducting the Offer.

Under the *Privacy Act 1988* (Cth) (as amended), you may request access to your personal information held by (or on behalf of) AGHL, AFML as responsible entity of each of AT and AIT, AGPL, ASOL and ASFML as responsible entity of ASPT. You may be required to pay a reasonable charge to the Registry in order to access your personal information.

You can request access to your personal information by telephoning the Registry on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays) in the first instance.

Access requests must be made in writing or by telephone call to the relevant entity's registered office or the Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Transaction Booklet. If any of your information is not correct or has changed, you may request it to be corrected.

You can also obtain a copy of the Abacus Property Group's privacy policy by visiting its website at www.abacusgroup.com.au. The privacy policy contains information about how you may complain about a breach of the Australian Privacy Principles and how the Abacus Property Group (or Abacus Group or Abacus Storage King post-De-stapling Implementation) entities will deal with such a complaint.

By submitting a Proxy Form, you agree that Abacus Property Group and the Registry may communicate with you in an electronic form or contact you by telephone in relation to the Proposal.

By submitting an Application, you agree that ASOL and the ASPT Responsible Entity and the Registry may communicate with you in an electronic form or contact you by telephone in relation to the Offer (and otherwise in relation to the Proposal).

Your personal information may also be provided to the Abacus Property Group's, Abacus Group's or Abacus Storage King's agents and service providers on the basis that they deal with such information in accordance with their respective privacy policies. These agents and service providers may be located outside Australia (such as the foreign Eligible Jurisdictions) where your personal information may be disclosed. The types of agents and service providers, as overseas recipients, that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing Abacus Property Group's, Abacus Group's and Abacus Storage King's securityholder bases and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Abacus Property Group Securities, Abacus Group Securities and Abacus Storage King Securities and for associated actions.

The information contained in the Abacus Property Group Securityholder register (and post-De-stapling Implementation the Abacus Group Securityholder register and Abacus Storage King Securityholder register) must remain there for as long as is required even if that person ceases to be an Abacus Property Group Securityholder (or an Abacus Group Securityholder or Abacus Storage King Securityholder, as applicable). Information contained in the Abacus Property Group Securityholder register is also used (and post-De-stapling Implementation information contained in the Abacus Group Securityholder register and Abacus Storage King Securityholder register will be used) to facilitate distribution payments and corporate communications (including financial results, annual reports and other information that the relevant listed group may wish to communicate to their relevant securityholders) and compliance with legal and regulatory requirements.

Abacus Property Group Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Meeting should inform that individual of the matters outlined above.

No liability

Barrenjoey Markets Pty Limited (**Barrenjoey**) and Morgan Stanley Australia Securities Limited (**Morgan Stanley**) have acted as joint lead managers to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Transaction Booklet and there is no statement in this Transaction Booklet which is based on any statement made by the Joint Lead Managers or by any of their respective affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate**), or any of their respective officers, directors, employees, partners, advisers or agents (**Limited Parties**). To the maximum extent permitted by law, the Joint Lead Managers and their respective Limited Parties expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Transaction Booklet other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Transaction Booklet. Further, the Joint Lead Managers and each of their respective Limited Parties do not accept and expressly disclaim any responsibility or liability, including, without limitation, any liability arising from fault or negligence on the part of any person, for any direct, indirect, consequential, contingent or other loss or claim, damage, cost or expense (whether foreseeable or not) arising from the use of, or reliance on, any of the information in (or any omission from) this Transaction Booklet or otherwise arising in connection with it and expressly disclaim any fiduciary relationship.

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KEY INFORMATION FOR THE PROPOSAL

KEY PROPERTY STATISTICS FOR ABACUS GROUP AS AT 30 APRIL 2023[1]	
Number of Properties[2]	24
Property Valuation[3]	$2.4 billion
Weighted Average Capitalisation Rate (**WACR**)[4]	5.62%
Net Lettable Area (**NLA**)[5]	193,078 sqm
Occupancy (by NLA)[5]	93.9%

KEY PROPERTY STATISTICS FOR ABACUS STORAGE KING AS AT 30 APRIL 2023[1]	
Number of Properties[6]	131
Property Valuation[7]	$2.6 billion
Weighted Average Capitalisation Rate (**WACR**)[4]	5.54%
Net Lettable Area (**NLA**)[8]	582,861 sqm
Occupancy (by NLA)[9]	91.4%
Average Rent Per Square Metre[9]	348
Revenue Per Available Metre (**RevPAM**)[9]	319

1. Includes equity accounted investments.
2. As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, 247 Adelaide Street and 33 Queen Street, Brisbane. These assets are included in the portfolio statistics.
3. 19 properties were independently valued; As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, 247 Adelaide Street and 33 Queen Street, Brisbane for a total consideration of c.$97.9 million to Abacus Property Group. Settlements are anticipated or have occurred in Q2/3 of 2023. These assets are included in the portfolio statistics.
4. By value.
5. Excludes development assets; Abacus Group ownership basis.
6. As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores). These assets are not included in the portfolio statistics.
7. 131 properties were independently valued; As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.
8. Excludes Commercial areas of c.55,000 sqm.
9. Average YTD April 2023 (by area) of Established Portfolio. Excludes one store due to site composition.

KEY STATISTICS FOR ABACUS GROUP	
Number of Abacus Group Securities currently on issue[10]	893.7 million
Total number / % of Abacus Group Securities expected to be held by Calculator Australia at Completion	462.9 million / 51.8%
Total number of Abacus Group Securities expected to be on issue following Completion	893.7 million
Adjusted NTA per Abacus Group Security on Completion[11]	$2.19
Adjusted Gearing of Abacus Group on Completion[12]	27.0%

KEY OFFER STATISTICS FOR ABACUS STORAGE KING	
Number of Abacus Storage King Securities currently on issue[13]	893.7 million
Number of Abacus Storage King Securities[14] expected to be issued to Abacus Group under the ASK Stake Acquisition	260.9 million
Offer Price per Abacus Storage King Security expected to be issued under the Offer	$1.41
Number of Abacus Storage King Securities expected to be issued under the Offer	159.6 million
Expected proceeds from the Offer	$225.0 million
Total number / % of Abacus Storage King Securities expected to be held by Abacus Group following Allotment under the Offer	260.9 million / 19.9%
Total number / % of Abacus Storage King Securities expected to be held by Calculator Australia following Allotment under the Offer[15]	520.7 million / 39.6%
Total number of Abacus Storage King Securities expected to be on issue following Allotment under the Offer	1,314.1 million
Market capitalisation of Abacus Storage King at the Offer Price[16]	$1,852.9 million
Forecast FY24 Distribution Yield per Security[17]	4.2%
Adjusted NTA per Abacus Storage King Security on Completion[18]	$1.57
Offer Price discount to NTA per Abacus Storage King Security on Completion	(10.2%)
Abacus Storage King Adjusted Gearing on Completion[19]	26.7%

10. Consisting of fully paid ordinary shares in AGHL and AGPL and fully paid ordinary units in AT and AIT as part of the Abacus Property Group Securities. Current as of the Transaction Booklet Date.
11. Adjusted NTA represents net tangible assets including pro forma adjustments and certain post balance date events as if they had occurred as at 31 December 2022. Pro forma historical NTA per Security of $2.32 as at 31 December 2022.
12. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.
13. Consisting of ASOL Shares and ASPT Units as part of Abacus Property Group Securities. Current as of the Transaction Booklet Date.
14. Comprising of Abacus Storage King Securities or, prior to the Re-stapling, fully paid ordinary shares in ASOL and fully paid ordinary units in ASPT issued in accordance with the Implementation Steps.
15. Calculator Australia has agreed to take up 69.9% of its Institutional Entitlement under the Offer. See Section 16.13 for further details.
16. Calculated as the total number of Abacus Storage King Securities on issue following Completion multiplied by the Offer Price.
17. Pro forma basis, based on the Offer Price. Refer to Section 10.6 for details of the underlying assumptions.
18. Adjusted NTA represents net tangible assets including pro forma adjustments and certain post balance date events as if they had occurred as at 31 December 2022. Pro forma historical NTA per Security of $1.51 as at 31 December 2022.
19. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

KEY INFORMATION FOR THE PROPOSAL CONTINUED

IMPORTANT DATES[20]	
Transaction Booklet Date	19 June 2023
Exposure Period begins	19 June 2023
Offer Record Date for the Offer	7.00pm (AEST) on 19 June 2023
Exposure Period ends[21]	26 June 2023
Despatch Date	27 June 2023
Retail Securityholder Offer (including the Retail Oversubscription Facility) opens	27 June 2023
Latest time for Proxy Form to be lodged with Registry	10.30am (AEST) on 25 July 2023
Latest time for online direct voting	10.30am (AEST) on 25 July 2023
Voting Record Date for voting at Meeting of Abacus Property Group Securityholders	7.00pm (AEST) on 25 July 2023
Meeting of Abacus Property Group Securityholders	10.30am (AEST) on 27 July 2023
Retail Securityholder Offer (including the Retail Oversubscription Facility) closes	5.00pm (AEST) on 27 July 2023
Effective Date Last day of trading in Abacus Property Group Securities	31 July 2023
Listing Date Abacus Group Securities commence trading on ASX on a deferred settlement and reconstructed basis Abacus Storage King Securities commence trading on ASX on a conditional and deferred settlement basis	1 August 2023
Last Registration Date Last date for registration of transfers of Abacus Property Group Securities	7.00pm (AEST) on 2 August 2023
De-stapling Implementation Date Settlement date of the Offer	3 August 2023
Allotment Date of Abacus Storage King Securities under the Offer Last day of Abacus Group Securities trading on a deferred settlement and reconstructed basis Last day of Abacus Storage King Securities trading on a conditional and deferred settlement basis	4 August 2023
Normal Trading Date Dispatch of holding statements to Abacus Group Securityholders and Abacus Storage King Securityholders Abacus Group Securities commence trading on ASX on a normal settlement basis Abacus Storage King Securities commence trading on ASX on a normal settlement basis	7 August 2023

20. All dates and times are indicative only and are subject to change. Any changes to the above timetable will be announced to ASX and notified on Abacus Property Group's website at www.abacusgroup.com.au. Application Money paid for the units (interests) in ASPT may be held for up to 60 calendar days starting on the day on which the Application Money was received before the units (interests) in ASPT are issued or the Application Money is returned.
21. Assuming no extensions.

Unless otherwise indicated, all times and dates referred to in this Transaction Booklet are references to Australian Eastern Standard Time (**AEST**), being the time in Sydney, Australia. Abacus Property Group (and in respect of the Offer, the Abacus Storage King Entities) reserves the right to vary the dates and times for the Proposal (including the Offer and the Meeting) including, subject to the Listing Rules and the Corporations Act, to close the Offer Period early, extend the Offer Period or to accept late Applications, either generally or in particular cases, without notification.

The timetable above assumes that the Resolutions are approved by Abacus Property Group Securityholders. No guarantee is given that the Proposal or the Offer will proceed or reach completion, or on what timeframe. To the maximum extent permitted by law and subject to the obligations under the Implementation Deed, Abacus Property Group reserves the right not to proceed with the Proposal (either at all or on the timeframe set out in this Transaction Booklet) 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 Transaction Booklet) in their absolute discretion.

How to participate

For details on how to vote on the Resolutions and participate in the Offer, see Section 2.

Questions

If you have any questions about this Transaction Booklet, the Proposal (including the Offer), please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays).

If you have any queries or uncertainties relating to aspects of this Transaction Booklet, or the Proposal please consult your stockbroker, accountant, tax adviser, independent financial adviser and/or other professional adviser(s) before deciding how to vote on the Resolutions and whether to invest in the Offer.

ABACUS PROPERTY GROUP – CHAIR LETTER

The Proposal

On behalf of the Abacus Property Group Directors,[22] I am pleased to present to you the Proposal to create Abacus Storage King, by seeking securityholder approval to a de-stapling of Abacus Property Group's Self Storage business to establish a new standalone Self Storage operating platform and real estate investment group that will apply to be listed on ASX. If the Proposal is implemented, Abacus Storage King will own, operate and manage the Storage King operating platform and own a $3.1 billion Investment Portfolio including 131 Self Storage Properties and Other Investments across Australia and New Zealand.[23]

Abacus Property Group is proud of the growth it has achieved in its Self Storage Investment Portfolio and its success in managing and enhancing the Storage King operating platform to become Australia and New Zealand's most recognised Self Storage brand.[24] Abacus Property Group has deployed over $1.4 billion into Self Storage assets over the last five years and has determined that the portfolio has reached a scale where it justifies being separately listed with its own capital structure.

The Abacus Property Group Directors believe the Proposal maximises the potential to unlock material value for securityholders through the creation of a fully integrated, sector specialist Self Storage operating platform and real estate investment group. The Proposal is expected to enhance the strategic growth outlook for Abacus Storage King, whilst providing the opportunity for a more focused strategy for Abacus Group.

The Proposal further allows for the optimisation of capital structures for Abacus Group and Abacus Storage King. At Completion, both entities will have Adjusted Gearing[25] at the lower end of their respective target ranges, which is expected to provide balance sheet capacity to fund growth initiatives including acquisitions and developments.

Following De-stapling Implementation, Abacus Group and Abacus Storage King will become separate groups. Abacus Property Group Securityholders will as a result of the de-stapling each hold one Abacus Group Security and one Abacus Storage King Security for each Abacus Property Group Security held on the De-stapling Implementation Date. In addition, Eligible Abacus Property Group Securityholders will have the opportunity to participate in the Offer by the Abacus Storage King Entities on a pro rata basis.

Abacus Storage King will be externally managed by Abacus Group.[26] Abacus Group will hold a minority interest of 19.9% in Abacus Storage King at Completion.

Following Completion, Abacus Group will continue to own and manage its high quality eastern seaboard focused $2.4 billion Commercial Portfolio,[27] which is diversified by market, asset grade, asset life cycle, customer industry and customer profile. Abacus Group aims to deliver long-term, sustainable outcomes through active asset and investment management, as the external manager of, and through its co-investment in, Abacus Storage King, and will remain primarily focused on the Commercial real estate sector. Abacus Group will continue as a strong asset backed, annuity style business model where capital is directed towards assets that provide potential for enhanced income growth and ultimately create value.

Independent Expert

To assist Abacus Property Group Securityholders to assess the Proposal and consider whether to vote in favour of the Proposal, Abacus Property Group appointed Kroll as the Independent Expert, to prepare an Independent Expert's Report.

The Independent Expert has concluded that the Proposal is fair and reasonable to Abacus Property Group Securityholders.[28]

Calculator Australia

Abacus Property Group's majority securityholder, Calculator Australia Pty Ltd as trustee for Calculator Australia Trust (**Calculator Australia**), has confirmed as at the Transaction Booklet Date that it intends to vote all of the Abacus Property Group Securities it owns or controls in favour of all Resolutions. As at the Transaction Booklet Date, Calculator Australia owns or controls 51.8% of the Abacus Property Group Securities on issue.

22. See Section 4.6 for details on the composition of the Abacus Property Group Board as at the Transaction Booklet Date.
23. As at 30 April 2023.
24. Self Storage Association of Australasia – "State of the Industry 2022".
25. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.
26. ASFML (a wholly-owned subsidiary of Abacus Group) will remain the responsible entity of ASPT and will be the Manager providing management services to ASOL. Certain Abacus Group Members will also provide development management services and property management services to Abacus Storage King. ASFML in its personal capacity will appoint AFML (a wholly-owned subsidiary of Abacus Group) to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so, to provide certain resources to ASFML to enable ASFML to perform these roles. See Section 8.3 for further details.
27. Includes equity accounted investments; 19 assets were independently valued; As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, 247 Adelaide Street and 33 Queen Street, Brisbane for a total consideration of c.$97.9 million to Abacus Property Group. Settlements are anticipated or have occurred in Q2/3 of 2023. These assets are included in the portfolio statistics.
28. See Section 13 for a copy of the Independent Expert's Report.

Board of Directors recommendation and intention to vote

The Proposal has the unanimous support of the Abacus Property Group Directors.

After carefully considering all aspects, benefits and risks of the Proposal and the Independent Expert's Report:

- All of the Abacus Group Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of the Resolutions proposed by the Abacus Group Entities;
- All of the Abacus Storage King Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of the Abacus Storage King Stapling Deed Resolution; and
- All of the Abacus Storage King Independent Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of all other Resolutions proposed by the Abacus Storage King Entities.

Each Abacus Property Group Director eligible to vote intends to vote all of the Abacus Property Group Securities they own or control in favour of all Resolutions proposed. As at the Transaction Booklet Date the Abacus Property Group Directors own or control in aggregate 1.8% of the Abacus Property Group Securities on issue.

What you need to do

This Transaction Booklet contains important information in relation to the Proposal (including the Offer). We encourage you to read and consider the information set out in this Transaction Booklet carefully and in its entirety, including the Independent Expert's Report and the advantages, disadvantages and risks of the Proposal (including the Offer), and seek relevant professional advice before making any decision.

On behalf of the Abacus Property Group Directors, I would like to encourage you to vote in favour of this Proposal and to attend the Meeting on 27 July 2023. Alternatively, you can cast your vote online on and from the Despatch Date and before the latest time for online direct voting or appoint a proxy, attorney or, in the case of a body corporate, a corporate representative to attend the Meeting and vote on your behalf.

Yours faithfully,



Myra Salkinder

Chair
Abacus Property Group

ABACUS STORAGE KING – INCOMING CHAIR LETTER

The Proposal

On behalf of the Abacus Storage King Directors,[29] I am pleased to offer you this opportunity to increase your Securityholding in Abacus Storage King.

If the Proposal is approved by Abacus Property Group Securityholders and the other remaining Conditions Precedent are met or waived, Abacus Storage King will be established via a De-stapling to create a new standalone Self Storage operating platform and real estate investment group listed on ASX with a mandate to invest in the growing Self Storage sector across Australia and New Zealand.

On Completion, Abacus Storage King is expected to have $3.1 billion of Gross Asset Value (**GAV**) comprising:

- the Storage King operating platform;
- a portfolio of 131 high quality, metropolitan focused Self Storage Properties including 110 trading stores with 582,861 sqm of NLA[30] and 21 developments with an Independent Valuation of $2.6 billion and WACR of 5.54%;[31] and
- $0.5 billion of Other Investments including $238 million or 7.2% interest in another ASX listed Self Storage REIT.[32]

Abacus Storage King will be a pure play, fully integrated owner, operator, and manager of the Storage King operating platform, providing its securityholders with access to Australia and New Zealand's most recognised brand.[33] The Storage King operating platform services 196 managed and/or licensed stores, including its 110 trading stores and a further 86 third party owned stores throughout Australia and New Zealand.[32] Abacus Storage King is further expected to offer its securityholders access to embedded growth through its acquisitions and development pipeline, supported by Abacus Group's in-house development capability.

The Offer

If the Proposal is approved and the other Conditions Precedent are met or waived, Abacus Property Group Securityholders will each hold one Abacus Group Security and one Abacus Storage King Security for each Abacus Property Group Security held on the De-stapling Implementation Date. The Abacus Storage King Entities will also proceed with a 1 for 5.6 pro rata securityholder offer (**Offer Ratio**) to raise approximately $225.0 million (the **Offer**). The Offer Price is $1.41 per Abacus Storage King Security.

The Offer comprises:

- an Institutional Securityholder Offer, which was open to Eligible Institutional Abacus Property Group Securityholders on the Register as at 7.00pm (AEST) on the Offer Record Date;
- an Institutional Shortfall Offer, which was open to Eligible Institutional Abacus Property Group Securityholders and other Institutional Investors in the Eligible Institutional Jurisdictions; and
- a Retail Securityholder Offer, to Eligible Retail Abacus Property Group Securityholders on the Register as at 7.00pm (AEST) on the Offer Record Date. Eligible Retail Abacus Property Group Securityholders who apply for their full Retail Entitlement may also apply for oversubscriptions through the Retail Oversubscription Facility for up to an additional 25% of their Retail Entitlement (subject to scale back).

The Institutional Securityholder Offer and the Institutional Shortfall Offer closed on 16 June 2023 and raised approximately $191.5 million.

Proceeds from the Offer are intended to be used to repay outstanding indebtedness to optimise Abacus Storage King's capital structure, and provide balance sheet capacity to fund future growth initiatives including acquisitions, developments and operating platform enhancement opportunities, and the transaction costs associated with the Offer.

Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details). The balance of the Offer is underwritten by the Joint Lead Managers.[34]

29. See Section 8.2.1 for details on the composition of the Abacus Storage King Board as at the Transaction Booklet Date.
30. Excludes Commercial areas of c.55,000 sqm.
31. As at 30 April 2023; includes equity accounted investments.
32. As at 30 April 2023.
33. Self Storage Association of Australasia – "State of the Industry 2022".
34. See Section 16.11 for further details on the terms and conditions of the underwriting arrangements.

Ongoing relationship with Abacus Group

Abacus Group will maintain an ongoing relationship with Abacus Storage King.[35] Abacus Storage King will be externally managed by Abacus Group.[36] Abacus Group Managing Director Steven Sewell will be a Director of Abacus Storage King. On Completion, Abacus Group will hold an investment in Abacus Storage King of 19.9% of Abacus Storage King Securities on issue.

Corporate governance

On or as soon as practicable after the De-stapling Implementation Date, the Abacus Storage King Board will be comprised of four Non-Executive Directors including an Independent Non-Executive Chair and one Executive Director. The majority of the Abacus Storage King Directors will be considered independent for the purposes of the ASX Recommendations. The Abacus Storage King Board will determine the appropriate governance arrangements for Abacus Storage King, having regard to market practice, the ASX Recommendations and ensuring that there are adequate arrangements to manage conflicts.

Financial information

Abacus Storage King is forecast to provide a FY24 Distribution Yield of 4.2% for the year ending 30 June 2024. Abacus Storage King expects to target a distribution payout ratio of 90% to 100% of FFO. It is intended that distributions will be paid to Abacus Storage King Securityholders every six months.

Listing

An application will be made for Abacus Storage King to be separately admitted, and to have Abacus Storage King Securities separately quoted, on ASX, with a targeted listing date of 1 August 2023.

Further information

This Transaction Booklet contains important information in relation to Abacus Storage King, the Offer, and the risks associated with an investment in Abacus Storage King. You should read this Transaction Booklet carefully, and in its entirety, and seek relevant professional advice before deciding whether or not to vote in favour of the Proposal and whether or not to participate in the Offer. The risks associated with the Proposal and an investment in Abacus Storage King are outlined in Sections 3.9 and 14 of this Transaction Booklet.

You can also call the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays).

Conclusion

On behalf of the Abacus Storage King Directors, I thank you for considering this opportunity to participate in the Offer.

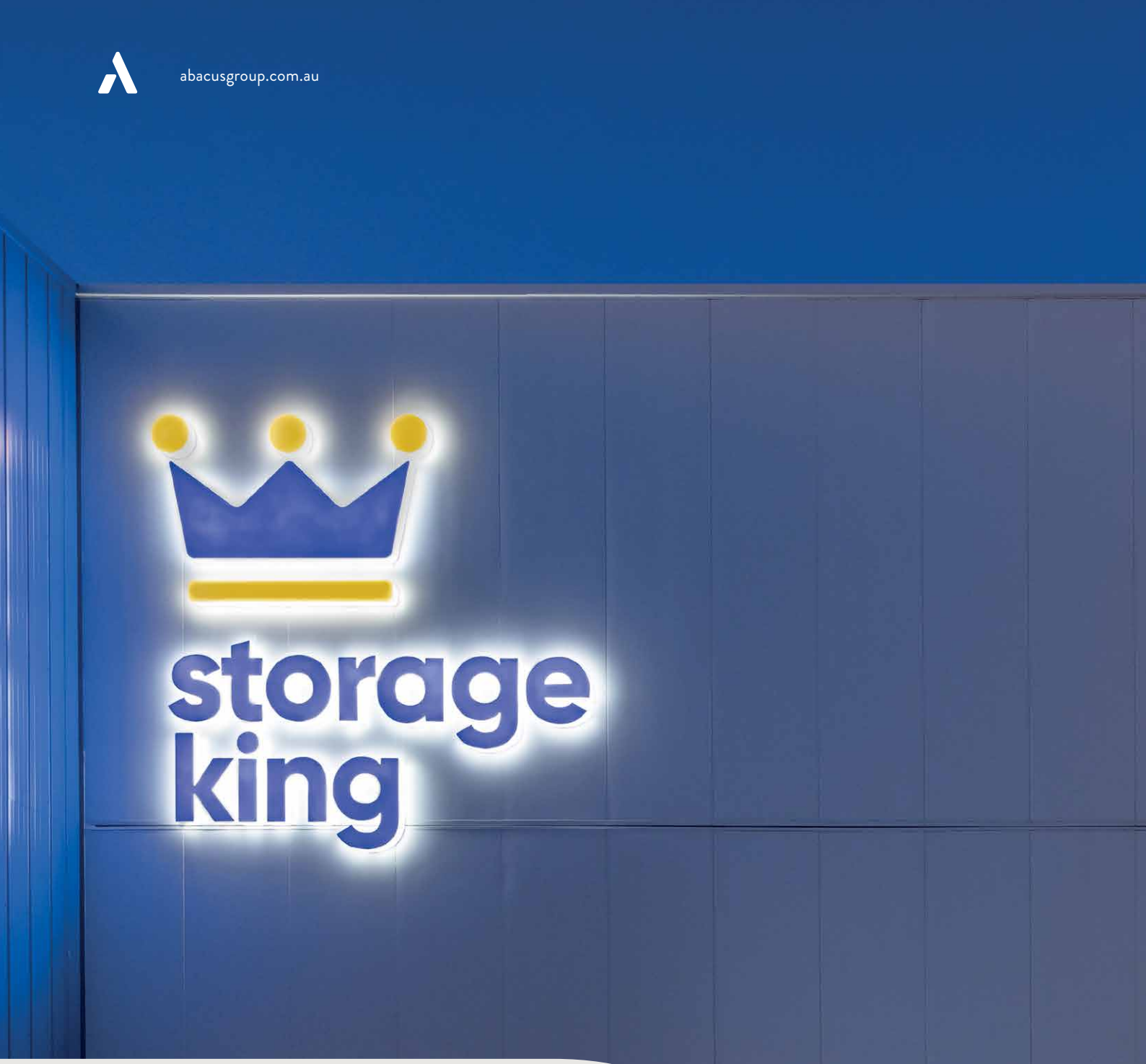
Yours sincerely,



John O'Sullivan

Incoming Chair
Abacus Storage King

35. See Sections 8.1 and 8.3 of this Transaction Booklet for further information.
36. ASFML (a wholly-owned subsidiary of Abacus Group) will remain as the responsible entity of ASPT and will be the Manager providing management services to ASOL. Certain Abacus Group Members will also provide development management services and property management services to Abacus Storage King. ASFML in its personal capacity will appoint AFML (a wholly-owned subsidiary of Abacus Group) to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so, to provide certain resources to ASFML to enable ASFML to perform these roles. See Section 8.3 for further details.



01

QUESTIONS AND ANSWERS

01 QUESTIONS AND ANSWERS

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What is the Proposal?	The Proposal involves the De-stapling of Abacus Property Group ('ASX:ABP') to create two separate groups: • Abacus Group (using the ticker 'ASX:ABP' until shortly after the Normal Trading Date when it is expected to be changed to 'ASX:ABG'); and • Abacus Storage King (ASX: ASK). The Proposal is conditional on the approval of all of the Resolutions at the Meeting on 27 July 2023 and on the satisfaction or waiver of other Conditions Precedent. The Resolutions are described in Section 11. The Conditions Precedent are summarised in Sections 3.4 and 16.2. Abacus Property Group Securityholders will, as a result of the De-stapling, each hold one Stapled Security in Abacus Group and one Stapled Security in Abacus Storage King for each Abacus Property Group Security held on the De-stapling Implementation Date. As part of the Proposal, approximately 159.6 million Abacus Storage King Securities will be made available under the Offer to raise approximately $225.0 million at the Offer Price of $1.41 per Abacus Storage King Security. An overview of the Implementation Steps of the Proposal is provided in Section 3.3, with a more detailed summary provided in Section 17.3. Further details on Abacus Group post Completion are provided in Section 4. Further details on Abacus Storage King post Completion are provided in Sections 5 and 6.	Sections 3.1 and 11
Who is eligible to participate in the Proposal?	It is proposed that all Abacus Property Group Securityholders who have holdings registered on the Register as at 7.00pm (AEST) on the Last Registration Date will have those holdings subject to De-stapling on the De-stapling Implementation Date. Abacus Property Group Securityholders who are registered on the Register as at 7.00pm (AEST) on the Voting Record Date are entitled to attend and vote at the Meeting, subject to any applicable Voting Exclusions. Eligible Institutional Abacus Property Group Securityholders and Eligible Retail Abacus Property Group Securityholders who are on the Register as at 7.00pm (AEST) on the Offer Record Date may participate in the Offer.	Sections 11.6.1, 12.8, 12.9 and 17.1

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What is the rationale for the Proposal?	The Proposal allows for the creation of Abacus Storage King as a dedicated Self Storage operating platform and real estate investment group. It will provide Abacus Property Group Securityholders with sector specific exposure to the Storage King operating platform and to a $3.1 billion Investment Portfolio including 131 Self Storage Properties and Other Investments.[37] The Proposal, if approved and implemented, will provide the foundation for the next phase of growth for Abacus Property Group's Self Storage Investment Portfolio. Additionally, the Proposal allows for a focused strategy for Abacus Group which will continue to own and manage its high quality eastern seaboard focused $2.4 billion Commercial Portfolio.[38] The Proposal will also allow for optimisation of the capital structure for Abacus Group and Abacus Storage King, as each entity will have the flexibility to further differentiate their capital structures and distribution policies to appropriately reflect their financial, operational and strategic objectives. Accordingly, the Proposal is expected to unlock greater value for Abacus Property Group Securityholders than the current structure under the current circumstances.	Sections 3.1 and 3.2
What alternative transactions were considered?	Abacus Property Group actively explored a range of alternatives before deciding to recommend the Proposal. The major alternatives that were available to Abacus Property Group were: • undertaking no transaction and maintaining Abacus Property Group's current structure; and • undertaking the sale of certain assets including selling the Commercial Portfolio or Self Storage Investment Portfolio to focus on a single property sector. Abacus Property Group assessed the Proposal and other alternatives against a number of criteria. After careful consideration, Abacus Property Group believes the Proposal best meets Abacus Property Group's objectives whilst also progressing Abacus Property Group's strategy, and therefore, is in the best interest of Abacus Property Group Securityholders.	Section 3.11
Who is on the Abacus Storage King Independent Board Committee and why was it formed?	The Abacus Storage King Independent Board Committee comprises the Abacus Storage King Independent Directors being John O'Sullivan, Stephanie Lai and Karen Robbins. It was formed to ensure that consideration of the Proposal on behalf of the Abacus Storage King Entities was undertaken free from any influence from the Abacus Group Entities.	Section 8.3.1

37. As at 30 April 2023; Includes equity accounted investments; As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.
38. As at 30 April 2023; Includes equity accounted investments; 19 assets were independently valued; As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, 247 Adelaide Street and 33 Queen Street, Brisbane for a total consideration of c.$97.9 million to Abacus Property Group. Settlements are anticipated or have occurred in Q2/3 of 2023. These assets are included in the portfolio statistics.

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
How do the Directors recommend you vote?	The Proposal has the unanimous support of the Abacus Property Group Directors. After carefully considering all aspects, benefits and risks of the Proposal and the Independent Expert's Report: • All of the Abacus Group Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of the Resolutions proposed by the Abacus Group Entities, including the Resolutions to amend the constitutions of AGHL, AGPL, AIT and AT, the Abacus Group Stapling Deed Resolutions and the Proposal Approval Resolutions proposed by the Abacus Group Entities; • All of the Abacus Storage King Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of the Abacus Storage King Stapling Deed Resolution; and • All of the Abacus Storage King Independent Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of all other Resolutions proposed by the Abacus Storage King Entities, including the Resolutions to amend the constitutions of ASPT and ASOL, the Acquisition Resolutions and the Proposal Approval Resolutions proposed by the Abacus Storage King Entities. Each Abacus Property Group Director eligible to vote intends to vote all of the Abacus Property Group Securities they own or control in favour of all Resolutions proposed. As at the Transaction Booklet Date the Abacus Property Group Directors own or control in aggregate 1.8% of the Abacus Property Group Securities on issue. If an alternative proposal emerges, the Abacus Property Group Directors will carefully consider it and advise you of their recommendation and intention to vote.	Section 3.5
What has the Independent Expert said?	To assist Abacus Property Group Securityholders to assess the Proposal and consider whether to vote in favour of the Proposal, Abacus Property Group appointed Kroll as the Independent Expert, to prepare an Independent Expert's Report. The Independent Expert has concluded that the advantages of the Proposal outweigh the disadvantages and therefore the Proposal is fair and reasonable to Abacus Property Group Securityholders.	Sections 3.6 and 13
What are the intentions of the majority securityholder of Abacus Property Group in relation to the Proposal (including the Offer)?	Abacus Property Group's majority securityholder, Calculator Australia, has confirmed as at the Transaction Booklet Date that it intends to vote all of the Abacus Property Group Securities it owns or controls in favour of all Resolutions. As at the Transaction Booklet Date, Calculator Australia owns or controls in aggregate 51.8% of the Abacus Property Group Securities on issue. Calculator Australia is also supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details).	Sections 3.5 and 12.6

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What are the reasons to vote for, and key benefits of, the Proposal?	The Abacus Property Group Board considers that the key benefits of the Proposal to Abacus Property Group Securityholders include the following: • maximises the potential for unlocking material securityholder value as the Abacus Property Group Board believes the combined value of Abacus Group and Abacus Storage King will be materially greater than the value of Abacus Property Group on a standalone basis; • the creation of Abacus Storage King as a dedicated Self Storage operating platform and real estate investment group will provide Abacus Property Group Securityholders with sector specific exposure to the Storage King operating platform and a $3.1 billion Investment Portfolio across Australia and New Zealand,[39] which will benefit from strategic oversight and management by Abacus Group; • significantly enhances the strategic growth outlook for the Storage King operating platform and the Abacus Storage King Investment Portfolio as Abacus Storage King is expected to have a cost of capital advantage relative to Abacus Property Group[40] at the time of Completion; • provides a focused strategy for Abacus Group which will continue to own and manage its high quality, eastern seaboard focused $2.4 billion Commercial Portfolio[41], manage Abacus Storage King's Self Storage Investment Portfolio and hold a 19.9% strategic stake at Completion which will generate funds management revenue; • increases investor choice by establishing two ASX listed vehicles with different investment attributes and strategy; and • optimises the capital structure for Abacus Group and Abacus Storage King who will both have the flexibility to further differentiate their capital structures and distribution policies to appropriately reflect their financial, operational and strategic objectives. It is expected that Abacus Group's Adjusted Gearing will be reduced from 32.2% to 27.0% and Abacus Storage King will have Adjusted Gearing of 26.7% at Completion.[42]	Section 3.7

39. As at 30 April 2023; Includes equity accounted investments.
40. As at the Transaction Booklet Date.
41. Includes equity accounted investments.
42. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred at 31 December 2022.

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What are the reasons to vote against, and main disadvantages of, the Proposal?	The Abacus Property Group Board considers that the main disadvantages of the Proposal to Abacus Property Group Securityholders include the following: • total transaction costs of the Proposal are expected to be approximately $21.9 million on a pre-tax basis (of which $2.7 million has already been paid as at 30 April 2023). As a result, the combined NTA of Abacus Group and Abacus Storage King will be lower on Completion. Of these transaction costs, approximately $7.9 million[43] will be incurred irrespective of whether the Proposal proceeds; • Abacus Storage King, as a separately listed entity, will incur additional ongoing corporate costs; • Completion of the Proposal (including the completion of the Offer) will have an impact on the interests of existing Abacus Property Group Securityholders in Abacus Storage King from a dilution perspective. See question below and Section 17.8 for further details; and • Abacus Property Group is currently in the S&P/ASX200 index. Post Completion, Abacus Group and Abacus Storage King respectively will have a smaller free float market capitalisation than Abacus Property Group prior to implementation of the Proposal and therefore neither may be included in the S&P/ASX200 index post rebalance.	Section 3.8
What are the main risks of the Proposal?	The main risks of the Proposal are set out below: • Following Completion, 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, Abacus Group will maintain an ongoing relationship with Abacus Storage King (see Section 8.3 of this Transaction Booklet for further details). Given it is anticipated that Abacus Group and Abacus Storage King will act with separate commercial objectives in their dealings post-Completion, 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.	Sections 3.9 and 14

43. As at Transaction Booklet Date.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What are the main risks of the Proposal? continued	• 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 are set out in Annexure D. • 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 Conditions Precedents to the Proposal 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 and therefore the Offer will not complete. • 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 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 may be materially different to the financial position and performance expected and reflected in this Transaction Booklet. • Following De-Stapling Implementation, 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.	Sections 3.9 and 14

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What are the main risks of the Proposal? continued	• 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. See Section 3.9 for further details regarding the risks in relation to the Proposal and Section 14 for details about the key risks associated with holding separate investments in Abacus Group Securities and Abacus Storage King Securities as a result of the Proposal being implemented.	Sections 3.9 and 14
Will existing Abacus Property Group Securityholders be diluted as a result of the Completion of the Proposal?	The Completion of the Proposal: • **Abacus Group:** will not change the direct interests of existing Abacus Property Group Securityholders in Abacus Group; and • **Abacus Storage King:** (including the completion of the Offer) will have an impact on the interests of existing Abacus Property Group Securityholders in Abacus Storage King.	Section 17.8
What will the relationship be between Abacus Group and Abacus Storage King after the Proposal is implemented?	Following De-stapling Implementation, Abacus Group will maintain an ongoing relationship with Abacus Storage King in the following manner: • Abacus Storage King will be externally managed by Abacus Group under various arrangements with Abacus Group Members as outlined in Section 8.1;[44] • ASFML (a wholly owned subsidiary of Abacus Group) will continue to be the responsible entity of ASPT and manage it in accordance with the ASPT Constitution; • Abacus Group Managing Director, Steven Sewell, will remain an Abacus Storage King Director; • Abacus Group will have a minority investment of 19.9% of the Abacus Storage King Securities on issue at Completion; and • Abacus Storage King will have several related party relationships with Abacus Group, including as set out in Section 8.3.1.	Section 8.3

44. ASFML (a wholly-owned subsidiary of Abacus Group) will remain as the responsible entity of ASPT and will be the Manager providing management services to ASOL. Certain Abacus Group Members will also provide development management services and property management services to Abacus Storage King. ASFML in its personal capacity will appoint AFML (a wholly-owned subsidiary of Abacus Group) to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so, to provide certain resources to ASFML to enable ASFML to perform these roles. See Section 8.3 for further details.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What are Abacus Group's intentions regarding its securityholding in Abacus Storage King?	Abacus Group will hold a minority interest of 19.9% in Abacus Storage King at Completion. Abacus Group intends to retain a minority ownership interest in Abacus Storage King to the extent it is in the best interests of Abacus Group Securityholders to do so. There will be no escrow or similar restrictions on the disposal by Abacus Group of its minority interest in Abacus Storage King. Abacus Group considers the Proposal (including the Offer) to be sufficient to position Abacus Storage King such that it does not anticipate additional capital to be required in the near term. Consequently, apart from the ASK Stake Acquisition, Abacus Group has no current intention to provide further additional capital to Abacus Storage King (other than to the extent they may elect to participate in any dividend or distribution reinvestment plan). This sets out the Abacus Group's current intentions in relation to its minority ownership in Abacus Storage King on the basis of facts and information concerning each Abacus Storage King Entity and the general business environment which is known to the Abacus Group as at the Transaction Booklet Date. These statements reflect current intentions only and are subject to change as new information becomes available or as circumstances change.	Section 11.3
What significant related party arrangements will be in place for Abacus Storage King on De-stapling Implementation?	The implementation of the Proposal and the ongoing management and operation of Abacus Storage King necessarily involves a number of related party arrangements, including as set out in Section 8.3.1. Abacus Storage King will have the following material related party arrangements in place on De-stapling Implementation: • The Management Services Agreement for the provision of management services and operational oversight by ASFML, a wholly owned subsidiary of Abacus Group, to ASOL (see Section 16.3.1 for further details). • The Development Management Agreement with Abacus Group for the provision of development management and project management services by Abacus Group in relation to the development or expansion of Self Storage Properties owned by Abacus Storage King (see Section 16.3.2 for further details). • The Property Management Agreement with Abacus Group for the provision of property management services by Abacus Group for certain commercial tenancies within the Self Storage Properties (see Section 16.3.3 for further details). • The Trade Mark Licence Deed with Abacus Group, which sets out the basis on which Abacus Storage King may use the Abacus Group Trade Marks (see Section 16.3.4 for further details).	Section 8.3.1

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What significant related party arrangements will be in place for Abacus Storage King on De-stapling Implementation? continued	• To the extent AFML performs certain functions of the ASPT Responsible Entity and the Manager of ASOL on behalf of (and with the supervision and consent of) ASFML under the Investment Management Agreement, the performance of such functions are for the benefit of Abacus Storage King (see below and Section 16.10 for further details). However, no fees are payable out of Abacus Storage King under the Investment Management Agreement. • The 99 Walker Street Lease, being a commercial office lease at Abacus Group's 99 Walker Street asset that an Abacus Storage King Group Member currently uses, and will continue to use, for Storage King's Head office (see Section 16.3.5 for further details). • The SKB Lease, whereby Abacus Storage King Entities currently provide, and will continue to provide, Abacus Group with storage space at Storage King Balmain for archiving (see Section 16.3.5 for further details). • The related party insurance arrangements under which AGHL has agreed to use commercially reasonable endeavours to maintain certain insurance cover for Abacus Storage King Group Members (**Related Party Insurance Arrangements**). See Section 16.3.6 for further details. • The Abacus Storage King Stapling Deed under which financial benefits will be provided between wholly owned group members of Abacus Storage King. See Section 16.6 for further details. ASFML will continue to be the responsible entity of ASPT following De-stapling Implementation. Fees payable to ASFML as the ASPT Responsible Entity, and any exercise of its rights to an indemnity, under the ASPT Constitution are excluded from requirements to obtain securityholder approval for the giving of financial benefits out of scheme property under the related party provisions of the Corporations Act. However, Abacus Property Group Securityholder approval is being sought to amend the fees payable to the ASPT Responsible Entity under the ASPT Constitution under a separate Constitution Amendment Resolution. Given the number of complex and interrelated steps involved in the Proposal, Abacus Property Group Securityholder approval is being sought under the Proposal Approval Resolutions for the giving of financial benefits under certain Implementation Steps, the Management Services Agreement, Development Management Agreement, Property Management Agreement, Trade Mark Licence Deed, Related Party Insurance Arrangements and the performance of certain functions of the ASPT Responsible Entity and the Manager of ASOL by AFML on behalf of (and with the supervision and consent of) ASFML under the Investment Management Agreement, notwithstanding that such approval may not be strictly necessary. See Section 11.5 for further details regarding the Proposal Approval Resolutions.	Section 8.3.1

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What significant related party arrangements will be in place for Abacus Storage King on De-stapling Implementation? continued	The transactions contemplated by the Abacus Storage King Stapling Deed will not result in value leakage to persons outside of Abacus Storage King. ASIC has granted, or agreed in principle to grant, customary stapling relief to permit the ASPT Responsible Entity to give financial benefits out of the scheme property of ASPT to ASOL and each wholly-owned member of Abacus Storage King. However, for technical reasons, ASIC is unable to grant equivalent relief in respect of public companies such as ASOL. Accordingly, Abacus Property Group Securityholder approval is being sought to approve the provision of financial benefits by ASOL (and its controlled entities) to related parties under the Abacus Storage King Stapling Deed. See Section 11.4 for further details regarding the Abacus Storage King Stapling Deed Resolution. AFML and ASFML in their personal capacities will enter into the Investment Management Agreement, whereby ASFML will appoint AFML to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so (including under applicable laws, authorisations or its constituent documents), to provide certain resources to ASFML to enable ASFML to perform these roles. See Section 16.10 for further details. This is an internal agreement between AFML and ASFML in their personal capacities as Abacus Group Members and is not considered a related party transaction in relation to Abacus Storage King (except to the extent AFML performs certain functions of ASFML for the benefit of Abacus Storage King as described above). Abacus Property Group Securityholder approval is not being sought for the 99 Walker Street Lease and SKB Lease given they were entered into between Abacus Property Group Entities on arm's length terms. See Section 8.6.5.6 for a summary of the Conflicts of Interest and Related Party Transactions Policy Abacus Storage King will put in place to identify and manage conflicts of interest and related party transactions.	Section 8.3.1

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
Is implementation of the Proposal subject to any conditions precedent?	The obligations of Abacus Property Group with respect to Completion of the Proposal are not binding unless and until each of the following Conditions Precedent is satisfied or waived in accordance with the Implementation Deed:	Sections 3.4 and 16.2

CONDITIONS PRECEDENT	STATUS
Regulatory approvals –ASIC, ASX, FIRB and any other required regulatory authority have been obtained before 10.00am on the Effective Date	ASIC has granted, or agreed in principle to grant, the relief necessary to implement the Proposal (including the Offer). ASX has granted, or confirmed its willingness in-principle to grant the waivers and confirmations necessary to implement the Proposal (including the Offer). FIRB approval is expected to be obtained for the ASK Stake Acquisition before 10.00am on the Effective Date.
Abacus Property Group Securityholder approval of the Resolutions (see Section 3.3)	The Meeting is to be held at 10.30am (AEST) on 27 July 2023.
ASX Listing approval – ASX approves the ASX Listing of Abacus Storage King by 10.00am on the Effective Date	The Abacus Storage King Entities will, within seven days of the Transaction Booklet Date, apply for ASX Listing with a target listing date of the Effective Date.
The Offer not having been withdrawn and the Underwriting Agreement not having been terminated or becoming incapable of being completed as at 10.00am on the Effective Date (see Sections 12.2, 12.16 and 16.11 for further details)	As at the Transaction Booklet Date, the Abacus Storage King Entities do not have any intention to withdraw the Offer and are not aware of any circumstances which may cause the Underwriting Agreement to be terminated or become incapable of being completed.
No restraint or prohibition issued or imposed by a court or other regulatory authority being in effect as at 10.00am on the Effective Date	As at the Transaction Booklet Date, the Abacus Property Group Entities are not aware of any such restraints or prohibition.

Further details on these Conditions Precedent, including which of these Conditions Precedent can be waived, and by who, are contained in Sections 3.4 and 16.2.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
Will I need to make any payments to participate in the Proposal?	You will not need to make any payment to participate in the Proposal, unless you participate in the Offer. See Section 12 for details on the Offer, including the Offer Price per Abacus Storage King Security, eligibility criteria and how to participate.	Section 12
What are the fees and costs associated with the Proposal?	Total transaction costs of the Proposal are expected to be approximately $21.9 million on a pre-tax basis (of which approximately $3.6 million relates to stamp duty and land transfer fees). These include third party advisory fees, listing and administrative fees, and other expenses associated with the Proposal. Of these amounts, approximately $2.7 million has already been paid as at 30 April 2023. Abacus Group is expected to bear $6.4 million of the total transaction costs and Abacus Storage King is expected to bear $15.5 million of the total transaction costs if the Proposal is implemented.[45] As a result, the combined NTA of Abacus Group and Abacus Storage King will be lower on Completion. If the Proposal does not proceed, total transaction costs of $7.9 million will be incurred by Abacus Property Group.	Section 3.8
Is there any brokerage, commission or stamp duty payable by Abacus Property Group Securityholders in relation to the Proposal?	No brokerage, commission or stamp duty is payable by Abacus Property Group Securityholders in relation to the Proposal.	
What are the tax implications of the Proposal for Abacus Property Group Securityholders?	The Proposal will have taxation implications for Abacus Property Group Securityholders, as well as for investors participating in the Offer. These implications will differ depending on the individual circumstances of each Abacus Property Group Securityholder and each investor who participates in the Offer. The material Australian income taxation consequences of the Proposal for Abacus Property Group Securityholders are set out in Annexure D.	Annexure D
When will the last day of trading Abacus Property Group Securities on a normal settlement basis be on ASX?	Subject to certain conditions being met, it is expected that the Effective Date will be the last day of trading for Abacus Property Group Securities on a normal settlement basis.	Section 17.1
When will be the last date for transfers of Abacus Property Group Securities to be registered on the Register on a pre-De-stapling basis?	It is proposed that the Last Registration Date will be the last date for transfers of Abacus Property Group Securities to be registered on the Register (by 7.00pm (AEST)) on a pre-De-stapling basis. It is proposed that all Abacus Property Group Securityholders who have holdings registered on the Register as at 7.00pm (AEST) on the Last Registration Date will have those holdings subject to De-stapling on the De-stapling Implementation Date.	Section 17.1

45. Abacus Storage King's portion of the transaction costs of the Proposal (including the Offer) is expected to be $15.5 million, of which $10.8 million will be incurred in FY24 for Abacus Storage King, amounting to 0.52% of NAV. Refer to Section 15 for further details about the fees and other costs of Abacus Storage King.

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
When can I sell my Abacus Group Securities on ASX?	It is expected that on the Listing Date the Abacus Group Securities will commence trading on ASX on a deferred settlement and reconstructed basis. It is expected that the Abacus Group Securities will commence trading on ASX on a normal settlement basis on the Normal Trading Date. It is the responsibility of each person who trades in Abacus Group Securities to confirm their own holding before trading in Abacus Group Securities. Investors who sell Abacus Group Securities before receiving their holding statement do so at their own risk.	Section 17.2
When can I sell my Abacus Storage King Securities on ASX?	It is expected that on the Listing Date the Abacus Storage King Securities will commence trading on ASX on a conditional and deferred settlement basis. It is expected that the Abacus Storage King Securities will commence trading on ASX on a normal settlement basis on the Normal Trading Date. It is the responsibility of each person who trades in Abacus Storage King Securities to confirm their own holding before trading Abacus Storage King Securities. Investors who sell Abacus Storage King Securities before receiving their holding statement do so at their own risk.	Section 12.17.3
What will be the price of Abacus Group Securities and Abacus Storage King Securities after the Proposal?	The Effective Date is expected to be the last day of trading in Abacus Property Group Securities. On and from the Listing Date, it is expected that the Abacus Storage King Securities and the Abacus Group Securities will trade separately. There is no certainty as to the price at which these securities will trade. Abacus Storage King Securities may trade on ASX at, above or below the Offer Price per Abacus Storage King Security. Abacus Group Securities may trade on ASX at a different price to what may be anticipated. The price of Abacus Group Securities and Abacus Storage King Securities can fall as well as rise. The price at which Abacus Group Securities and Abacus Storage King Securities trade on ASX may be affected by a range of factors including: movements and volatility in international and local share markets; general economic conditions in Australia and offshore, including inflation, interest rates and exchange rates; recommendations by brokers; changes in government, fiscal, monetary and regulatory policies; changes to laws (particularly taxation laws); inclusion or removal from market indices; and changes in the supply and demand of REITs. Changes in the sentiment of Abacus Group Securities and Abacus Storage King Securities relative to other listed securities, especially other REITs, may also affect prices at which the Abacus Group Securities and Abacus Storage King Securities trade respectively.	Section 14.3.23

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE PROPOSAL		
What happens if the Proposal does not proceed?	If the Proposal does not proceed to implementation, then: • the De-stapling, the ASX Listing and each Implementation Step under the Proposal will not take place and the Offer will not reach completion. Abacus Property Group Securityholders will continue to hold their Abacus Property Group Securities (unless they otherwise sell) and no separate Abacus Group Securities and Abacus Storage King Securities will be available for investment; • Abacus Property Group will continue to operate as it does now with a continuation of its current strategy; • the benefits of the Proposal described in Section 3.7 will not be realised; • Abacus Property Group's ownership of the assets proposed to be contributed to Abacus Storage King will not change and Abacus Property Group Securityholders will continue to benefit from that ownership through Abacus Property Group; • the disadvantages and risks of the Proposal described in Sections 3.8 and 3.9 will not arise, except that Abacus Property Group will incur transaction costs of approximately $7.9 million[46] (out of an estimated $21.9 million in transaction costs if the Proposal had been implemented and the Offer had completed); and • there is no assurance that Abacus Property Group Securities will continue to trade at prices in line with recent levels.	Section 3.10
MEETING AND ABACUS PROPERTY GROUP SECURITYHOLDER APPROVAL		
When and where is the Meeting?	The Meeting will be held at 10.30am (AEST) on Thursday, 27 July 2023, with registration commencing at 10.00am (AEST). The Meeting will be held at Level 13, 77 Castlereagh Street, Sydney NSW 2000.	Section 2 and Annexure A – Notice of Meeting
What resolutions need to be passed by Abacus Property Group Securityholders for the Proposal to proceed?	To implement the Proposal, Abacus Property Group Securityholders must pass the following Resolutions: • **Constitution Amendment Resolutions:** to amend the Constitution of each Abacus Property Group Entity to implement the Proposal and give effect to certain other amendments described in Section 11.2;	Section 11 and Annexure A – Notice of Meeting

46. As at Transaction Booklet Date.

SUMMARY		REFERENCE
MEETING AND ABACUS PROPERTY GROUP SECURITYHOLDER APPROVAL		
What resolutions need to be passed by Abacus Property Group Securityholders for the Proposal to proceed? continued	• **Acquisition Resolutions:** to approve, for the purposes of item 7 of section 611 of the Corporations Act, the acquisition by the Abacus Group Acquirers of a relevant interest in up to 22.6% of the securities in each Abacus Storage King Entity (or, following the Re-stapling, the Abacus Storage King Securities) under the Proposal, which will result in the voting power of the Abacus Group Acquirers and their associates (including Calculator Australia) in those entities increasing from 51.8% to up to 62.69%; • **Abacus Group Stapling Deed Resolutions:** to approve the entry into, and giving of financial benefits by AGHL, AGPL and their controlled entities to related parties under, the Abacus Group Stapling Deed and transactions contemplated by it for the purposes of section 208 of the Corporations Act; • **Abacus Storage King Stapling Deed Resolution:** to approve the entry into, and giving of financial benefits by ASOL and its controlled entities to related parties under, the Abacus Storage King Stapling Deed and transactions contemplated by it for the purposes of section 208 of the Corporations Act; and • **Proposal Approval Resolutions:** to approve certain related party elements of the Proposal for the purposes of section 208 of the Corporations Act (as modified for each of AT, AIT and ASPT by section 601LC of the Corporations Act). The Resolutions are interconditional and the Proposal will only proceed if each Resolution is approved by the requisite majorities of Abacus Property Group Securityholders at the Meeting. If any Resolution is not passed, the Proposal will not proceed.	Section 11 and Annexure A – Notice of Meeting
What are the voting thresholds to approve the Resolutions?	For each Constitution Amendment Resolution, at least 75% of the votes cast by Abacus Property Group Securityholders (in their capacity as a member of each relevant Abacus Property Group Entity) entitled to vote on the Resolution. For each of the Acquisition Resolutions, the Abacus Group Stapling Deed Resolutions, the Abacus Storage King Stapling Deed Resolution and the Proposal Approval Resolutions, more than 50% of the votes cast by Abacus Property Group Securityholders (in their capacity as a member of each relevant Abacus Property Group Entity) entitled to vote on the Resolution.	Section 11.6.1
Who can vote at the Meeting?	Abacus Property Group Securityholders who are registered on the Register as at 7.00pm (AEST) on the Voting Record Date are entitled to attend and vote at the Meeting, subject to any applicable Voting Exclusions.	Section 11.6.1

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
MEETING AND ABACUS PROPERTY GROUP SECURITYHOLDER APPROVAL		
What are the Voting Exclusions?	The following Voting Exclusions apply to the Resolutions: • for the purposes of the Trust Constitution Amendment Resolutions, and in accordance with section 253E of the Corporations Act, AFML (in the case of the AT and AIT Trust Constitution Amendment Resolutions) and ASFML (in the case of the ASPT Trust Constitution Amendment Resolution) and their respective associates are not entitled to vote their interests if they have an interest in the Resolution other than as a member of the relevant registered scheme; • for the purposes of the Acquisition Resolutions: — in accordance with item 7 of section 611 of the Corporations Act, the Abacus Group Acquirers and their associates must not cast any votes in favour of the Acquisition Resolutions; — with respect to the Acquisition Resolution proposed in respect of ASPT, in accordance with section 253E of the Corporations Act, ASFML and its associates are not entitled to vote their interests if they have an interest in the Resolution other than as a member of ASPT; • for the purposes of the Stapling Deed Resolutions, in accordance with section 224(1) of the Corporations Act, related parties of AGHL, AGPL or ASOL (as applicable), or associates of such related parties, must not cast votes on the relevant Resolution if it permits the giving of financial benefits to those parties; • for the purposes of the Proposal Approval Resolutions proposed by AGHL, AGPL and ASOL, in accordance with section 224(1) of the Corporations Act, related parties of AGHL, AGPL or ASOL, or associates of such related parties, must not cast votes on the relevant Resolution if it permits the giving of financial benefits to those parties; and • for the purposes of the Proposal Approval Resolutions proposed in respect of AT, AIT and ASPT, in accordance with section 253E of the Corporations Act, ASFML and its associates are not entitled to vote their interests if they have an interest in the Resolution other than as a member of ASPT. ASIC has granted, or agreed in principle to grant, relief to enable certain persons to vote on the Resolutions, including to enable Calculator Australia to vote its interests in Abacus Property Group on all of the Resolutions to the extent it does not have an interest in the Resolutions other than as a member of Abacus Property Group and would otherwise be entitled to vote but for section 253E of the Corporations Act. For further details, see Sections 11.6.2 and 11.6.3. The Chair of the Meeting will determine whether an Abacus Property Group Securityholder is entitled to vote on a Resolution based on the circumstances known at the relevant time of the Meeting.	Section 11.6.2

	SUMMARY	REFERENCE
MEETING AND ABACUS PROPERTY GROUP SECURITYHOLDER APPROVAL		
How do I vote?	Abacus Property Group Securityholders may retrieve their Meeting documents online at www.investorserve.com.au on and from the Despatch Date. Abacus Property Group Securityholders that are entitled to vote on the Resolutions can vote: • by voting online at www.votingonline.com.au/abpegm2023 on and from the Despatch Date and before the latest time for online direct voting; • in person by attending the Meeting; or • by appointing a proxy, attorney or, in the case of a body corporate, corporate representative to attend the Meeting and vote on your behalf in accordance with the instructions in the Notice of Meeting. To be valid, completed Proxy Forms, attorney appointments and corporate representative forms (in each case, with any applicable authority under which it is signed) must be received by the Registry by no later than 10.30am (AEST) on 25 July 2023. A Proxy Form will be made available on and from the Despatch Date. Further instructions on how to vote are set out in Section 2 and in the Notice of Meeting.	Section 2 and Annexure A – Notice of Meeting
Why should I vote?	Voting is not compulsory. However, Abacus Property Group Securityholders should exercise their right to vote as each Abacus Property Group Securityholder's vote is important in determining whether the Proposal will be implemented.	
What if I do not vote or if I vote against the Proposal?	If you do not vote, or if you vote against any of the Resolutions, then the Proposal may not be approved and may not be implemented. The Proposal cannot be implemented unless all Resolutions are passed by the requisite majorities of Abacus Property Group Securityholders at the Meeting. However, even if you do not vote or vote against any of the Resolutions, this does not mean the Proposal will not be approved. If all of the Resolutions are approved by the requisite majorities of Abacus Property Group Securityholders and all other Conditions Precedent are satisfied or waived in accordance with the Implementation Deed, then the Proposal is expected to proceed and become binding on all Abacus Property Group Securityholders who are recorded on the Register on the De-stapling Implementation Date even if they do not vote or they vote against the Resolutions.	Section 11.1
When will the results of the Meeting be known?	The results of the Meeting will be made available as soon as possible following conclusion of the Meeting via Abacus Property Group releasing an announcement to ASX.	

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
ABACUS GROUP AFTER COMPLETION OF THE PROPOSAL		
What will Abacus Group look like if the Proposal proceeds?	Following Completion, Abacus Group will continue to own and manage its high quality, eastern seaboard focused $2.4 billion Commercial Portfolio[47], which is diversified by market, asset grade, asset life cycle, customer industry and customer profile. Abacus Group will externally manage Abacus Storage King through: • ASFML (a wholly-owned subsidiary of Abacus Group) which will remain as the responsible entity of ASPT and will be the Manager providing management services to ASOL; and • certain Abacus Group Members which will also provide development management services and property management services to Abacus Storage King.[48] Abacus Group will have diverse income streams including: • rental income from diversified property investments across its Commercial Portfolio; • investment income from its interest in Abacus Storage King; and • management fees from the management of Abacus Storage King. Abacus Group's $5,610 million of assets under management will be comprised of $2,948 million of assets which will remain on Abacus Group's statement of financial position, and $3,080 million of assets in Abacus Storage King, which will be on the statement of financial position of Abacus Storage King.[49] Following Completion, Abacus Group's Adjusted Gearing will be reduced from 32.2% to 27.0%[50], providing additional capacity to fund earnings accretive investment opportunities. Abacus Group will remain structured as a stapled group comprising AGHL, AT, AGPL and AIT, and their respective controlled entities. Abacus Group will maintain an ongoing relationship with Abacus Storage King as described in Section 8.3.	Sections 4.1 and 8.3

47. As at 30 April 2023; Includes equity accounted investments; 19 assets were independently valued; As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, and 247 Adelaide Street and 33 Queen Street, Brisbane for a total consideration of c.$97.9 million to Abacus Property Group. Settlements are anticipated or have occurred in Q2/3 of 2023. These assets are included in the portfolio statistics.
48. See Sections 8.1 and 8.3 for further details.
49. As at Completion.
50. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

	SUMMARY	REFERENCE
ABACUS GROUP AFTER COMPLETION OF THE PROPOSAL		
Will Abacus Group's business plans and strategy change if the Proposal reaches Completion?	Abacus Group's business plans and strategies in respect of its Commercial Portfolio will not materially change following Completion. Post-Completion, Abacus Group will continue to be a strong asset backed business with key investments in the Office and Retail property sectors. Abacus Group will continue to: • invest its capital in assets that are forecast to drive long-term total returns and securityholder value, with an investment objective to provide its investors with reliable asset backing and increasing returns over the medium to longer term; • invest in Commercial sectors that will target strong and stable distributions, with potential for capital and income growth; and • externally manage Abacus Storage King as described in Sections 8.1 and 8.3.	Sections 4.2, 8.1, and 8.3
What are the benefits of an investment in Abacus Group post Completion of the Proposal?	Following Completion, Abacus Group expects to provide a number of benefits to Abacus Group Securityholders, including: • high quality $2.4 billion eastern seaboard focused portfolio with exposure to markets with deep tenant pools (71% in Sydney and Melbourne);[51] • stable income growth profile, supported by high occupancy of 93.9% and diversified lease profile with a WALE of 4.2 years,[52] and will be the external manager of Abacus Storage King, with recurring income from a 19.9% strategic investment at Completion; • highly experienced management team with strong asset management capabilities and relationships with tenant customers; • a pipeline of growth opportunities, including mixed use repositioning, embedded in its existing Commercial Portfolio, which it intends to unlock over time; and • conservative gearing profile at the lower end of the target gearing range and a balance sheet positioned on Completion to deliver on its active asset management strategy.	Section 4.3
What are the risks of a stand-alone 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.	Sections 4.3, 14.2 and 14.3

51. As at 30 April 2023; Includes equity accounted investments.
52. As at 30 April 2023; Excludes development affected assets; Abacus Group ownership basis.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
ABACUS GROUP AFTER COMPLETION OF THE PROPOSAL		
What are the risks of a stand-alone investment in Abacus Group post Completion of the Proposal? continued	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 De-stapling Implementation) 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 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, including those set out in Annexure C, 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 As of the Transaction Booklet Date, Abacus Property Group was in compliance with all covenants under its Existing Facilities and is expected to be under the relevant debt facilities at Completion. 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. 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.	Sections 4.3, 14.2 and 14.3

SUMMARY		REFERENCE
ABACUS GROUP AFTER COMPLETION OF THE PROPOSAL		
What are the risks of a stand-alone investment in Abacus Group post Completion of the Proposal? continued	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-De-stapling Implementation, 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 Property Group relies (and post-De-stapling Implementation 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. Other risks A number of other investment risks are discussed in Sections 14.2 and 14.3.	Sections 4.3, 14.2 and 14.3
What distributions can I expect from Abacus Group for FY24 and what will be Abacus Group's distribution policy?	If the Proposal is implemented, for the 12 months to 30 June 2024, Abacus Group is forecasting a distribution of 8.5 cents per Abacus Group Security.[53] Abacus Group's distribution policy after Completion is expected to remain unchanged, targeting a payout ratio in the range of between 85% to 95% of FFO. Abacus Property Group Securityholders will be entitled to the distributions for FY24 provided those securityholders remain on the securities register for Abacus Group at the relevant record dates. There is no guarantee that any distributions will be paid, or if paid, in what amounts.	Section 4.4

53. Assumes a 95% payout of pro forma forecast FFO for the year ending 30 June 2024.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
ABACUS GROUP AFTER COMPLETION OF THE PROPOSAL		
Will the Abacus Group Board and management change if the Proposal is implemented?	Yes. Mark Bloom is currently an Abacus Property Group Director. On or as soon as practicable after the De-stapling Implementation Date, he will resign from the Abacus Group Board but will remain a director of the Abacus Storage King Board. No other changes to the Abacus Group Board are proposed in connection with the Proposal. No change is proposed to be made to the executive management team of Abacus Group under the Proposal.	Section 4.6
What income and financial benefits will Abacus Group receive from Abacus Storage King (including any fees payable by Abacus Storage King)?	Abacus Group will generate management income by providing: • responsible entity services in respect of ASPT under the ASPT Constitution and management services to ASOL under the Management Services Agreement; and • development management services and property management services to Abacus Storage King as outlined in the Development Management Agreement and the Property Management Agreement respectively. The income and financial benefits provided by Abacus Storage King to Abacus Group arising from the arrangements described in Section 16.3 are summarised below: • Management Fee of 0.4% per annum of GAV (plus GST).[54] • Development/Expansion Project Management Fee of 5.0% of Total Development Cost (TDC) up to a total of $2.5 million of TDC and 3.0% of TDC above $2.5 million (plus GST). A further fixed fee of $100,000 (plus GST) for the planning work up to each development application lodgement. • Property Management Fee of 3.0% of the aggregate of Gross Property Income calculated monthly (plus GST) plus recovery of facilities management costs for property management on Commercial tenancies.[55] Leasing fees of 15% of face rent for the first year of a newly negotiated lease and 7.5% of face rent for the first year for renewal of an existing lease (plus GST). • partial reimbursement (of 5% of the annual premium) for the cost of run-off insurance for any potential liability of the directors of ASOL (amongst others) for the period prior to De-Stapling Implementation which may arise within the 7 year statutory limitation period.	Sections 4.11 and 16.3

54. The Management Fee is payable to the ASPT Responsible Entity (being ASFML) under the ASPT Constitution and ASFML as Manager under the Management Services Agreement. The Management Fee may be paid by either ASOL or out of ASPT from time to time, on the basis that the Management Fee payable by ASOL or out of ASPT is reduced to the extent of any Management Fee paid by the other in respect of the relevant period.
55. Commercial tenancies represent a small portion of Abacus Storage King Self Storage Properties. Property Management Fee plus recovery of facilities management costs estimated to be c. $260,000 per annum.

	SUMMARY	REFERENCE
ABACUS GROUP AFTER COMPLETION OF THE PROPOSAL		
What income and financial benefits will Abacus Group receive from Abacus Storage King (including any fees payable by Abacus Storage King)? continued	• Rental income from the 99 Walker Street Lease, being a commercial office lease at Abacus Group's 99 Walker Street asset which an Abacus Storage King Group Member currently uses, and will continue to use, for Storage King's head office. • Regular investment income from Abacus Group's investment in Abacus Storage King. Abacus Group's statement of profit and loss will reflect its share of the net profit of Abacus Storage King arising from its equity accounted investment, and Abacus Group's FFO will reflect its share of the Abacus Storage King FFO. If the ASPT Responsible Entity is removed or retires as the responsible entity of ASPT, no termination fee is payable to the ASPT Responsible Entity and it will cease to receive fees under the ASPT Constitution (other than fees accrued prior to its retirement or removal). If the Management Services Agreement, the Property Management Agreement or the Development Management Agreement are terminated, including because the ASPT Responsible Entity ceases to be the responsible entity of ASPT, there is no termination fee payable to the Manager, the Development Manager or the Property Manager and the above fees (other than fees accrued prior to termination) would no longer be payable.	Sections 4.11 and 16.3
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
What will Abacus Storage King look like if the Proposal reaches Completion?	Abacus Storage King is proposed to be structured as a stapled group comprising ASOL, a public limited company, and ASPT, a registered managed investment scheme, and their respective controlled entities. ASFML (a wholly owned subsidiary of the Abacus Group) will be the Manager of ASOL and the responsible entity of ASPT. On Completion, Abacus Storage King will have $3.1 billion of GAV, comprised of the Storage King operating platform together with a portfolio of 131 Self Storage Properties[56], including 110 trading stores with 582,861 sqm of NLA[57] and 21 developments, with an Independent Valuation of $2.6 billion and WACR of 5.54% and $0.5 billion of Other Investments including $238 million or 7.1% interest in another ASX listed Self Storage REIT.[58] Abacus Storage King has growth potential through its acquisition and development pipeline, including 87,100 sqm of NLA over 15 new development sites to be developed across the short-to-medium term.	Sections 3.3, 5.1 and 6.3

56. The Investment Portfolio consists of some properties that are wholly owned by Abacus Storage King and some properties in which it has a less than 100% ownership interest.
57. Excludes Commercial areas of c.55,000 sqm.
58. As at 30 April 2023; Includes equity accounted investments. As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
How will Abacus Storage King generate its income?	Abacus Storage King expects to generate income from a variety of sources, including: • storage income from the renting of more than 84,500 storage customers across Australia and New Zealand;[59] • ancillary income from the provision of storage related services and products to storage customers (including packaging, locks and insurance etc.); • income from the management of Storage King licensed stores; and • sundry income from non-storage activities such as rental income from Commercial tenancies and outdoor advertising.	Section 5.2
What will the objectives and strategy of Abacus Storage King be?	Abacus Storage King's objectives will be to provide Abacus Storage King Securityholders with exposure to an Investment Portfolio of Self Storage assets and the Storage King operating platform, that will target strong and stable distributions, with potential for capital and income growth. Abacus Storage King intends to achieve its objectives by seeking to: • maintain a high quality strategic portfolio of predominantly stabilised Self Storage assets generating income growth; • optimise operational performance through the Storage King operating platform to continue to drive rate and occupancy growth; • drive Storage King income by increasing the take up of third party licensees to the Storage King operating platform; • capital growth through disciplined acquisitions according to Abacus Storage King's network strategy, which focuses on securing Self Storage assets with high quality locations and strong demographic drivers to complement the existing network; • where appropriate, consider the disposal of assets from time to time; • pursue development and expansion opportunities for enhanced risk-adjusted returns; and • maintain an appropriate capital structure.	Section 5.3
What are the benefits of an investment in Abacus Storage King?	Key benefits of an investment in Abacus Storage King include providing Securityholders access to: • a fully integrated owner, operator, and manager with demonstrated operational expertise from the embedded Storage King operating platform; • the most recognised brand in Australia and New Zealand Self Storage markets;[60]	Section 5.5

59. As at 30 April 2023; All Abacus Storage King owned and managed stores.
60. Self Storage Association of Australasia – "State of the Industry 2022" p.53-54.

SUMMARY		REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
What are the benefits of an investment in Abacus Storage King? continued	• strategically curated $2.6 billion of Self Storage Properties[61] with more than 80% of the properties located in metropolitan areas;[62] • an acquisitions pipeline supported by fragmented market and pre-emptive rights to purchase further Storage King licensed assets should those owners wish to sell those assets; • substantial development capability with a strong track record of value-accretive project delivery and an identified development pipeline; • attractive Self Storage market fundamentals supported by macroeconomic tailwinds; • an attractive pure-play alternative real estate group; • a target of strong and stable distributions, with potential for capital and income growth; • proven management capability from Abacus Group to manage capital structure and undertake acquisitions and developments; and • an experienced Board and strong corporate governance.	Section 5.5
What are the main risks of an investment in Abacus Storage King?	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.	Sections 5.6, 14.1 and 14.3

61. As at 30 April 2023; Includes equity accounted investments. As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.
62. As at 30 April 2023.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
What are the main risks of an investment in Abacus Storage King? continued	**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 (see Section 5.9). Reported valuations, including those set out in Annexure C, 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, Abacus Storage King will have various covenants in relation to the Abacus Storage King Debt Facilities, including interest cover ratio requirements, loan to value ratio requirements and other debt covenants.	Sections 5.6, 14.1 and 14.3

	SUMMARY	REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
What are the main risks of an investment in Abacus Storage King? continued	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-De-stapling Implementation, 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 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-De-stapling Implementation Abacus Storage King will manage and license) Self Storage stores for third party owners. As a result, the Self Storage business is (and post-De-stapling Implementation, Abacus Storage King will be) responsible for ensuring those sites are properly operated in line with the arrangements described in Section 16.8. 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.	Sections 5.6, 14.1 and 14.3

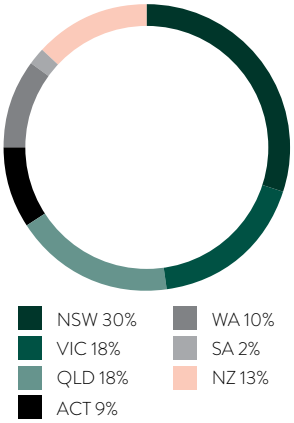
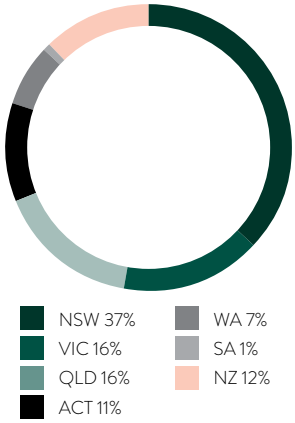
01 QUESTIONS AND ANSWERS CONTINUED

SUMMARY		REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
What are the main risks of an investment in Abacus Storage King? continued	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. Other risks A number of other investment risks are discussed in Sections 5.6, 14.1 and 14.3.	Sections 5.6, 14.1 and 14.3
What are the key metrics of the Self Storage Properties?	Self Storage Properties are valued at $2.6 billion.[63] Key statistics of the Self Storage Properties by type are set out in the table below.	Section 6.3
What assets comprise the development pipeline?	Abacus Storage King will have 87,100 sqm of NLA over 15 new development sites to be developed across the short-to-medium term, with over 27,000 sqm[64] delivered during YTD 30 April 2023. It is expected that over 18,400 sqm of additional NLA will be created from expansions across the existing portfolio.	Section 6.3

	ESTABLISHED PORTFOLIO[2]	ACQUISITIONS PORTFOLIO[3]	STABILISING PORTFOLIO[4]
Number of Properties	76	18	37
Value ($m)[1]	1,657	357	605
NLA (sqm)[5]	395,214	95,707	91,940
Occupancy (%)[6]	91.4%	91.0%	65.5%
Average Rent Per Square Metre[6]	348	339	305
RevPAM[6]	319	308	200
RevPAM Growth[5]	9.1%		

1. As at 30 April 2023.
2. Established Portfolio: 76 mature stores open at 1 July 2021.
3. Acquisitions Portfolio: 18 mature stores acquired since FY21.
4. Stabilising Portfolio: 37 stores. Includes 16 stores that have not reached operational maturity and 21 developments not captured in these trading metrics.
5. Excludes Commercial areas of c.55,000 sqm.
6. Excludes two stores due to site composition.

63. As at 30 April 2023.
64. Development and expansion NLA.

SUMMARY		REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
Where are the Self Storage Properties located?	Abacus Storage King has a geographically diverse portfolio of Self Storage Properties. Breakdown by NLA and value by state is below: **% NLA Breakdown by Geography[1,2]**  **% Value Breakdown by Geography[1]**  1. As at 30 April 2023. 2. Excludes commercial areas of c.55,000 sqm.	Section 6.2
Who are the Directors on the Abacus Storage King Board?	The Abacus Storage King Directors as at the Transaction Booklet Date are the same as Abacus Property Group Directors (as set out in Section 4.6). On or as soon as practicable after the De-stapling Implementation Date, the Abacus Storage King Board will be reconstituted and comprise 4 Non-Executive Directors, including an Independent Non-Executive Chair and 1 Executive Director as follows. • John O'Sullivan (Independent Non-Executive Chair) • Steven Sewell (Managing Director) • Stephanie Lai (Independent Non-Executive Director) • Mark Bloom (Non-Executive Director) • Karen Robbins (Independent Non-Executive Director) The majority of the Abacus Storage King Directors will be considered independent for the purposes of the ASX Recommendations. The board of directors of the ASPT Responsible Entity will be identical to the board of directors of ASOL on or as soon as practicable after the De-stapling Implementation Date. On and from De-stapling Implementation, and for so long as the ASPT Units and ASOL Shares are stapled to each other and ASFML is the responsible entity of ASPT, each of ASOL and ASFML (and, for so long as ASFML is a wholly-owned subsidiary of the Abacus Group Entities) will use reasonable endeavours to maintain the same directors on the board of directors of each of ASFML and ASOL.	Sections 4.6 and 8.2.1

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
Who will be the key members of the external management team of Abacus Storage King?	The external management team of Abacus Storage King will comprise the following key Abacus Property Group executives (who will continue to be Abacus Group executives following De-stapling Implementation): • Steven Sewell (Managing Director, Abacus Group) • Gavin Lechem (Chief Investment Officer and General Counsel, Abacus Group) • Evan Goodridge (Chief Financial Officer, Abacus Group) • Nikki Lawson (Group General Manager, Self Storage, Abacus Group; Fund Manager, Abacus Storage King)	Section 8.2.2
Can the ASPT Responsible Entity be removed and what would be the consequences?	The ASPT Responsible Entity may be removed by an ordinary resolution of the Abacus Storage King Securityholders. As at the Transaction Booklet Date, Calculator Australia holds approximately 51.8% of the Abacus Property Group Securities.[65] It is expected that Calculator Australia will hold approximately 51.8% of the Abacus Group Securities and 39.6% of the Abacus Storage King Securities on Completion.[66] As a result of its stake in Abacus Group, Calculator Australia will have indirect exposure to the benefit of any external management related fees and income generated by Abacus Group in relation to Abacus Storage King. Calculator Australia and its associates (which will, on Completion, include Abacus Group) are likely to have the ability to have significant influence over a resolution to remove the ASPT Responsible Entity. If the ASPT Responsible Entity is removed or retires as responsible entity of ASPT and is not replaced by an Abacus Group Member: • Abacus Storage King will cease to have access to the expertise and resources of Abacus Group; • no termination fee is payable to the ASPT Responsible Entity and it will cease to receive fees under the ASPT Constitution (other than fees accrued prior to its retirement or removal); • the Management Services Agreement, Development Management Agreement, Property Management Agreement and Investment Management Agreement will automatically terminate and the Trade Mark Licence Deed may be terminated at the election of Abacus Group. There is no termination fee payable to the Manager, the Development Manager, the Property Manager or AFML in connection with its role under the Investment Management Agreement, and fees will cease to be payable under those agreements (other than fees accrued prior to termination). See Section 16.3 for further information;	Section 8.3

65. Based on the substantial holding notice filed on 16 September 2022.
66. See Section 12.6 for further details.

SUMMARY		REFERENCE
ABACUS STORAGE KING AFTER COMPLETION OF THE PROPOSAL		
Can the ASPT Responsible Entity be removed and what would be the consequences? continued	• the agreed processes for the allocation of storage asset acquisition and leasing opportunities (including the offer of certain first rights for acquiring or leasing storage assets to Abacus Storage King in priority to other Abacus Group Members or other entities that Abacus Group manages) set out in the Conflicts of Interest and Related Party Transactions Policy will cease to have effect. See Section 8.6.5.6 for a summary of these agreed allocation processes; and • the obligations of the ASPT Responsible Entity and ASOL to use reasonable endeavours to maintain the same directors on the board of directors of each of the ASPT Responsible Entity and ASOL under the Implementation Deed will cease to apply.[67]	Section 8.3
What will the corporate governance arrangements of Abacus Storage King be?	The key corporate governance policies and practices that have been adopted by the Abacus Storage King Board in respect of Abacus Storage King with effect from De-stapling Implementation are summarised in Section 8.6. Abacus Storage King intends to comply with all of the applicable ASX Recommendations from the time of De-stapling Implementation.	Section 8.6
FINANCIAL INFORMATION OF ABACUS STORAGE KING		
What is Abacus Storage King's forecast distribution yield for FY24?	Abacus Storage King is forecast to deliver an FY24 Distribution Yield of 4.2%[68] for the year ending 30 June 2024.	Section 10.6
What is Abacus Storage King's distribution policy?	Abacus Storage King expects to target a distribution payout ratio of 90% to 100% of FFO. A payout ratio below this target may be adopted in circumstances where Abacus Storage King has identified growth initiatives including acquisitions and developments. The Abacus Storage King Board retains the discretion to vary the distribution policy. Abacus Storage King intends to pay distributions every six months, with Abacus Storage King Securityholders to receive distributions within 2 months following the end of each distribution period, being the six months ending 30 June and 31 December. The first distribution is expected to be paid by 28 February 2024. The table below sets out the expected distribution schedule:	Sections 5.8 and 10.9

SIX MONTHS ENDING	PAID BY
31 December	28 February
30 June	31 August

Abacus Storage King will continue to monitor the appropriateness of the distribution policy to ensure that it meets the ongoing objectives of Abacus Storage King and is in the best interests of Abacus Storage King Securityholders.

67. Unless the incoming responsible entity of ASPT is a wholly-owned subsidiary of Abacus Group, equivalent obligations on Abacus Group and ASOL to ensure the incoming responsible entity is bound by substantially similar obligations will also cease to apply.
68. Pro forma basis, based on the Offer Price. Refer to Section 10.7 for details of the underlying assumptions.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
FINANCIAL INFORMATION OF ABACUS STORAGE KING		
What is the Adjusted NTA per Abacus Storage King Security on Completion?	Abacus Storage King's Adjusted NTA per Security on Completion will be equal to $1.57.[69]	Sections 10.5 and 10.6
What is the Gearing policy of Abacus Storage King?	At Completion, Abacus Storage King is expected to have Adjusted Gearing of 26.7%.[70] Under the terms of the Abacus Storage King Debt Facilities which will be in effect from De-stapling Implementation, Abacus Storage King's loan to value ratio must not exceed 60%, subject to temporary increases to 65% to support acquisitions in certain circumstances. Notwithstanding this, the Abacus Storage King Board has approved a gearing policy whereby gearing is expected to be maintained between 25% and 35%, with the ability to exceed the top end of the range, provided gearing will be reduced to below 35% within a reasonable period of time.	Section 5.7.1
What is Abacus Storage King's hedging policy?	To manage the risk arising from the fluctuation of interest rates, Abacus Storage King may enter into fixed rate borrowings and/or interest rate swaps to convert floating rate borrowings to fixed rate borrowings. Abacus Storage King may choose to have a portion of its total borrowings on a fixed interest rate basis. In deciding the appropriate level of interest rate hedging, Abacus Storage King will monitor market conditions on a regular basis.	Section 5.7.2
OVERVIEW OF THE OFFER		
What is the structure of the Offer?	The Offer, which is being made by the Abacus Storage King Entities, is structured as a 1 for 5.6 pro rata securityholder offer at the Offer Price of $1.41 per Abacus Storage King Security to raise approximately $225.0 million which comprises: • an Institutional Securityholder Offer to raise up to approximately $191.5 million; • an Institutional Shortfall Offer for any Entitlements to Abacus Storage King Securities not taken up by Eligible Abacus Property Group Securityholders under the Institutional Securityholder Offer, as well as those which would otherwise have been offered to Ineligible Institutional Abacus Property Group Securityholders had they been eligible to participate; and • a Retail Securityholder Offer to raise up to approximately $33.5 million.	Sections 12.1 and 12.10

69. Adjusted NTA represents net tangible assets including pro forma adjustments and certain post balance date events as if they had occurred as at 31 December 2022.
70. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
What is the structure of the Offer? continued	Eligible Retail Abacus Property Group Securityholders who apply for their full Retail Entitlement may also apply for Additional Abacus Storage King Securities under the Retail Oversubscription Facility for up to an additional 25% of their Retail Entitlement (subject to scale back). The Institutional Securityholder Offer and the Institutional Shortfall Offer closed on 16 June 2023 and raised approximately $191.5 million. If you are an Eligible Retail Abacus Property Group Securityholder, the number of Abacus Storage King Securities for which you are entitled to apply is shown on the personalised Application Form that accompanies this Transaction Booklet or via the Registry's Investorserve website at www.investorserve.com.au, in each case from the opening of the Retail Securityholder Offer.	Sections 12.1 and 12.10
Are my Entitlements to subscribe for Abacus Storage King Securities under the Offer tradable?	No. An Eligible Abacus Property Group Securityholder's Entitlement to subscribe for Abacus Storage King Securities under the Offer are non-renounceable, which means they are personal and cannot be traded on ASX or any other exchange or privately transferred, sold or otherwise disposed of.	Section 12.1
Who can participate in the Retail Securityholder Offer?	Eligible Retail Abacus Property Group Securityholders, being those persons who: • are registered as a holder of Abacus Property Group Securities at 7.00pm (AEST) on the Offer Record Date; • have a registered address in an Eligible Retail Jurisdiction (being Australia or New Zealand) at 7.00pm (AEST) on the Offer Record Date; • are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds Abacus Property Group Securities for the account of benefit of such persons in the United States); and • is determined by Abacus Storage King and the Joint Lead Managers in their absolute discretion to not be an Institutional Investor and not otherwise ineligible to participate. Eligible Retail Abacus Property Group Securityholders who take up their full Retail Entitlement may also participate in the Retail Oversubscription Facility for up to 25% of their Retail Entitlement (subject to scale back).	Section 12.8

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
What happens if I am an Ineligible Foreign Securityholder or am otherwise ineligible to participate?	Ineligible Foreign Securityholders will not be entitled to apply for Abacus Storage King Securities under the Offer. The number of Entitlements to Abacus Storage King Securities to which an Ineligible Foreign Securityholder or any other Abacus Property Group Securityholder who is determined to be ineligible to participate in the Offer would otherwise be entitled to apply for under the: • Institutional Securityholder Offer will not be offered to such Abacus Property Group Securityholders and instead will form the Institutional Shortfall Offer; and • Retail Securityholder Offer will not be offered to such Abacus Property Group Securityholders and instead will form part of the Retail Oversubscription Facility. If it is not allocated under that, then it will be allocated to the Joint Lead Managers and/or any sub-underwriters. Ineligible Foreign Securityholders and any other Abacus Property Group Securityholders who are determined to be ineligible to participate in the Offer will not receive any payment or value for the allocation of those Abacus Storage King Securities to other investors.	Section 12.9
How do I participate in the Offer?	Institutional Securityholder Offer and Institutional Shortfall Offer The Institutional Securityholder Offer and the Institutional Shortfall Offer closed on 16 June 2023. The Joint Lead Managers separately advised Eligible Institutional Investors on how to participate. Retail Securityholder Offer (including the Retail Oversubscription Facility) Abacus Storage King encourages you to carefully read this Transaction Booklet before making your investment decision, noting you will be bound by the terms and conditions in this Transaction Booklet if you choose to participate. Eligible Retail Abacus Property Group Securityholders can log on to the Registry's Investorserve website once the Retail Securityholder Offer opens and view and/or download the Transaction Booklet and their personalised Application Form. Securityholders can then log on to their banking portal and pay by BPAY® using the Biller Code and their unique Customer Reference Number (CRN) shown on their personalised Application Form. This is the fastest and easiest way to apply. By paying by BPAY there is no need for the Applicant to return their personalised Application Form. If an Eligible Retail Abacus Property Group Securityholder is unable to pay via BPAY or access the Registry's Investorserve website, please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST), Monday to Friday (excluding public holidays), during the Offer Period.	Sections 12.10 and 12.11

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
How do I participate in the Offer? continued	If you participate in the Retail Securityholder Offer (including if you participate in the Retail Oversubscription Facility), you are taken to make the declarations, acknowledgements, certifications, representations, warranties, confirmations and agreements described in this Transaction Booklet and in the Application Form, including those set out in Section 12.12. It is an Applicant's responsibility to ensure that their Application Form (if applicable) and payment is received by the Registry by no later than 5.00pm (AEST) on the Closing Date. Application Money paid for the units (interests) in ASPT may be held for up to 60 calendar days starting on the day on which the Application Money was received before the units (interests) in ASPT are issued or the Application Money is returned. Further details on how to participate are set out in Sections 12.10 and 12.11.	Sections 12.10 and 12.11
What are my options if I am entitled to participate in the Retail Securityholder Offer?	If you are an Eligible Retail Abacus Property Group Securityholder, you may: • apply for your full Retail Entitlement; • apply for your full Retail Entitlement and apply for Additional Abacus Storage King Securities under the Retail Oversubscription Facility, up to an additional 25% of your Retail Entitlement (subject to scale back); there is no guarantee that you will be allocated any Additional Abacus Storage King Securities; • apply for less than your full Retail Entitlement; or • take no action and not participate in the Offer.	Section 12.10
What happens if I do not take up some or any of my Entitlements under the Offer?	If you do not take up some or any of your Entitlements, you will not receive any payment or value for those Entitlements not taken up and they will lapse.	Section 12.10
What is the allocation policy under the Offer?	Abacus Storage King has used and will use reasonable endeavours to allocate Eligible Abacus Property Group Securityholders up to their full Entitlement in Abacus Storage King Securities under the Offer, subject to the conditions set out in Section 12.2 being met. The Institutional Securityholder Offer and the Institutional Shortfall Offer The allocation of Abacus Storage King Securities among Applicants in the Institutional Securityholder Offer and the Institutional Shortfall Offer was determined by agreement between the Joint Lead Managers and Abacus Storage King. The Joint Lead Managers and Abacus Storage King have absolute discretion regarding the basis of allocation of Abacus Storage King Securities amongst Eligible Institutional Investors. Further details regarding the allocation policy for the Institutional Securityholder Offer and the Institutional Shortfall Offer are set out in Section 12.10.3.	Sections 12.10 and 12.11

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
What is the allocation policy under the Offer? continued	The Retail Securityholder Offer (including the Retail Oversubscription Facility) Eligible Retail Abacus Property Group Securityholders who apply for their full Retail Entitlement under the Retail Securityholder Offer may also apply for Additional Abacus Storage King Securities up to 25% of their Retail Entitlement (subject to scale back). Abacus Storage King has the right to scale back Applications under the Retail Oversubscription Facility. There is no guarantee that Eligible Retail Abacus Property Group Securityholders who validly apply for and pay for Additional Abacus Storage King Securities will receive the number of additional securities applied for. Any shortfall under the Retail Securityholder Offer that is not taken up under the Retail Oversubscription Facility will be allocated to the Joint Lead Managers and/or any sub-underwriters. The allocations of the shortfall under the Retail Securityholder Offer are to be determined by Abacus Storage King, in agreement with the Joint Lead Managers. Abacus Storage King Directors and other Listing Rule 10.11 parties are not entitled to participate in the Retail Oversubscription Facility due to the application of Listing Rule 10.11.	Sections 12.10 and 12.11
What happens if I am an Eligible Abacus Property Group Securityholder and a nominee, trustee or custodian?	Eligible Abacus Property Group Securityholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. To the extent that you are a nominee, trustee or custodian for a beneficial owner that is in the United States, please note that the Abacus Storage King Securities have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable United States securities laws. Accordingly, as a nominee, trustee or custodians, you must not: • send this Transaction Booklet or any other document relating to the Offer to any of your clients in the United States unless it is attached to, or constitutes part of, the U.S. Private Placement Memorandum as part of the Institutional Securityholder Offer or Institutional Shortfall Offer in the United States; or • submit an application or otherwise accept the Offer on behalf of a person in the United States.	Section 12.8.2

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
What happens if I am an Eligible Abacus Property Group Securityholder and a nominee, trustee or custodian? continued	Institutional Securityholder Offer and Institutional Shortfall Offer When you are acting as the nominee, trustee or custodian for any beneficiary in a jurisdiction outside Australia and New Zealand, other than the United States, you will need to satisfy yourself that the application or acceptance does not breach any law of any relevant overseas jurisdiction. Failure to comply with these restrictions may result in violations of applicable securities laws. Retail Securityholder Offer (including the Retail Oversubscription Facility) Nominees, trustees and custodians may only participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility) on behalf of underlying beneficial securityholders who are resident in Australia or New Zealand provided the applicable beneficiary would satisfy the criteria for an Eligible Retail Abacus Property Group Securityholder. See Section 12.8.2 for further details.	Section 12.8.2
How will proceeds of the Offer be used?	The sources and uses of proceeds from the Offer can be seen below: **Sources and uses of proceeds**	Section 12.4

SOURCE	$ M	%
Offer proceeds	225.0	100.0%

USES	$ M	%
Acquisitions costs associated with the ART units and the Castle Hill asset[71]	21	9.3%
Repayment of intercompany loans	161	71.6%
Repayment of existing debt	31	13.8%
Transaction costs	12	5.3%
Total Uses	**225.0**	**100.0%**

71. ART units hold the Storage King Woolloomooloo, Homebush and Miami assets.

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
What will Abacus Storage King's Securityholding structure be on Completion?	Details of the ownership of Abacus Storage King Securities prior to and following Completion are set out below.	Section 12.5

	NUMBER OF ABACUS STORAGE KING SECURITIES AS OF THE TRANSACTION BOOKLET DATE[72]	NUMBER OF ABACUS STORAGE KING SECURITIES TO BE ISSUED UNDER ASK STAKE ACQUISITION[73]	NUMBER OF ABACUS STORAGE KING SECURITIES TO BE ISSUED UNDER THE OFFER	NUMBER OF ABACUS STORAGE KING SECURITIES ON COMPLETION OF THE PROPOSAL
Abacus Group	–	260,859,303	–	260,859,303
Calculator Australia	462,898,698	–	57,781,775	520,680,473
Abacus Storage King Directors and External Management[74]	1,202,402	–	214,715	1,417,117
Other Securityholders (excluding the above)	429,556,533	–	101,585,231	531,141,764
TOTAL	**893,657,633**	**260,859,303**	**159,581,720**	**1,314,098,656**

On Completion of the Proposal, 23,232 Abacus Storage King Securities will remain subject to restrictions in trading which applied to these Securities under the Restricted Abacus Property Group Security Awards. See Section 4.9 for further details on the treatment of Restricted Abacus Property Group Security Awards and the applicable trading restriction.

Is the Offer underwritten?	Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer. The balance of the Offer is underwritten by the Joint Lead Managers Barrenjoey and Morgan Stanley in accordance with the terms of the Underwriting Agreement as summarised in Section 16.11.	Sections 12.7 and 16.13
Who are the Joint Lead Managers of the Offer?	The Joint Lead Managers of the Offer are Barrenjoey and Morgan Stanley. The Co-Manager of the Offer is Shaw and Partners.	Section 12.7

72. Consisting of fully paid ordinary shares in ASOL and fully paid ordinary units in ASPT as part of Abacus Property Group. This is expected to remain unchanged on the Listing Date.
73. Consisting of fully paid ordinary shares in ASOL and fully paid ordinary units in ASPT as part of Abacus Property Group.
74. The analysis in this table assumes Abacus Storage King Directors and External Management are issued their full Entitlements under the Offer. Abacus Storage King Directors and other Listing Rule 10.11 parties are not entitled to participate in the Retail Oversubscription Facility due to the application of Listing Rule 10.11.

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
What are the main risks of the Offer?	There is a risk that the amount of proceeds that may be raised by Abacus Storage King under the Offer may be adversely impacted by one or more events which may or may not be within the control of Abacus Storage King including the Joint Lead Managers terminating the Underwriting Agreement in accordance with its terms (see the summary of the Underwriting Agreement set out in Section 16.11). The occurrence of any of these may have a material adverse impact on the total amount of proceeds that could be raised by Abacus Storage King, which in turn would have a material adverse impact on Abacus Storage King's financial position, gearing and liquidity. It is a Condition Precedent of the Proposal that the Underwriting Agreement has not been terminated or a condition precedent to the Underwriting Agreement has not become incapable of being satisfied as at 10.00am on the Effective Date and it is expected that Abacus Property Group would not proceed with the implementation of the Proposal and the Abacus Storage King Entities would not proceed with the Offer if the Underwriting Agreement was terminated. Further, if Abacus Property Group Securityholders do not participate in the Offer, then they will not be exposed to future increases or decreases in Abacus Storage King's security price in respect of those new Abacus Storage King Securities that would have been issued to them had they participated in the Offer. They may also be diluted. Abacus Storage King may issue new Securities in the future (for example, to finance acquisitions or pay down any debt) which may, under certain circumstances, dilute the value of an investor's interest.	Sections 14.3.23, 14.4 and 17.8
What are the fees and costs associated with the Offer?	Abacus Storage King's portion of the transaction costs of the Proposal (including the Offer) is expected to be $15.5 million, of which $10.8 million will be incurred in FY24 for Abacus Storage King, amount to 0.52 % of NAV and will be paid by Abacus Storage King from the proceeds of the Offer. For details on the fees payable to the Joint Lead Managers under the Underwriting Agreement, see Section 16.11.	Section 15.3.2
What will be the total ongoing fees and costs of Abacus Storage King?	The total ongoing fees and costs of Abacus Storage King are 0.82% of NAV. See Section 15 for further details about fees and other costs.	Section 15
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Abacus Storage King Securities under the Offer. Investors who buy or sell Abacus Storage King Securities on ASX may be subject to brokerage and other transaction costs. Transfers of Abacus Storage King Securities on ASX should not attract any Australian stamp duty. Abacus Storage King Securityholders should confirm the stamp duty consequences of dealing with their Abacus Storage King Securities with their taxation adviser.	Section 12.7

01 QUESTIONS AND ANSWERS CONTINUED

	SUMMARY	REFERENCE
OVERVIEW OF THE OFFER		
Is there a cooling-off period?	Cooling-off rights do not apply to Applications. Once you lodge an Application and it has been accepted, you cannot withdraw it (other than in certain limited circumstances permitted by law).	Section 12.13
Can the Offer be withdrawn?	Yes. The completion of the Offer is conditional on the Conditions Precedent set out in Section 3.4 being met (including the Underwriting Agreement having not been terminated or becoming incapable of being completed as at 10.00am on the Effective Date) or waived and the Proposal (or the Offer itself) not being otherwise withdrawn. A summary of the Underwriting Agreement can be found in Section 16.11. If any of the Conditions Precedent are not satisfied or waived (as applicable), or if the Proposal is withdrawn, the Abacus Storage King Entities will not proceed with the Offer. In the event that the Offer is cancelled or withdrawn before the allotment and issue of Abacus Storage King Securities to successful Applicants, then all Application Monies received under the Offer will be refunded to the Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Sections 12.2 and 12.16
What are the tax implications of investing in the Abacus Storage King Securities?	There may be tax implications arising from Applications for Abacus Storage King Securities. Summaries of certain Australian tax consequences of participating in the Offer and investing in Abacus Storage King Securities are set out in Annexure D. These implications will differ depending on the individual circumstances of the Applicant. Applicants should obtain their own professional taxation advice about the consequences of investing.	Annexure D
FURTHER INFORMATION		
Where can I find out more information about the Proposal?	If you have further enquiries or questions relating to aspects of this Transaction Booklet or about the Proposal (including the Offer), please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays). If you are unclear in relation to any matter or are uncertain as to whether or not to vote in favour of the Proposal or whether to participate in the Offer, you should seek professional advice from your investment, financial, accounting, legal tax and/or other professional adviser before deciding to vote or invest.	Section 2



02

WHAT YOU NEED TO DO

02 WHAT YOU NEED TO DO

STEP 1 CAREFULLY READ THIS TRANSACTION BOOKLET IN FULL

You should read this Transaction Booklet carefully and in full. It contains important information to assist you in deciding how to vote on the Resolutions to implement the Proposal and whether to participate in the Offer.

It is important that you consider the information disclosed in light of your own particular circumstances before deciding how to vote on the Resolutions and whether to participate in the Offer.

Section 1 of this Transaction Booklet may help answer some of your questions. If you are in doubt as to what you should do, you should consult your investment, financial, accounting, legal, tax and/or other professional adviser(s) without delay and before deciding how to vote on the Resolutions.

If you have any questions about the Proposal, please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays).

STEP 2 VOTE ON THE RESOLUTIONS

YOUR VOTE IS IMPORTANT

The Proposal will only proceed if each Resolution is passed by Abacus Property Group Securityholders at the Meeting. If any Resolution is not passed, the Proposal will not proceed.

If you are an Abacus Property Group Securityholder on the Register as at 7.00pm (AEST) on the Voting Record Date, you are entitled to vote on the Resolutions subject to any applicable Voting Exclusions.

The Meeting

The Meeting will be held at:

Time: 10.30am (AEST), with registration commencing at 10.00am (AEST)
Date: Thursday, 27 July 2023
Venue: Level 13, 77 Castlereagh Street, Sydney NSW 2000

Abacus Property Group Securityholders may retrieve their Meeting documents online at www.investorserve.com.au on and from the Despatch Date. Specifically:

- **Registered users:** go to www.investorserve.com.au, then enter your username and password using the "Registered User Login". Select "My Portfolio" and then from the left hand side of the page select "Company Announcements" for the Transaction Booklet and "Statements/Advices" for your personalised Proxy Form.
- **Unregistered users:** go to www.investorserve.com.au, then select "Individual Investment Access". You will need to enter details regarding your Abacus Property Group securityholding in order to proceed. Once you have been validated, select from the left hand side of the page "Company Announcements" for the Transaction Booklet and "Statements/Advices" for your personalised Proxy Form.

How to vote

If you are entitled to vote on the Resolutions, you can vote by:

- **voting online** at www.votingonline.com.au/abpegm2023 on and from the Despatch Date – Abacus Property Group Securityholders must enter the Voting Access Code which can be found on your Proxy Form. You must submit your vote by 10.30am (AEST) on Tuesday, 25 July 2023;
- **in person** by attending the Meeting;

- **by appointing a proxy** to attend the Meeting and vote on your behalf in accordance with the instructions in the Notice of Meeting. A Proxy Form will be made available on and from the Despatch Date.

  To be valid, completed Proxy Forms must be received by the Registry by no later than 10.30am (AEST) on 25 July 2023 using the reply paid envelope or:

  - **online:** www.votingonline.com.au/abpegm2023
  - **by mail:** Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia
  - **by fax:** + 61 2 9290 9655
  - **by hand:** Level 8, 210 George Street, Sydney NSW 2000 Australia

- **by appointing an attorney** to attend the Meeting and vote on your behalf in accordance with the instructions in the Notice of Meeting. For the appointment to be valid, the original or a certified copy of the power of attorney and the authority under which it is signed must be received by the Registry by the same time and date, and in the same manner, as outlined above for proxy forms.
- **for Abacus Property Group Securityholders that are body corporates, by appointing a corporate representative** to attend the Meeting and vote on your behalf in accordance with the instructions in the Notice of Meeting. The appointment must comply with sections 250D and 253B of the Corporations Act. Written notice of appointment and the authority under which it is signed must be received by the Registry by the same time and date, and in the same manner, as outlined above for proxy forms.

The Notice of Meeting is set out at Annexure A. Further details in relation to the Resolutions, the approval thresholds and the voting exclusions for each Resolution are set out in Sections 1 and 11.

STEP 3 CONSIDER WHETHER YOU WOULD LIKE TO PARTICIPATE IN THE OFFER

Eligible Retail Abacus Property Group Securityholders are invited to participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility) which will open following the end of the Exposure Period. Unless the Exposure Period is extended, it is expected that the Retail Securityholder Offer (including the Retail Oversubscription Facility) will be open between 9.00am (AEST), 27 June 2023 (**Opening Date**) and 5.00pm (AEST), 27 July 2023 (**Closing Date**).

Eligible Retail Abacus Property Group Securityholders can log on to the Registry's Investorserve website through www.investorserve.com.au and view and/or download the Transaction Booklet and their personalised Application Form once the Retail Securityholder Offer opens. Specifically:

- **Registered users:** go to www.investorserve.com.au, then enter your username and password using the "Registered User Login". Select "My Portfolio" and then from the left hand side of the page select "Company Announcements" for the Transaction Booklet and "Statements/Advices" for your personalised Application Form.
- **Unregistered users:** go to www.investorserve.com.au, then select "Individual Investment Access". You will need to enter details regarding your Abacus Property Group securityholding in order to proceed. Once you have been validated, select from the left hand side of the page "Company Announcements" for the Transaction Booklet and "Statements/Advices" for your personalised Application Form.

If you are an Eligible Retail Abacus Property Group Securityholder, the number of Abacus Storage King Securities for which you are entitled to apply is shown on the personalised Application Form that accompanies this Transaction Booklet or via the Registry's Investorserve Website at www.investorserve.com.au, in each case from the opening of the Retail Securityholder Offer.

Details of the Offer are set out in Section 12. Details on how to participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility) are set out in Sections 12.10 and 12.11.

Further details about the Institutional Securityholder Offer and Institutional Shortfall Offer are set out in Section 12.10.



03

OVERVIEW OF THE PROPOSAL

03 OVERVIEW OF THE PROPOSAL

3.1 Overview of the Proposal

Abacus Property Group is proposing to establish Abacus Storage King, a new ASX listed Self Storage operating platform and real estate investment group which will own, operate and manage the Storage King operating platform and own a $3.1 billion Investment Portfolio, comprising of $2.6 billion Self Storage Properties[75] and $0.5 billion of Other Investments.[76]

It is proposed that Abacus Storage King will be established through a De-stapling of Abacus Property Group such that, following the De-stapling and prior to completion of the Offer:

- **Abacus Group:** Abacus Property Group Securityholders will hold the same direct interest in Abacus Group; and
- **Abacus Storage King:** Abacus Property Group Securityholders will have a combined:
  - indirect (look-through) interest in Abacus Storage King via Abacus Group's investment in Abacus Storage King; and
  - direct interest in Abacus Storage King Securities.

Through the combined indirect and direct interest, Abacus Property Group Securityholders will not have their existing interest in Abacus Storage King diluted prior to completion of the Offer. See Section 17.8 for further details.

There may be dilution for Abacus Property Group Securityholders arising from the Offer depending on their respective levels of participation in the Offer. See Section 17.8 for further details.

Abacus Property Group Securityholders will, as a result of the De-stapling, each hold one Stapled Security in Abacus Group and one Stapled Security in Abacus Storage King for each Abacus Property Group Security held on the De-stapling Implementation Date.

If the Proposal proceeds, Abacus Property Group as it currently exists will become two separately listed vehicles with different investment attributes and characteristics:

- **Abacus Group** (the ticker '**ASX:ABP**' until shortly after the Normal Trading Date when it is expected to be changed to the new ticker '**ASX:ABG**'): will continue to own and manage its high quality, eastern seaboard focused $2.4 billion Commercial Portfolio[77], which is diversified by market, asset grade, asset life cycle, customer industry and customer profile. Abacus Group aims to direct capital towards assets that provide potential for income growth and ultimately create value for Abacus Group Securityholders.[78] Abacus Group will also externally manage and hold a minority interest of 19.9% in Abacus Storage King;[79] and
- **Abacus Storage King** (ticker **ASX:ASK**): will have a GAV of $3.1 billion.[80] It will own, operate and manage the Storage King operating platform and own a portfolio of 131 high quality and metropolitan focused Self Storage Properties, including 110 trading stores with 582,861 sqm of NLA[81] and 21 developments with a valuation of $2.6 billion and WACR of 5.54%,[82] and have $0.5 billion of Other Investments including $238 million or 7.2% interest in another ASX listed Self Storage REIT[80]. Abacus Storage King will be externally managed by Abacus Group and have a majority independent Board of Directors.[83]

75. As at 30 April 2023; Includes equity accounted investments. As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.
76. As at 30 April 2023.
77. As at 30 April 2023; Includes equity accounted investments; 19 assets were independently valued; As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, 247 Adelaide Street and 33 Queen Street, Brisbane for a total consideration of c.$97.9 million to Abacus Property Group. Settlements are anticipated or have occurred in Q2/3 of 2023. These assets are included in the portfolio statistics.
78. Refer to Section 4 for more detail on Abacus Group post Completion.
79. See Sections 8.1 and 8.3 for further details.
80. As at 30 April 2023.
81. Excludes commercial areas of c.55,000 sqm.
82. By value as at 30 April 2023.
83. See Section 5 for more detail on Abacus Storage King post Completion.

03 OVERVIEW OF THE PROPOSAL CONTINUED

As part of the Proposal, the Abacus Storage King Entities are making a pro rata offer to Eligible Abacus Property Group Securityholders of approximately 159.6 million Abacus Storage King Securities at the Offer Price of $1.41 per Abacus Storage King Security to raise proceeds of approximately $225.0 million. Proceeds from the Offer are intended to be used to:

- optimise Abacus Storage King's capital structure with its Adjusted Gearing expected to be reduced to 26.7% at Completion[84], providing balance sheet capacity to take advantage of acquisition and development opportunities;
- fund capital expenditure for Abacus Storage King's development pipeline;
- provide Abacus Storage King with working capital; and
- fund Abacus Storage King's transaction costs associated with the Proposal.[85]

Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details). The balance of the Offer is underwritten by the Joint Lead Managers (see Section 16.11 for details on the terms and conditions of the underwriting arrangements).

The Proposal is conditional on the approval of the Resolutions by Abacus Property Group Securityholders at the Meeting on 27 July 2023 and on the satisfaction or waiver of the other Conditions Precedent. If all Conditions Precedent are satisfied or waived (if applicable) by 10.00am (AEST) on the Effective Date, the Proposal is expected to reach Completion on or about the Allotment Date (which will also be the date of completion of the Offer). The Resolutions are described in Section 11. The Conditions Precedent are summarised in Sections 3.4 and 16.2.

If the Proposal is approved and the Conditions Precedent are satisfied or waived within the requisite timeframes, Abacus Property Group will continue to be listed and trade on ASX using the ticker 'ASX:ABP' and name "Abacus Group" until shortly after the Normal Trading Date when the ticker is expected to be changed to 'ASX:ABG' (trading will initially be on a deferred settlement and reconstructed basis with the code likely to be ABPDA), while Abacus Storage King will be listed and traded separately on ASX under the ticker 'ASX:ASK' (initially trading on a conditional and deferred settlement basis). For further details on trading, see Sections 17.2 (for Abacus Group) and 12.17.3 (for Abacus Storage King).

For further details on the Directors' recommendation and voting intentions and the intentions of Abacus Property Group's majority securityholder, see Section 3.5.

3.2 Background of Abacus Property Group and rationale for the Proposal

Abacus Property Group was established in 2001 through the merger of eight property syndicates and a small development company established and managed by AFML.

In 2002, Abacus Property Group was listed on ASX as a diversified property group with assets under management of approximately $450 million. Since listing, Abacus Property Group has grown its assets under management to $5.7 billion (as at 31 December 2022) through strategic acquisitions and value creation. Abacus Property Group's acquisition strategy has been well supported by 14 capital raisings totalling $1.8 billion, with allocation predominantly to the Self Storage sector.

Abacus Property Group made its first investment in Self Storage in June 2005, acquiring stores valued at approximately $100 million and forming a new cornerstone unlisted fund – the Abacus Storage Fund (**ASF**) and at the time initiating the key relationship with Storage King that would lead to creating a leading, fully integrated owner, operator and manager in the Self Storage sector.

Storage King was established in 1998 by Michael Tate and David Scanlen who recognised an emerging opportunity in an infant industry. They sought to transform the traditional property management style by implementing a customer centric management system, that would ultimately make the Self Storage businesses more efficient and more successful. Together they created a powerful brand and management platform for owners of well located Self Storage real estate, managing stores on behalf of Abacus Property Group and other licensee owners, driving their vision to pull together a very fragmented marketplace and establish a distinct, respected and preeminent brand in the sector. Michael Tate remains integrally involved in the operating business, as Abacus Property Group's Group General Manager and Storage King CEO while sadly, David Scanlen passed away very recently in April 2023. His memory lives on in the Storage King business.

84. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.
85. See Section 12 for further details on the Offer.

In January 2012, Abacus Property Group merged with ASF into a single listed real estate investment group ('ASX:ABP'). In August 2018 Abacus Property Group sought to create a more integrated management business and acquired a 25% interest in Storage King and later acquired the remaining 75% in November 2020. Since fully integrating the Storage King platform, Abacus Property Group has strategically directed capital towards the Self Storage Investment Portfolio and platform to drive income growth and value creation.

Abacus Property Group has actively and strategically curated a portfolio of 131 Self Storage Properties in the Self Storage sector, with a valuation of approximately $2.6 billion as at 30 April 2023.[86] It has deployed over $1.4 billion into Self Storage assets over the last five years. Abacus Property Group has now determined that the Self Storage Investment Portfolio has reached a scale where it justifies being separately listed with its own capital structure. The creation of Abacus Storage King as a dedicated Self Storage operating platform and real estate investment group will provide Abacus Storage King Securityholders with sector specific exposure to the Storage King operating platform and Self Storage Investment Portfolio. The Proposal, if approved and implemented, will provide the foundation for the next phase of growth for the Self Storage Investment Portfolio.

The Self Storage market has attractive market fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, densification of residential property, and the growth of e-commerce.[87]

Additionally, the Proposal allows for a focused strategy for Abacus Group which will continue to own and manage its eastern seaboard focused $2.4 billion Commercial Portfolio.[88]

The Proposal will also allow for optimisation of the capital structure for Abacus Group and Abacus Storage King, as each entity will have the flexibility to further differentiate their capital structures and distribution policies to appropriately reflect their financial, operational and strategic objectives.

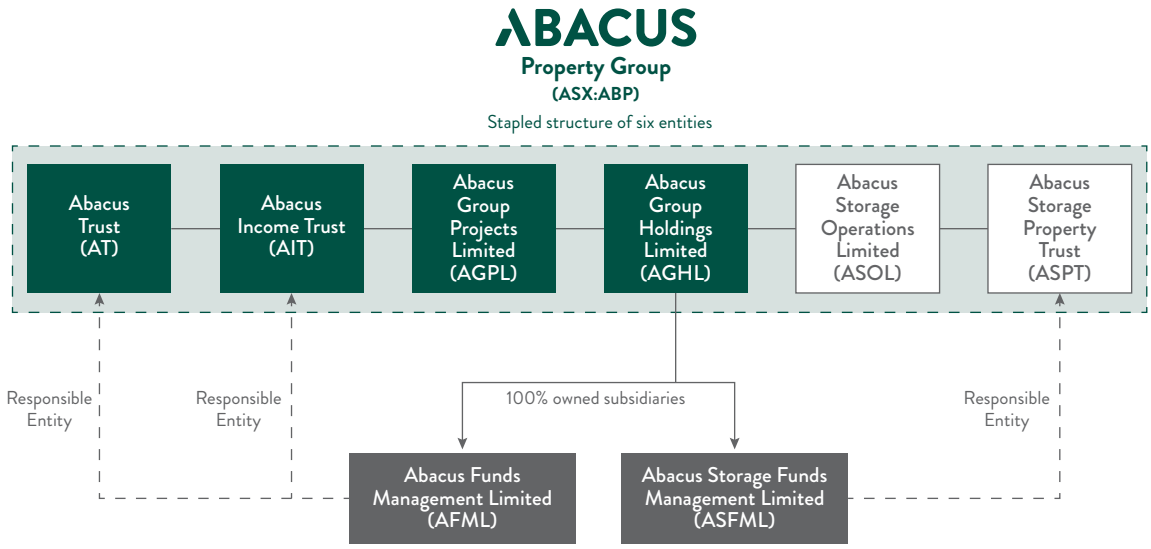
Accordingly, the Proposal is expected to unlock greater value for Abacus Property Group Securityholders than the current structure under the current circumstances. It is also consistent with Abacus Property Group's strategy to unlock value and growth through strategic acquisitions and development.

For further details on the key benefits, main disadvantages and risks of the Proposal, see Sections 3.7, 3.8 and 3.9. For further details on the implications if the Proposal does not proceed, see Section 3.10. For further details on the alternatives considered before a decision was made to recommend the Proposal, see Section 3.11.

3.3 Steps to implement the Proposal

The current structure of Abacus Property Group as at the Transaction Booklet Date is set out in simplified form below.

Chart 3.3.1: Simplified existing structure

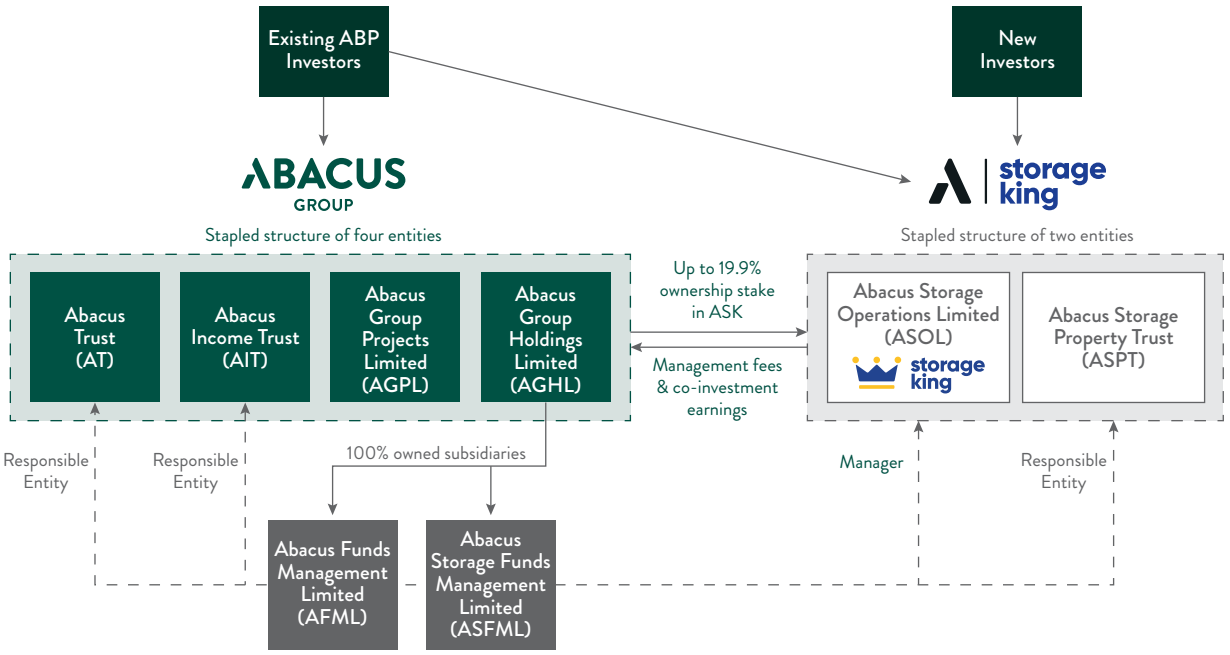


86. As at 30 April 2023; Includes equity accounted investments.
87. See Section 7 for details on the Self Storage industry.
88. See footnote 27.

03 OVERVIEW OF THE PROPOSAL CONTINUED

If the Proposal reaches Completion, the post Completion structure of Abacus Group and Abacus Storage King will be as set out in simplified form below.

Chart 3.3.2: Simplified structure after Completion



To implement the Proposal, the following key steps will take place:

- **Abacus Property Group Securityholder approval:** A Meeting of Abacus Property Group will be held to consider the Proposal and each of the Resolutions relating to it. The Resolutions are interconditional and each of the Resolutions must be passed by the requisite majorities of Abacus Property Group Securityholders in order for the Proposal to proceed. If any Resolution is not passed, the Proposal will not proceed and the Offer will be withdrawn.

  See Section 11 for further details on each of the Resolutions;

- **Constitution:** If each Resolution is approved and each Condition Precedent is satisfied or, where relevant, waived, the Constitution of each Abacus Property Group Entity will be amended to enable implementation of the Proposal and to incorporate certain other amendments described in Section 11.2;

- **De-stapling of Abacus Property Group:** Once the Constitutions have been amended, the securities in ASPT and ASOL will be de-stapled from the Abacus Group Securities and each other, and, in conjunction with the issue of securities to Abacus Group described below, re-stapled together on a one-for-one basis to create the following separate groups:

  — Abacus Group, being a stapled group comprising AGHL, AT, AGPL and AIT (and their respective controlled entities), which will own the Commercial property (including Retail and other) business and remain internally managed. Abacus Group will remain listed on ASX using the ticker 'ASX:ABP' until shortly after the Normal Trading Date when it is expected to be changed to the new ticker 'ASX:ABG'; and

  — Abacus Storage King (ASX:ASK), being a stapled group comprising ASPT and ASOL (and their respective controlled entities), which will own the Self Storage business and be externally managed by Abacus Group. Abacus Storage King will seek to be separately listed on ASX under the ticker 'ASX:ASK' (see below).

  Following De-stapling Implementation, each Abacus Property Group Securityholder will hold one Abacus Group Security and one Abacus Storage King Security for each Abacus Property Group Security they held on the De-stapling Implementation Date.

- **Abacus Group obtains a stake in Abacus Storage King:** Concurrently with the De-stapling, Abacus Group will acquire a collective interest of up to 22.6% of Abacus Storage King Securities (**ASK Stake Acquisition**) in consideration for:
  - the partial repayment of intragroup loans owing from entities in Abacus Storage King Group Members to Abacus Group Members; and
  - the transfer of certain Self Storage assets which form part of the Abacus Storage King business but are currently held by Abacus Group Members to Abacus Storage King Group Members, which will result in all of the Self Storage assets being owned by Abacus Storage King.

  For further details on the key Implementation Steps, see Section 17.3.
- **Offer and admission:** The Abacus Storage King Entities are undertaking an offer of new Abacus Storage King Securities via a pro rata Securityholder offer (known as the Offer), and Abacus Storage King will seek a separate ASX Listing. The Offer is expected to raise proceeds of approximately $225.0 million.[89] Following Completion, Abacus Group is expected to have a collective interest in Abacus Storage King of 19.9%. Further information regarding the Offer can be found in Section 12.

3.4 Conditions precedent to the Proposal

The obligations of Abacus Property Group with respect to Completion of the Proposal are not binding unless and until each of the following Conditions Precedent is satisfied or waived in accordance with the Implementation Deed:

CONDITIONS PRECEDENT	STATUS
Regulatory approvals –ASIC, ASX, FIRB and any other required regulatory authority have been obtained before 10.00am on the Effective Date	ASIC has granted, or agreed in principle to grant, the relief necessary to implement the Proposal (including the Offer). ASX has granted, or confirmed its willingness in-principle to grant the waivers and confirmations necessary to implement the Proposal (including the Offer). FIRB approval is expected to be obtained for the ASK Stake Acquisition before 10.00am on the Effective Date.
Abacus Property Group Securityholder approval of the Resolutions (see Section 3.3)	The Meeting is to be held at 10.30am (AEST) on 27 July 2023.
ASX Listing approval – ASX approves the ASX Listing of Abacus Storage King by 10.00am on the Effective Date	The Abacus Storage King Entities will, within seven days of the Transaction Booklet Date, apply for ASX Listing with a target listing date of the Effective Date.
The Offer not having been withdrawn and the Underwriting Agreement not having been terminated or becoming incapable of being completed as at 10.00am on the Effective Date (see Sections 12.2, 12.16 and 16.11 for further details)	As at the Transaction Booklet Date, the Abacus Storage King Entities do not have any intention to withdraw the Offer and are not aware of any circumstances which may cause the Underwriting Agreement to be terminated or become incapable of being completed.
No restraint or prohibition issued or imposed by a court or other regulatory authority being in effect as at 10.00am on the Effective Date	As at the Transaction Booklet Date, Abacus Property Group is not aware of any such restraints or prohibition.

Further details on these Conditions Precedent, including which of these Conditions Precedent can be waived, and by who, are contained in Section 16.2.

89. Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details). The balance of the Offer is underwritten by the Joint Lead Managers. See Section 16.11 for further details on the terms and conditions of the underwriting arrangements.

03 OVERVIEW OF THE PROPOSAL CONTINUED

3.5 Directors' recommendation and voting intentions and intentions of the majority securityholder

The Abacus Property Group Directors unanimously believe for the reasons set out in Section 3.7 that the benefits of the Proposal outweigh the disadvantages and risks set out in Sections 3.8 and 3.9.

The Proposal has the unanimous support of the Abacus Property Group Directors.

After carefully considering all aspects, benefits and risks of the Proposal and the Independent Expert's Report:

- All of the Abacus Group Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of the Resolutions proposed by the Abacus Group Entities, including the Resolutions to amend the constitutions of AGHL, AGPL, AIT and AT, the Abacus Group Stapling Deed Resolutions and the Proposal Approval Resolutions proposed by the Abacus Group Entities. The Abacus Storage King Independent Directors are not directors of the Abacus Group Entities and therefore do not make a recommendation in respect of these Resolutions;
- All of the Abacus Storage King Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of the Abacus Storage King Stapling Deed Resolution; and
- All of the Abacus Storage King Independent Directors unanimously recommend that Abacus Property Group Securityholders vote in favour of all other Resolutions proposed by the Abacus Storage King Entities, including the Resolutions to amend the constitutions of ASPT and ASOL, the Acquisition Resolutions and the Proposal Approval Resolutions proposed by the Abacus Storage King Entities. Given their position as a current director of the Abacus Group Entities, the Abacus Group Directors do not consider it appropriate to make a recommendation, and make no recommendation, in respect of these Resolutions.

Each Abacus Property Group Director eligible to vote intends to vote all of the Abacus Property Group Securities they own or control in favour of all Resolutions proposed. As at the Transaction Booklet Date, the Abacus Property Group Directors own or control in aggregate 1.8% of the Abacus Property Group Securities on issue.

If an alternative proposal emerges, the Abacus Property Group Directors will carefully consider it and advise you of their recommendation and intention to vote.

Abacus Property Group's majority securityholder, Calculator Australia, has confirmed as at the Transaction Booklet Date that it intends to vote all of the Abacus Property Group Securities it owns or controls in favour of all Resolutions and is supportive of the Offer. As at the Transaction Booklet Date, Calculator Australia owns or controls in aggregate 51.8% of the Abacus Property Group Securities on issue.

Calculator Australia has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details).

3.6 Independent Expert's opinion

The Independent Expert has concluded that the advantages of the Proposal outweigh the disadvantages and therefore the Proposal is fair and reasonable to Abacus Property Group Securityholders. See Section 13 for further details.

3.7 Reasons to vote for, and key benefits of, the Proposal

The Abacus Property Group Board believes that the Proposal will provide several key benefits to Abacus Property Group Securityholders. The Abacus Property Group Board considers that the key benefits include the following:

- **Maximises the potential for unlocking material securityholder value:** The Abacus Property Group Board believes that, if the Proposal is implemented (and as part of that, the Offer is completed), the combined value of Abacus Group and Abacus Storage King will be materially greater than the value of Abacus Property Group on a standalone basis, resulting in increased value for Abacus Property Group Securityholders who hold Securities in both groups following Completion. This is because Abacus Storage King is expected to have a lower cost of capital relative to Abacus Property Group at the time of Completion providing a platform for growth.
- **Creates a substantial and dedicated, fully integrated, Self Storage operating platform and real estate investment group:** The creation of Abacus Storage King as a dedicated Self Storage operating platform and real estate investment group provides Abacus Storage King Securityholders with sector specific exposure to the Storage King operating platform and $3.1 billion Investment Portfolio across Australia and New Zealand,[90] which will benefit from strategic oversight and management by Abacus Group. The Self Storage market has attractive market fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, densification of residential property, and the growth of e-commerce.[91]
- **Significantly enhances the strategic growth outlook for the Storage King operating platform and the Abacus Storage King Investment Portfolio:** Abacus Property Group has deployed over $1.4 billion into Self Storage assets over the last five years. Abacus Storage King has an expansive multi-pronged growth strategy with an identified pipeline of potential future acquisitions. This is supported by pre-emptive rights, which apply during the term of the license agreements, to purchase the majority of Storage King licensed assets operated on behalf of licensee owners should those owners wish to sell those assets, and a 105,500 sqm development and expansion pipeline (see Sections 5.5.6 and 16.8 for further details). Abacus Storage King is expected to have a cost of capital advantage relative to Abacus Property Group at the time of Completion, providing a foundation to execute on this growth strategy (see Section 5.3 for further details).
- **Focused strategy for Abacus Group:** Abacus Group will continue to own and manage its high quality, eastern seaboard focused $2.4 billion Commercial Portfolio[92] which is diversified by market, asset grade, asset life cycle, customer industry and customer profile. Abacus Group will continue to manage Abacus Storage King's Self Storage Investment Portfolio and hold a 19.9% strategic stake at Completion which will generate funds management revenue. Abacus Group is positioned to provide stable FFO and opportunities for growth for Securityholders by utilising its active asset management capabilities, strong relationship with customers, and ability to capitalise on value-accretive investment opportunities (see Section 4.2 for further details).
- **Increasing investor choice:** By establishing two distinct ASX listed vehicles with different investment attributes and strategy, Abacus Property Group Securityholders will have the flexibility to consider Abacus Group and Abacus Storage King as standalone entities and to adjust their level of investment in each accordingly.
- **Optimises capital structures for Abacus Group and Abacus Storage King:** Abacus Group and Abacus Storage King will have the flexibility to further differentiate their capital structures and distribution policies to appropriately reflect their financial, operational and strategic objectives. At Completion, it is expected that Abacus Group's Adjusted Gearing will be reduced from 32.2% to 27.0% and Abacus Storage King will have Adjusted Gearing of 26.7%.[93] Both Abacus Group and Abacus Storage King will have Adjusted Gearing at the lower end of their respective target ranges which provides balance sheet capacity to fund growth initiatives including acquisitions and development.

90. As at 30 April 2023; Includes equity accounted investments.
91. See Section 7 for details on the Self Storage industry.
92. As at 30 April 2023; Includes equity accounted investments.
93. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

03 OVERVIEW OF THE PROPOSAL CONTINUED

3.8 Reasons to vote against, and main disadvantages of, the Proposal

The Abacus Property Group Board believes that there are a number of disadvantages associated with the Proposal which Abacus Property Group Securityholders should take into account in deciding how to vote. The Abacus Property Group Board believes that the main disadvantages include the following:

- **Transaction and implementation costs:** Total transaction costs of the Proposal are expected to be approximately $21.9 million on a pre-tax basis (of which approximately $3.6 million relates to stamp duty and land transfer fees). These include third party advisory fees, listing and administrative fees, and other expenses associated with the Proposal. Of these amounts, approximately $2.7 million has already been paid as at 30 April 2023. Abacus Group is expected to bear $6.4 million of the total transaction costs and Abacus Storage King is expected to bear $15.5 million of the total transaction costs if the Proposal is implemented. As a result, the combined NTA of Abacus Group and Abacus Storage King will be lower on Completion. If the Proposal does not proceed, total transaction costs of $7.9 million will be incurred by Abacus Property Group.
- **Additional ongoing costs for Abacus Storage King associated with being a separately listed entity:** Abacus Storage King will be a separately listed entity on ASX, which will incur additional ongoing corporate costs, including listing fees, registry fees, costs relating to reporting systems, and other corporate functions.
- **Dilution of Abacus Property Group Securityholders:** Completion of the Proposal may have an impact on the interests of existing Abacus Property Group Securityholders in Abacus Storage King from a dilution perspective. See Section 17.8 for further details.
- **Abacus Group and Abacus Storage King may not be in the S&P/ASX200 index:** Abacus Property Group is currently in the S&P/ASX200 index. Post Completion, Abacus Group and Abacus Storage King respectively will have a smaller free float market capitalisation than Abacus Property Group prior to implementation of the Proposal and therefore neither may be included in the S&P/ASX200 index post rebalance.

3.9 Risks of the Proposal

This section summarises the key risks relating to the Proposal. The risks set out below do not constitute an exhaustive list of all risks involved with the Proposal. Abacus Property Group Securityholders should carefully consider the following risks as well as the risks of a separate investment in Abacus Group or Abacus Storage King (including an increased investment by participating in the Offer) summarised in Section 14 before deciding how to vote on the Proposal and whether to further invest in Abacus Storage King through the Offer. The occurrence of some of the risks (and resulting consequences) described in this Section 3.9 and Section 14 are partially or completely outside the control of the boards and management teams of Abacus Property Group, Abacus Group and Abacus Storage King.

The main risks of the Proposal are set out below:

- **Benefits of the Proposal may not materialise:** Following Completion, Abacus Group and Abacus Storage King may not be able to achieve some or all of the expected potential benefits of the Proposal, or the operating costs of these two listed groups may be greater than expected as set out in Section 3.7. If Abacus Group or Abacus Storage King fails to achieve some or all of the benefits, its applicable financial condition and operating results could be materially and adversely affected.
- **Market price of Abacus Group Securities and Abacus Storage King Securities following Completion:** The Abacus Property Group Board believes that implementation of the Proposal is in the best interests of, and will over time create long term value for, Abacus Property Group Securityholders. However, there can be no assurance that Abacus Group Securities or Abacus Storage King Securities will trade at a particular price following Completion. 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. In this regard, following Completion Securityholders may adjust their holdings in Abacus Group or Abacus Storage King, creating potential volatility in the trading price of Abacus Group Securities or Abacus Storage King Securities respectively.

  Abacus Property Group Securityholders should also note that 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.

- **Ongoing relationship between Abacus Group and Abacus Storage King:** Following Completion, Abacus Group will maintain an ongoing relationship with Abacus Storage King (see Section 8.3 of this Transaction Booklet for further details). Among other things, Abacus Storage King will be externally managed by Abacus Group and Abacus Group will hold a minority interest of 19.9% in Abacus Storage King at Completion (see Section 8.3 of this Transaction Booklet for further details). In combination, the ongoing relationship supports strategic alignment between Abacus Group and Abacus Storage King going forward. However, given it is anticipated that Abacus Group and Abacus Storage King will act with separate commercial objectives in their dealings post-Completion, there is a risk that their commercial interests may diverge and disputes may occur over time.

  If their respective commercial interests significantly diverge or if there are any material disputes (whether individually or in the aggregate), this may have an adverse impact on the respective financial position, financial performance and reputation of either or both groups.

- **Possible adverse taxation consequences of the Proposal for Abacus Property Group Securityholders:** The Proposal may have potential adverse tax implications for Abacus Property Group Securityholders. These implications will differ depending on the individual circumstances of the Abacus Property Group Securityholders. The material Australian income taxation consequences of the Proposal for Abacus Property Group Securityholders are set out in Annexure D.

- **Possible adverse stamp duty and tax consequences of the Proposal:** Abacus Property Group has sought and obtained or expects to obtain stamp duty exemptions in relation to the Proposal. If those exemptions were denied or withdrawn, or if taxation authorities take different views in the interpretation or application of certain taxation laws or treatment of certain tax issues, that may result in additional transaction costs imposed on Abacus Group and Abacus Storage King. Various anticipated tax outcomes are expected to be confirmed in a class ruling that has been sought by Abacus Property Group in respect of the Proposal. In the event that the class ruling is not issued or is withdrawn by the ATO, the taxation consequences of the Proposal described in Annexure D of this Transaction Booklet could be incorrect. See Sections 14.3.21 and 14.3.22 for further details.

- **Abacus Group exposure to Abacus Storage King through ASFML:** 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 credit profile may change:** Following Completion, Abacus Group will continue to maintain a diversified revenue base, with stable cash flows and capital management discipline. However at Completion, Abacus Group's asset base will be reduced along with gearing. Any change to Abacus Group's credit profile due to its smaller size may affect Abacus Group's access to, and cost of, debt. If Abacus Group is unable to access debt financing, this may have an adverse impact on its ability to fund future growth (e.g. through acquisitions) and its financial position and performance.

- **Reduced diversification:** Abacus Property Group offers diversification of asset classes through its investments in Commercial and Self Storage assets. Following De-stapling Implementation, the reduced level of asset diversification in each of Abacus Group and Abacus Storage King will increase the risk of an adverse impact on either group if either or both asset classes (as applicable) experience a downturn in performance. This can include impacts on distributions, the ability to raise capital and financial covenant compliance.

- **Lack of acquisition and development opportunities:** 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.

- **Completion risk:** There is a risk that the Conditions Precedents to the Proposal may not be satisfied or waived within the required timeframes or that their satisfaction may be delayed. If the Conditions Precedent are not satisfied or waived within the required timeframes, then the Proposal cannot proceed and therefore the Offer will not complete. Unrecoverable transaction costs incurred by Abacus Property Group as at the date of this Transaction Booklet are estimated to be approximately $7.9 million.

  Further details of the Conditions Precedent are set out in Section 3.4 and in the summary of the Implementation Deed in Section 16.2. Further details of the conditions precedent to the Underwriting Agreement are in Section 16.11.

- **Information and due diligence:** 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 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 may be materially different to the financial position and performance expected and reflected in this Transaction Booklet.

03 OVERVIEW OF THE PROPOSAL CONTINUED

3.10 Implications if the Proposal does not proceed

If Abacus Property Group Securityholders do not approve the Proposal or any other Conditions Precedent to the Proposal are not satisfied or waived, the Proposal will not proceed to implementation and the Offer will not complete. If the Proposal does not proceed, then:

- The De-stapling, the ASX Listing and each Implementation Step under the Proposal will not take place and the Offer will not reach completion. Abacus Property Group Securityholders will continue to hold their Abacus Property Group Securities (unless they otherwise sell) and no separate Abacus Group Securities and Abacus Storage King Securities will be available for investment;
- Abacus Property Group will continue to operate as it does now with a continuation of its current strategy to invest in Commercial and Self Storage assets that are forecast to drive long-term total returns and securityholder value;
- The benefits of the Proposal described in Section 3.7 will not be realised and Abacus Property Group's capital structure will remain constrained to deliver on growth opportunities;
- Abacus Property Group's ownership of the assets proposed to be contributed to Abacus Storage King will not change and Abacus Property Group Securityholders will continue to benefit from that ownership through Abacus Property Group;
- The disadvantages and risks of the Proposal described in Sections 3.8 and 3.9 will not arise, except that Abacus Property Group will incur transaction costs of approximately $7.9 million (out of an estimated $21.9 million in transaction costs if the Proposal had been implemented, including that the Offer had completed); and
- There is no assurance that Abacus Property Group Securities will continue to trade at prices in line with recent levels.

3.11 Alternatives considered to the de-stapling

Abacus Property Group actively explored a range of alternatives before deciding to recommend the Proposal. The major alternatives that were available to Abacus Property Group were:

- undertaking no transaction and maintaining Abacus Property Group's current structure; and
- undertaking the sale of certain assets including selling the Commercial Portfolio or Self Storage Investment Portfolio to focus on a single property sector.

Abacus Property Group assessed the Proposal and other alternatives against a number of criteria, including:

- the objectives and strategy of Abacus Property Group;
- ability to maximise Abacus Property Group Securityholder value and allow Abacus Property Group Securityholders to participate in the Proposal; and
- capital structure optimisation including long term debt and equity funding for Abacus Property Group.

After careful consideration, Abacus Property Group believes the Proposal best meets Abacus Property Group's objectives whilst also progressing Abacus Property Group's strategy, and therefore, is in the best interest of Abacus Property Group Securityholders.



04

OVERVIEW OF ABACUS GROUP POST COMPLETION

04 OVERVIEW OF ABACUS GROUP POST COMPLETION

4.1 Overview and corporate structure

Following Completion, Abacus Group will continue to own and manage its high quality, eastern seaboard focused $2.4 billion Commercial Portfolio,[94] which is diversified by market, asset grade, asset life cycle, customer industry and customer profile. Abacus Group will externally manage Abacus Storage King through:

- ASFML (a wholly-owned subsidiary of Abacus Group) which will remain as the responsible entity of ASPT and will be the Manager providing management services to ASOL; and
- certain Abacus Group Members which will also provide development management services and property management services to Abacus Storage King.[95]

Abacus Group will have diverse income streams including:

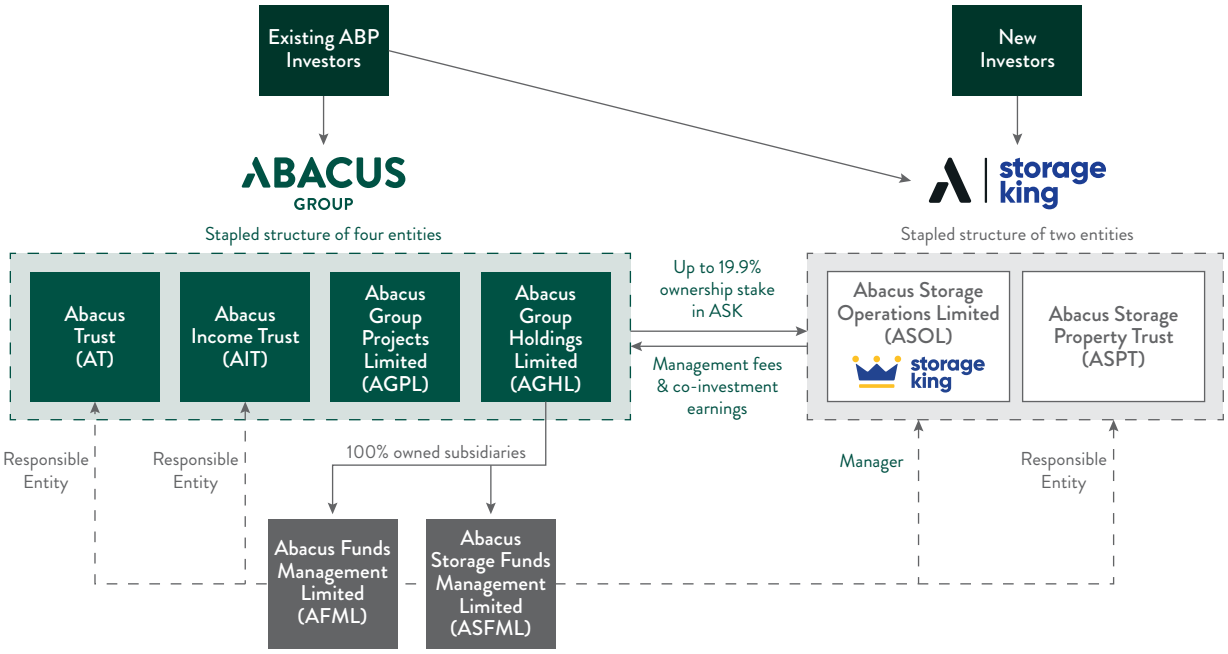
- rental income from diversified property investments across its Commercial Portfolio;
- investment income from its interest in Abacus Storage King (see Section 5.2); and
- management fees from the management of Abacus Storage King (see Section 4.11).

Abacus Group's $5,610 million of assets under management will be comprised of $2,948 million of assets, which will remain on Abacus Group's statement of financial position, and $3,080 million of assets, which will be on the statement of financial position of Abacus Storage King.[96]

Following Completion, Abacus Group's Adjusted Gearing will be reduced from 32.2% to 27.0%[97], providing additional capacity to fund earnings accretive investment opportunities.

The diagram below depicts the corporate and ownership structure of Abacus Group and Abacus Storage King following Completion:

Chart 4.1.1: Simplified structure after Completion



Abacus Group will maintain an ongoing relationship with Abacus Storage King as described in detail in Section 8.3 which is intended to support strategic alignment between Abacus Group and Abacus Storage King going forward.

94. See footnote 27.
95. See Sections 8.1 and 8.3 for further details.
96. As at Completion.
97. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

4.2 Business plans and strategy

Abacus Group's business plans and strategies in respect of its Commercial Portfolio will not materially change following Completion. In addition, instead of investing directly in the Self Storage sector, Abacus Group will manage and have a minority interest in Abacus Storage King, as further described in Sections 8.1 and 8.3.

Post-Completion, Abacus Group will continue to be a strong asset backed business with key investments in the Office and Retail property sectors. Abacus Group will continue to:

- invest its capital in assets that are forecast to drive long-term total returns and securityholder value, with an investment objective to provide its investors with reliable asset backing and increasing returns over the medium to longer term;
- invest in Commercial sectors that will target strong and stable distributions, with potential for capital and income growth; and
- externally manage Abacus Storage King as described in Sections 8.1 and 8.3.

4.3 Benefits and risks of an investment in Abacus Group post Completion of the Proposal

Abacus Group will continue to draw on its heritage as an active manager with a high quality Commercial Portfolio. Following Completion, Abacus Group expects to provide a number of benefits to Abacus Group Securityholders, including:

- high quality $2.4 billion eastern seaboard focused portfolio with exposure to markets with deep tenant pools (71% in Sydney and Melbourne);[98]
- stable income growth profile, supported by high occupancy of 93.9% and diversified lease profile with a WALE of 4.2 years,[99] and will be the external manager of Abacus Storage King, with recurring income from a 19.9% strategic investment at Completion;
- highly experienced management team with strong asset management capabilities and relationships with tenant customers;
- a pipeline of growth opportunities, including mixed use repositioning, embedded in its existing Commercial Portfolio, which it intends to unlock over time; and
- conservative gearing profile at the lower end of the target gearing range and a statement of financial position positioned on Completion to deliver on its active asset management strategy.

For further details on the risks of a standalone investment in Abacus Group post Completion, see Sections 14.2 and 14.3.

4.4 Distributions

If the Proposal is implemented, for the 12 months to 30 June 2024, Abacus Group is forecasting a distribution of 8.5 cents per Abacus Group Security.[100] Abacus Group's distribution policy after Completion is expected to remain unchanged, targeting a payout ratio in the range of between 85% to 95% of FFO.

Abacus Group Securityholders will be entitled to the distributions for FY24 provided those securityholders remain on the securities register for Abacus Group at the relevant record dates.

There is no guarantee that any distributions will be paid or if paid, in what amount.

98. As at 30 April 2023; Includes equity accounted investments.
99. As at 30 April 2023; Excludes development assets; Abacus Group ownership basis.
100. Assumes a 95% payout of pro forma forecast FFO for the year ending 30 June 2024.

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

4.4.1 Dividend and Distribution Reinvestment Plan

As at the Transaction Booklet Date, Abacus Property Group has in place a distribution reinvestment plan pursuant to which eligible Abacus Property Group Securityholders may elect to reinvest distributions from Abacus Property Group (**Abacus Property Group DRP**).

On De-stapling Implementation, the Abacus Property Group DRP will be amended so that it will be a dividend and distribution reinvestment plan pursuant to which eligible Abacus Group Securityholders may elect to reinvest dividends and distributions from Abacus Group in further Abacus Group Securities (**Abacus Group DRP**). If only a dividend or a distribution is made at any time, references below to "dividend and distribution" means the relevant one of them.

Under the Abacus Group DRP the issue price will be allocated between each unit and share component of the Abacus Group Security on a basis determined by Abacus Group, failing which the allocation will be based on the relative net asset backing of those units and shares (subject to certain adjustments). The other terms of the Abacus Group DRP will be substantively the same as the existing Abacus Property Group DRP.

A summary of the key terms and conditions of the Abacus Group DRP are as follows:

- Abacus Group may at any time vary, suspend or cancel the Abacus Group DRP. Abacus Group has not yet determined if the Abacus Group DRP will be offered. Under the rules of the Abacus Group DRP, participation by Abacus Group Securityholders in the Abacus Group DRP is optional and is limited to Abacus Group Securityholders whose registered address is in Australia (unless the relevant Securityholder holds the relevant Securities on behalf of another person who resides outside of Australia);
- Abacus Group Securityholders seeking to participate in the Abacus Group DRP must instruct the Registry by no later than 5.00pm on the relevant record date for the dividend and distribution in which they wish to participate, specifying whether the Abacus Group Securityholder seeks full participation in respect of that Abacus Group Securityholder's entire holding, or partial participation in respect of a nominated number of Abacus Group Securities;
- the dividend and distribution on those Abacus Group Securities not participating in the Abacus Group DRP will be paid to the Abacus Group Securityholder by direct credit in accordance with the Abacus Group Securityholder's instructions;
- Abacus Group may satisfy its obligations under the Abacus Group DRP by issuing new Abacus Group Securities at the market price, or at a discount to the market price, of Abacus Group Securities, rounded to the nearest whole cent. The discount rate (if any) applicable from time to time will be determined by the board of Abacus Group. Any discount applicable at any relevant time will be detailed on the Abacus Group website at www.abacusgroup.com.au;
- if the issue price of Securities has not been determined by the date of issue of the relevant Securities, the issue price will be the average of the daily volume weighted average prices of Abacus Group Securities for each of the 15 trading days commencing on the first trading day after the record date to which the dividend and distribution relates. The issue price of the Abacus Group Securities under the Abacus Group DRP will be posted to the Abacus Group website at www.abacusgroup.com.au. This price will be allocated between the AT unit, AIT unit, AGHL share and AGPL share component of each Abacus Group Security at a rate determined by Abacus Group, failing which the allocation will be based on the relative net asset backing of the unit and the share (subject to certain adjustments);
- where a fractional entitlement to a security would result from the reinvestment, then that part of the Abacus Group Securityholder's dividend and/or distribution (as applicable) resulting in the fractional entitlement will be carried forward to be reinvested at the time of the next dividend and/or distribution (as applicable) for that Abacus Group Securityholder. The determination by ABG of the price at which AIT units, AT units, AGHL shares and AGPL shares shall be issued under the DRP shall be binding on all participants; and
- no brokerage, commissions, duty or any other costs will be payable by participants in respect of the Abacus Group DRP, however participants may be liable for any taxes assessed against or imposed on the participant. As individual circumstances and laws vary considerably, Abacus Group Securityholders are encouraged to seek specific tax advice before participating in the Abacus Group DRP.

4.5 Asset valuations and key metrics

Following Completion, Abacus Group will continue to generate rental income from a Commercial Portfolio consisting of 24 assets, comprising 18 Office assets and 6 Retail/other assets, with a valuation of $2.4 billion as at 30 April 2023.[101] The Commercial Portfolio will be underpinned by Office and Retail tenancies and an experienced management team with a proven track record in transactions and developments. Abacus Group's Commercial Portfolio following Completion is summarised below:[102]

Chart 4.5.1: Abacus Group's Commercial Portfolio following Completion

	STATE	INTEREST (%)	VALUATION (ABG)[103]	CAP RATE (%)
99 Walker Street, North Sydney	NSW	100%	297,000	5.38%
77 Castlereagh Street, Sydney	NSW	100%	237,000	4.87%
201 Elizabeth Street, Sydney	NSW	32%	226,240	4.88%
324 Queen Street, Brisbane	QLD	100%	171,000	6.13%
452-484 Johnston Street, Abbotsford	VIC	100%	134,000	5.50%
14 Martin Place, Sydney	NSW	50%	117,500	4.88%
459 Church Street, Richmond	VIC	50%	104,000	5.13%
Westpac House, Adelaide	SA	50%	86,000	6.75%
2 King Street, Bowen Hills	QLD	50%	73,500	6.25%
51 Allara Street, Canberra	ACT	100%	62,000	6.75%
187 Todd Road, Port Melbourne	VIC	100%	50,000	6.00%
11 Bowden Street, Alexandria	NSW	100%	47,500	5.75%
63 Ann Street, Surry Hills	NSW	100%	35,500	4.88%
33 Queen Street, Brisbane	QLD	100%	33,200	6.75%
Oasis Shopping Centre, Broadbeach	QLD	100%	175,500	6.75%
Myer Centre, Melbourne	VIC	33%	150,000	5.63%
Ashfield Mall, Ashfield	NSW	50%	78,450	5.75%
Market Central, Lutwyche	QLD	50%	61,360	6.25%
Other 6 assets		50% – 100%	251,862	5.56%
Total Commercial			**2,391,612**	**5.62%**

101. As at 30 April 2023; Includes equity accounted investments; 19 assets were independently valued; As at the date of this Transaction Booklet, Abacus Property Group has exchanged or settled contracts for the disposal of 187 Todd Road, Port Melbourne, 247 Adelaide Street and 33 Queen Street, Brisbane for a total consideration of c.$97.9 million to Abacus Property Group. Settlements are anticipated or have occurred in Q2/3 of 2023. These assets are included in the portfolio statistics.
102. See above footnote 101.
103. As at 30 April 2023. See Annexure C for a summary of valuation reports.

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

Chart 4.5.2: Abacus Group Sector Split
(30-Apr-23; % Value Breakdown by Type[1])

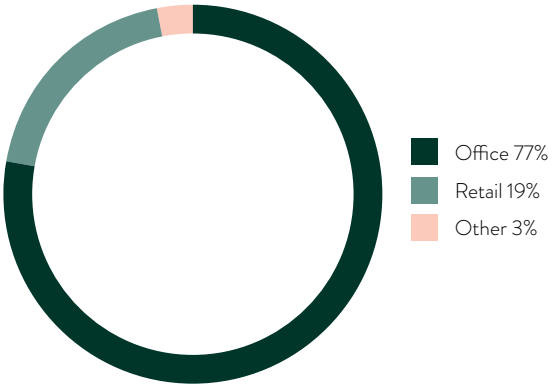
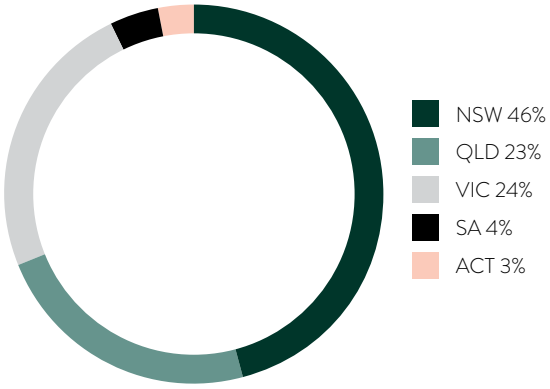
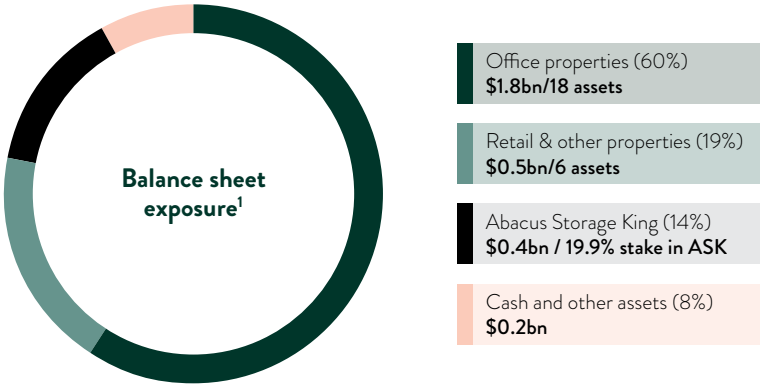


Chart 4.5.3: Abacus Group Geographic Diversity
(30-Apr-23; % Value Breakdown by Geography[1])



1. As at 30 April 2023; Charts may not sum to 100% due to rounding.

Chart 4.5.4: Abacus Group Balance Sheet Exposure Sector Split



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

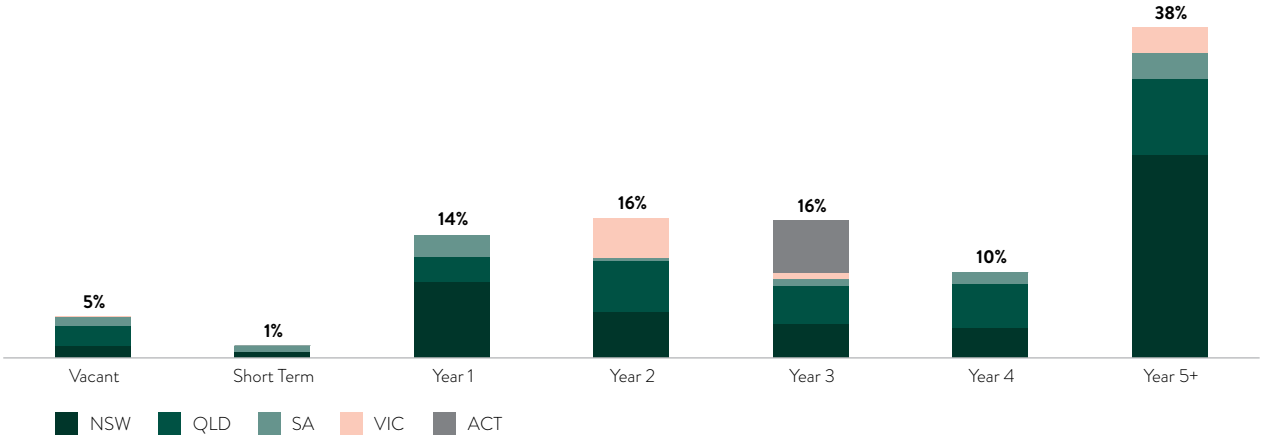
Chart 4.5.5: Abacus Group Office Snapshot as at 30 April 2023 – 18 asset Office portfolio valued at $1.8 billion[1]

OCCUPANCY[2]	WALE[2]	LEASING DEALS	YTD LFL INCOME GROWTH[2]
94.1%	3.6yrs	82	2.3%
HY23: 94.8%	HY23: 3.8yrs	HY23: 54	HY23: 3.0%
WACR[3]	**A GRADE BUILDINGS[4]**	**TENANT CUSTOMERS[5]**	**SME CUSTOMERS[6]**
5.49%	72%	367	63%
HY23: 5.28%	HY23: 72%	HY23: 367	HY23: 64%

1. As at 30 April 2023; Includes equity accounted investments.
2. Excludes development affected assets.
3. Includes equity accounted investments.
4. Excludes Virginia Park, VIC (part Industrial).
5. Includes all assets managed by Abacus Group.
6. By number of customers.

Chart 4.5.6: Abacus Group Office Leasing Expiry Profile (30-Apr-23)[1]
(Lease expiry profile by gross income; excludes development affected assets)

Abacus Group Office has a WALE of 3.6 years and occupancy of 94.1%.[2]



1. As at 30 April 2023; Includes equity accounted investments.
2. Excludes development assets; Abacus Group ownership basis.

Chart 4.5.7: Abacus Group Retail Snapshot as at 30 April 2023 – 4 asset (3 centres and 1 CBD asset) portfolio valued at $465 million[1]

OCCUPANCY	WALE	LEASING DEALS
93.3%	**5.7yrs**	**34**
HY23: 95.7%	HY23: 5.9yrs	HY23: 30
YTD LFL INCOME GROWTH	**WACR**	**TENANT CUSTOMERS**
3.4%	**6.15%**	**209**
HY23: 0.2%	HY23: 6.02%	HY23: 212

1. As at 30 April 2023.

4.6 Abacus Group Board and management

As at the Transaction Booklet Date the Abacus Property Group Board is constituted by:

- in respect of AGHL, AGPL and AFML as responsible entity of AT and AIT, the Directors as set out below as well as Mark Bloom (for further details on Mark Bloom, see Section 8.2.1); and
- in respect of ASOL and ASFML as responsible entity of ASPT, the aforementioned Directors as well as John O' Sullivan, Stephanie Lai and Karen Robbins (for further details on those additional directors, see Section 8.2.1).

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

On or as soon as practicable after the De-stapling Implementation Date, the Abacus Group Board will be reconstituted as set out below, as Mark Bloom will resign from the Abacus Group Board but will remain as a director of the Abacus Storage King Board.

DIRECTOR	TENURE	EXPERIENCE
Myra Salkinder  **MBA, BA** *Chair (Non-Executive)*	13 years	Myra is a Non Independent, Non-Executive Director and is a senior executive of Ki Corporation Limited.[104] She has been integrally involved over many years with the continued expansion of Ki Corporation Limited's property and other investments, both in South Africa, Australia and internationally. Myra is a director of various companies associated with Ki Corporation Limited worldwide. Myra is a member of the Abacus Property Group Sustainability and WHS Committee and Nomination Committee.
Steven Sewell  **BSc** *Managing Director*	5 years	Steven joined Abacus Property Group in October 2017, bringing over 20 years' experience in real estate funds management, asset management, equity and debt capital markets and M&A transactions. Steven's prior career experience is in listed and unlisted real estate funds management businesses, across various real estate sectors, providing commercial experience and insight in relation to institutional investors, the whole Abacus Group's business and sector specialised investment strategies, capital allocation and developing third party capital relationships. Steven was appointed Abacus Group's Managing Director in April 2018, and is a member of Property Champions of Change and a member and past Chairman of the Shopping Centre Council of Australia. Steven is a member of the Abacus Property Group Nomination Committee.
Trent Alston  **B. Build. (Hons), GMQ – AGSM, AMP – Insead, GAICD** *Non-Executive Director*	3 years	Trent is a Non-Executive Director and has over 30 years of experience in the real estate and funds management industry, with the last 13 years as Head of Real Estate for Challenger Limited. His experience includes direct and wholesale property roles at Colonial First State Property and Lendlease. Trent is also a Non-Executive Director of Landcom. Trent is Chair of the Abacus Property Group People and Performance Committee and a member of the Abacus Property Group Audit and Risk Committee and Nomination Committee.

104. Previously described as Kirsh Group.

DIRECTOR	TENURE	EXPERIENCE
Mark Haberlin  **BSc (Eng) Hons, FCA** *Non-Executive Director*	4 years	Mark is a Non-Executive Director and is the Lead Independent Director. He has significant expertise in fields that cover accounting and audit, capital transactions, mergers and acquisitions and risk management in the real estate and financial services sectors. Mark was a partner at PwC for 24 years where he developed key accounting and audit experience. Mark was a member of the PwC Governance Board and completed his last two years as Chair. Mark is also a Non-Executive Director of Australian Clinical Labs. Mark is Chair of the Abacus Property Group Audit and Risk Committee and a member of the Abacus Property Group People and Performance Committee and Nomination Committee.
Sally Herman  **BA, GAICD** *Non-Executive Director*	1 year	Sally is a Non-Executive Director and joined the Abacus Property Group Board on 16 December 2022. Sally brings a wealth of expertise across property, financial services, retail and manufacturing sectors as a Non-Executive Director. Prior to that she had a successful executive career over 25 years, including 16 years with the Westpac Group in both Australia and the United States of America, running various operating divisions. Sally sits on both listed and not-for-profit boards, including Suncorp Group Limited, Premier Investments Limited, Breville Group Limited, Art Gallery of NSW Trust and Sydney Film Festival. She is also a member of Chief Executive Women. Sally is a member of the Abacus Property Group People and Performance Committee, Sustainability and WHS Committee and Nomination Committee.
Jingmin Qian  **CFA, Bec, MBA, FAICD** *Non-Executive Director*	5 years	Jingmin is a Non-Executive Director and has significant expertise in the property, infrastructure and investment sectors as well as rich experience in Asia, a director of Jing Meridian and specialises in advising boards and senior management on investment, cross-cultural management and governance. Jingmin has served as a member of the business liaison program of the Reserve Bank of Australia. Jingmin is a Non-Executive Director of IPH Limited, a trustee of HMC Capital Partner Fund, a member of Macquarie University Council, and Vice President of the Australia China Business Council. Jingmin is a member of Chief Executive Women. Jingmin is Chair of the Abacus Property Group Sustainability and WHS Committee and a member of the Abacus Property Group Audit and Risk Committee and Nomination Committee.

No change is proposed to be made to the executive management team of Abacus Group under the Proposal.

4.7 Directors' and executive management teams' interests in Abacus Property Group

A summary of the Abacus Property Group Board and executive management personal holdings in Abacus Property Group Securities on the Transaction Booklet Date and in respect of Abacus Group on Completion of the Proposal is provided below.

These Stapled Securities may be held directly or indirectly for their benefit (e.g. through a family trust or self-managed superannuation fund).

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

Table 4.7.1: Directors' and executive management team interests in Abacus Property Group

DIRECTORS AND EXECUTIVE MANAGEMENT	NUMBER OF STAPLED SECURITIES IN ABACUS PROPERTY GROUP AS AT THE TRANSACTION BOOKLET DATE	NUMBER OF STAPLED SECURITIES IN ABACUS GROUP ON COMPLETION OF THE PROPOSAL
Directors		
Myra Salkinder	14,802,171 (1.66%)	14,802,171 (1.66%)
Steven Sewell	733,192 (0.08%)	733,192 (0.08%)
Trent Alston	45,250 (0.01%)	45,250 (0.01%)
Mark Haberlin	42,292 (0.00%)	42,292 (0.00%)
Sally Herman	18,150 (0.00%)	18,150 (0.00%)
Mark Bloom	73,600 (0.01%)	73,600 (0.01%)
Jingmin Qian	45,167 (0.01%)	45,167 (0.01%)
John O'Sullivan[105]	0 (0.00%)	0 (0.00%)
Stephanie Lai[105]	0 (0.00%)	0 (0.00%)
Karen Robbins[105]	0 (0.00%)	0 (0.00%)
Total Directors	**15,759,822 (1.76%)**	**15,759,822 (1.76%)**
Executive Management		
Gavin Lechem	304,683 (0.03%)	304,683 (0.03%)
Evan Goodridge	90,927 (0.01%)	90,927 (0.01%)
Nikki Lawson	0 (0.00%)	0 (0.00%)
Total Executive Management	**395,610 (0.04%)**	**395,610 (0.04%)**
Total Directors and Executive Management	**16,155,432 (1.81%)**	**16,155,432 (1.81%)**

4.8 Corporate Governance

The existing corporate governance arrangements for Abacus Property Group will continue to apply to Abacus Group following De-stapling Implementation, subject to appropriate changes to certain corporate governance policies to reflect the separation of Abacus Storage King from Abacus Property Group. Abacus Group's corporate governance policies will be made available on its website https://abacusgroup.com.au/about-abacus/governance/ following Completion.

4.8.1 Deeds of Access, Indemnity and Insurance for officers

On or about the De-stapling Implementation Date, AGHL will enter into a deed poll of access, indemnity and insurance (**New AGHL Deed Poll**) that will give each officer of AGHL and its subsidiaries (and other entities associated with AGHL) the right to access certain books and records of the relevant company for a seven-year period after the officer ceases to hold office in the relevant company or the date any relevant proceedings commenced during the seven-year period have been finally resolved.

Pursuant to each of the Constitution of AGHL and the New AGHL Deed Poll, AGHL will also indemnify each officer of AGHL and its subsidiaries (and other entities associated with AGHL) on a full indemnity basis and to the full extent permitted by law against all losses or liabilities incurred by each person as an officer of the relevant company (including all reasonable legal costs), subject to certain exceptions.

Further, under the New AGHL Deed Poll, AGHL must maintain a directors and officers insurance policy insuring the officers of AGHL and its subsidiaries (and other entities associated with AGHL) against liability incurred in their capacity as such for a seven-year period after the officer ceases to hold office in the relevant company or the date any relevant proceedings commenced during the seven-year period have been finally resolved.

105. In respect of the Boards of ASOL and ASFML as responsible entity of ASPT only.

On or about the De-stapling Implementation Date, AGHL will revoke the benefit of the existing deed poll of access, indemnity and insurance dated 5 October 2022 for current officers covered under that deed poll in respect of any loss or liability arising from acts or omissions occurring on or after the De-stapling Implementation Date.

AGHL has also entered into deeds of access, indemnity and insurance with the directors who had been appointed as directors of ASOL and ASFML in June 2023 only (**New Director Deeds**). The New Director Deeds are on similar terms to the New AGHL Deed Poll to be entered into on or about the De-Stapling Implementation Date. The New Director Deeds will continue to indemnify the relevant directors upon the terms of the deed for their role as a director of ASFML post the De-stapling Implementation Date. However the New Directors Deeds do not indemnify the directors in their role as a director of ASOL from the De-stapling Implementation Date. Instead these directors will have the benefit of a new deed poll of access, indemnity and insurance from ASOL as described in Section 8.4.2.2.

4.8.2 Executive remuneration and Non-Executive Director Fees

Other than as set out in Section 4.9, the remuneration of Abacus Group's senior management team, other executives and Non-Executive Directors will not change as a result of the Proposal.

On or as soon as practicable after the De-stapling Implementation Date, the Abacus Group Board will comprise the Directors set out in Section 4.6.

Non-Executive Directors of Abacus Group will be paid fees for their services as Directors and for their role on committees and will be reimbursed for reasonable out-of-pocket expenses. Abacus Group's Non-Executive Director fee cap has currently been set at $1,250,000 per annum.[106]

As at the Transaction Booklet Date, Myra Salkinder is entitled to receive $252,000 per annum for her role as Non-Executive Chair of Abacus Group Board. Each other Non-Executive Director of Abacus Group (being Trent Alston, Mark Haberlin, Sally Herman and Jingmin Qian) is entitled to receive $113,000 per annum for their ordinary services as Directors. The following additional fees are payable to the Non-Executive Directors for services provided as members of Abacus Group board committees:

- Trent Alston is entitled to receive an additional $23,000 per annum in connection with his role as Chair of the People Performance Committee, an additional $12,285 per annum for his services as a member of the Audit and Risk Committee;
- Mark Haberlin is entitled to receive an additional $27,300 per annum in connection with his role as Chair of the Audit and Risk Committee and an additional $11,250 per annum for his services as a member of the People Performance Committee;
- Sally Herman is entitled to receive an additional $11,250 per annum for her services as a member of the People Performance Committee, an additional $10,500 per annum for her services as a member of the Sustainability and WHS Committee; and
- Jingmin Qian is entitled to receive an additional $21,000 per annum in connection with her role as Chair of the Sustainability and WHS Committee and an additional $12,285 per annum for her services as a member of the Audit and Risk Committee.

Mark Bloom will cease to receive fees in connection with his services as a Director or board committee member of the Abacus Group Entities with effect from his resignation on or as soon as practicable after the De-stapling Implementation Date. Before De-stapling Implementation, Mark Bloom is entitled to receive $113,000 per annum for his ordinary services as a Director and an additional $11,250 per annum for his services as a member of the People Performance Committee, and an additional $12,285 per annum for his services as a member of the Audit and Risk Committee.

All Directors' fees are inclusive of superannuation contributions.

106. Under the Listing Rules, director fees means all fees payable by the entity or any of its child entities to a Non-Executive Director for acting as a director of the entity or any child entity (including attending and participating in any board committee meetings) and includes superannuation contributions for the benefit of a Non-Executive Director and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine 'special exertion' fees paid in accordance with the entity's constitution, or securities issued to a Non-Executive Director under Listing Rule 10.11 or 10.14 with the approval of the holders of the entity's ordinary securities.

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

4.9 Treatment of Abacus Property Group Incentive Awards

4.9.1 Existing Abacus Property Group Incentive Awards

Abacus Property Group currently has various employee incentive awards on foot, which will each be impacted by the De-stapling. These include awards under which Abacus Property Group has issued rights to acquire securities in Abacus Property Group (**Rights**) to participants and awards under which Abacus Property Group has issued or transferred Abacus Property Group Securities to participants (together being the **Abacus Property Group Incentive Awards**).

Details of the existing incentive plans under which Abacus Property Group Incentive Awards have been made are set out below:

- **Long Term Incentive Plan**
  - Under the Long Term Incentive Plan (**LTI**), Abacus Property Group has issued to participants Rights which are subject to performance-based vesting conditions.
  - Each of the rights granted under the LTI (**LTI Rights**) are subject to a hurdle based on growth in FFO per security (**FFOPS**) over a specified performance period. Depending on the average annual growth rate in the Abacus Property Group FFOPS, the relevant LTI Rights will vest at a level between 0% (for below threshold performance) and 100% (for maximum performance where the FFOPS average annual growth rate exceeds a certain level).
  - On vesting of LTI Rights, and subject to receipt of a valid exercise notice, the board of Abacus Property Group may in its absolute discretion provide Abacus Property Group Securities or a cash equivalent amount (**LTI Cash Equivalent Option**) to the relevant participant.
- **Short Term Incentive Plan**
  - Under the Short Term Incentive Plan (**STI**), Abacus Property Group has issued to participants Rights which are subject to a 12 month service vesting condition. On vesting of the STI Rights, and subject to receipt of a valid exercise notice, the Abacus Property Group Board may in its absolute discretion provide Abacus Property Group Securities or a cash equivalent amount (**STI Cash Equivalent Option**) to the relevant participant.
- **Executive Incentive Plan**
  - Under the executive incentive plan, Abacus Property Group has issued to participants rights (in the form of Security Acquisition Rights (**SARs**)) which are subject to time based vesting with the Abacus Property Group Board having the right (but not the obligation) to clawback unvested SARs if Abacus Property Group distributions fall below a certain threshold amount per Abacus Property Group Security in respect of any financial year (**Distribution Condition Clawback**).
  - On vesting of the SARs, the Abacus Property Group Board may in its absolute discretion provide Abacus Property Group Securities or a cash equivalent amount (**SARs Cash Equivalent Option**) to the relevant participant.
- **Employee Security Plan**
  - Under the employee security plan, Abacus Property Group has granted to participants awards of $1,000 of Abacus Property Group Securities which are subject to trading restrictions (**Restricted Abacus Property Group Security Awards**) which apply until the earlier of three years following grant or cessation of employment.

4.9.2 Impact of De-stapling on Abacus Property Group Incentive Awards

This Section 4.9.2 outlines the proposed treatment of the Abacus Property Group Incentive Awards on foot for employees that will, on De-stapling Implementation, either continue to be employed by Abacus Group or be employed by Abacus Storage King but continue to hold relevant Abacus Property Group Incentive Awards.

In general, Restricted Abacus Property Group Security Awards will be treated in the same way as other Abacus Property Group Securities on De-stapling Implementation. However, Rights granted under the Abacus Property Group Incentive Awards do not carry a right to participate in the De-stapling. Accordingly, the Abacus Property Group Board has determined the treatments set out below and in the following table in order to preserve the overall value of the Abacus Property Group Incentive Awards following the De-stapling, and to ensure that participants do not receive a benefit that they would not have received before the De-stapling and are not disadvantaged by the De-stapling.

In addition to the specific treatment of certain Rights set out in the table below, all Rights will be subject to the following treatment (**General Amendments**):

- other than for Abacus Storage King employees, the provisions in the incentive plans that relate to a participant's employment with Abacus Property Group will be amended to relate to the participant's employment with Abacus Group;
- the provisions in the incentive plans that relate to a corporate event impacting Abacus Property Group or Abacus Property Group Securities will be amended to instead relate to a corporate event impacting (as relevant) the Abacus Group or Abacus Group Securities; and
- the provisions in the incentive plans that require Abacus Property Group (as issuer of the award) to deliver to the holder of an Abacus Property Group Incentive Award an Abacus Property Group Security (or the cash equivalent) will be amended to require Abacus Group to deliver on vesting both Abacus Group Securities and Abacus Storage King Securities (or the cash equivalent of those securities). Abacus Group will retain the sole and absolute discretion to determine whether to deliver Abacus Group Securities and Abacus Storage King Securities or the cash equivalent of one or both of these securities. This means the LTI Cash Equivalent Option, the STI Cash Equivalent Option and the SARs Cash Equivalent Option will each be retained.

AWARD	AWARD TYPE	SCHEDULED VESTING DATE/ TRADING RESTRICTION PERIOD	TREATMENT ON DE-STAPLING IMPLEMENTATION (IN ADDITION TO GENERAL AMENDMENTS)
LTI Rights set to vest in July 2023	Rights to Abacus Property Group Securities or cash equivalent	Remain the same as these existing LTI Rights, being July 2023	The vesting hurdles will remain unchanged and these awards will be tested against the relevant FFOPS hurdle for Abacus Property Group.
LTI Rights set to vest after July 2023	Rights to Abacus Property Group securities or cash equivalent	Remain the same as the relevant existing LTI Rights, being either July 2024, July 2025 or July 2026	The vesting hurdles for these LTI Rights will be adjusted so vesting is tested against the compound annual growth rate in Earnings Before Interest and Tax (**EBIT Growth**) and relative Total Securityholder Return (**TSR**), rather than the FFOPS hurdle. The performance period for testing the relevant LTI Rights against the EBIT Growth hurdle will remain the same as the performance period which applied to those LTI Rights prior to De-stapling Implementation. The performance period for testing the relevant LTI Rights against the TSR hurdle will be adjusted and reset to commence on the De-stapling Implementation Date. 50% of the LTI Rights scheduled to vest in each year will be subject to the TSR hurdle. TSR measures the growth in the price of securities plus cash distributions notionally reinvested in securities. The TSR outcome will be based on the combined performance of Abacus Group Securities and Abacus Storage King Securities (**Combined TSR Growth Outcome**). In order for the LTI Rights subject to the TSR hurdle to vest, the Combined TSR Growth Outcome must exceed a minimum of the 50th percentile of the comparator peer group of ASX listed entities over the relevant performance period. Vesting will range between 50% (at 50th percentile achievement) to 100% (at 75th percentile or higher achievement) with straight line vesting between 50th percentile achievement and 75th percentile achievement. 50% of the LTI Rights scheduled to vest in each year will be subject to the EBIT Growth hurdle. The EBIT Growth outcome will be based on the combined performance of Abacus Group and Abacus Storage King (**Combined EBIT Growth Outcome**). In order for the LTI Rights subject to the EBIT Growth hurdle to vest, the Combined EBIT Growth Outcome must exceed 3% for the relevant performance period. Vesting will range between 50% (at 3% Combined EBIT Growth Outcome achievement) and 100% (at 8% Combined EBIT Growth Outcome achievement) with straight line vesting between 3% to 8% Combined EBIT Growth Outcome achievement.

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

AWARD	AWARD TYPE	SCHEDULED VESTING DATE/ TRADING RESTRICTION PERIOD	TREATMENT ON DE-STAPLING IMPLEMENTATION (IN ADDITION TO GENERAL AMENDMENTS)
Short Term Incentive Plan (STI)	Rights to Abacus Property Group Securities or cash equivalent	Remain the same as the existing STI Rights, being July 2023	The service vesting condition will remain unchanged and these STI Rights will be tested against the same time-based service conditions as the existing STI Rights.
SARs awards	Rights to Abacus Property Group Securities or cash equivalent	Remain the same as the existing SARs, being July 2023 and July 2024	The Distribution Condition Clawback will continue to apply. The Board of Abacus Group will continue to have the right (but not the obligation) to clawback unvested SARs if the Distribution Condition Clawback is triggered.
Restricted Abacus Property Group Security Awards	Award of Abacus Property Group Securities	Trading restriction period remains the same as for the existing Restricted Abacus Property Group Security Awards	For Abacus Property Group Securities that are subject to trading restrictions, the Abacus Group Securities and Abacus Storage King Securities (which will be held by participants following the De-stapling) will be subject to a holding lock for the relevant remainder of the three year trading restriction period which applied to the Restricted Abacus Property Group Security (or until the relevant employee ceases employment with Abacus Group).

4.10 Ongoing relationship between Abacus Group and Abacus Storage King

Abacus Group and Abacus Storage King will have a continuing relationship after De-stapling Implementation as described in detail in Section 8.3, which is intended to support strategic alignment between Abacus Group and Abacus Storage King going forward.

Given it is anticipated that Abacus Group and Abacus Storage King will act with separate commercial objectives in their dealings post-Completion, there is a risk that their commercial interests may diverge and disputes may occur over time. The Board of AGHL, AGPL and AFML as the responsible entity of AT and AIT take the assessment and ongoing monitoring of related party transactions seriously and have implemented a rigorous process to ensure related party transactions are in the best interest of Abacus Group Securityholders. Refer to Abacus Property Group's website https://abacusgroup.com.au/about-abacus/governance/ for a copy of its Conflicts of Interest Policy. An updated Conflicts of Interest and Related Party Transactions Policy will apply to Abacus Group from De-stapling Implementation and be consistent with the equivalent policy and procedures applicable to Abacus Storage King.

Related party transactions carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. It is important for Abacus Group Securityholders to be able to assess whether Abacus Group takes an appropriate approach to related party transactions. In addition to considering the Conflicts of Interest and Related Party Transactions Policy referred to above, see also Section 16.3 for further details on related party arrangements involving Abacus Group and Abacus Storage King post-De-stapling Implementation.

4.11 Summary of income and financial benefits Abacus Group will receive from Abacus Storage King

Abacus Group will generate management income for providing:

- responsible entity services in respect of ASPT under the ASPT Constitution and management services to ASOL under the Management Services Agreement; and
- development management services and property management services to Abacus Storage King as outlined in the Development Management Agreement and the Property Management Agreement.

Abacus Group will continue to have exposure to the Abacus Storage King Investment Portfolio through its 19.9% investment in Abacus Storage King following Completion, which will provide Abacus Group with regular investment income. Abacus Group's statement of profit and loss will reflect its share of the net profit of Abacus Storage King arising from its equity accounted investment, and Abacus Group's FFO will reflect its share of the Abacus Storage King FFO.

The income and financial benefits provided by Abacus Storage King to Abacus Group arising from the arrangements described in Section 8.3.1 are set out in the table below.

The quantum of the fees payable to Abacus Group in each year will be dependent on the GAV of Abacus Storage King and activities in that year, particularly the level of annual Gross Property Income, leasing and property development activities. Please see Section 18 for further information about the fees and other costs in connection with the investment in Abacus Storage King.

Table 4.11.1: Income and financial benefits provided by Abacus Storage King to Abacus Group

MANAGEMENT FEE	
Management Fee[107]	0.40% of GAV (plus GST).
DEVELOPMENT MANAGER AND PROPERTY MANAGER FEES	
Development Manager fees	A Development/Expansion Project Management Fee of 5.0% of Total Development Cost (**TDC**) up to a total of $2.5 million and 3.0% of TDC above $2.5 million (plus GST). A further fixed fee of $100,000 (plus GST) for the planning work up to each development application lodgement. See Section 16.3.2 for further details.
Property Manager fees	A property management fee of 3.0% of the aggregate of Gross Property Income calculated monthly (plus GST) plus recovery of facilities management costs for property management on Commercial tenancies.[108] A leasing fee of 15% of face rent for the first year of a newly negotiated lease and 7.5% of face rent for the first year of renewal of an existing lease (plus GST). See Section 16.3.3 for further details.
INSURANCE ARRANGEMENT	
Directors and Officers Insurance	5.0% of the annual premium paid by or on behalf of AGHL for the Abacus Group directors and officers liability insurance for the partial cost of ASOL's run-off insurance relating to matters prior to the De-stapling Implementation which may arise within the 7 year statutory limitation period. See Section 16.3.6 for further details.
RENTAL INCOME FROM THE RELATED PARTY LEASES	
99 Walker Street Lease	Rental income from Storage King Services Pty Limited as the tenant: • Initial annual rent of $688,774 (plus GST), increased annually by 3.75%; and • Car parking licence fee of $725.00 per car space (x15) per month. See Section 16.3.5 for further details.

107. The Management Fee is payable to the ASPT Responsible Entity (being ASFML) under the ASPT Constitution and ASFML as Manager under the Management Services Agreement. The Management Fee may be paid by either ASOL or out of ASPT from time to time, on the basis that the Management Fee payable by ASOL or out of ASPT is reduced to the extent of any Management Fee paid by the other in respect of the relevant period.

108. Commercial tenancies represent a small portion of Abacus Storage King Self Storage Properties. Property Management Fee plus recovery of facilities management costs estimated to be $250 thousand per annum.

04 OVERVIEW OF ABACUS GROUP POST COMPLETION CONTINUED

If the ASPT Responsible Entity is removed or retires as responsible entity of ASPT, no termination fee is payable to the ASPT Responsible Entity and it will cease to receive fees under the ASPT Constitution (other than fees accrued prior to its retirement or removal).

If the Management Services Agreement, the Development Management Agreement or the Property Management Agreement are terminated, including because the ASPT Responsible Entity ceases to be the responsible entity of ASPT, there is no termination fee payable to the Manager, the Development Manager or the Property Manager and the above fees (other than fees accrued prior to termination) would no longer be payable.

4.12 Debt facilities

On and from De-stapling Implementation, Abacus Group will retain the existing Abacus Property Group debt facilities of $1.06 billion with some contextual changes (**Existing Facilities**). As at 31 December 2022, drawn bank debt of $0.97 billion had a weighted average term to maturity of 4.3 years.

Abacus Group's facilities are secured by the majority of the Abacus Group's investment properties and among other things, fund general corporate purposes consistent with the operation of a diversified property trust, including permitted property acquisitions, property development and related joint ventures. Interest on the facilities is calculated through applying a margin to the applicable base rate (the majority of facilities have a variable base rate being, if available, the Australian Bank Bill Swap Reference Rate (Bid)). The applicable margin and fees vary depending on the tranche in the relevant facility.

Based on the ABG Pro Forma Historical Statement of Financial Position as at 31 December 2022, Abacus Group will have a year one average of approximately 80% of Abacus Group's interest exposure on drawn bank debt subject to fixed rate hedges.

Abacus Group will also retain a $12.5 million letter of credit facility which permits the issue of performance and/or financial bank guarantees at the request of Abacus Group. Interest is calculated by applying a margin which is dependent upon the form of the guarantee.

On De-stapling Implementation, changes to the documentation of the Existing Facilities will occur to ensure these documents operate effectively going forward. These changes include:

- **Financial covenants:** the financial covenants will only reference Abacus Group rather than both Abacus Group and Abacus Storage King; and
- **Cross default:** the cross default provisions will no longer refer to the Abacus Storage King Debt Facilities.

For the purposes of the Existing Facilities, Abacus Property Group previously entered into a Security Trust and Intercreditor Deed which contained the representations and warranties, undertakings, financial covenants, review events and events of default that are intended to be common, to the extent practicable, across all bank debt borrowing facilities provided to Abacus Property Group. The Security Trust and Intercreditor Deed is given for the benefit of each present and future beneficiary of the Abacus Property Group Security Trust, who include senior financiers and hedge counterparties to the Abacus Property Group. The Security Trust and Intercreditor Deed will remain in place from De-stapling Implementation, with the changes referred to above.



05

OVERVIEW OF ABACUS STORAGE KING POST COMPLETION

05 OVERVIEW OF ABACUS STORAGE KING POST COMPLETION

5.1 Establishment and overview of Abacus Storage King

If the Proposal is approved by Abacus Property Group Securityholders and the Conditions Precedent are satisfied or waived within the requisite timeframes, Abacus Storage King will be established via a De-stapling of Abacus Property Group to create a standalone Self Storage operating platform and real estate investment group listed on ASX with a mandate to invest in the growing Self Storage sector.

As part of the implementation of the Proposal, ASPT and ASOL will be De-stapled from Abacus Property Group and Re-stapled together to form Abacus Storage King. The GAV of Abacus Storage King is $3.1 billion as at 30 April 2023, comprising:

- the Storage King operating platform that will be owned, operated and managed by ASOL and its Subsidiaries;
- a portfolio held directly or indirectly by ASPT or ASOL of 131 of high quality, metropolitan focused Self Storage Properties[109] including 110 trading stores with 582,861 sqm of NLA[110] and 21 developments with an Independent Valuation of $2.6 billion and WACR of 5.54%;[111] and
- $0.5 billion of Other Investments held directly or indirectly by ASPT or ASOL including $238 million or 7.2% interest in another ASX listed Self Storage REIT.[112]

The Investment Portfolio (which includes the Self Storage Properties and the Other Investments) has been strategically curated by Abacus Property Group to deliver income and capital value returns to securityholders over the medium to longer term with material growth potential through its acquisition and development pipeline. Abacus Storage King intends to continue to seek investments in Self Storage that will target strong and stable distributions, with potential for capital and income growth.

The Completion of the Proposal will set Abacus Storage King's capital structure at the lower end of its target gearing range, with Adjusted Gearing at 26.7%[113] which will be used to fund capital expenditure for Abacus Storage King's development pipeline, fund the transaction costs associated with the Proposal (including the Offer) and provide balance sheet capacity to take advantage of acquisition and development opportunities.

Abacus Storage King will be externally managed by Abacus Group. ASFML, which is a wholly owned subsidiary of Abacus Group, will remain as the responsible entity of ASPT and will be the Manager of ASOL. Further details regarding the management arrangements of Abacus Storage King can be found in Section 8.1 of this Transaction Booklet.

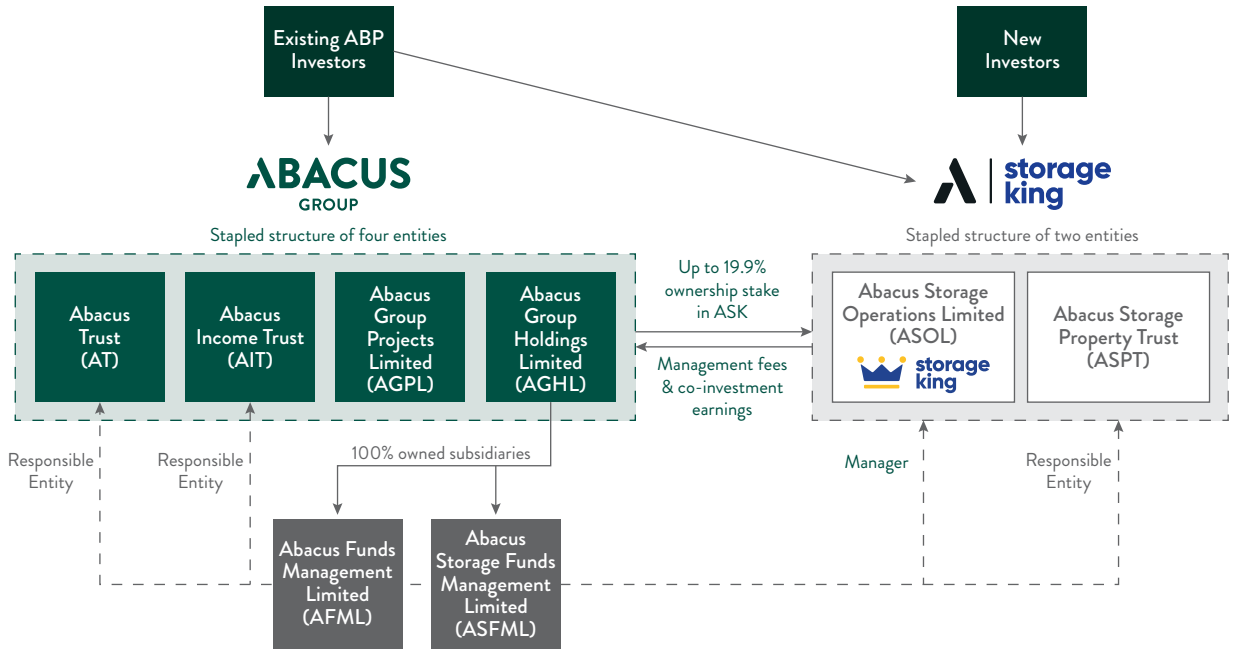
Further details regarding the ongoing relationship between Abacus Group and Abacus Storage King can be found in Section 8.3.

Further details regarding the Offer can be found in Section 12.

109. The Investment Portfolio consists of some properties that are wholly owned by Abacus Storage King and some properties in which it has a less than 100% ownership interest.
110. Excludes Commercial areas of c. 55,000 sqm.
111. As at 30 April 2023; As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.
112. As at 30 April 2023; Includes equity accounted investments.
113. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

The simplified proposed corporate and ownership structure of Abacus Storage King following Completion is set out below:

Chart 5.1.1: Simplified structure after Completion



5.2 Key commercial arrangements and revenue streams of Abacus Storage King

In addition to the arrangements that Abacus Storage King will have in place with Abacus Group (see Section 8.3 for further details), the key commercial arrangements of Abacus Storage King are as follows:

- the Self Storage standard customer terms that are in place with customers of the Self Storage business – see Section 16.7 for further details; and
- the arrangements with third party licensees, including pre-emptive rights, which apply during the term of the license agreements, to purchase the majority of Storage King assets in the event they are offered for sale – see Sections 5.5.5 and 16.8 for further details.

Abacus Storage King expects to generate income from a variety of sources, including:

- storage income from the renting of more than 84,500 storage customer units across Australia and New Zealand;[114]
- ancillary income from the provision of storage related services and products to storage customers (including packaging, locks and insurance etc.);
- income from the management of Storage King licensed stores; and
- sundry income from non-storage activities such as rental income from Commercial tenancies and outdoor advertising.

5.3 Objectives and strategy of Abacus Storage King

Abacus Storage King's objectives as a separately listed group will be to provide Abacus Storage King Securityholders exposure to:

- the Storage King operating platform; and
- the Investment Portfolio of Self Storage assets,

that will target strong and stable distributions, with potential for capital and income growth.

114. As at 30 April 2023; All Abacus Storage King owned and managed stores.

05 OVERVIEW OF ABACUS STORAGE KING POST COMPLETION CONTINUED

Abacus Storage King intends to achieve its objectives by seeking to:

- optimise operational performance through the Storage King operating platform to continue to drive rate and occupancy growth;
- maintain a high quality strategic portfolio of predominantly stabilised Self Storage assets generating income growth;
- drive Storage King income by increasing the take up of third party licenses to the Storage King operating platform;
- capital growth through disciplined acquisitions according to Abacus Storage King's network strategy, which focuses on securing Self Storage assets with high quality locations and strong demographic drivers to complement the existing network;
- where appropriate, consider the disposal of assets from time to time;
- pursue development and expansion opportunities for enhanced risk-adjusted returns; and
- maintain an appropriate capital structure.

5.4 Investment and asset management strategy

5.4.1 Investment philosophy

Abacus Storage King's vision is to be the undisputed leader in the Self Storage industry by seeking to be the most respected, responsive, and recognised owner, operator and manager.

Abacus Storage King's strategy aims to pursue goals for the business, people, communities and environment, with a clear aim to deliver sustainable and superior returns from the:

- **Storage King operating platform:** Through the Storage King operating platform, Abacus Storage King will focus on brand, customer and revenue management to seek to build the most valued brand in the market. Through purposeful investment in the people, processes and systems, Abacus Storage King will seek to deliver the easiest, best in class, storage services that meet its customers bespoke and evolving needs; and
- **Investment Portfolio:** Abacus Storage King's Investment Portfolio will focus on asset management and identifying and executing growth initiatives including acquisitions and developments.

Abacus Storage King will adopt a disciplined acquisition process with a focus on making investment decisions based on underlying property fundamentals, attractive locations that benefit Abacus Storage King's network, and quantitative analysis.

Abacus Storage King will seek to develop and manage assets to be fit for purpose, seek to build bold brand icons that deliver an exceptional customer experience, and seek to set new industry standards for sustainability.

The Abacus Storage King Investment Portfolio composition will evolve over time, as Abacus Storage King continues to respond to evolving trends in the Self Storage market as detailed in Section 7.

Key features of the Abacus Storage King Investment Portfolio include:

- exposure to the Self Storage market which has attractive market fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, densification of residential property, and the growth of e-commerce (see Section 5.5.7);
- multi-pronged growth strategy with pre-emptive rights, during the term of the license agreements, to purchase the majority of Storage King licensee stores in the event they are offered for sale, as well as a 105,500 sqm development and expansion pipeline (see Sections 5.3, 5.4, 5.5.5, 5.5.6, and 6.3);
- a complementary mix of individuals and business customers who utilise storage across the Investment Portfolio, ensuring the platform meets the growing needs of both pools of demand;
- attractive metropolitan locations that are easily accessible and are close to large population centres, major road arterials and intersections, and public transport links; and
- modern buildings with quality amenities including some indoor climate controlled stores, lift and undercover loading dock access, on-site manager, extended access hours (before 8.30am and after 5.30pm), trolleys to transport goods throughout the stores, ancillary services such as insurance, boxes and packaging materials (tape and pad locks).

Abacus Storage King believes these features are key differentiating features of the Investment Portfolio.

5.4.2 Acquisition and development investment process

Abacus Storage King intends to acquire and develop additional Self Storage properties over time that are consistent with its objectives and represent value-accretive investment opportunities according to its multi-pronged growth strategy which focuses on organic growth, pursuing its development pipeline, looking for acquisition opportunities and seeking out additional opportunities to enter into license arrangements with store owners.

Chart 5.4.2.1: Multi-pronged growth strategy



Abacus Storage King's multi-pronged growth strategy is enabled by an identified pipeline of possible future acquisitions, supported by pre-emptive rights, during the term of the license agreements, to purchase the majority of Storage King licensee stores in the event they are offered for sale (see Sections 5.5.5 and 16.8 for further details).

Abacus Storage King, with the help of the Development Manager and the Manager (as applicable), will continue to actively seek development opportunities within its Self Storage Properties, through re-developing and expanding existing assets, as well as acquiring development sites which meet its overall investment objective. Abacus Storage King has a current development pipeline with an estimated completion value of $434 million.[115] See Section 5.5.6 for further details.

5.4.3 Storage King platform

Established in 1998, the day-to-day operations of Storage King are overseen by co-founder and CEO Michael Tate.

Abacus Property Group first acquired an interest in the Storage King operating platform in August 2018 and acquired the remaining interest in November 2020. If the Proposal is implemented, the Storage King operating platform will form part of Abacus Storage King and the day-to-day operations of the Self Storage stores will continue to be conducted by the Storage King operating platform. Only a limited amount of commercial tenancies in Self Storage properties owned by ASPT and/or ASOL (either directly or indirectly through wholly owned subsidiaries) will be managed by the Property Manager under the Property Management Agreement. A summary of the Property Management Agreement can be found in Section 16.3.3.

Storage King is Australia and New Zealand's most recognised Self Storage brand according to the Self Storage Association of Australia.[116] The Storage King platform comprises 196 storage stores, of which 110 are owned by Abacus Storage King and 86 are managed and/or licensed by Storage King.[117] Storage King's c.500 employees specialise in Self Storage revenue management, marketing, customer engagement, delivery of the business plan and the provision of services to Abacus Storage King and licensee owners.

Abacus Storage King has pre-emptive rights, which apply during the term of the license agreements, to purchase the majority of the remaining 86 Self Storage stores which are managed and/or licensed by Storage King,[118] in the event they are offered for sale. See Sections 5.5.5 and 16.8 of this Transaction Booklet for further information.

115. As at 30 April 2023.
116. Self Storage Association of Australasia – "State of the Industry 2022".
117. As at 30 April 2023; Storage King manages and licenses 55 stores and licenses but does not manage a further 31 stores.
118. As at 30 April 2023; Storage King manages and licenses 55 stores and licenses but does not manage a further 31 stores.

05 OVERVIEW OF ABACUS STORAGE KING POST COMPLETION CONTINUED

5.5 Benefits of an investment in Abacus Storage King

5.5.1 Fully integrated owner, operator, and manager with demonstrated operational expertise from the embedded Storage King operating platform

The Storage King operating platform, which will form part of Abacus Storage King, has a number of key benefits:

- provides a fully integrated platform to perform the day-to-day operations of the Self Storage stores and utilise the scale of the platform through the hybrid revenue management system (centralised operations) and brand recognition to drive growth;
- well established user base across a substantial network of 196 locations[119] satisfying customer needs across geographies;
- leverages the existing customer relationships which have been established since Storage King's inception in 1998; and
- continues to expand income streams from the management and licensing of third party owned assets, providing capital light expansion of the platform and brand.

5.5.2 Most recognised brand in Australia and New Zealand Self Storage markets

Storage King, which has operated for more than 25, years, is the most recognised Self Storage brand in Australia.[120] This assists with Storage King's long-standing strategy of seeking to become the preferred Self Storage operator in these markets and helps with positioning the platform to capture market share. The Storage King network comprises 196 stores with 110 Abacus Storage King owned stores and 86 managed and/or licensed stores.[119]

Abacus Storage King owned and managed stores have over 84,500 customer units[121] and an average length of stay of 3.4 years.[122]

Storage King continually looks at ways to improve the customer experience and amenities at its Self Storage stores in order to seek to retain and attract customers, protect or enhance revenue, and improve the experience and offerings for all users.

5.5.3 $2.6 billion Self Storage Properties with best in class[123] operating metrics

Following Completion, Abacus Storage King's Self Storage Properties will consist of 110 trading stores with 582,861 sqm of NLA[124] and 21 stores under development with an Independent Valuation of $2.6 billion[125]. Abacus Storage King has rental growth potential through RevPAM expansion (rate and occupancy), short lease duration, and supported by best in class operating metrics with:

- high occupancy rate of 91.4% across the Established Portfolio, 91.0% across Acquisition Portfolio, and lower on the Stabilising Portfolio at 65.5% as these assets are yet to reach maturity;[126]
- ability to flex rate per square metre across assets with Storage King's hybrid revenue management system to optimise rates and drive RevPAM growth across the portfolio;
- 16.1% and 8.8% RevPAM growth in FY22 and HY23 respectively, in excess of inflation, driving strong capital returns;[127]
- a degree of inflation protection through relatively short lease duration in Self Storage allowing move-in rate rises to offset any rise in cost of operations; and
- a complementary mix of individuals and business customers who utilise storage across the portfolio, ensuring the platform benefits from the growing needs of both pools of demand.[128]

119. As at 30 April 2023.
120. Self Storage Association of Australasia – "State of the Industry 2022" p.53-54.
121. As at 30 April 2023; All Abacus Storage King owned and managed stores.
122. As at 30 April 2023; For existing customers in the Established Portfolio.
123. As referenced to listed peers.
124. Excludes Commercial Areas of c.55,000 sqm.
125. As at 30 April 2023; See Section 6 for further information.
126. Average YTD 30 April 2023 (by area).
127. RevPAM growth of Established Portfolio.
128. Abacus Property Group FY22 Results Presentation – 29% of customers within the Storage King network are Commercial customers.

5.5.4 Strategically curated Self Storage Properties with more than 80% of the properties located in metropolitan areas

Abacus Storage King's Self Storage Properties has been strategically accumulated over the last 10 years with a focus on quality locations with:

- more than 80% of properties located in metropolitan areas as at 30 April 2023;
- high visibility (typically on main roads with major passenger traffic flows) and prominent signage to attract customers;
- properties close to large population centres, major road arterials and intersections, and public transport links; and
- properties in inner, urban areas with higher housing density and favourable demographics (e.g. high income earning areas; near education facilities such as schools/universities).

5.5.5 Acquisitions pipeline supported by fragmented market and pre-emptive rights to purchase further Storage King licensed assets

The Self Storage industry includes more than 2,200 Self Storage centres across Australia.[129] The industry remains fragmented by brand and by ownership and comprises:

- three national operators, including Storage King;
- a number of state based private businesses that own multiple centres; and
- a large number of single site owners.

There has been a trend towards consolidation in the industry, with the major operators expanding their operations either by direct acquisition of Self Storage centres or through an increased number of branding and management structures which often end up as long-term passive investments or acquisitions by the relevant manager.

Abacus Storage King believes it is well placed to capitalise on consolidation as the establishment of a greater number of Self Storage centres under a single brand can offer significant advantages and economies of scale in terms of:

- brand recognition and enquiries with Storage King already being the most recognised Self Storage brand in Australia and New Zealand;[130]
- network of stores to satisfy consumer and business across various locations;
- economies of scale in the purchase of advertising and sales (from a central call centre), insurance, recruitment and other major operating cost items; and
- ability to attract the best talent and develop leading management systems and operating applications.

Additionally, Abacus Storage King has pre-emptive rights, during the term of the license agreements,[131] to purchase the majority of Storage King licensed assets operated on behalf of licensee owners should they wish to sell:

- Storage King currently manages and/or licenses 86 stores[132] on behalf of licensee owners. This provides a relationship with the owners of those stores, and should they wish to sell, Abacus Storage King has pre-emptive rights, during the term of the license agreements, to purchase the majority of these assets. There is no guarantee that any other licensee owners will look to sell their stores or that Abacus Storage King will determine to exercise any pre-emptive rights.
- Abacus Property Group has a track record of acquiring assets under pre-emptive right arrangements. Since FY19, Abacus Property Group has acquired 32 third party owned stores from the Storage King platform totalling $542 million[133] with 72% of all trading store acquisitions by Abacus Property Group originating from Storage King licensees.

Abacus Group's sector expertise and the scale of its management platform will help position Abacus Storage King to take advantage of acquisition opportunities within the Self Storage sector, which is still largely privately owned. ASFML as the ASPT Responsible Entity and the Manager of ASOL will seek to identify acquisition opportunities for Abacus Storage King to expand its portfolio and grow its market share.

129. Self Storage Association of Australasia – "State of the Industry 2022" p.11.
130. Self Storage Association of Australasia – "State of the Industry 2022".
131. See Section 16.8 for further details.
132. Storage King manages and licenses 55 stores and licenses but does not manage a further 31 stores.
133. Before transaction costs.

05 OVERVIEW OF ABACUS STORAGE KING POST COMPLETION CONTINUED

5.5.6 Substantial development capability with a strong track record of value-accretive project delivery and an identified development pipeline

The Abacus Storage King Investment Portfolio includes approximately $250 million of assets successfully developed by Abacus Property Group since FY19 which has a current forecast unlevered return of 8.8%.[134] Abacus Storage King offers enhanced development returns by:

- seeking to redevelop existing properties owned by Abacus Storage King to drive value and growth via site optimisation and taking reasonable steps to mitigate development and delivery risk. This includes, entering into fixed price contracts with builders and other service provides to provide certainty on costs;
- its identified pipeline of 87,100 sqm of developments which it expects will deliver 15 stores by FY26 with an estimated completion value of $434 million;[135] and
- its identified pipeline of 18,400 sqm of value enhancing expansion opportunities across a number of sites within the Self Storage Properties.[135]

Undertaking uncommitted development activity is at the discretion of Abacus Storage King having regard to the investment and asset management strategy in Section 5.4.2.

5.5.7 Attractive Self Storage market fundamentals supported by macroeconomic tailwinds

The Self Storage sector has attractive market fundamentals that continue to contribute to growth including:

- **Limited supply for Self Storage space** – limited supply with only 2.16 (square foot) of Self Storage per capita available in Australia and 2.61 in New Zealand, compared to 7.21 in the USA;[136]
- **Densification of residential property and changes in consumer preferences, with a greater focus on increasing utilisation in the home** – rising housing density results in a higher concentration of dwellings and less available space per household, increasing demand for offsite storage. Changes in consumer preferences towards apartment living and a higher proportion of adults renting further supports housing turnover, mobility, and therefore demand for offsite storage;[136]
- **Increased awareness and take-up** – Self Storage usage in Australia and New Zealand increased to 9.4% of the total adult population in 2021, up from 8.6% in 2020 and 5.0% in 2013;[136]
- **Resilience through economic cycles** – the Self Storage industry has developed a reputation for being resilient during economic downturns due to the nature of storage demand (demand drivers in both expansionary and recessionary environments). This has been on display through FY21, with RevPAM growth of 6.3%[137] despite COVID, and continued RevPAM growth of 16.1%[138] through FY22; and
- **The rise of e-commerce is leading to increased business usage** – the way people are using Self Storage is changing, with business usage on the rise[136]. Supply chain challenges, the rise of online retail and the growing importance of last-mile distribution all present opportunities for Self Storage[136].

5.5.8 Attractive pure-play alternative real estate group

Abacus Storage King provides a new sector specific investment opportunity on ASX:

- Listed opportunity to invest in the Self Storage sector managed by the Storage King platform, which is rated the most recognised Self Storage brand in Australia and New Zealand.[136]
- Abacus Storage King is of scale with a $3.1 billion Investment Portfolio[139] and expected market capitalisation of $1.9 billion at Completion.[140]
- Given the limited Australian listed investment opportunities in the Self Storage sector, strong institutional interest, and direct market transactions continuing to trade at tight capitalisation rates, this should support Abacus Storage King's growth outlook as its Investment Portfolio evolves.[141]

134. Forecast return based on EBITDA as at 30 April 2023 applying market rental rates and a weighted average stabilised occupancy level of 90%.
135. As at 30 April 2023.
136. Self Storage Association of Australasia – "State of the Industry 2022".
137. FY21 Results Presentation; Established Portfolio referred to in the FY21 Results Presentation.
138. FY22 Results Presentation; Established Portfolio referred to in the FY22 Results Presentation.
139. As at 30 April 2023.
140. Based on an Offer Price of $1.41 and 1,314 million Abacus Storage King Securities outstanding on Completion.
141. Refer to Section 7 for dynamics of the Self Storage industry.

5.5.9 Abacus Storage King is targeting strong and stable distributions, with potential for capital and income growth

Abacus Storage King is forecast to have an FY24 Distribution Yield of 4.2%[142] for the year ending 30 June 2024.[143]

The objective of delivering stable distributions, with potential for capital and income growth is underpinned by a number of factors:

- stable and defensive operating portfolio, with sustainable cash flows backed by a diversified customer profile (businesses and individuals) and geographic diversity across Australia and New Zealand;
- track record of above inflation RevPAM growth for the Investment Portfolio over the last two years supported by Storage King's hybrid revenue management systems to drive rate and occupancy and shorter-duration leases allowing for move-in rate to adjust for increases in operation expenses; and
- appropriate capital structure, with Adjusted Gearing of 26.7%[144] at Completion, which is at the lower end of Abacus Storage King's target gearing range of 25%–35%.

See Section 5.8 for further details on Abacus Storage King Distributions.

5.5.10 Proven management capability from Abacus Group to manage capital structure and undertake acquisitions and developments

Abacus Storage King will be externally managed by Abacus Group.[145] Abacus Property Group has deployed over $1.4 billion into Self Storage assets over the last five years to form the Abacus Storage King Investment Portfolio.

Abacus Group's team spans key management functions including investment management (such as capital structure policies, negotiating bank facilities, and executing hedges), acquisitions and development. It is anticipated that Abacus Storage King will benefit from Abacus Group's management approach to maximise value by:

- maintaining an appropriate capital structure and leveraging banking relationships;
- leveraging Abacus Group's relationships with property and land owners, contractors, suppliers and service providers;
- identifying assets with value-add development potential, obtaining council approvals to managing construction; and
- undertaking due diligence and identifying potential future acquisitions and development opportunities for Abacus Storage King.

See Sections 8.1 and 8.3 for further details regarding the management arrangements.

5.5.11 Experienced Board and strong corporate governance

Abacus Storage King Board will be comprised of experienced and credentialed individuals. The proposed Independent Non-Executive Chair and Non-Executive Directors have a diverse range of expertise, financial and commercial experience and property industry knowledge and other skills that enable them to bring independent judgement to board deliberations and decisions.[146]

See Sections 8.1 to 8.2 for further details regarding the Abacus Storage King Board and management arrangements.

5.6 Risks of an investment in Abacus Storage King

Abacus Storage King is subject to risks that are both specific to its business operations in the property industry and to those of a general nature. Many of these risks are outside the control of Abacus Storage King, its Directors and management and if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, Abacus Storage King. Section 14 of this Transaction Booklet describes what Abacus Storage King currently believes to be the key risks associated with a stand alone or additional investment in it. There may be additional risks that should be considered in light of prospective investors' personal circumstances.

142. Pro forma basis, based on the Offer Price. Refer to Section 10.6 for details of the underlying assumptions.
143. Refer to Section 10 for financial information.
144. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.
145. See Sections 8.1 and 8.3 for further details.
146. Refer to Section 8.6 for more details on corporate governance.

05 OVERVIEW OF ABACUS STORAGE KING POST COMPLETION CONTINUED

5.7 Financing arrangements

5.7.1 Gearing policy

At Completion, Abacus Storage King is expected to have Adjusted Gearing of 26.7%.[147]

Under the terms of the Abacus Storage King Debt Facilities as they will apply on and from De-stapling Implementation (see Section 5.7.3 for further details), Abacus Storage King's loan to value ratio must not exceed 60%, subject to temporary increases to 65% to support acquisitions in certain circumstances. Notwithstanding this, the Abacus Storage King Board has approved a gearing policy whereby gearing is expected to be maintained between 25% and 35%, with the ability to exceed the top end of the range, provided gearing will be reduced to below 35% within a reasonable period of time.

5.7.2 Hedging policy

To manage the risk arising from the fluctuation of interest rates, Abacus Storage King may enter into fixed rate borrowings and/or interest rate swaps to convert floating rate borrowings to fixed rate borrowings.

Abacus Storage King may choose to have a portion of its total borrowings on a fixed interest rate basis. In deciding the appropriate level of interest rate hedging, Abacus Storage King will monitor market conditions on a regular basis.

5.7.3 Current financing arrangements

Abacus Property Group's existing debt facilities secured by its Self Storage assets will remain in place for Abacus Storage King (being the Abacus Storage King Debt Facilities) with some contextual changes. As at 31 December 2022, these Abacus Storage King Debt Facilities totalled $1.0 billion of which $0.9 billion was drawn, and a weighted average term to maturity of 3.7 years.

The Abacus Storage King Debt Facilities are available to fund general corporate purposes, including permitted acquisitions of real property. Interest is calculated through applying a margin to the applicable base rate (being the BBSY Bid for all Australian denominated debt and the Bank Bill Reference Rate (BKBM) for all New Zealand denominated debt). The applicable margin varies depending on the tranche of the facility.

The Abacus Storage King Debt Facilities also have interest rate swaps. Based on the ASK Pro Forma Historical Statement of Financial Position as at 31 December 2022, Abacus Storage King will have a year one average of approximately 80% of drawn bank debt subject to fixed rate hedges.

See Section 16.9 for further details of the Abacus Storage King Debt Facilities and the interest rate swaps.

5.8 Distributions

Abacus Storage King expects to target a distribution payout ratio of 90% to 100% of FFO. A payout ratio below this target may be adopted in circumstances where Abacus Storage King has identified growth initiatives including acquisitions and developments. The Abacus Storage King Board retains the discretion to vary the distribution policy.

Abacus Storage King intends to pay distributions every six months, with Abacus Storage King Securityholders to receive distributions within 2 months following the end of each distribution period, being the six months ending 30 June and 31 December. The first distribution is expected to be paid by 28 February 2024. The table below sets out the expected distribution schedule:

SIX MONTHS ENDING	PAID BY
31 December	28 February
30 June	31 August

Abacus Storage King will continue to monitor the appropriateness of the distribution policy to ensure that it meets its ongoing objectives and is in the best interests of Abacus Storage King Securityholders.

There is no guarantee that any distributions will be paid or if paid, in what amounts.

147. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

5.8.1 Dividend and Distribution Reinvestment Plan

Abacus Storage King has established rules for participation by Abacus Storage King Securityholders in a dividend and distribution reinvestment plan (**Abacus Storage King DRP**), pursuant to which eligible Abacus Storage King Securityholders may elect to reinvest dividends and distributions from Abacus Storage King in further Abacus Storage King Securities. If only a dividend or a distribution is made at any time, references below to "dividend and distribution" means the relevant one of them.

The Abacus Storage King DRP is substantively the same as the existing Abacus Property Group DRP except that it will extend to both distributions from ASPT and dividends from ASOL, and that the issue price will be allocated between the ASPT unit and ASOL share component of each Abacus Storage King Security on a basis determined by Abacus Storage King, failing which the allocation will be based on the relative net asset backing of the unit and share (subject to certain adjustments). Abacus Storage King has not yet determined if the Abacus Storage King DRP will be offered.

A summary of the key terms and conditions of the Abacus Storage King DRP are as follows:

- Abacus Storage King may at any time vary, suspend or cancel the ASK DRP. Under the rules of the Abacus Storage King DRP, participation by Abacus Storage King Securityholders in the Abacus Storage King DRP is optional and is limited to Abacus Storage King Securityholders whose registered address is in Australia (unless the relevant Securityholder holds the relevant Securities on behalf of another person who resides outside of Australia);
- Abacus Storage King Securityholders seeking to participate in the Abacus Storage King DRP must instruct the Registry by no later than 5.00pm on the relevant record date for the dividend and distribution in which they wish to participate, specifying whether the Abacus Storage King Securityholder seeks full participation in respect of that Abacus Storage King Securityholder's entire holding, or partial participation in respect of a nominated number of Abacus Storage King Securities;
- the dividend and distribution on those Abacus Storage King Securities not participating in the Abacus Storage King DRP will be paid to the Abacus Storage King Securityholder by direct credit in accordance with the Abacus Storage King Securityholder's instructions;
- Abacus Storage King may satisfy its obligations under the Abacus Storage King DRP by issuing new Abacus Storage King Securities at the market price, or at a discount to the market price, of Abacus Storage King Securities, rounded to the nearest whole cent. The discount rate (if any) applicable from time to time will be determined by the board of Abacus Storage King. Any discount applicable at any relevant time will be detailed on the Abacus Storage King website at www.abacusgroup.com.au;
- if the issue price of Securities has not been determined by the date of issue of the relevant Securities, the issue price will be the average of the daily volume weighted average prices of Abacus Storage King Securities for each of the 15 trading days commencing on the first trading day after the record date to which the dividend and distribution relates. The issue price of the Abacus Storage King Securities under the Abacus Storage King DRP will be posted to the Abacus Storage King website at www.abacusgroup.com.au. This price will be allocated between the ASPT unit and ASOL share component of each Abacus Storage King Security at a rate determined by Abacus Storage King, failing which the allocation will be based on the relative net asset backing of the unit and the share (subject to certain adjustments);
- where a fractional entitlement to a security would result from the reinvestment, then that part of the Abacus Storage King Securityholder's dividend and/or distribution (as applicable) resulting in the fractional entitlement will be carried forward to be reinvested at the time of the next dividend and/or distribution (as applicable) for that Abacus Storage King Securityholder. The determination by ASK of the price at which ASPT units and ASOL shares shall be issued under the DRP shall be binding on all participants; and
- no brokerage, commissions, duty or any other costs will be payable by participants in respect of the Abacus Storage King DRP, however participants may be liable for any taxes assessed against or imposed on the participant. As individual circumstances and laws vary considerably, Abacus Storage King Securityholders are encouraged to seek specific tax advice before participating in the Abacus Storage King DRP.

05 OVERVIEW OF ABACUS STORAGE KING POST COMPLETION CONTINUED

5.9 Valuation policy

5.9.1 Valuation basis

Abacus Storage King values its Self Storage Properties on the basis of fair value.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

5.9.2 Frequency of valuation

It is intended that a Self Storage Property valuation process will be conducted on a semi-annual basis. Each property must be valued at least once every 12 months.

Independent valuations are expected to be obtained on a rotational basis to ensure each Self Storage Property is valued at least once every 24 months by an independent external valuer. For Self Storage Properties not independently valued during a reporting period, an Abacus Storage King Directors' valuation will be carried out to determine the appropriate carrying value of the Self Storage Property when Abacus Storage King's financial reports are prepared. Where Abacus Storage King Directors' valuations are performed, the valuation methods include using the capitalisation method.

Independent valuations will be presented to the Abacus Storage King Audit and Risk Committee and the Abacus Storage King Board or a committee of the Abacus Storage King Board appointed for such purpose, as required.

5.10 Reporting

For accounting and reporting purposes, Abacus Storage King will report on a 30 June financial year basis. Formal reporting will be provided to Abacus Storage King Securityholders as at 30 June (full year) and 31 December (interim) each year.

An annual consolidated financial report of Abacus Storage King will be provided to Abacus Storage King Securityholders in accordance with the Corporations Act. The annual consolidated financial report will be audited whilst the interim financial report will be subject to review by the auditor.

5.10.1 Unit pricing

The underlying NTA per security of Abacus Storage King Securities will be calculated as NTA divided by the number of Abacus Storage King Securities on issue. The price at which Abacus Storage King Securities trade on ASX may be higher or lower than the NTA per security.

5.10.2 Auditors

Unless the Abacus Storage King Board otherwise determines, the auditor of Abacus Storage King will be Ernst & Young, which is also the auditor of Abacus Property Group and will remain as the auditor of Abacus Group.

5.10.3 Register

The Abacus Storage King registers will be maintained in New South Wales by the Registry.



06

OVERVIEW OF ABACUS STORAGE KING SELF STORAGE PROPERTIES

06 OVERVIEW OF ABACUS STORAGE KING SELF STORAGE PROPERTIES

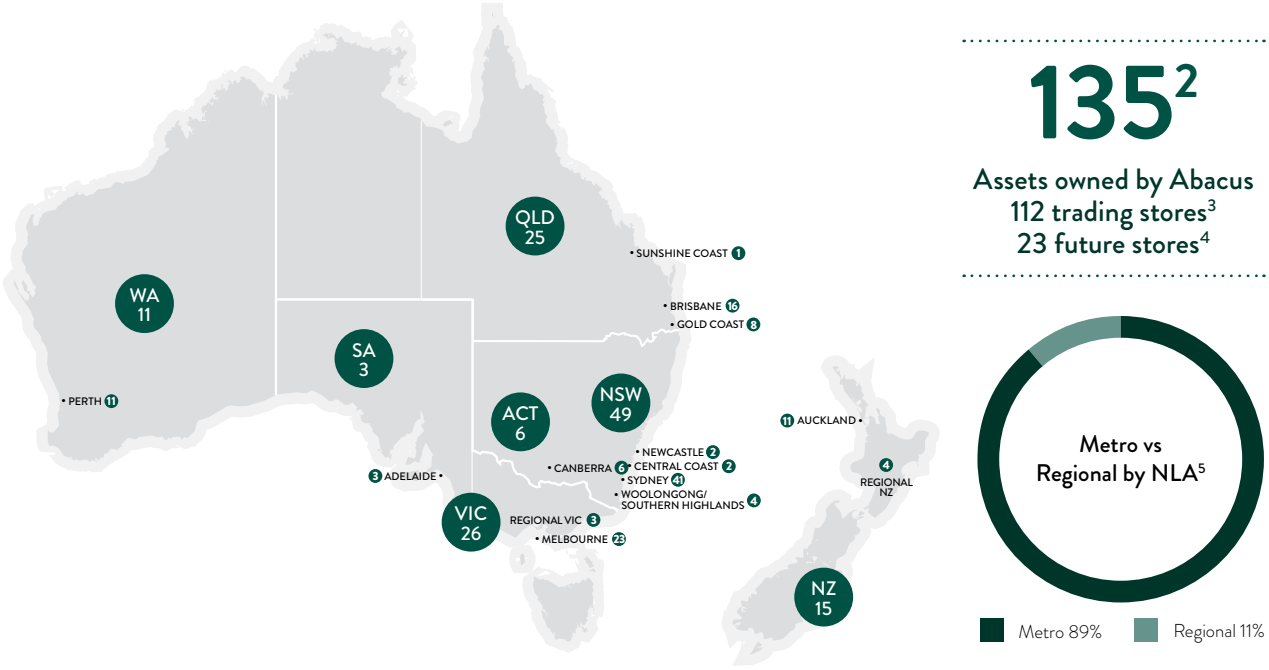
6.1 Introduction

At Completion, Abacus Storage King will own 131 Self Storage Properties comprising of 110 trading stores with 582,861 sqm of NLA[148] and 21 developments, with an Independent Valuation of approximately $2.6 billion.[149] The Self Storage Properties have a WACR of 5.54%[150] and are 91.4% occupied.[151] The Self Storage Properties are geographically diversified across New South Wales, the Australian Capital Territory, Victoria, Queensland, Western Australia, South Australia and New Zealand.

For further details on the Independent Valuations of the Self Storage Properties and the key assumptions underlying those valuations, see Annexure C.

6.2 Geographic diversity of Self Storage Properties

Chart 6.2.1: Storage King Store Network[1]
Strategically curated portfolio and Australia and New Zealand's most recognised Self Storage brand[1]



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. Refer to net lettable area.

148. Excludes commercial areas of c.55,000 sqm.
149. Value of owned Self Storage assets as at 30 April 2023. As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. See Section 14.1.10 for further details.
150. As at 30 April 2023.
151. Average YTD 30 April 2023 (by area) of Established Portfolio.

Key metrics split between Australia and New Zealand as at 30 April 2023 can be seen below.

Table 6.2.2: Portfolio Property Metrics

	AUSTRALIA	NEW ZEALAND	TOTAL
Number of properties[1]	116	15	131
NLA (sqm)[2]	505,006	77,855	582,861
Occupancy (%)[3]	91.1%	92.7%	91.4%
Average rent per square metre[3]	352	336	348
RevPAM[3]	320	311	319
WACR (%)	5.51	6.00	5.54
Value ($m)	2,308	311	2,619

1. Includes 21 development assets.
2. Excludes commercial areas of c.55,000 sqm.
3. Average YTD 30 April 2023 (by area) of Established Portfolio.

Overview of Self Storage Properties by State as at 30 April 2023 can be seen below.

Table 6.2.3: Overview of Self Storage Properties by State

LOCATION	# OF STORES[1]	FAIR VALUE ($'000)	CAPITALISATION RATE (%)	NLA (SQM)[2]
NSW	48	961,800	5.20%	175,968
VIC	25	425,287	5.77%	106,410
QLD	24	419,850	5.66%	102,775
ACT	6	287,900	5.28%	50,354
WA	10	181,900	6.29%	59,023
SA	3	31,050	6.00%	10,476
NZ	15	311,223	6.00%	77,855
Total	**131**	**2,619,010**	**5.54%**	**582,861**

1. Includes 21 development assets.
2. Excludes commercial areas of c.55,000 sqm.

06 OVERVIEW OF ABACUS STORAGE KING SELF STORAGE PROPERTIES CONTINUED

The below charts are current as of 30 April 2023.

Chart 6.2.4: % NLA Breakdown by Geography[1,2]

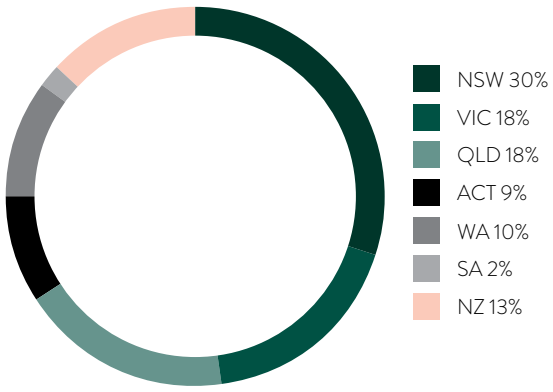
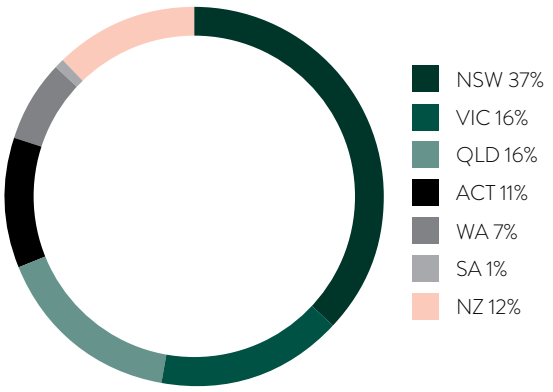


Chart 6.2.5: % Value Breakdown by Geography[1]



1. As at 30 April 2023; Charts may not sum to 100% due to rounding.
2. Excludes commercial areas of c.55,000 sqm.

6.3 Self Storage Properties metrics by type

Table 6.3.1: Key Self Storage Properties statistics – $2.6 billion Self Storage Properties[1]

	ESTABLISHED PORTFOLIO[2]	ACQUISITIONS PORTFOLIO[3]	STABILISING PORTFOLIO[4]
Number of Properties	76	18	37
Value ($m)	1,657	357	605
NLA (sqm)[5]	395,214	95,707	91,940
Occupancy[6]	91.4%	91.0%	65.5%
Average Rent Per Square Metre[6]	348	339	305
RevPAM[6]	319	308	200
RevPAM Growth[6]	9.1%		

1. As at 30 April 2023.
2. Established Portfolio: 76 mature stores open at 1 July 2021.
3. Acquisitions Portfolio: 18 mature stores acquired since FY21.
4. Stabilising Portfolio: 37 stores. Includes 16 stores that have not reached operational maturity and 21 developments not captured in these trading metrics.
5. Excludes commercial areas of c.55,000 sqm.
6. Excludes two stores due to site composition.

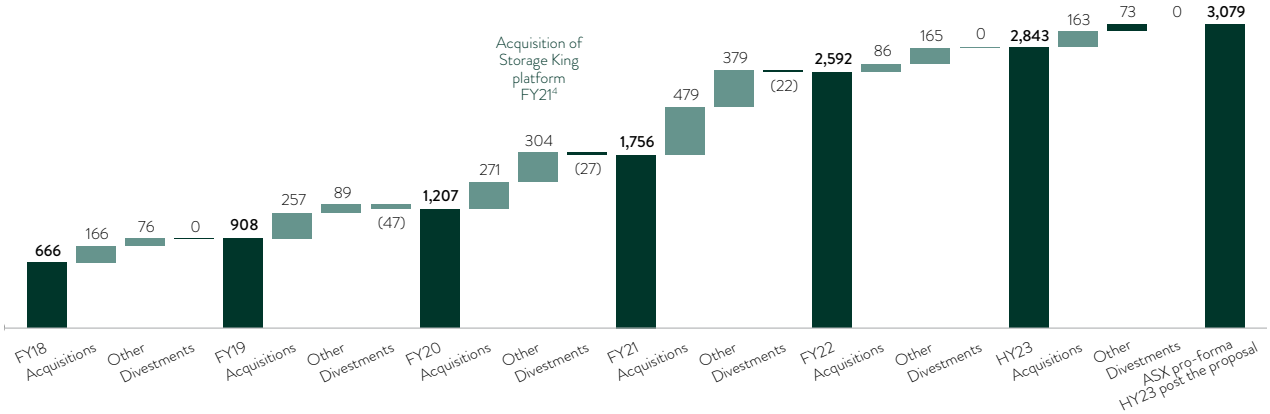
Proven Long Term Operational Performance

- Storage King delivers sector leading operating metrics in Self Storage.

Self Storage Capital Deployment

- $1.4bn deployed into Self Storage assets over the last 5 years.
- Positioning the Self Storage portfolio on a strong trajectory to being listed on the ASX as a strong asset backed, annuity style investment for Abacus Storage King Securityholders.

Chart 6.3.2: 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.

Development Pipeline

- 87,100 sqm of NLA over 15 new development sites to be developed across the short-to-medium term, with over 27,000 sqm[152] delivered YTD 30 April 2023.
- It is expected that over 18,400 sqm of additional NLA will be generated from expansions across the existing portfolio.
- Anticipated stabilised yield on cost of c.6%.

152. Development and expansion NLA.

06 OVERVIEW OF ABACUS STORAGE KING SELF STORAGE PROPERTIES CONTINUED

Table 6.3.3: Development Pipeline

NLA[153]	FY24	FY25	FY26	TOTAL
Sydney	7,200	23,100	13,800	44,100
Brisbane	7,200	6,500	0	13,700
Melbourne	0	6,200	0	6,200
Other	6,700	10,000	6,400	23,100
Total	**21,100**	**45,800**	**20,200**	**87,100**

The below charts are current as of 30 April 2023.

Spend to date[1]
$170m

Cost to complete[2]
$200m

Est. completion value[1]
$434m

Development NLA[1]
87,100 sqm

Expansion NLA
18,400 sqm

Chart 6.3.4: Self Storage development pipeline (sqm)

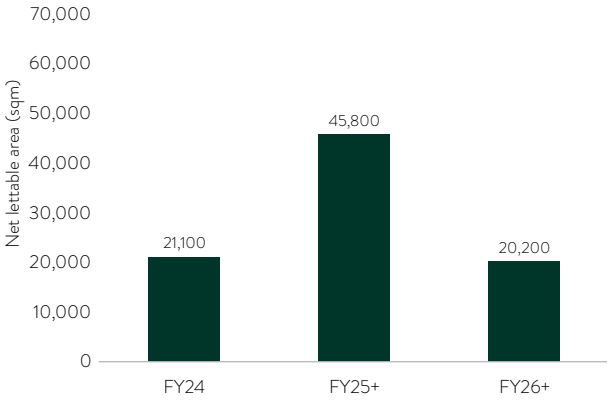
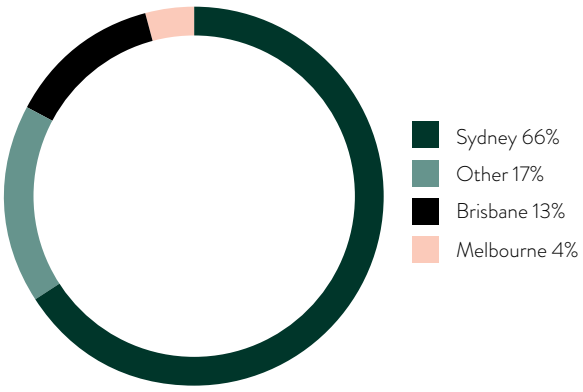


Chart 6.3.5: Geographic weighting of Self Storage pipeline



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.

153. As at 30 April 2023.

6.4 Select Self Storage Property Overviews

Select profiles of Abacus Storage King's Self Storage Properties are summarised below:

Asset Examples

Portfolio Snapshot







TYPE	ESTABLISHED (AUS)	ESTABLISHED (NZ)	ACQUISITIONS
Store	Belconnen	Avondale	Chatswood
Address	86 Nettlefold Street, Belconnen (Canberra)	379 Rosebank Road, Avondale (Auckland)	37-49 Alleyne Street, Chatswood (Sydney)
Land Size (m²)	27,000	13,000	3,300
Net Lettable Area (m²)	9,500	7,500	6,300
Years Trading	10+ years	10+ years	10+ years
Capitalisation Rate	5.00% – 5.50%	5.75% – 6.25%	4.50% – 5.00%
Valuation	$50.0m+	$30.0m – $40.0m	$40.0m – $50.0m
Overview	• Situated 12.0-kilometres north-west of the Canberra CBD on a busy local throughfare and adjoining Bunnings. • Purpose-built, ranch style, self storage buildings with a significant proportion providing drive-up access. • Generates ancillary income from automotive tenancies leased to operators such as Bob Jane T-Marts.	• Situated 9.0-kilometres south-west of the Auckland CBD on an arterial road supporting a high volume of daily traffic and within a busy commercial precinct. • Purpose built, ranch style, self storage buildings with a significant proportion providing drive-up access. • Retail refresh and store rebranding complete in 2023.	• Situated 11.0-kilometres north of the Sydney CBD within the tightly held Chatswood business precinct. • Purpose built, multi-level self storage building with internal loading dock area and drive-through functionality. • Formed part of North Shore portfolio transaction, with the adjoining building since acquired for expansion.

Portfolio Snapshot







TYPE	STABILISING (BUILD-UP)	STABILISING (RECENTLY OPENED)	DEVELOPMENTS (FUTURE STORE)
Store	Pymble	Epping	Granville
Address	3-5 West Street, Pymble (Sydney)	2 Nexus Road, Epping (Melbourne)	1 Woodville Road, Granville (Sydney)
Land Size (m²)	3,200	6,200	7,100
Net Lettable Area (m²)	7,700	7,000	7,200 (Stage One)
Years Trading	2 – 3 years	Less than 1 year	Opens FY24
Capitalisation Rate	4.75% – 5.25%	5.50% – 6.00%	5.00% – 5.50%
Valuation	$40.0m – $50.0m	$20.0m – $30.0m	$10.0m – $20.0m
Overview	• Situated 21.0-kilometres north-west of the Sydney CBD benefitting from good commercial exposure to Ryde Road. • Purpose built, multi-level self storage building with internal loading dock area and drive-through functionality • Occupancy take-up has averaged 170 square metres of net lettable area since opening in late 2020.	• Situated 28.0-kilometres north of the Melbourne CBD with prominent commercial exposure to both Oherns and Edgars Roads. • Purpose built, multi-level self storage building with under croft loading dock and drive-around access. • Opened in late 2021 and occupancy reached 30% after 7 months trading.	• Situated 22.0-kilometres west of the Sydney CBD and 2.0-kilometres south of the Parramatta CBD. • Once complete, the store will benefit from significant commercial exposure to Woodville Road. • Purpose built, multi-level self storage building with development approval for a further building with 2,700m².



07

SELF STORAGE INDUSTRY OVERVIEW

07 SELF STORAGE INDUSTRY OVERVIEW

7.1 Introduction

The Self Storage business of Abacus Property Group operates in, and post Completion, Abacus Storage King will operate in, the Australian and New Zealand Self Storage industry, which is exposed to the following key themes:

- The Self Storage sector has benefited from a rapidly maturing market supported by increasing awareness, usage, consolidation and institutionalisation;
- Self Storage capitalisation rates have compressed over the last 5 years supported by a lower interest rate environment, but remains conservative compared to core real estate sectors. Despite the current rising interest rate environment, Abacus Storage King's capitalisation rate has remained resilient and remains unchanged as at 30 April 2023; and
- Self Storage demand is robust, supported by several structural features including increasing housing density, population growth and a limited supply of new stores.

This industry overview is based on the recent performance and outlook for the Australian and New Zealand economy as a whole, and the Self Storage sector more specifically.

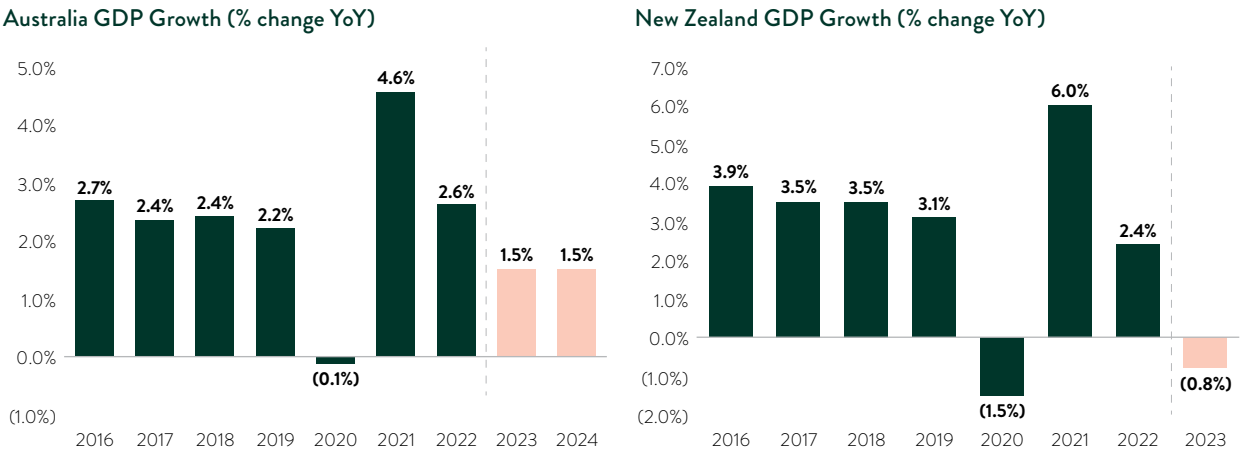
7.2 Economic overview

7.2.1 GDP growth

As reported by the Australian Bureau of Statistics (**ABS**), Gross Domestic Product (**GDP**) in Australia rose by 2.6% through the calendar year to December 2022, reflecting sustained economic growth following the effects of the COVID-19 outbreak.[154] Household consumption, which is closely tied to demand for Self Storage, was a significant contributor to GDP growth over this period, increasing 11.2% through the year to December 2022.[155]

Similarly, as reported by the Stats NZ Tatauranga Aotearoa (**Stats NZ**), GDP in New Zealand rose by 2.4% through the calendar year to December 2022.[156]

Chart 7.2.1.1: Australia and New Zealand Annual GDP Growth[157]



While both Australia and New Zealand have benefited from a consumer-led recovery following the impact of COVID-19, recent increases in interest rates to curb inflation have seen GDP growth expectations moderate. With further interest rate rises expected, GDP growth is forecast to be 1.50% in both 2023 and 2024 in Australia,[158] and (0.8%) in 2023 in New Zealand.[159]

For Australia and New Zealand, a slowdown in economic activity and household consumption may result in headwinds that impede growth for the Self Storage sector as households and businesses reduce consumption.

154. Australia Bureau of Statistics – *Australian National Accounts: National Income, Expenditure and Product* – March 2023.
155. Australian Bureau of Statistics – *Monthly Household Spending Indicator* – December 2022.
156. Stats NZ Tatauranga Aotearoa – *Gross Domestic Product* – December 2022.
157. Australian GDP growth (left side of the chart) from Australian Bureau of Statistics – *Australian National Accounts: National Income, Expenditure and Product* – March 2023 quarter. GDP in seasonally adjusted, chain volume measures; Reserve Bank of Australia – *"Statement on Monetary Policy"* – February 2023; New Zealand GDP growth (right side of chart) from Stats NZ Tatauranga Aotearoa – *Gross Domestic Product* – December 2022; The Treasury – *"Half Year Economic and Fiscal Update 2022"* (2023 and 2024 estimates).
158. Reserve Bank of Australia – *"Statement on Monetary Policy"* – February 2023.
159. The Treasury – *"Half Year Economic and Fiscal Update 2022"*.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

7.2.2 Monetary policy and Government bond yields

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.

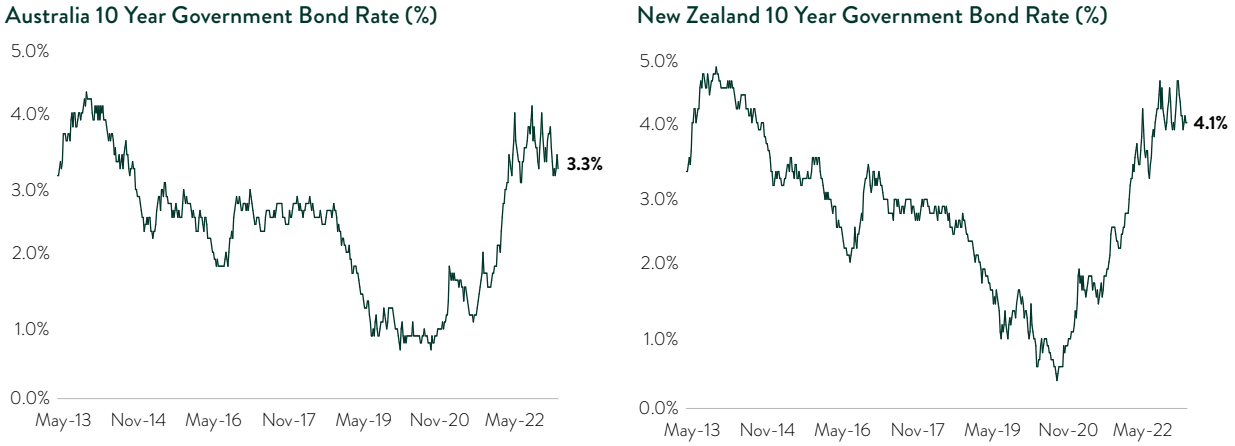
Lower interest rates generally result in tighter capitalisation rates, which has the effect of increasing property valuations, while higher interest rates have the inverse effect. Further, lower interest rates generally result in lower debt financing costs, which has the effect of increasing financial returns to investors, while higher interest rates have the inverse effect.

To support their economies through the COVID-19 pandemic, the Reserve Bank of Australia (**RBA**) lowered its official cash rate to a record low of 0.10% in November 2020[160] and the Reserve Bank of New Zealand (**RBNZ**) lowered its official cash rate to a record low of 0.25% in March 2020.[161] This resulted in a rapid increase in the rate of inflation throughout the balance of 2022, and so the RBA and RBNZ commenced a sustained series of increases in the target cash rate to 3.85% in May 2023[162] in Australia and 5.25% in April 2023[163] in New Zealand. The RBA and RBNZ have resolved that they will continue to take action to ensure that inflation returns to the 2–3% target range in Australia[164] and 1-3% target range in New Zealand.[165]

The current policy settings of both the RBA and RBNZ have resulted in a significant increase in funding costs. In Australia, the 10-year Commonwealth Government Bond rate increased from a 10-year low of 0.7% in March 2020 to 3.3% in April 2023.[166] Similarly for New Zealand, the 10-year Government Bond rate increased from a 10-year low of 0.4% in September 2020 to 4.1% in April 2023.[166]

Furthermore, the DPS yield on the S&P/ASX 200 A-REIT Index has increased approximately 100 basis points from a 10-year low of 4.7% in August 2016 to 5.7% in April 2023, compared to the 10-year average of 5.6%.[167]

Chart 7.2.2.1: Australia and New Zealand 10 Year Government Bond Rate[166]



160. Reserve Bank of Australia – *Cash Rate Target* – May 2023.
161. Reserve Bank of New Zealand – *Past Monetary Policy Decisions* – April 2023.
162. Reserve Bank of Australia – *Cash Rate Target* – February 2023.
163. Reserve Bank of New Zealand – *Monetary Policy* – April 2023.
164. Reserve Bank of Australia – *"Statement on Monetary Policy"* – February 2023.
165. Reserve Bank of New Zealand – *"Monetary Policy Statement February 2023"* – February 2023.
166. IRESS as at 30 April 2023.
167. Capital IQ as at 30 April 2023.

Chart 7.2.2.2: Australia and New Zealand Annual Inflation[168]

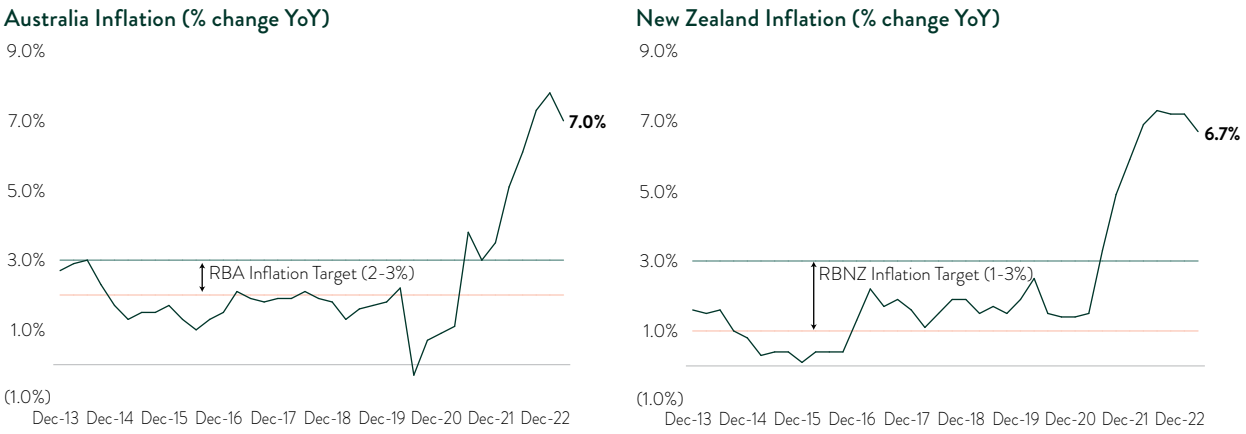
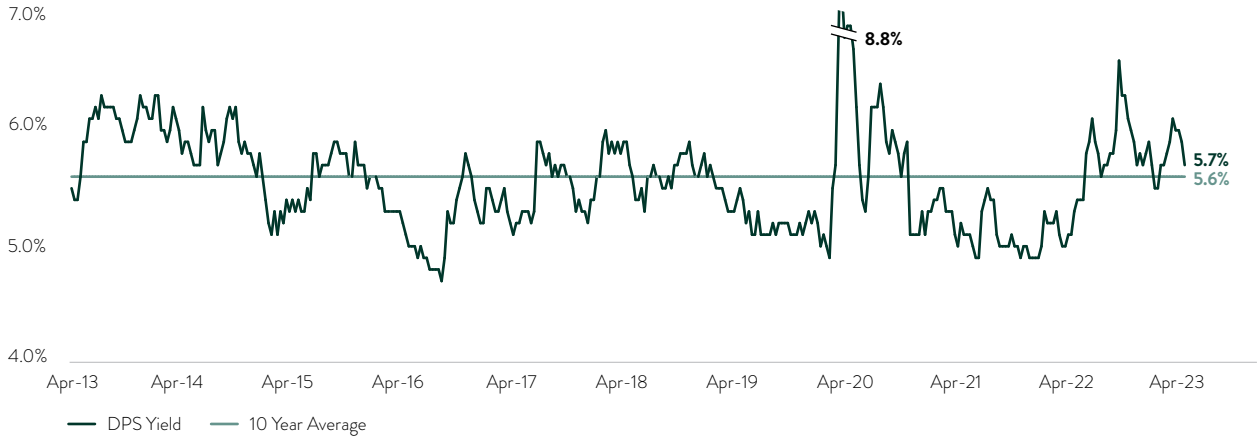


Chart 7.2.2.3: S&P/ASX200 A-REIT Index DPS Yield[169]



168. Australian Bureau of Statistics – *Consumer Price Index, Australia* – March Quarter 2023; Stats NZ Tatauranga Aotearoa – Consumer Price Index – March Quarter 2023.
169. Capital IQ as at 30 April 2023.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

7.3 Self Storage industry overview

Self Storage stores emerged in Australia in the late 1970s and in New Zealand in the 1990s following the development of the Self Storage industry in the United States. Self Storage is characterised by individual, lockable units that are rented to commercial and retail customers, typically on a short-term basis. Self Storage services vary between operators and range from deposit boxes, temperature-controlled wine facilities, vehicle and personal storage space.

Storage units range in size and capacity, and stores may also include additional amenities such as security (including CCTV monitoring, PIN access and alarm systems), extended access hours, onsite managers, docking and loading stations, and ancillary products and services (including packaged goods, locks, insurance and delivery/dispatch services). There are currently over 2,200 stores comprising 650,000+ units across Australia and New Zealand.[170]

The Self Storage industry in Australia and New Zealand can be summarised by the following key metrics:

Chart 7.3.1: Self Storage industry metrics[171]

2,213 the number of self storage facilities across Australia and New Zealand	**1,300** the number of storage operators across Australia and New Zealand	**6.45** million square metres of net storage area across Australia and New Zealand	**2.23** the rate of supply as floor space (sq ft) per capita across Australia and New Zealand	**9.4%** of the total population of Australian and New Zealand adults indicate they use self storage
91% the average facility occupancy by area	**$318** the average storage fee rate $ per sqm per annum	**90+** the number of planned major developments across Australia and New Zealand	**41%** of operators believe they will be better off financially next year	**90%** of current storers are likely to store again in the next two years

An in-depth analysis of the Self Storage market is provided in the following sections below:

- Customers in Section 7.3.1;
- Industry participants in Section 7.3.2;
- Barriers to entry in Section 7.3.3;
- Performance measures in Section 7.3.4;
- Demand drivers in Section 7.3.5; and
- Supply in Section 7.3.6.

170. As at 2022. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.11.
171. As at 2022. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.2. In that report, the SSAA notes the following: Counts have been undertaken on a best endeavours basis and are intended as estimates only. Facilities are limited specifically to self-storage facilities. Satellite facilities are counted as separate facilities. The average occupancy by area and storage fee rate per sqm per annum are combined results from a range of facilities across major metropolitan markets. The rate of supply is calculated in square feet in line with international standard supply calculations. The number of planned developments is an estimate based on development application information and Cushman & Wakefield's knowledge of new developments. Operator confidence levels, usage and customer insights have been obtained from responses in the member and consumer survey. These metrics are estimates, average and general in nature and should be read as such.

7.3.1 Self Storage customers

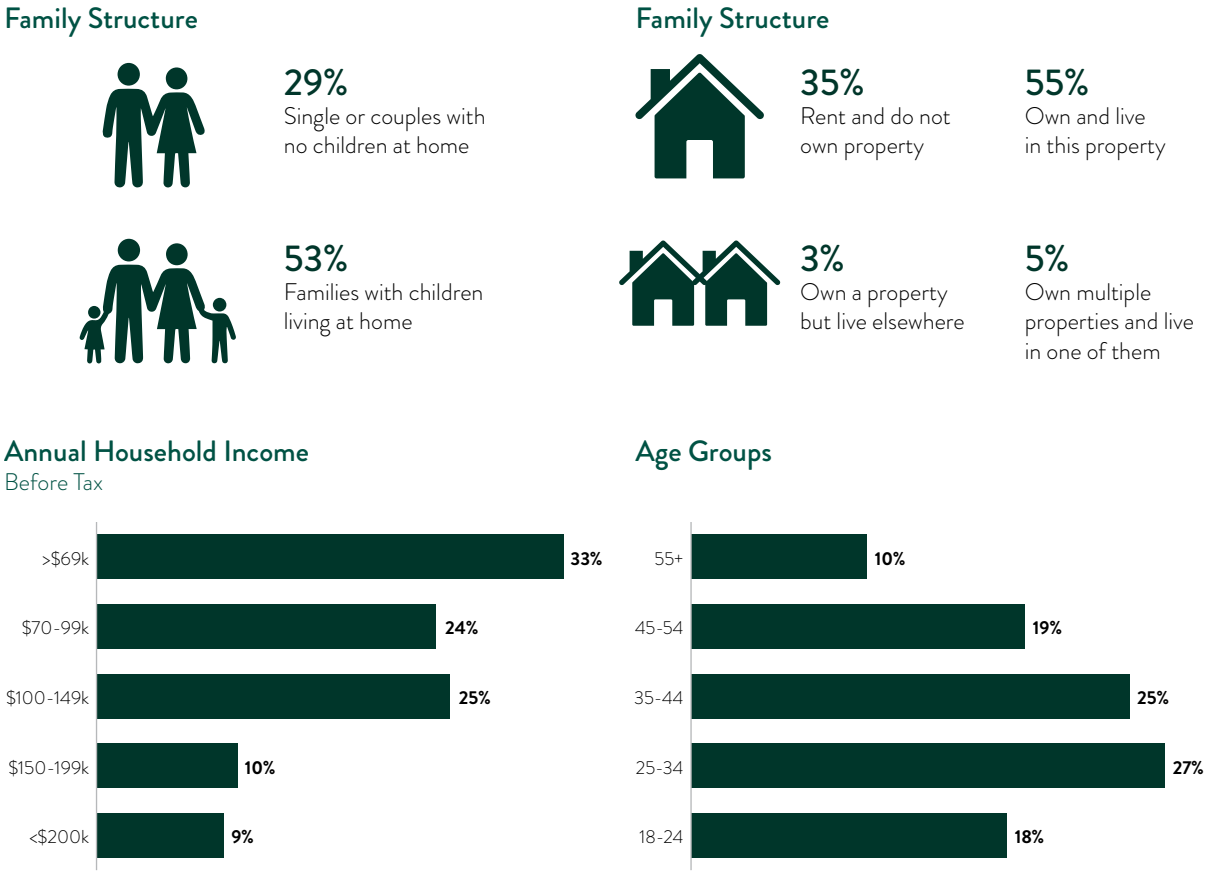
Self Storage customers can be split into two key segments, being retail (70% of Self Storage users) and commercial (30% of Self Storage users).

7.3.1.1 Retail Self Storage customers

Retail Self Storage customers are typically characterised as families who have children still living at home. These families are likely to have less available space but more personal items they need to store. Households that earn a higher income, and therefore have more discretionary spending power, are more likely to use Self Storage.

A summary of demographics among retail users is provided as follows:

Chart 7.3.1.1.1: Retail customer demographics in Australia and New Zealand[172]

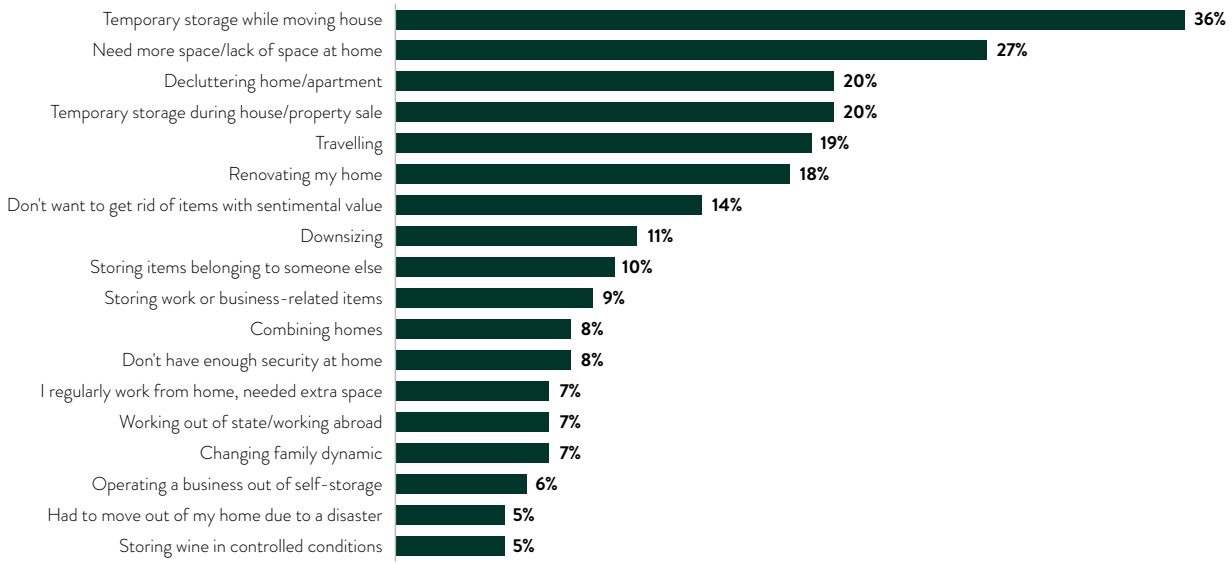


Retail customer usage of Self Storage is centred around lack of available space in the primary residence and housing turnover. 36% of retail customers cite temporary storage as the primary driver for using Self Storage, followed by lack of space at home (27%), decluttering (20%) and temporary storage during property sale (20%).[173]

172. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.67, in respect of the statistics only.
173. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.55.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

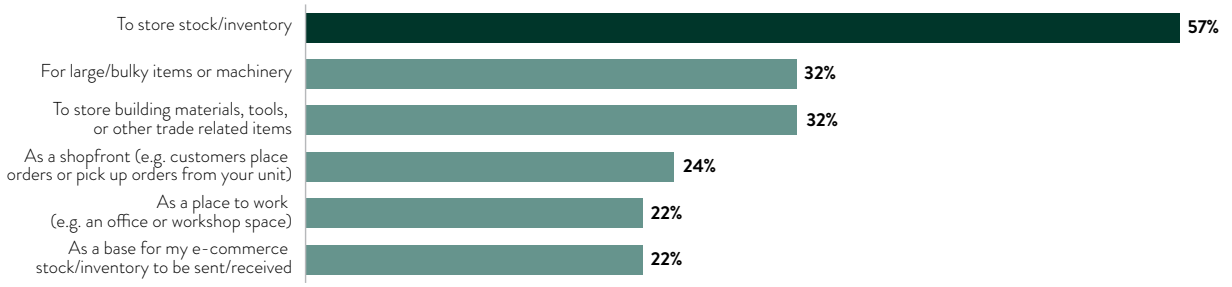
Chart 7.3.1.1.2: Retail customer key reasons for using Self Storage[174]



7.3.1.2 Commercial Self Storage customers

Commercial Self Storage customers are typically oriented towards smaller businesses. Demand from this customer segment has grown recently due to elevated e-commerce activity, with 24% of business users operating click and collect stores and 22% using Self Storage as a base for online retail stock.[175] 57% of businesses cite excess stock as the primary driver for using Self Storage, followed by storage for bulky items or machinery (32%) and building materials and tools (32%).[175]

Chart 7.3.1.2.1: Commercial customer key reasons for using Self Storage[175]

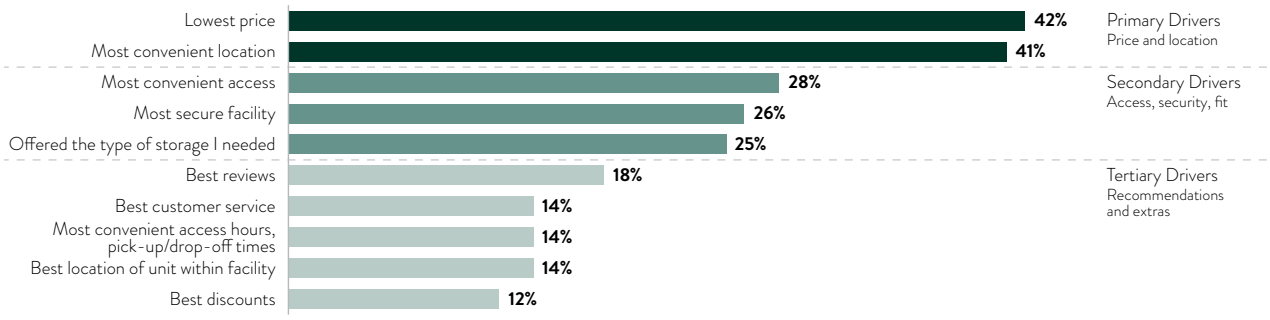


174. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.55.
175. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.56.

7.3.1.3 Provider selection

As shown in the chart below, Self Storage customers typically place the most weight on location and price as the primary considerations for selecting providers. Following this, prospective customers seek to evaluate other factors such as convenience, security and fit to narrow down choice. Tertiary drivers, such as service quality and reviews, can also be influential in attracting new customers, and are carefully considered by operators, particularly in tighter held markets where there is little variance between product and prices offered.

Chart 7.3.1.3.1: Self Storage provider selection[176]



7.3.2 Self Storage industry participants

The Self Storage industry is highly fragmented by brand and ownership, comprising:

- three national operators, including Storage King;
- a number of state based private businesses that own multiple centres; and
- a number of single site owners.

The Self Storage sector has recently undergone significant consolidation as a result of increasing interest and capital invested by REITs, and the institutionalisation of the asset class. However, a large number of independent operators remain across Australia and New Zealand. A summary of market share by net storage area is provided below.

Chart 7.3.2.1: Self Storage top 5 market share by operator (by net storage area)[177]

AUSTRALIA	(%)
Independents/Other	48%
National Storage	18%
Storage King	14%
Kennards Self Storage	12%
StoreLocal	2%

NEW ZEALAND	(%)
Other	58%
National Storage	12%
Storage King	8%
National Mini Storage	7%
Kennards Self Storage	4%

Abacus Property Group's management capabilities and its acquisition and development pipeline has helped its Self Storage business (referred to as Storage King) expand its presence to become the second largest operator in the Self Storage space by market share, with 13% total share in Australia and New Zealand as at 2022.[178]

176. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.59.
177. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.27. In that report, the SSAA notes the following: This overview has been undertaken on a best endeavours basis. Mobile storage and storage that forms part of removalist or related businesses have not been included in this analysis.
178. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.26.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

Brand awareness within the industry is reasonably aligned with market share; however, in the case of Storage King, despite smaller overall market share, Storage King is the most recognised brand across Australia and New Zealand.[179] As industry consolidation continues, Abacus Storage King believes it can leverage its leading brand recognition to acquire future assets to expand its platform. A summary of the most recognised Self Storage operators is provided below.

Chart 7.3.2.2: Self Storage top 5 brand recognition by operator[179]

AUSTRALIA	(%)
Storage King	63%
Kennards Self Storage	58%
National Storage	31%
Taxibox	14%
Fort Knox	13%

NEW ZEALAND	(%)
Storage King	60%
Kennards Self Storage	31%
National Storage	25%
Kiwi Self Storage	21%
National Mini Storage	21%

7.3.3 Self Storage barriers to entry

The Self Storage industry has a number of barriers to entry including:

- **Lack of access to land** – especially in prime, metropolitan markets that typically appeal to customers. A major element of industry competition is location, with customers showing a preference for sites that are easy to access and close to their residence or major business centre;[180]
- **Accessing the necessary capital for acquiring and developing Self Storage stores** – new entrants, especially smaller, independent operators, may find it difficult to source capital needed for investment and face high initial costs due to lack of scale;[180]
- **Three to five year ramp up period** – Self Storage stores typically have a multi-year ramp up period before reaching stabilised occupancy. As such, institutional investors undertaking new developments will experience an initial drag on returns while still in ramp up; smaller firms may be discouraged from establishing new stores if they cannot withstand the lower revenue per square metre during the ramp up period (i.e. yet to become profitable);[180] and
- **Brand awareness** – in metropolitan markets, where customers use price and location as their major criteria, listings on industry websites, online and telephone directories can be effective in attracting business and provide barriers for smaller market participants.[180]

While the Self Storage industry remains fragmented, these barriers to entry favour established Self Storage operators, such as Abacus Property Group (and post De-Stapling Implementation, Abacus Storage King), who already have a network and brand, and can utilise their statements of financial position (i.e. draw on debt facilities).

7.3.4 Self Storage performance measures

The performance of Self Storage centres can be measured in terms of both operational and financial performance. The operational performance of Self Storage centres is driven by price, location, accessibility, security and the quality of the offering, while financial performance is measured by capitalisation rates, rental rates and occupancy levels.

Capitalisation rates are a key determinant of the value of each storage centre. As capitalisation rates tighten, the value of storage centres increase and vice versa.

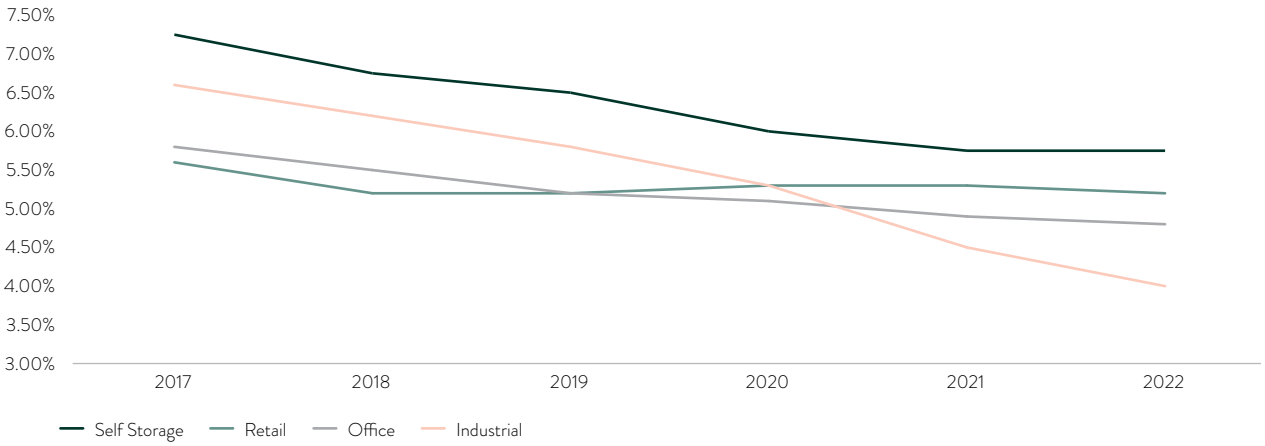
Self Storage centres generate revenue through storage rental income and the sale of ancillary products and services. Self Storage rental income is driven by occupancy and rental rates charged to customers.

179. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.53-54.
180. IBISWorld – *"Self-Storage Services in Australia"* – October 2021, p.25.

7.3.4.1 Capitalisation rates

Demand for Self Storage has increased over the past 10 years as the sector matures and customer adoption increases.[181] This has resulted in the sector becoming an increasingly attractive investment proposition, which has subsequently driven capitalisation rates down over the last five years. This follows a similar pattern to the Industrial sector, where supply chain reconfiguration and elevated levels of e-commerce activity have increased demand for warehousing and logistics space. Self Storage has offered an attractive return to investors given it has strong macroeconomic thematics that are expected to continue to drive growth provided those trends continue, as well as a more stable market outlook compared to core sectors such as Office and Retail. Self Storage also offers an attractive relative return compared to Industrial, with current capitalisation rates of approximately 5.75% compared to Industrial capitalisation rates of approximately 4.00%.[181]

Chart 7.3.4.1.1: Capitalisation rates across various asset classes over time[182]



Rising interest rates will increase the cost of capital and impact the prices being paid for all assets. While the investment market has seen some softening in capitalisation rates in recent months, capitalisation rates in the Self Storage sector are currently wider than the Office, Retail and Industrial sectors and as seen from the chart above, have not compressed by the same magnitude over the last five years.

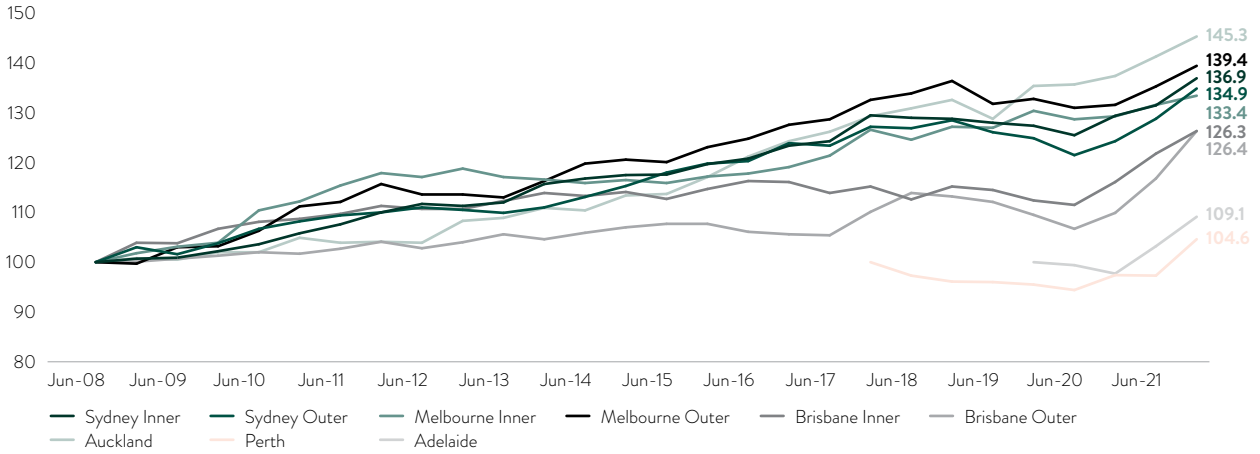
7.3.4.2 Rental rate

Storage rental rates measure the cost of renting space per square metre. Rental rates have seen sustained long-term growth over the last 15 years as a result of strong demand, high occupancy and limited new supply coming to market. Whilst evidence of demand and pricing equilibrium is appearing in some sub-markets, storage rental rate growth has accelerated, especially in those markets that have had traditionally lower overall fee rates.

181. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.20.
182. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.25. In that report, the SSAA notes the following: This graph compares weighted average capitalisation rates provided by MSCI Australia at Q3 with the midpoint of the capitalisation rate range across all storage transactions within Australia. "Other" refers to assets outside retail, office and industrial as measured by MSCI.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

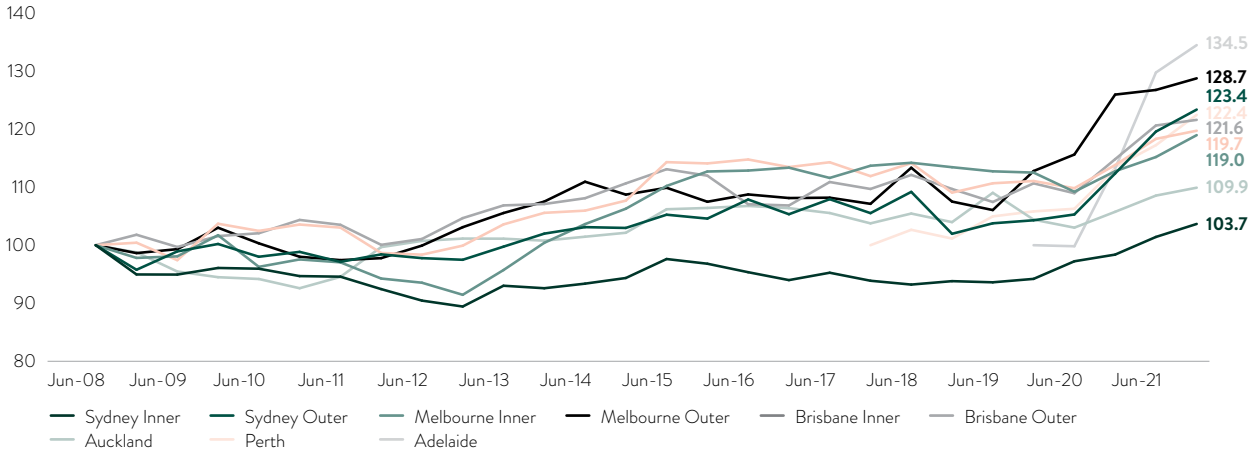
Chart 7.3.4.2.1: Self Storage rental rate index, by city overtime[183]



7.3.4.3 Occupancy

Occupancy measures the percentage of lettable space rented by customers, with storage units typically rented on a month-by-month basis. In 2022, average occupancy by area has reached all-time highs of 91%[184] across Australia and New Zealand as demand for offsite storage increases while construction delays constrain supply levels.

Chart 7.3.4.3.1: Self Storage occupancy index, by city overtime[185]



Source: Urbis Storage Index Report (March 2022).

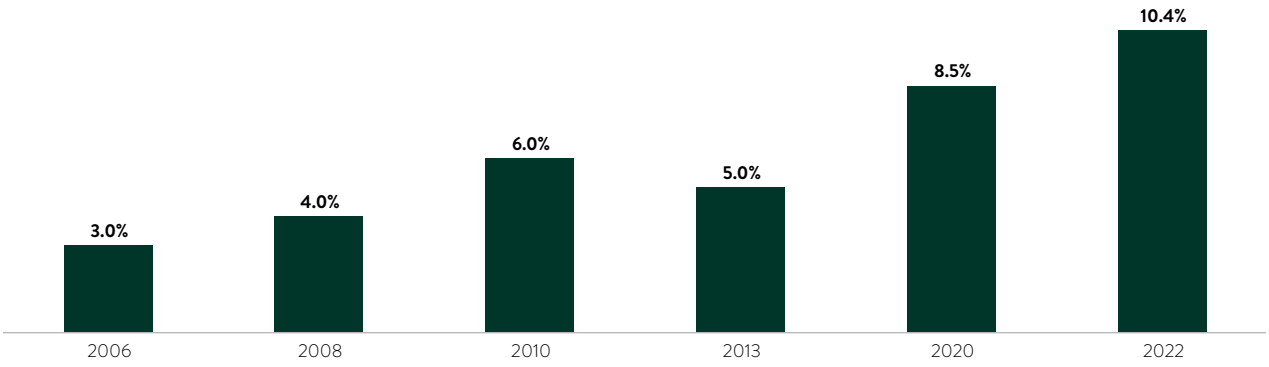
7.3.5 Self Storage demand drivers

Demand for Self Storage has increased significantly over the past few years, driven by a number of economic, demographic and social factors. On a like-for-like basis, Self Storage usage in Australia and New Zealand increased to 9.4% of the total adult population in 2021, up from 8.6% in 2020.[186] Demand varies by location, with those in high density areas more likely to utilise offsite storage operators. 10.4% of the total adult population uses Self Storage in capital cities, compared to 6.5% in Australia's regional areas.[186]

Given 67% of Abacus Storage King's Self Storage Properties in Australia are located in urban areas across Sydney, Melbourne and Brisbane[187], it believes it is well positioned to benefit from rising uptake in these markets.

183. Urbis – *"Urbis Storage Index as at 31 December 2021"* – p.4. Rebased to 100.
184. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.38.
185. Urbis – *"Urbis Storage Index as at 31 December 2021"* – p.5. Rebased to 100.
186. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.20.
187. As at 30 April 2023; Includes an additional 4 assets exchanged which are not currently settled.

Chart 7.3.5.1: Self Storage usage in capital cities[188]

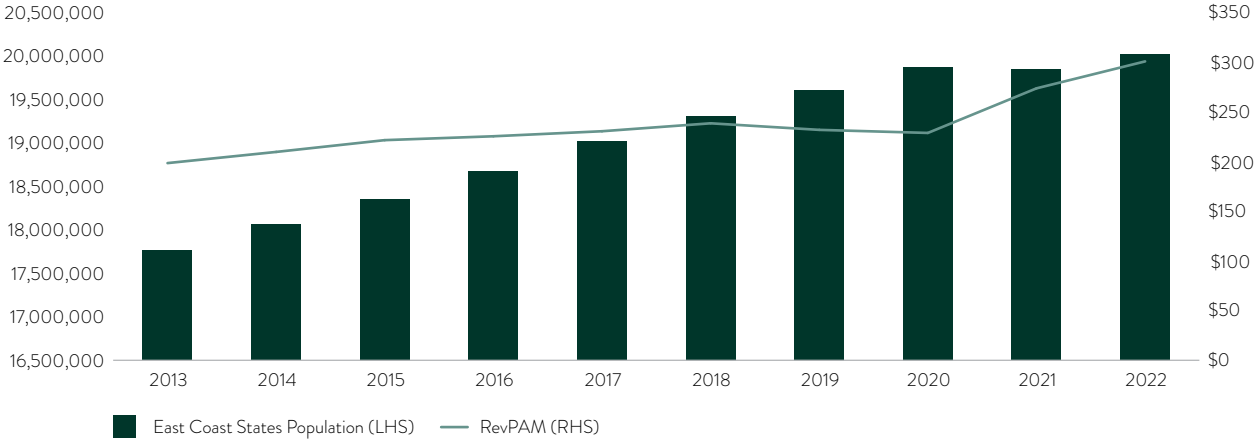


The economic, demographic and social factors driving demand for Self Storage can be distilled into the following key areas: population growth; discretionary spending; housing turnover and housing density. Further information on these drivers is detailed below.

7.3.5.1 Population growth

Population size drives the number of potential users of Self Storage. With sustained population growth, the overall market size will increase, creating demand for storage units and increasing operators' pricing power, as demonstrated by chart 7.3.5.1 below.

Chart 7.3.5.1.1: Australia eastern seaboard population and RevPAM[189]



Through the 12 months to September 2022, Australia's population grew by 1.6%.[190] During this period, 73% of Australia's population growth was driven by net overseas migration, compared to 27% by natural increase.[190] Following the gradual return of international travel, population growth is forecast to increase by 1.4% per annum by 2025[191], positively contributing to Self Storage demand over the period.

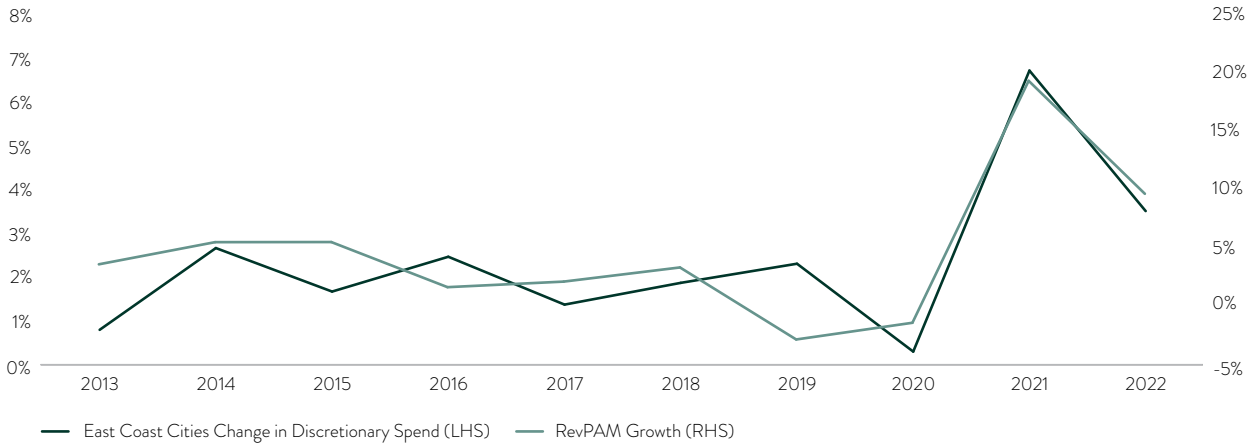
188. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.20. In that report, the SSAA notes the following: Usage is calculated based on the adult population (18+). Note that due to methodology differences over time, comparisons to results prior to 2020 are indicative only. This analysis excludes mobile storage and storage that forms part of removalist or related businesses. Variances between supply rates and usage rates can be attributed to a number of factors including multiple users, business usage and asset class definitions.
189. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.92.
190. Australian Bureau of Statistics – *National, State and Territory Population* – September 2022.
191. Australian Government: Centre for Population – *"2022 Population Statement"* – p.1.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

7.3.5.2 Discretionary spending

An increase in discretionary spending, particularly on goods, increases the need for additional storage space overtime, creating demand for storage units and increasing operators' pricing power, as demonstrated by chart 7.3.5.2 below.

Chart 7.3.5.2.1: Household discretionary spending versus RevPAM growth[192]

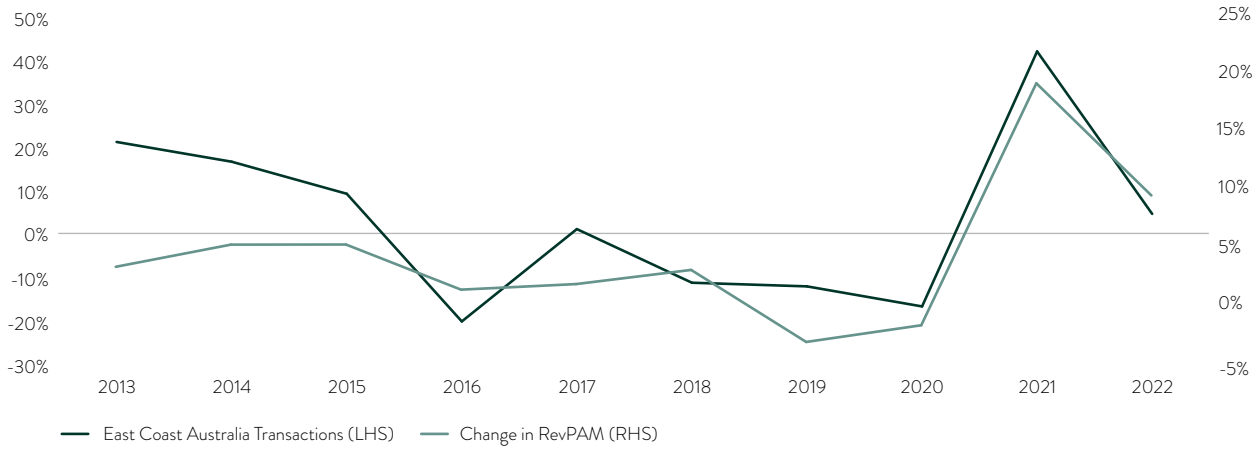


Australia's discretionary spend increased by 8.1% in 2022, primarily driven by historically low interest rates and consumer demand elevated by COVID-19.[193] However, sustained inflation and a rising interest rate environment may have the effect of dampening discretionary spending, which may subdue demand for Self Storage units in the short term.

7.3.5.3 Housing turnover

Housing turnover is an indicator of the number of households moving residences, which is a key driver for Self Storage usage. As more personal assets are moved between residences, demand for temporary Self Storage rises.

Chart 7.3.5.3.1: Change in housing sales volumes versus RevPAM growth[194]



192. Self Storage Association of Australasia–"*State of the Industry 2022*" – p.92.
193. Australian Bureau of Statistics – *Monthly Household Spending Indicator* – December 2022.
194. Self Storage Association of Australasia – "*State of the Industry 2022*" – p.93.

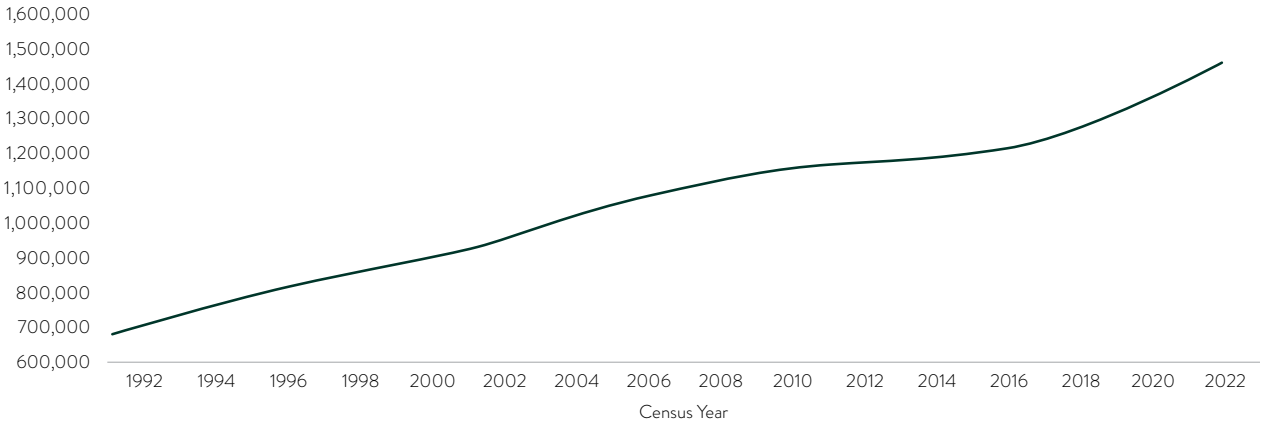
Housing turnover was elevated in 2021 and 2022 in Australia following strong price growth but has since experienced a significant decline in 2023, with Australia's housing turnover down 17% through the year to February 2023 compared to the prior comparative period.[195] This decline in housing turnover, a source of demand for self storage, is partially offset by an increase in the proportion of renters, with the home ownership rate in Australia declining to 67% in 2021 from 70% in 2006.[196] Rising rental activity has led to an increase in the number of households moving homes on a more frequent basis. Rising interstate and international migration are also likely to support housing turnover, and subsequently, self-storage demand in the medium term. Interstate migration is forecast to increase by 6% in 2024, while international migration is forecast to return to pre-COVID trends by 2025.[197]

Furthermore, Australia's ageing population is expected to lead to a greater propensity to downsize, increasing housing turnover and Self Storage demand.

7.3.5.4 Housing density

Rising housing density means a higher concentration of dwellings in the area and less available space per household, which generally results in higher demand for offsite Self Storage stores.

Chart 7.3.5.4.1: Occupied apartments in Australia[198]



More Australians in 2021 are living in higher-density housing than 2016, with apartments accounting for 31% of the increase in private dwellings.[199] The downsizing trend is partly driven by the ageing population, with Australian residents aged 65 and over forecast to increase 54% by 2041.[200]

7.3.6 Self Storage supply

Increased demand for operating centres has contributed to a lack of available supply, with only 2.16 (square foot) of Self Storage per capita available in Australia and 2.61 in New Zealand, compared to 7.21 in the USA.[201]

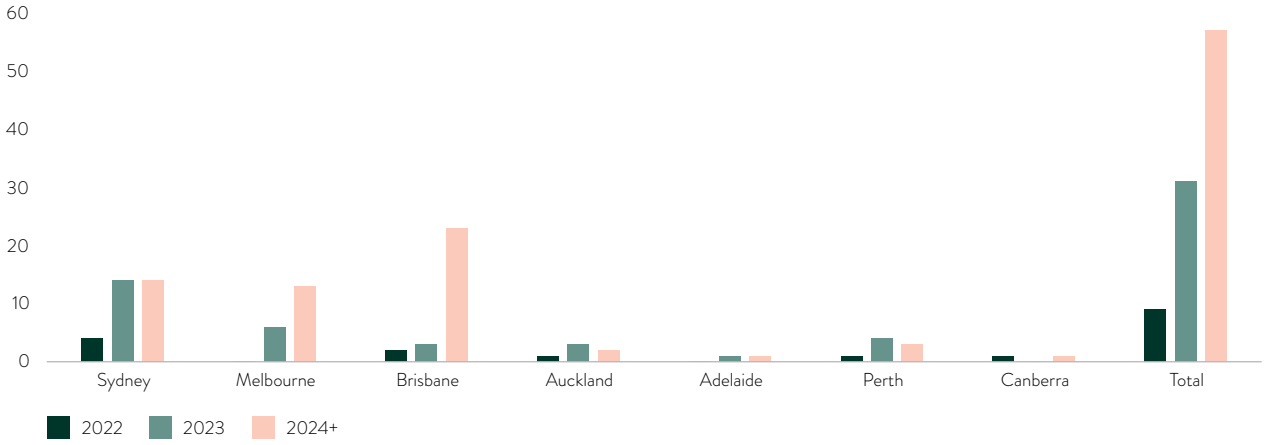
While supply is expected to increase in coming years, with over 90 major developments currently planned in Australia and New Zealand industry wide[202], these developments are supported by the strong industry dynamics referred to in this Section 7 and all time high RevPAM rates.

Metropolitan markets across the eastern seaboard continue to record the highest levels of proposed Self Storage supply. By the end of 2023, a 5% increase in the total number of stores is forecast across Sydney, Melbourne and Brisbane, or 14% by total number of storage units.[203]

195. Morgan Stanley Research – *"The House View: A Seasonal Lull"* – March 2023, p.1.
196. Australian Institute of Health and Welfare – *Home Ownership and Housing Tenure* – August 2022.
197. Australian Government: Centre for Population – *"2022-23 Budget: Australia's Future Population"* –, p.1-6.
198. Australian Bureau of Statistics – *Census: Housing –1991 – 2021.*
199. Australian Bureau of Statistics – *"2021 Census count includes Australians living on wheels and water, but most of us still firmly on land"* – June 2022.
200. Arc Centre of Excellence in Population Ageing Research – *"New projections for Australia's ageing population"* – August 2022.
201. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.36.
202. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.28.
203. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.29.

07 SELF STORAGE INDUSTRY OVERVIEW CONTINUED

Chart 7.3.6.1: Proposed Self Storage supply rates, by number of forecasted new Self Storage stores[204]

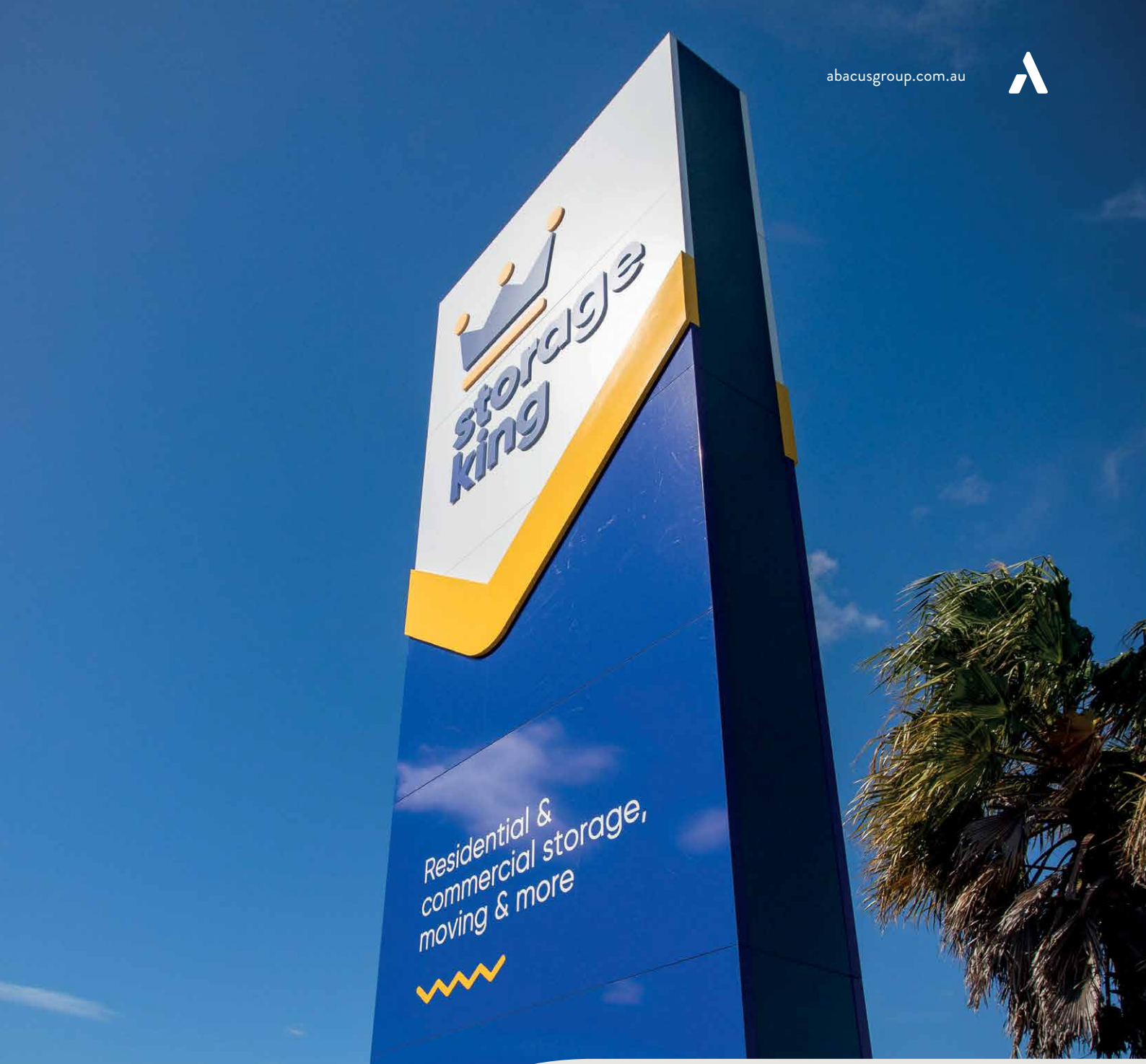


As the Self Storage market continues to mature in Australia and New Zealand, Abacus Property Group expects that the amount of supply, as measured by square feet per capita, will trend towards the USA over time.

Table 7.3.6.2: International markets overview[205]

COUNTRY/REGION	STORES (NO.)	NET STORAGE AREA (SQM)	NET STORAGE AREA (SQ FT)	POPULATION (NO.)	FLOOR SPACE PER CAPITA (SQ FT)
Australia	1,693	5,200,000	56,200,000	26,050,752	2.16
New Zealand	520	1,250,000	13,500,000	5,124,500	2.61
USA	48,948	220,650,000	2,375,100,000	329,329,889	7.21

204. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.28.
205. Self Storage Association of Australasia – *"State of the Industry 2022"* – p.36.



08

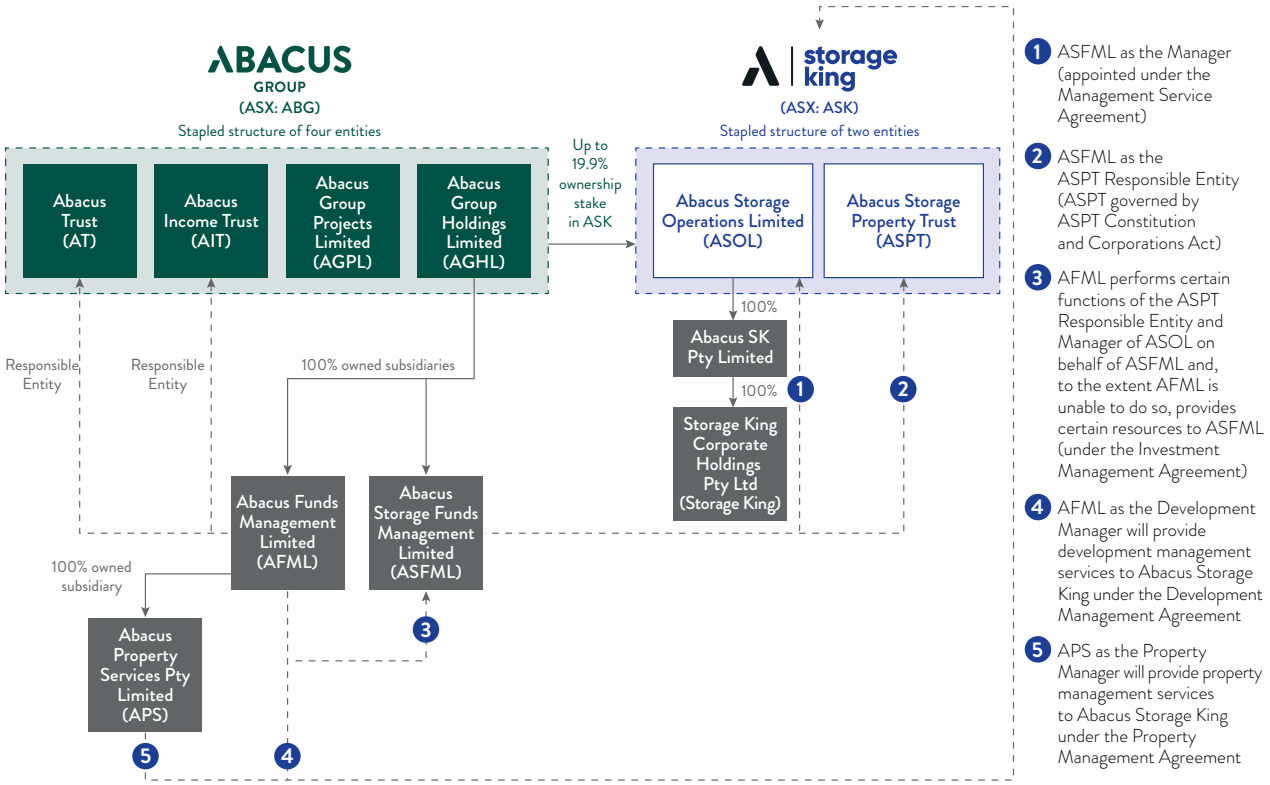
KEY PEOPLE, CORPORATE GOVERNANCE AND BENEFITS OF ABACUS STORAGE KING

08 KEY PEOPLE, CORPORATE GOVERNANCE AND BENEFITS OF ABACUS STORAGE KING

8.1 Overview of the management of Abacus Storage King

Abacus Storage King will be externally managed by Abacus Group under various arrangements with Abacus Group Members as outlined in this Section 8.1.

Chart 8.1.1: Abacus Storage King external management framework after De-stapling Implementation



The responsible entity of ASPT is ASFML (AFSL 277357), a wholly owned subsidiary of Abacus Group. The ASPT Responsible Entity has the responsibility for the governance and operation of ASPT in accordance with the ASPT Constitution (see Section 16.1.1 for further details).

While the board of directors of ASOL has overall responsibility for the business of ASOL and its subsidiaries, ASFML is also the Manager of ASOL and provides strategic and other management services to ASOL under the Management Services Agreement (see Sections 15.4.1 and 16.3.1 for further details). The management services ASFML will provide to ASOL under the Management Services Agreement will not extend to operational functions such as centre performance management, marketing and general site maintenance, which will continue to be undertaken by ASOL and its Subsidiaries (including Storage King) autonomously. Storage King will also provide certain operational assistance to ASFML in support of its role as the Manager.

AFML as the Development Manager will provide certain development management and project management services to Abacus Storage King in relation to the development or expansion of Self Storage Properties owned by Abacus Storage King under the Development Management Agreement (see Sections 15.4.2 and 16.3.2 for further details).

APS, a wholly-owned subsidiary of AFML, as the Property Manager will provide certain property management services to Abacus Storage King in respect of certain commercial tenancies in Self Storage Properties under the Property Management Agreement (see Sections 15.4.2 and 16.3.3 for further details).

Under the Investment Management Agreement, ASFML will in its personal capacity appoint AFML to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so (including under applicable laws, authorisations or its constituent documents), obtain certain resources (including individuals responsible for the strategic management of Abacus Storage King, and compliance managers) and systems (such as information technology systems) from AFML to enable ASFML to perform its role as the ASPT Responsible Entity and Manager of ASOL (see Section 16.10 for further details).

8.2 Abacus Storage King Board and External Management

8.2.1 Board of Directors

The Board of ASFML as the responsible entity of ASPT and the Board of ASOL as at the Transaction Booklet Date consists of the Abacus Property Group Directors (as set out in Section 4.6) and John O'Sullivan, Stephanie Lai, Mark Bloom and Karen Robbins.

On or as soon as practicable after the De-stapling Implementation Date, Myra Salkinder, Trent Alston, Mark Haberlin, Sally Herman and Jingmin Qian will resign from those Boards so that the Abacus Storage King Board will comprise 4 Non-Executive Directors (including an Independent Non-Executive Chair) and 1 Executive Director as set out in the table below.

The majority of the Abacus Storage King Directors will be considered independent for the purposes of the ASX Recommendations. As the majority of the Abacus Storage King Board will comprise external Directors, the ASPT Responsible Entity is not required to establish a compliance committee for the purposes of the Corporations Act.

The board of directors of the ASPT Responsible Entity will be identical to the board of directors of ASOL on or as soon as practicable after the De-stapling Implementation Date. On and from the De-stapling Implementation, and for so long as the ASPT Units and ASOL Shares are stapled to each other and ASFML is the responsible entity of ASPT, in accordance with the Implementation Deed each of ASOL and ASFML (and, for so long as ASFML is a wholly-owned subsidiary of Abacus Group) will use reasonable endeavours to maintain the same directors on the board of directors of each of ASFML and ASOL. However, where there is a change in any director on the board of directors of ASOL or ASFML but not on the other board, it will be reasonable for the parties to comply with this obligation within 3 months of the relevant change (during which time there must be at least a majority of common directors).

	DIRECTOR AND EXPERIENCE
John O'Sullivan  **BA, LLB (Sydney), LLM (London), FAICD** *Independent Non-Executive Chair*	John has over 45 years' experience as a corporate lawyer, investment banker and company director. In his executive career, he was an M&A and corporate partner at the law firm now known as Herbert Smith Freehills for 20 years, General Counsel at Commonwealth Bank of Australia for 5 years and Executive Chairman of Credit Suisse Investment Banking and Capital Markets, Asia Pacific for 10 years. He was the lead lawyer or banker for transactions including the IPO of both Commonwealth Bank and Telstra, Commonwealth Bank's acquisitions of State Bank of Victoria, Colonial Limited and BankWest, as well as the merger of St George Bank and Advance Bank. In his non-executive career, John has been a director of AMP Limited and WestConnex. He is currently a non-executive director of The Lottery Corporation and non-executive Chairman of Serendipity Capital. John is also a member of the Takeovers Panel, a Fellow of the Australian Institute of Company Directors and a former member of its Corporate Governance Committee. John will be a member of the Audit and Risk, Remuneration Committee and Nomination Committee.

08 KEY PEOPLE, CORPORATE GOVERNANCE AND BENEFITS OF ABACUS STORAGE KING CONTINUED

	DIRECTOR AND EXPERIENCE
Steven Sewell  **BSc** *Managing Director Abacus Group and Abacus Storage King*	Detailed biography of Steven is provided in Section 4.6. Steven will be a member of the Nomination Committee.
Stephanie Lai  **BBus, GAICD, CA** *Non-Executive Director*	Stephanie has over 25 years' experience, is a Chartered Accountant, a former Transaction Services partner of Deloitte and KPMG and an experienced listed company Audit and Risk Committee Chair. Stephanie currently chairs the Audit and Risk Committees of HomeCo Daily Needs REIT, HealthCo Healthcare and Wellness REIT and Future Generation Australia. Stephanie is also a former Audit Committee Chair of Superloop. Stephanie will be the Chair of Audit and Risk Committee and be a member of the Remuneration Committee and Nomination Committee.
Mark Bloom  **BCom, BAcc, CA** *Non-Executive Director*	Mark is a Non-Executive Director and joined the Abacus Property Group Board on 1 July 2021. Mark had an extensive 36 year career as a Finance Executive in Australia, Canada and South Africa, with his most recent role as Chief Financial Officer at Scentre Group up until April 2019, having previously served as Deputy Group CFO at Westfield Group. He 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. Mark will be a member of the Audit and Risk, Remuneration Committee and Nomination Committee.
Karen Robbins  **LLB, CFA, GAICD** *Non-Executive Director*	Karen has over 25 years of experience across the legal and finance industries, both in Australia and overseas. Karen has worked as a solicitor with UK magic circle firm, Linklaters, as well as in the structured finance business of Commonwealth Bank of Australia. Most recently she spent over 10 years running mergers, acquisitions and operations for the ASX-listed Challenger group's balance sheet business. Karen is a qualified (non-practicing) lawyer in England and Wales as well as a Chartered Financial Analyst and experienced board member. Karen is also currently a non-executive director of Cricket New South Wales. Karen Robbins will be the Chair of the Remuneration Committee and be a member of the Audit and Risk Committee and Nomination Committee.

8.2.2 External Management team

The external management (**External Management**) team of Abacus Storage King will comprise the following Abacus Property Group executives (who will continue to be Abacus Group executives following De-stapling Implementation).

	MANAGEMENT AND EXPERIENCE
Steven Sewell  *Managing Director, Abacus Property Group*	Detailed biography of Steven is provided in Section 4.6.
Gavin Lechem  *Chief Investment Officer and General Counsel, Abacus Property Group*	Gavin joined Abacus Property Group in 2010 and is responsible for Abacus Property Group's investment activities, together with Abacus Property Group's legal and risk functions. Gavin has over 25 years of experience in real estate, investment banking and law. He commenced his career as a Solicitor at law firm, Herbert Smith Freehills, and spent 10 years at Macquarie Group as a Division Director in real estate investment banking prior to joining Abacus Property Group.
Evan Goodridge  *Chief Financial Officer, Abacus Property Group*	Evan joined Abacus Property Group in 2011. He is responsible for overseeing the finance, tax, treasury and IT functions across Abacus Property Group. Evan has over 15 years of experience across all areas of real estate and finance including treasury, valuations, accounting, tax and financial reporting. Prior to Abacus Property Group, Evan worked for a leading ASX listed real estate valuation firm. He holds a CPA and is an associate of the Australian Property Institute.

08 KEY PEOPLE, CORPORATE GOVERNANCE AND BENEFITS OF ABACUS STORAGE KING CONTINUED

MANAGEMENT AND EXPERIENCE

Nikki Lawson



Group General Manager – Self Storage, Abacus Property Group

Fund Manager, Abacus Storage King

Nikki joined Abacus Property Group in 2022. Nikki is the Group General Manager of the Self Storage business and will be the fund manager of Abacus Storage King.

Nikki has over 25 years of experience in roles covering business strategy, marketing, customer experience, digital, network development and general management.

Before joining Abacus, Nikki held various executive marketing and development positions across Unilever and YUM! brands in Africa, Australia/NZ and the USA, including as Global Chief Brand Officer based in the USA and Managing Director in Australia/NZ.

8.3 Ongoing relationship between Abacus Group and Abacus Storage King

Abacus Property Group is an ASX-listed property group with key investments in the Commercial and Self Storage sectors predominantly in Australia and New Zealand.

Abacus Property Group was listed on ASX in November 2002 and trades under the code 'ABP'. Information relating to Abacus Property Group, including announcements made by Abacus Property Group since its listing, is available at www.asx.com.au.

Following De-stapling Implementation, Abacus Group will maintain an ongoing relationship with Abacus Storage King in the following manner:

- Abacus Storage King will be externally managed by Abacus Group under various arrangements with Abacus Group Members as outlined in Section 8.1;
- the ASPT Responsible Entity, ASFML, is a wholly owned subsidiary of Abacus Group and will continue to be the responsible entity of ASPT and manage it in accordance with the ASPT Constitution;
- Abacus Group Managing Director, Steven Sewell, will remain an Abacus Storage King Director;
- Abacus Group will have an investment of 19.9% of the Abacus Storage King Securities on Completion; and
- Abacus Storage King will have several related party relationships with Abacus Group including as set out in Section 8.3.1 in further detail.

In combination, these initiatives support strategic alignment between Abacus Group and Abacus Storage King going forward.

However, the ASPT Responsible Entity may be removed by an ordinary resolution of Abacus Storage King Securityholders.

As at the Transaction Booklet Date, Calculator Australia holds approximately 51.8% of the Abacus Property Group Securities.[206] It is expected that Calculator Australia will hold approximately 51.8% of the Abacus Group Securities and 39.6% of the Abacus Storage King Securities on Completion. As a result of its stake in Abacus Group, Calculator Australia will have indirect exposure to the benefit of any external management related fees and income generated by Abacus Group in relation to Abacus Storage King. Calculator Australia and its associates (which will, on Completion, include Abacus Group) are likely to have the ability to have significant influence over a resolution to remove the ASPT Responsible Entity.

206. Based on the substantial holding notice filed on 16 September 2022.

If the ASPT Responsible Entity is removed or retires as the responsible entity of ASPT (and is not replaced by an Abacus Group Member):

- Abacus Storage King will cease to have access to the expertise and resources of Abacus Group;
- no termination fee is payable to the ASPT Responsible Entity and it will cease to receive fees under the ASPT Constitution (other than fees accrued prior to its retirement or removal);
- the Management Services Agreement, Development Management Agreement, Property Management Agreement and Investment Management Agreement will automatically terminate and the Trade Mark Licence Deed may be terminated at the election of Abacus Group. There is no termination fee payable to the Manager, the Development Manager, the Property Manager or AFML in connection with its role under the Investment Management Agreement, and fees will cease to be payable under those agreements (other than fees accrued prior to termination). See Section 16.3 for further information;
- the agreed processes for the allocation of storage asset acquisition and leasing opportunities (including the offer of certain first rights for acquiring or leasing storage assets to Abacus Storage King in priority to other Abacus Group Members or other entities that Abacus Group manages) set out in the Conflicts of Interest and Related Party Transactions Policy will cease to have effect. See Section 8.6.5.6 for a summary of these agreed allocation processes; and
- the obligations of the ASPT Responsible Entity and ASOL to use reasonable endeavours to maintain the same directors on the board of directors of each of the ASPT Responsible Entity and ASOL under the Implementation Deed will cease to apply.[207]

8.3.1 Related party arrangements

The implementation of the Proposal and the ongoing management and operation of Abacus Storage King necessarily involves a number of related party arrangements as outlined in this Section 8.3.1.

Abacus Storage King will have the following material related party arrangements in place on De-stapling Implementation:

- The Management Services Agreement for the provision of management services and operational oversight by ASFML, a wholly owned subsidiary of Abacus Group, to ASOL (see Section 16.3.1 for further details).
- The Development Management Agreement with Abacus Group for the provision of development management and project management services by Abacus Group in relation to the development or expansion of Self Storage Properties owned by Abacus Storage King (see Section 16.3.2 for further details).
- The Property Management Agreement with Abacus Group for the provision of property management services by Abacus Group for certain commercial tenancies within the Self Storage Properties (see Section 16.3.3 for further details).
- The Trade Mark Licence Deed with Abacus Group, which sets out the basis on which Abacus Storage King may use the Abacus Group Trade Marks (see Section 16.3.4 for further details).
- To the extent AFML performs certain functions of the ASPT Responsible Entity and the Manager of ASOL on behalf of (and with the supervision and consent of) ASFML under the Investment Management Agreement, the performance of such functions for the benefit of Abacus Storage King (see below and Section 16.10 for further details). However, no fees are payable out of Abacus Storage King under the Investment Management Agreement.
- The 99 Walker Street Lease, being a commercial office lease at Abacus Group's 99 Walker Street asset that an Abacus Storage King Group Member currently uses and will continue to use for Storage King's head office (see Section 16.3.5 for further details).
- The SKB Lease, whereby Abacus Storage King Entities currently provide and will continue to provide Abacus Group with storage space at Storage King Balmain for archiving (see Section 16.3.5 for further details).
- The related party insurance arrangements under which AGHL has agreed to use commercially reasonable endeavours to maintain certain insurance covers for Abacus Storage King Group Members (**Related Party Insurance Arrangements**). See Section 16.3.6 for further details.
- The Abacus Storage King Stapling Deed under which financial benefits will be provided between wholly owned group members of Abacus Storage King. See Section 16.6 for further details.

207. Unless the incoming responsible entity of ASPT is a wholly-owned subsidiary of Abacus Group, equivalent obligations on Abacus Group and ASOL to ensure the incoming responsible entity is bound by substantially similar obligations will also cease to apply.

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ASFML will continue to be the responsible entity of ASPT following De-stapling Implementation. Fees payable to ASFML as the ASPT Responsible Entity, and any exercise of its rights to an indemnity, under the ASPT Constitution are excluded from requirements to obtain securityholder approval for the giving of financial benefits out of scheme property under the related party provisions of the Corporations Act. However, Abacus Property Group Securityholder approval is being sought to amend the fees payable to the ASPT Responsible Entity under the ASPT Constitution under a separate Constitution Amendment Resolution.

Given the number of complex and interrelated steps involved in the Proposal, Abacus Property Group Securityholder approval is being sought under the Proposal Approval Resolutions for the giving of financial benefits under certain Implementation Steps, the Management Services Agreement, Development Management Agreement, Property Management Agreement, Trade Mark Licence Deed, Related Party Insurance Arrangements and the performance of certain functions of the ASPT Responsible Entity and the Manager of ASOL by AFML on behalf of (and with the supervision and consent of) ASFML under the Investment Management Agreement, notwithstanding that such approval may not be strictly necessary. See Section 11.5 for further details regarding the Proposal Approval Resolutions.

The transactions contemplated by the Abacus Storage King Stapling Deed will not result in value leakage to persons outside of Abacus Storage King. ASIC has granted, or agreed in principle to grant, customary stapling relief to permit the ASPT Responsible Entity to give financial benefits out of the scheme property of ASPT to ASOL and each wholly-owned member of Abacus Storage King. However, for technical reasons, ASIC is unable to grant equivalent relief in respect of public companies such as ASOL. Accordingly, Abacus Property Group Securityholder approval is being sought to approve the provision of financial benefits by ASOL (and its controlled entities) to related parties under the Abacus Storage King Stapling Deed. See Section 11.4 for further details regarding the Abacus Storage King Stapling Deed Resolution.

AFML and ASFML in their personal capacities will enter into the Investment Management Agreement, whereby ASFML will appoint AFML to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so (including under applicable laws, authorisations or its constituent documents), to provide certain resources to ASFML to enable ASFML to perform these roles. See Section 16.10 for further details. This is an internal agreement between AFML and ASFML in their personal capacities as Abacus Group Members and is not considered a related party transaction in relation to Abacus Storage King (except to the extent AFML performs certain functions of ASFML for the benefit of Abacus Storage King as described above).

Abacus Property Group Securityholder approval is not being sought for the 99 Walker Street Lease and SKB Lease given they were entered into between Abacus Property Group Entities on arm's length terms.

Certain expenses of the ASPT Responsible Entity, the Manager, the Development Manager and the Property Manager will also be reimbursed from assets of Abacus Storage King, pursuant to the ASPT Constitution and the Management Services Agreement, the Development Management Agreement and the Property Management Agreement respectively. Further detail regarding the key terms of these agreements is contained in Sections 15.4 and 16.3.

Given it is anticipated that Abacus Group and Abacus Storage King will act with separate commercial objectives in their dealings post-De-stapling Implementation, there is a risk that their commercial interests may diverge and disputes may occur over time.

Abacus Storage King will take the assessment and ongoing monitoring of related party transactions seriously and will implement a rigorous process to ensure related party transactions are in the best interest of Abacus Storage King Securityholders. For the purpose of implementing the Proposal, Abacus Storage King established the Independent Board Committee comprising the Independent Non-Executive Directors of Abacus Storage King to ensure that consideration of the Proposal on behalf of the Abacus Storage King Entities was undertaken free from any influence from the Abacus Group Entities. See also Section 8.6.5.6 below for details on Abacus Storage King's Conflicts of Interest and Related Party Transactions Policy and the procedures it will have in place to manage conflicts of interest and related party transactions following De-stapling Implementation.

Related party transactions carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. It is important for Abacus Storage King Securityholders to be able to assess whether Abacus Storage King will take an appropriate approach to related party transactions. In addition to considering the Conflicts of Interest and Related Party Transactions Policy referred to in Section 8.6.5.6, see also Section 16.3 and 16.10 for further details on related party arrangements involving Abacus Group and Abacus Storage King post-De-stapling Implementation.

8.4 Interest and benefits of Abacus Storage King Directors and External Management

8.4.1 Directors' interests

The Abacus Storage King Directors (and their associates) who hold Abacus Property Group Securities as at 7.00pm (AEST) on the Offer Record Date are entitled to apply for Abacus Storage King Securities under the Offer however they cannot participate in the Retail Oversubscription Facility due to the restrictions under Listing Rule 10.11.

A summary of the Abacus Storage King Board and External Management's personal Abacus Property Group Securityholdings on the Transaction Booklet Date and Abacus Storage King Securityholdings on Completion of the Proposal is provided below.

The Abacus Storage King Securities held by Abacus Storage King Directors and External Management may be held directly or indirectly for their benefit (e.g. through a family trust or self managed superannuation fund). To the extent an Abacus Storage King Director or a member of External Management holds Abacus Group Securities on De-stapling Implementation, they will also have an indirect (look-through) interest in Abacus Storage King through Abacus Group's up to 19.9% stake.

Table 8.4.1.1: Directors and External Management interests

DIRECTORS AND EXTERNAL MANAGEMENT	NUMBER OF ABACUS PROPERTY GROUP SECURITIES AT THE TRANSACTION BOOKLET DATE	NUMBER OF ABACUS STORAGE KING SECURITIES POST DE-STAPLING BUT BEFORE COMPLETION	NUMBER OF ABACUS STORAGE KING SECURITIES ON COMPLETION[1]
Directors			
John O'Sullivan	–	–	–
Steven Sewell	733,192	733,192	864,119
Stephanie Lai	–	–	–
Mark Bloom	73,600	73,600	86,743
Karen Robbins	–	–	–
Total Directors	**806,792**	**806,792**	**950,862**
External Management			
Gavin Lechem	304,683	304,683	359,091
Evan Goodridge	90,927	90,927	107,164
Nikki Lawson	–	–	–
Total External Management	**395,610**	**395,610**	**466,255**
Total Directors and External Management	**1,202,402**	**1,202,402**	**1,417,117**

1. Including Abacus Storage King Securities proposed to be acquired under the Offer and assumes Directors and External Management are issued their full Entitlements under the Offer.

In addition, other than as set out in this Transaction Booklet,[208] no Abacus Storage King Director holds, or held at any time during the two years prior to the Transaction Booklet Date any interest in:

- the formation or promotion of Abacus Property Group, Abacus Group or Abacus Storage King;
- any property acquired or proposed to be acquired by Abacus Property Group, Abacus Group or Abacus Storage King in connection with their formation or promotion or the Proposal;
- the Offer of Abacus Storage King Securities; or
- the Proposal,

nor has anyone paid or agreed to pay any amount, or given or agreed to give any benefit, to induce any Abacus Storage King Director to become, or to qualify as, a director of Abacus Storage King or for services provided in connection with the formation or promotion of Abacus Property Group, Abacus Group or Abacus Storage King, the Offer or the Proposal.

208. See Section 8.4.1 for Directors' interests.

08 KEY PEOPLE, CORPORATE GOVERNANCE AND BENEFITS OF ABACUS STORAGE KING CONTINUED

8.4.2 Remuneration and related arrangements

8.4.2.1 Abacus Storage King Directors' remuneration

On or as soon as practicable after the De-stapling Implementation Date, the Abacus Storage King Board will comprise the Directors set out in Section 8.2.1. These Directors will continue to be directors of both ASOL and the ASPT Responsible Entity.

Fees payable to Non-Executive Directors of Abacus Storage King for their services as Directors and board committee members are payable by Abacus Storage King.

Under the ASOL Constitution, securityholders may, in a general meeting, approve the maximum aggregate remuneration payable in a financial year to Non-Executive Directors for their ordinary services as Directors. Under the Listing Rules, the aggregate Non-Executive Director fee cap cannot be increased without the approval of ordinary shareholders. The Directors determine how much of that approved amount is payable to each Director for their ordinary services as Directors (or, in default of determination, the amount will be divided equally among the Directors).

Abacus Storage King's Non-Executive Director fee cap has currently been set at $1,250,000 per annum.[209]

As at the Transaction Booklet Date, John O'Sullivan is entitled to receive $252,000 per annum for his role as proposed Independent Non-Executive Chair of Abacus Storage King. Each other Non-Executive Director of Abacus Storage King (being Stephanie Lai, Mark Bloom and Karen Robbins) is entitled to receive $113,000 per annum for their ordinary services as Directors.

Prior to their appointment as Directors, the following consultancy fees were paid to Abacus Storage King Directors in connection with the Proposal:

- John O'Sullivan received consultancy fees of $20,000 per month from 1 February 2023 until his appointment as a Director;
- Stephanie Lai received consultancy fees of $10,000 per month from 22 March 2023 until her appointment as a Director; and
- Karen Robbins received consultancy fees of $10,000 per month from 5 May 2023 until her appointment as a Director.

With effect from De-stapling Implementation, the following additional fees will be payable to the Non-Executive Directors for services provided as members of Abacus Storage King board committees:

- Stephanie Lai will receive an additional $27,300 per annum in connection with her role as Chair of the Audit and Risk Committee and an additional $8,000 per annum for her services as a member of the Remuneration Committee;
- Karen Robbins will receive an additional $12,000 per annum in connection with her role as Chair of the Remuneration Committee and an additional $12,285 per annum for her services as a member of the Audit and Risk Committee; and
- Mark Bloom will receive an additional $12,285 per annum for his services as a member of the Audit and Risk Committee and an additional $8,000 per annum for his services a member of the Remuneration Committee.

Mark Bloom will cease to receive fees in connection with his services as a Director or board committee member of the Abacus Group Entities with effect from his resignation on or as soon as practicable after the De-stapling Implementation Date.

The remaining Director, Steven Sewell, has waived any remuneration as a director and officer of Abacus Storage King.

All Directors' fees are inclusive of superannuation contributions.

8.4.2.2 Deeds of Access, Indemnity and Insurance for officers

ASOL will enter into a deed poll of access, indemnity and insurance (New ASOL Deed Poll) that will give each officer of ASOL and its Subsidiaries (and other entities associated with ASOL) the right to access certain books and records of the relevant company for a seven-year period after the officer ceases to hold office in the relevant company or the date any relevant proceedings commenced during the seven-year period have been finally resolved.

Pursuant to each of the ASOL Constitution and the New ASOL Deed Poll, ASOL may indemnify each officer of ASOL and its subsidiaries (and other entities associated with ASOL) on a full indemnity basis and to the full extent permitted by law against all losses or liabilities incurred by each person as an officer of the relevant company (including all reasonable legal costs), subject to certain exceptions.

209. Under the Listing Rules, directors fees include all fees payable by the entity or any of its child entities to a Non-Executive Director for acting as a director of the entity or any child entity (including attending and participating in any board committee meetings) and includes superannuation contributions for the benefit of a Non-Executive Director and any fees which a Non-Executive Director agrees to sacrifice for equity or other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine 'special exertion' fees paid in accordance with the entity's constitution, or securities issued to a Non-Executive Director under ASX Listing Rule 10.11 or 10.14 with the approval of the holders of the entity's ordinary securities.

Further, under the New ASOL Deed Poll ASOL must maintain a directors and officers insurance policy insuring the officers of ASOL and its subsidiaries (and other entities associated with ASOL) against liability incurred in their capacity as such for a seven-year period after the officer ceases to hold office in the relevant company or the date any relevant proceedings commenced during the seven-year period have been finally resolved.

8.4.2.3 Minimum Securityholder Policy

The Abacus Storage King Board recognises the importance of aligning the interests of its Non-Executives Directors with the long-term interests of Abacus Storage King Securityholders. In particular, each Non-Executive Director must accumulate and retain a minimum securityholding in Abacus Storage King Securities equivalent to their annual Director's fee inclusive of a base fee, superannuation contributions and before any tax deductions.

Abacus Storage King Securities that count towards a Non-Executive Director meeting the minimum securityholding requirements include securities owned directly or otherwise held for the benefit of that person (for example through a family trust or self managed superannuation fund and including security rights held in an employee security trust). The minimum securityholding is to be achieved progressively by the 4th anniversary of the later of the De-stapling Implementation Date or the date of their appointment as a Director of Abacus Storage King.

8.4.2.4 Abacus Storage King External Management

No fees or salaries are paid by Abacus Storage King to the External Management or directors, officers or employees of ASFML as the Manager of ASOL, except for the fees agreed to be paid by Abacus Storage King to the Non-Executive Directors as set out in Section 8.4.2.1. Unless disclosed elsewhere in this Transaction Booklet, no officer of the Manager currently has or has had any material beneficial interest, either direct or indirect, in the promotion of Abacus Storage King and in any property acquired or proposed to be acquired by Abacus Storage King, or any other similar transaction.

8.5 Custodian

The Custodian of Abacus Storage King is Perpetual Trustee Company Limited (ABN 42 000 001 007). The ASPT Responsible Entity has entered into the Custody Deed with the Custodian, under which the Custodian has agreed to hold the assets of Abacus Storage King that are transferred or delivered to the Custodian on behalf of the ASPT Responsible Entity (**Custody Deed**). A summary of the key terms of the Custody Deed is set out in Section 16.5 of this Transaction Booklet.

8.6 Corporate Governance

Abacus Storage King recognises the importance of strong corporate governance and is committed to a high standard of both corporate governance and compliance. The Abacus Storage King Board will determine the appropriate governance arrangements for Abacus Storage King, having regard to market practice, the ASX Recommendations and ensuring that there are adequate arrangements to manage potential conflicts. The corporate governance arrangements established by Abacus Storage King Board will be continually monitored in order to ensure that they remain effective and appropriate for Abacus Storage King.

The key corporate governance policies and practices that have been adopted by the Abacus Storage King Board in respect of Abacus Storage King with effect from De-stapling Implementation are summarised below.

The Abacus Storage King Board is responsible for monitoring the governance, operational and financial position and performance of Abacus Storage King. In addition, the Abacus Storage King Board is responsible for approving Abacus Storage King's environmental and social targets and considering the social, ethical and environmental impact of Abacus Storage King's activities and associated disclosures, together with overseeing compliance with its Sustainability and Environmental Policy. The Abacus Storage King Board seeks to ensure that Abacus Storage King is properly managed to protect and enhance Abacus Storage King Securityholders interests, and that Abacus Storage King Board, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Abacus Storage King Board has created a framework for managing Abacus Storage King, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the operation of Abacus Storage King and that are designed to promote the responsible management and conduct of Abacus Storage King.

8.6.1 ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed the ASX Corporate Governance Principles and Recommendations 4th Edition for ASX listed entities to promote investor confidence and assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptive but have provided guidelines against which entities have to report on an "if not, why not" basis.

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Under the Listing Rules, Abacus Storage King will be required to disclose the extent of its compliance with the ASX Recommendations for each reporting period. Where Abacus Storage King has not followed an ASX Recommendation, it will be required to identify the recommendation that has not been followed and give reasons for not following it. Abacus Storage King must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Abacus Storage King intends to comply with all of the applicable ASX Recommendations from the time of De-stapling Implementation, including as they relate to the composition and operation of the Abacus Storage King Board and the Audit and Risk Committee. Abacus Storage King will also disclose, in the annual report, the extent of its compliance with the ASX Recommendations.

8.6.2 Board composition and independence

On or as soon as practicable after the De-stapling Implementation Date, the Abacus Storage King Board will be comprised of an Independent Non-Executive Chair and Directors. The Abacus Storage King Board considers an Abacus Storage King Director to be independent where he or she is free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Abacus Storage King Board and to act in the best interests of Abacus Storage King and its securityholders generally. The Abacus Storage King Board reviews the independence of each Abacus Storage King Director in light of information disclosed to it.

The Board Charter (as summarised in Section 8.6.3) sets out guidelines to assist in considering the independence of Abacus Storage King Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations. In general, Abacus Storage King Directors will be considered to be independent if they meet those guidelines.

The majority of Abacus Storage King Directors will be considered independent for the purposes of the ASX Recommendations. John O'Sullivan, Stephanie Lai and Karen Robbins are considered independent Abacus Storage King Directors.

Steven Sewell is not currently considered by the Abacus Storage King Board to be an independent Director, given he will also remain as the Managing Director of Abacus Group and his role in the External Management team.

Mark Bloom is not currently considered by the Abacus Storage King Board to be an independent Director given his association with Abacus Property Group's (and post Completion, Abacus Storage King's) majority securityholder, Calculator Australia.

Detailed biographies of the Abacus Storage King Board members are provided in Section 8.2.1. It is the intention of Abacus Group that the Abacus Storage King Board remains majority independent post De-Stapling Implementation.

The Abacus Storage King Board is responsible for the overall governance of Abacus Storage King. Each Abacus Storage King Director must bring an independent view and judgement to the Abacus Storage King Board and must declare all actual or potential conflicts of interest on an ongoing basis. Where an Abacus Storage King Director is affected by a conflict in respect of a particular matter, the affected Abacus Storage King Director must not be present at an Abacus Storage King Board meeting during the period in which the conflicted matter is voted on by the Abacus Storage King Board.

8.6.3 Board Charter

The Abacus Storage King Board has adopted a written charter to provide a framework for the effective operation of the Abacus Storage King Board, which will come into effect from De-stapling Implementation. The Board Charter sets out the Abacus Storage King Board composition, the Abacus Storage King Board's role and responsibilities, the relationship and interaction between the Abacus Storage King Board and management and ASFML having the authority to provide certain management, administrative and other services in accordance with the Management Services Agreement.

The key functions of the Abacus Storage King Board include:

- approving the development of Abacus Storage King's corporate strategy and monitoring management's performance within that framework;
- determining key policies and procedures governing the operations of Abacus Storage King;
- approving acquisitions, disposals and expenditures in excess of designated limits;
- appointing and removing members of the Storage King key management team and overseeing succession plans for the Storage King key management team;
- monitoring financial reporting and approving operating and capital budgets;

- approving the risk management framework and ensuring that adequate risk management procedures exist and are being used;
- approving the risk appetite statement which determines the overarching risk appetite for Abacus Storage King;
- ensuring that the Abacus Storage King Board is and remains appropriately skilled to meet the changing needs of Abacus Storage King;
- reviewing relevant management compliance with the Workplace Health and Safety Policy;
- approving the Abacus Storage King Board committee charters and ensuring the relevant committee considers the matters relating to it;
- approving and monitoring the independence of the external auditor;
- determining and adopting the distribution policy of Abacus Storage King;
- approving Abacus Storage King's statement of values and code of conduct; and
- satisfying itself that Abacus Storage King's remuneration policies are aligned with the entity's purpose, values, risk culture strategic objectives and risk appetite.

Services are provided by the Manager in accordance with the Management Services Agreement. The Abacus Storage King Board collectively, and any Abacus Storage King Director individually, may seek independent professional advice with the Abacus Storage King Chair's consent, which will not be unreasonably withheld or delayed, and which advice will be at Abacus Storage King's expense.

The Board Charter will be reviewed annually and may be amended from time to time as the Abacus Storage King Board considers appropriate.

8.6.4 Board committees

The Abacus Storage King Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. On or as soon as practicable after the De-stapling Implementation Date, Abacus Storage King will have an Audit and Risk Committee, as well as a Nomination Committee and a Remuneration Committee, each with a committee charter. The Audit and Risk Committee and the Remuneration Committee will be comprised solely of non-executive directors. Membership of Abacus Storage King Board committees will be based on the needs of Abacus Storage King, relevant legislation, regulatory and other requirements, and the skills and experience of Abacus Storage King Board members.

COMMITTEE	OVERVIEW	PROPOSED MEMBERS
Audit and Risk Committee	The Audit and Risk Committee will assist the Abacus Storage King Board to carry out its accounting, auditing and financial reporting responsibilities, including with respect to the oversight of, among other things: • the integrity of Abacus Storage King's statutory financial reports and statements, accounting policy changes and the review of representation letters; • the appointment, reappointment or replacement, remuneration and independence of Abacus Storage King's external auditors, and consider the findings of the audit with Abacus Storage King's external auditors; • Abacus Storage King's framework to identify and manage risk and internal control of Abacus Storage King; • related party transactions and any actual or potential conflicts of interest; and • Abacus Storage King's systems and procedures for compliance with applicable legal and regulatory requirements.	**Chair:** Stephanie Lai **Members:** John O'Sullivan, Mark Bloom and Karen Robbins

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COMMITTEE	OVERVIEW	PROPOSED MEMBERS
Nomination Committee	The Nomination Committee will assist the Abacus Storage King Board to carry out duties in relation to nomination matters, including, among other things: • making recommendations to the Abacus Storage King Board about the appropriate size and composition of the Abacus Storage King Board; • setting a formal and transparent procedure for selecting new directors for appointment to the Abacus Storage King Board; • developing criteria for selection of candidates for the Abacus Storage King Board in the context of the Abacus Storage King Board's existing composition and structure; • making recommendations to the Abacus Storage King Board on the appointment and removal of directors; • developing a plan for identifying, assessing, and enhancing director competencies; • developing a succession plan for the Abacus Storage King Board and regularly reviewing the plan to ensure that the plan maintains an appropriate mix of skills, experience, expertise and diversity on the Abacus Storage King Board; and • ensuring that there is an appropriate induction program in place for new directors and members of senior management and reviewing its effectiveness.	**Chair:** John O'Sullivan **Members:** Stephanie Lai, Mark Bloom, Karen Robbins and Steven Sewell
Remuneration Committee	The Remuneration Committee will assist the Abacus Storage King Board in relation to remuneration policies for Abacus Storage King to make recommendations to the Abacus Storage King Board on, among other things: • Abacus Storage King's remuneration strategy, framework and design; • the Non-Executive Director remuneration framework and the allocation of the pool of directors' fees; • the remuneration structure, market positioning, outcomes and contractual terms of the senior leadership team of the Abacus Storage King business; • compliance with statutory responsibilities relating to remuneration disclosure; and • any other matters referred to the Remuneration Committee by the Abacus Storage King Board.	**Chair:** Karen Robbins **Members:** John O'Sullivan, Stephanie Lai, Mark Bloom

8.6.5 Corporate governance policies

The following corporate governance policies have been adopted by the Abacus Storage King Board with effect from De-stapling Implementation, each having been prepared having regard to the ASX Recommendations and which will be available on Abacus Group's website at www.abacusgroup.com.au.

8.6.5.1 Code of Conduct

The Abacus Storage King Board is committed to upholding a reputation for honesty, integrity and trust which is an essential element of success and longevity in the investment and storage industry. Accordingly, the Abacus Storage King Board has adopted a formal Code of Conduct with effect from De-stapling Implementation, which will be followed by all Directors, employees, consultants and contractors of Abacus Storage King.

Under the Code of Conduct, team members are required to:

- act with honesty and integrity in all work and business dealings, including dealings and interactions with each other, and with Abacus Storage King's stakeholders, suppliers, competitors, and all other persons with whom Abacus Storage King has work or business interactions;
- act in accordance with all applicable laws in performing work for Abacus Storage King;
- act in the best interests of Abacus Storage King in everything they do that may impact Abacus Storage King, including taking all reasonable steps to avoid any conflict of interest and not improperly using their positions to generate any personal benefit for themselves or any other person; and
- make a report if they know or suspect that anyone has done the wrong thing or may be intending to do so.

8.6.5.2 Trading Policy

The Abacus Storage King Board has adopted a Trading Policy to regulate dealings in Abacus Storage King Securities with effect from De-stapling Implementation. The Trading Policy explains the type of conduct that is prohibited under the Corporations Act and other laws applicable to Abacus Storage King. The Trading Policy also establishes a best practice procedure in relation to dealings in Abacus Storage King Securities by directors and employees of ASFML, Abacus Group and ASOL and their controlled entities.

The Trading Policy sets out the restrictions that apply to, among other things, such dealings outside the trading windows, during which certain persons are generally not permitted to deal in Abacus Storage King Securities along with a procedure under which certain persons are required to submit prior notification and obtain confirmation prior to dealings during the trading windows.

This Trading Policy aligns with the current trading policy of Abacus Property Group.

8.6.5.3 Continuous Disclosure and Securityholder Communication Policy

Once Abacus Storage King is listed as a separate group on ASX, it will be required to comply with the continuous disclosure requirements of the Listing Rules, in addition to those disclosure requirements to which the ASPT Responsible Entity and ASOL is currently subject to under applicable law. Subject to the exceptions contained in the Listing Rules, Abacus Storage King will be required to disclose to ASX any information concerning Abacus Storage King which is not generally available and which a reasonable person would expect to have a material effect on the price or value of Abacus Storage King Securities.

Abacus Storage King is committed to observing its continuous disclosure obligations and has adopted a Continuous Disclosure and Securityholder Communication Policy effective from De-stapling Implementation which establishes procedures that are aimed at ensuring that all directors, officers, employees, contractors, consultants and other personnel of ASFML, Abacus Group and ASOL are aware of and fulfil their obligations in relation to providing Securityholders with timely disclosure and communications.

Under the policy, where required, Abacus Storage King may request a trading halt or, in exceptional circumstances, a voluntary suspension, to prevent trading in the Abacus Storage King Securities taking place on an uninformed basis, to correct or prevent a false market, or to otherwise manage Abacus Storage King's disclosure obligations.

Abacus Storage King will aim to communicate all important information relating to Abacus Storage King to its Securityholders and recognises that potential investors and other interested stakeholders may wish to obtain information about the group from time to time. To achieve this, Abacus Storage King will communicate information regularly to Abacus Storage King Securityholders and other stakeholders through a range of forums and publications.

8.6.5.4 Whistleblowing Policy

The Abacus Storage King Board has adopted a Whistleblowing Policy effective from De-stapling Implementation, which encourages the reporting of misconduct which includes (but is not limited to):

- dishonest, corrupt or illegal conduct;
- theft, fraud or misappropriation;
- damage/sabotage, violence, drug and alcohol sale/use;
- significant risks to health and safety;
- serious inappropriate or unethical conduct;
- serious misuse of information;
- serious bullying, discrimination, harassment or other serious unacceptable behaviour;

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- serious breach of Abacus Storage King policies and procedures or the law;
- substantial waste of company resources;
- victimising someone for making or being involved in a disclosure;
- causing substantial financial or non-financial loss or detriment to the organisation; and
- other serious improper conduct.

The Whistleblowing Policy will ensure protection of whistleblowers by allowing for anonymous reports to be made, protecting the identity of the whistleblowers and prohibiting victimisation that involves any detriment caused or threatened to be caused against any person who has made or who is believed to have made a report regarding the misconduct.

8.6.5.5 Gifts, Fraud, Anti-Bribery and Corruption Policy

The Abacus Storage King Board has adopted a Gift, Fraud, Anti-Bribery and Corruption Policy effective from De-stapling Implementation to demonstrate Abacus Storage King's commitment to honesty, integrity and trust and its values of being responsible and accountable in the way it conducts itself. Under the Gift, Fraud, Anti-Bribery and Corruption Policy team members:

- should not accept gifts, or personal benefits, from a competitor, supplier, or anyone doing or seeking to do business with Abacus Storage King;
- must not request any supplier, competitor, or anyone doing or seeking business with Abacus Storage King, to provide any gift, or other benefit, to any associate of the team member;
- must think carefully before giving or offering any gift or personal benefits and should consider whether the gift may cause any discomfort or embarrass the recipient;
- must not be involved, in any way, in the giving, offering, soliciting, or acceptance, of a bribe, by or to any Australian or foreign public official, other team member or in any context connected in any manner with their work for Abacus Storage King;
- not make any payment, using Abacus Storage King funds or in connection with their work for Abacus Storage King, to any official or employee of any Government, or Governmental agency, at any level (other than a payment to an official Government account for a proper purpose, such as in respect of fees or charges lawfully imposed by the Government);
- must not participate, or be involved in any way, in any form of fraud, or attempted fraud, connected in any manner with their work for Abacus Storage King, or the business or commercial operations of Abacus Storage King;
- must not be involved, in any way, in any form of corrupt conduct connected in any manner with their work for Abacus Storage King, or the business or commercial operations of Abacus Storage King; and
- must comply with all Abacus Storage King policies and procedures relating to financial expenditure and documentation, and the protection of Abacus Storage King property.

8.6.5.6 Conflicts of Interest and Related Party Transactions Policy

The ASPT Responsible Entity has obligations under the Corporations Act and ASX Listing Rules to have in place adequate arrangements to identify and manage conflicts of interest and related party transactions. Given the relationships between Abacus Storage King and Abacus Group, the Abacus Storage King Board has adopted a Conflicts of Interest and Related Party Transactions Policy effective from De-stapling Implementation to ensure there are adequate arrangements to identify and manage conflicts of interest and related party transactions.

In relation to conflicts of interest, the Conflicts of Interest and Related Party Transactions Policy sets out principles and procedures to:

- identify conflicts of interest that may arise in relation to the Abacus Storage King business, including the provisions of services by Abacus Group, Abacus Storage King, ASFML and its directors, officers, employees, and agents;
- assess any conflict of interest as to whether a conflict of interest situation is capable of being avoided (and, if not, to identify the actions that may be necessary to appropriately manage the situation);
- adequately monitor conflicts of interest which are identified; and
- manage conflicts of interest, including to make any necessary disclosure of a conflict of interest to persons affected by the provision of services by Abacus Storage King, ASFML and its team members.

Where ASFML (or other Abacus Group entities) and Abacus Storage King enter into a transaction, such a transaction may constitute a related party transaction. In relation to related party transactions, the key elements of the Conflicts of Interest and Related Party Transactions Policy include the following:

- the Abacus Storage King Board will consider the information provided in order to determine whether and how to proceed with any proposed related party transaction. In considering the information, the Abacus Storage King Board may seek further advice from appropriately qualified advisers and professionals required; and
- each related party transaction will be approved by Abacus Storage King Securityholders unless the Abacus Storage King Board determines that it falls within an appropriate exception, including where a transaction is on arm's length terms or terms that are more favourable to the business than arm's length terms.

In recognition of the potential conflicts of interest arising from storage asset acquisition and leasing opportunities and the role of Abacus Group Entities in managing the Abacus Storage King, each of Abacus Group, ASFML and Abacus Storage King have agreed to certain processes for allocation of storage asset acquisition and leasing opportunities. In relation to allocation of storage asset opportunities, each of Abacus Group, ASFML and Abacus Storage King have agreed, among other things, that:

- generally, Abacus Group will not (for itself or on behalf of any other entities it manages) lease, acquire or develop a storage asset;
- Self Storage store acquisition and leasing opportunities are assessed by the Abacus Group. Where such opportunities arise, the first rights for acquiring or leasing the storage assets must be offered to Abacus Storage King in priority to any other members of Abacus Group or any other entity that Abacus Group manages;
- where there is a mixed-use portfolio opportunity involving a majority of Self Storage stores, Abacus Storage King retains the first rights to be offered the portfolio opportunity. Where applicable, Abacus Storage King must use reasonable endeavours to separate any Commercial property assets from the Self Storage stores and offer relevant Commercial property assets to Abacus Group on market terms;
- where there is a mixed-use portfolio opportunity involving a minority of Self Storage stores, Abacus Storage King will not have the first right to be offered the portfolio opportunity. Where applicable, Abacus Group must use reasonable endeavours to separate the Self Storage stores from the other assets and offer the relevant Self Storage stores to Abacus Storage King on market terms;
- where Abacus Storage King rejects (or is deemed to reject) the storage asset acquisition and leasing opportunities, Abacus Group is to consider if any Abacus Group Member or any other entity which Abacus Group manages will pursue the opportunity; and
- following a rejected opportunity, if Abacus Group determines any Abacus Group Member or any other entity Abacus Group manages may seek to pursue the storage asset acquisition and leasing opportunity, Abacus Group must inform the Independent Non-Executive Directors of Abacus Storage King of the proposed terms of such acquisition and request approval from the Independent Non-Executive Directors of Abacus Storage King to proceed with the acquisition. The Independent Non-Executive Directors of Abacus Storage King will consider the proposed acquisition and must promptly inform Abacus Group of their decision on whether or not the acquisition can proceed and the terms of the decision, including terms such as requiring that the storage asset acquisition and leasing opportunity may be offered to another entity but the terms of the offer must be no more favourable to the entity than the terms offered to Abacus Storage King.

All directors, officers, employees, and agents (including any personnel of related entities of Abacus Group acting as agents of ASFML) of ASFML and ASOL and their controlled entities and ASFML will be required to adhere to the Conflicts of Interests and Related Party Transactions Policy.

The Conflicts of Interests and Related Party Transactions Policy may only be amended with the approval of the Abacus Storage King Board, including the approval of each independent Non-Executive Director on the Abacus Storage King Board. The Conflicts of Interests and Related Party Transactions Policy will cease to have effect (and each of the parties to such policy will cease to be bound by its terms) on and from the date on which Abacus Storage King ceases to be externally managed by Abacus Group.

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8.6.5.7 Diversity and Inclusion Policy

The Abacus Storage King Board has adopted a Diversity and Inclusion Policy effective from De-stapling Implementation that sets out its commitment to the principles of workplace diversity and inclusion through a range of strategies including:

- recruiting from a diverse pool of candidates for all positions, including senior management and the Abacus Storage King Board. In this regard, Abacus Storage King's principle is that all recruitment is to be based on merit, with the most appropriately qualified and experienced person employed for each role;
- Abacus Storage King does not tolerate any form of unlawful discrimination, including in the recruitment or people management processes;
- reviewing succession plans to ensure an appropriate focus on diversity;
- seeking to identify specific factors to be taken into account in recruitment and selection processes to encourage diversity;
- undertaking a review of gender pay equity on an annual basis, with the aim of minimising identified pay gaps between male and female employees with similar skills and experience in the same or similar positions;
- developing programs to develop a broader pool of skilled and experienced senior management and Abacus Storage King Board candidates, including workplace development programs, external mentoring programs, and targeted training and development; and
- developing a culture that takes account of family and caring responsibilities of employees.

8.6.5.8 Risk Management Framework

The Abacus Storage King Board has adopted a Risk Management Framework effective from De-stapling Implementation to provide a structured approach to the management of risks in its business and sets out its commitment to establishing a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to the conduct of activities across Abacus Storage King at every level. This Risk Management Framework is applied across the business, to identify material risks, and to apply effective controls that are designed to prevent such risks from materialising. These controls will be evaluated and tested on a periodic basis to assess their effectiveness in mitigating the risk.



09

ABACUS GROUP FINANCIAL INFORMATION

09 ABACUS GROUP FINANCIAL INFORMATION

9.1 Overview

This Section 9 contains the financial information for Abacus Group which comprises its pro forma historical consolidated statement of financial position as at 31 December 2022 as set out in Section 9.4 (the **ABG Pro Forma Historical Statement of Financial Position** or the **ABG Financial Information**).

Abacus Group operates on a financial year ending 30 June, and all figures stated in this Section 9 are for the year ending 30 June 2024 or as at 31 December 2022 unless otherwise stated.

All amounts set out in the tables are presented in Australian dollars, and unless otherwise noted are rounded to the nearest $0.1 million. Figures in this Transaction Booklet may be subject to rounding adjustments causing discrepancies in totals, sum of components and percentage calculations.

The ABG Financial Information, as defined above, has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, by Ernst & Young Strategy and Transactions Limited whose Independent Limited Assurance Report is contained in Annexure B. Abacus Property Group Securityholders should note the scope and limitations of the report.

The ABG Financial Information provided in this Section should be read in conjunction with the ASK Financial Information contained in Section 10, the risk factors set out in Section 14, the other information set out in this Transaction Booklet and any public announcements made by Abacus Property Group which are available from https://abacusgroup.com.au/investor-centre/.

Also summarised in this Section 9 are:

- the basis of preparation and presentation of the ABG Financial Information as set out in Section 9.2.1;
- an explanation of non-International Financial Reporting Standards (non-IFRS) measures used in this Transaction Booklet as set out in Section 9.2.2;
- the impact of certain post-balance date events which have occurred since 31 December 2022 which are relevant in further understanding the ABG Financial Information as set out in Section 9.4;
- Abacus Group's key financial metrics as set out in Section 9.5;
- the pro forma forecast distributions of Abacus Group and Abacus Storage King for the year ending 30 June 2024 as set out in Section 9.6 (the **Pro Forma Forecast Distributions**); and
- Abacus Group's significant accounting policies as set out in Section 9.7.

9.2 Basis of preparation of the ABG Financial Information

The ABG Financial Information has been prepared by the Abacus Group Directors and is intended to present Abacus Property Group Securityholders and Abacus Group Securityholders with information to assist them in understanding the pro forma historical financial position of Abacus Group.

The Abacus Group Directors are responsible for the preparation and presentation of the ABG Financial Information.

Abacus Group will reflect the continuation of the current Abacus Property Group with a deemed disposal of ASOL and ASPT. Under Australian Accounting Standards (**AAS**) as issued by the Australian Accounting Standards Board (AASB), AGHL is the nominated parent of the Abacus Group and the ABG Financial Information is presented for AGHL and its subsidiaries. AGHL will continue to be the parent of the Abacus Group following the De-stapling. As such no historical consolidated financial statements of Abacus Group reflecting the De-stapling (and therefore excluding the Abacus Storage King entities, ASOL and ASPT) exists, however standalone statutory historical financial statements for each of the separate stapled entities in Abacus Property Group have been prepared and lodged with ASIC.

The historical consolidated financial statements of Abacus Property Group, which include segment financial disclosures in respect of its Self Storage business, for the years ended 30 June 2021 and 30 June 2022 and the half year ended 31 December 2022 have also been lodged with ASIC and are available at https://abacusgroup.com.au/investor-centre/.

The first annual statutory financial period of Abacus Group post the De-stapling will be the year ending 30 June 2024.

The ABG Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes certain adjustments that have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions and the Proposal as if they occurred as at 31 December 2022.

Due to its nature, the ABG Pro Forma Historical Statement of Financial Position does not represent Abacus Group's actual or prospective financial position.

The significant accounting policies adopted by Abacus Group are set out in Section 9.7.

No statements of comprehensive income nor cash flows for Abacus Group have been included in this Transaction Booklet as the Abacus Group Directors believe that the provision of this financial information would not be relevant or meaningful to Abacus Group Securityholders.

The ABG Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information required by AAS and the Corporations Act for annual general purpose financial reports.

9.2.1 Preparation of the ABG Pro Forma Historical Statement of Financial Position

The ABG Pro Forma Historical Statement of Financial Position has been prepared for the sole purpose of inclusion in this Transaction Booklet.

The ABG Pro Forma Historical Statement of Financial Position has been derived from the statutory historical consolidated statement of financial position of Abacus Property Group as at 31 December 2022 adjusted for the effects of the pro forma adjustments described below. The statutory historical consolidated statement of financial position of Abacus Property Group as at 31 December 2022 has been derived from its interim consolidated financial statements for the half year ended 31 December 2022. These interim consolidated financial statements were reviewed by Ernst & Young and an unqualified limited assurance conclusion was issued on them.

The interim consolidated financial statements of Abacus Property Group for the half year ended 31 December 2022 have been lodged with ASIC and are available at https://abacusgroup.com.au/investor-centre/.

09 ABACUS GROUP FINANCIAL INFORMATION CONTINUED

The ABG Pro Forma Historical Statement of Financial Position as at 31 December 2022 has been prepared to reflect the following pro forma adjustments as if they had occurred as at 31 December 2022:

- the De-stapling of ASOL and ASPT from Abacus Property Group and the associated transaction costs incurred in relation to the De-stapling of ASOL and ASPT from Abacus Property Group;
- the settlement of the intercompany loan from AGHL to ASPT, a proportion of which is to be settled by way of an issuance of Abacus Storage King Securities to Abacus Group and the remainder being settled with cash;
- the settlement of the intercompany loan from ASOL to AGHL, which is to be settled with cash; and
- the disposal of the Abacus Repository Trust (**ART**) units and Castle Hill asset to Abacus Storage King.

9.2.2 Explanation of certain non-IFRS measures and disclosures

Abacus Group will use certain measures to manage and report on its operations that are not recognised under IFRS and AAS. These measures are referred to as "non-IFRS financial measures". These non-IFRS financial measures are not prescribed under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although Abacus Group Directors believe these non-IFRS measures provide useful information for measuring the financial performance and condition of the business, Abacus Property Group Securityholders are cautioned not to place undue reliance on any non-IFRS financial measures included in this Transaction Booklet.

The principal non-IFRS financial measures that are referred to in this Transaction Booklet are as follows:

- Funds from operations (**FFO**) is derived from the consolidated net profit after tax and presents the results of the ongoing business activities in a way that reflects Abacus Group's underlying performance. FFO has been determined with reference to the best practice guidelines published by the Property Council of Australia (PCA) to help investors and analysts compare Australian real estate organisations. FFO represents pro forma forecast consolidated net profit after tax adjusted for non-cash accounting adjustments and other non-recurring items and is calculated by adding back depreciation and amortisation and movement in lease liabilities. FFO is the basis on which Distributions will be determined by the Abacus Group Directors;
- Distribution which represents the percentage of pro forma forecast FFO expected by the Abacus Group Directors to be available for distribution to Abacus Group Securityholders for the year ending 30 June 2024;
- Distribution per Security represents Distribution divided by the number of Abacus Group Securities on issue;
- EBIT which represents earnings (or losses) before net finance costs, income tax expense or benefit;
- NTA represents Abacus Group's net tangible assets (being net assets less intangible assets and goodwill as presented on the face of the statement of financial position; less net deferred tax assets and liabilities);
- Adjusted NTA represents Abacus Group's NTA adjusted for the impact of certain post-balance date events which the Abacus Group Directors consider to be material and relevant in further understanding the financial position of Abacus Group;
- NTA per Security represents NTA divided by the number of Abacus Group Securities on issue;
- Adjusted NTA per Security represents Adjusted NTA divided by the number of Abacus Group Securities on issue;
- Gearing represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents; and
- Adjusted Gearing represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents after adjusting for the impact of certain post-balance date events which the Abacus Group Directors consider to be material and relevant in further understanding the financial position of Abacus Group.

9.3 ABG Pro Forma Historical Statement of Financial Position

Table 9.3.1 sets out below the ABG Pro Forma Historical Statement of Financial Position of Abacus Group as at 31 December 2022 presented as if the Proposal (including the associated Implementations Steps) had occurred as at that date.

Table 9.3.1: ABG Pro Forma Historical Statement of Financial Position as at 31 December 2022

$M	ABACUS PROPERTY GROUP HISTORICAL[1]	IMPACT OF THE DE-STAPLING OF ASPT AND ASOL AND TRANSACTION COSTS[2]	SETTLEMENT OF INTER-COMPANY LOANS[3]	SALE OF ART UNITS AND CASTLE HILL ASSET[4]	ABACUS GROUP PRO FORMA HISTORICAL
Investment properties held for sale	117.5	–	–	–	117.5
Cash and cash equivalents	197.8	(147.1)	–	–	50.7
Trade and other receivables	48.5	(21.1)	–	–	27.4
Derivatives at fair value	17.4	–	–	–	17.4
Other	8.3	(5.9)	–	–	2.4
Current Assets	**389.5**	**(174.2)**	**–**	**–**	**215.4**
Property, plant and equipment	24.2	(23.3)	–	–	0.9
Investment properties	4,650.5	(2,368.4)	–	(81.1)	2,201.0
Property loans	53.1	502.2	(502.2)	–	53.1
Other financial assets	264.4	(260.7)	–	–	3.7
Equity accounted investments	185.5	(15.7)	354.7	63.6	588.1
Deferred tax assets	15.5	–	–	–	15.5
Derivatives at fair value	37.1	–	–	–	37.1
Intangible assets and goodwill	105.2	(72.6)	–	–	32.6
Other	6.6	–	–	–	6.6
Non-Current Assets	**5,342.1**	**(2,238.5)**	**(147.5)**	**(17.5)**	**2,938.6**
Total Assets	**5,731.6**	**(2,412.6)**	**(147.5)**	**(17.5)**	**3,154.0**
Trade and other payables	220.4	(146.7)	–	–	73.7
Income tax payable	1.0	(0.9)	–	–	0.1
Other	5.5	(3.4)	–	–	2.1
Current Liabilities	**226.9**	**(151.1)**	**–**	**–**	**75.9**
Interest-bearing loans and borrowings[5]	1,932.8	(816.1)	(147.5)	(17.5)	951.7
Deferred tax liabilities	54.8	(45.5)	–	–	9.3
Other	5.5	(3.9)	–	–	1.6
Non-Current Liabilities	**1,993.1**	**(865.5)**	**(147.5)**	**(17.5)**	**962.6**
Total Liabilities	**2,220.0**	**(1,016.5)**	**(147.5)**	**(17.5)**	**1,038.5**
Net Assets	**3,511.6**	**(1,396.1)**	**–**	**–**	**2,115.5**
Contributed equity	2,649.8	(419.1)	–	–	2,230.7
Retained earnings/(losses)	861.8	(974.8)	–	–	(113.0)
Reserves	–	(2.2)	–	–	(2.2)
Total Equity[6]	**3,511.6**	**(1,396.1)**	**–**	**–**	**2,115.5**

09 ABACUS GROUP FINANCIAL INFORMATION CONTINUED

Notes:

1. Derived from the interim consolidated financial statements of Abacus Property Group for the half year ended 31 December 2022.
2. Reflects the impact of the deemed disposal of ASOL and ASPT as at 31 December 2022 including the removal of ASOL and ASPT assets and liabilities, and the recognition of intercompany loans between AGHL and ASOL and AGHL and ASPT both of which were previously eliminated on consolidation of Abacus Property Group. Transaction costs of $6.4m are expected to be incurred by Abacus Group in relation to the Proposal, which have been recognised in retained earnings and will be funded through available debt facilities.
3. Reflects the impact of the settlement of $502.2 million intercompany loan (as at 31 December 2022) from AGHL to ASPT and $82.9 million intercompany loan (as at 31 December 2022) from ASOL to AGHL. A portion of the intercompany loan from AGHL to ASPT is to be settled by way of an issuance of 221.1 million Abacus Storage King Securities to Abacus Group resulting in the recognition of an equity accounted investment in Abacus Storage King on the ABG Pro Forma Historical Statement of Financial Position as at 31 December 2022. The remaining portion of the intercompany loan from AGHL to ASPT is to be settled with cash which will be used to pay down Abacus Property Group's existing bank debt facilities. The intercompany loan from ASOL to AGHL is to be repaid with cash which will be funded by a draw down from Abacus Property Group's existing bank debt facilities. The movements in drawn debt used in settling the intercompany loans results in a net decrease in the interest-bearing loans and borrowings of $147.5 million.
4. Reflects the sale of the ART units and Castle Hill asset to Abacus Storage King. The ART units will be sold in exchange for 39.7 million units issued in ASPT which increases the value of the equity accounted investment in Abacus Storage King; the sale of the Castle Hill asset is to be settled in cash which will be used to pay down bank debt and therefore results in a decrease in interest-bearing loans and borrowings.
5. The Abacus Property Group historical balance of interest-bearing loans and borrowings comprises $1,899.8 million of third-party interest-bearing loans and borrowings and $33.0 million of other interest-bearing loans and borrowings.
6. Total equity represents the net assets attributable to the members of the stapled group.

9.4 Impact of Post-Balance Date Events

Table 9.4.1 below sets out the impact of certain post-balance date events which have occurred subsequent to 31 December 2022 which the Abacus Group Directors believe to be material and relevant in further understanding the financial position of Abacus Group.

Table 9.4.1: Impact of Post-Balance Date Events

$M	ABACUS GROUP PRO FORMA HISTORICAL	VALUATION MOVEMENT AND CAPEX[1]	INTEREST RATE HEDGING ADJUSTMENTS[2]	ADJUSTED
Movement in:				
Total assets	3,154.0	(189.6)	(16.1)	2,948.3
Total liabilities	1,038.5	(70.2)	(16.1)	952.2
Net assets	**2,115.5**	**(119.4)**	**–**	**1,996.1**

Notes:

1. $189.6 million net decrease in total assets relates to a $119.4 million decrease in investment properties (including joint ventures) reflecting the 30 April 2023 valuations, $89.7 million of assets contracted for sale since 31 December 2022, $0.5 million reflecting the difference between the valuations of the ART units and the Castle Hill asset as at 31 December 2022 and 30 April 2023, which will be purchased by Abacus Storage King, and $20.0 million of capital expenditure. The decrease in total liabilities relates to a $70.2 million net decrease in interest-bearing loans and borrowings resulting from $89.7 million in cash proceeds from the assets contracted for sale since 31 December 2022 used to pay down bank debt, $20.0 million of bank debt drawn to fund capital expenditure, and $0.5 million of bank debt drawn relating to the 30 April 2023 valuation uplift in the value of the ART units and Castle Hill asset both separately acquired by Abacus Storage King. The overall net decrease of $119.4 million in net assets relates to the decrease in the value of investment properties (including joint ventures) reflecting the 30 April 2023 valuation update.
2. Reflects $16.1 million of interest rate swaps cancelled since 31 December 2022 which relate to Abacus Property Group's existing bank debt facilities. The impact of cancelling these interest rate swaps has been effectively offset by the $16.1 million of new interest rate swaps entered into by Abacus Storage King. Refer to Table 10.5.1 for further detail.

Prior to making these post-balance date events adjustments to the ABG Pro Forma Historical Statement of Financial Position as at 31 December 2022, Gearing and NTA are 28.0% and $2,076.7 million respectively.

As a result of making these post-balance date event adjustments to the ABG Pro Forma Historical Statement of Financial Position as at 31 December 2022, the adjusted key financial metrics are as follows:

- Adjusted NTA: $1,957.3 million
- Adjusted NTA per Security: $2.19
- Adjusted Gearing: 27.0%

9.5 Key Financial Metrics

Table 9.5.1 below sets out the key financial metrics for Abacus Group and Abacus Storage King after the implementation of the Proposal (including the Offer). These key financial metrics assume the ABG Pro Forma Historical Financial Position as at 31 December 2022 is adjusted for the impact of certain post-balance date events which have occurred since 31 December 2022 as described in Section 9.4.

Table 9.5.1: Key Financial Metrics

KEY FINANCIAL METRICS	ABACUS GROUP	ABACUS STORAGE KING[1]
Adjusted for the impact of certain post-balance date events as if they had occurred as at 31 December 2022		
Adjusted NTA ($)	1,957.3	2,060.6
Adjusted NTA ($ per Security)	$2.19	$1.57
Adjusted Gearing (%)	27.0%	26.7%

Note:

1. Abacus Storage King's key financial metrics are also set out in Section 10.

9.6 Pro Forma Forecast Distributions

Following De-stapling, each existing Abacus Property Group Securityholder will hold 1 Stapled Security in Abacus Group and 1 Stapled Security in Abacus Storage King for each Abacus Property Group Security they held on the De-stapling Implementation Date. Eligible Abacus Property Group Securityholders may also apply to subscribe for new Abacus Storage King Securities under the Offer.

Table 9.6.1 below sets out the Pro Forma Forecast Distributions on a cents per Security basis for Abacus Group and Abacus Storage King for the year ending 30 June 2024, assuming Completion of the Proposal including the Offer. This information has not been subject to audit or review.

The Pro Forma Forecast Distributions for the year ending 30 June 2024 have been prepared on the basis that the Proposal will take place on 1 July 2023. The Pro Forma Forecast Distributions assume a 95% payout of pro forma forecast FFO for the year ending 30 June 2024 for both Abacus Group and Abacus Storage King.

Table 9.6.1: Pro Forma Forecast Distributions

FOR THE YEAR ENDING 30 JUNE 2024	1 ABACUS GROUP SECURITY	1 ABACUS STORAGE KING SECURITY
DPS (cents)[1]	8.5	6.0

Note:

1. Pro Forma Forecast Distributions are presented on the basis that the Proposal will take place on 1 July 2023.

09 ABACUS GROUP FINANCIAL INFORMATION CONTINUED

9.7 Significant accounting policies of Abacus Group

Revenue recognition

Revenue is recognised when performance obligations have been met and is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to Abacus Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

Finance income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost or principal of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Management and other fee income

Revenue from rendering of services is recognised in accordance with the performance obligations under the terms and conditions of the service agreements and the accounting standards.

Dividends and distributions

Revenue is recognised when Abacus Group's right to receive the payment is established.

Net change in fair value of investments and financial instruments derecognised during the year

Revenue from sale of investments is recognised on settlement when all performance obligations under the contract have been met. Performance obligations are generally considered to have been met at the time of settlement of the sale. Financial instruments are derecognised when the right to receive or pay cash flows from the financial derivative has expired or when the entity transfers substantially all the risks and rewards and the performance obligations of the financial derivative through termination. Gains or losses due to derecognition are recognised in the consolidated statement of profit and loss.

Net change in fair value of investments held at balance date

Changes in market value of investments are recognised as revenue or expenses in determining the net profit for the period.

Expenses

Expenses including rates, taxes and other outgoings are brought to account on an accrual basis and any related payables are carried at cost.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables, which generally have 30 day terms, are held to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest. At initial recognition, these are measured at amortised cost at the transaction price.

Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, reduced by impairment losses. Interest income and impairment losses are recognised in the consolidated statement of profit and loss. The receivable is written off when there is no reasonable expectation of recovering the contractual cash flows. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss.

In assessing for impairment under AASB 9 Financial Instruments, Abacus Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade receivables, Abacus Group applies the simplified approach permitted by the standard, which requires lifetime expected losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade debtors and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on outstanding balances, days past their due date and the corresponding historical credit losses experienced. Historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (including GDP) affecting the ability of customers to settle their debts.

Derivative financial instruments and hedging

Abacus Group utilises derivative financial instruments, both foreign exchange and interest rate derivatives to manage the risk associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value through profit or loss (**FVTPL**).

Abacus Group has set defined policies and implemented hedging policies to manage interest and exchange rate risks. Derivative instruments are transacted in line with these policies to achieve the economic outcomes in line with Abacus Group's treasury and hedging policy. They are not transacted for speculative purposes.

Abacus Group does not employ hedge accounting and as such derivatives are recorded at fair value with gains or losses arising from the movement in fair values recorded in the consolidated statement of profit and loss.

Interest in joint arrangements and associates

An associate is an entity over which Abacus Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Abacus Group's interest in associates and joint ventures is accounted for under the equity method of accounting in the consolidated financial statements. The investment in the associates and joint ventures is carried in the consolidated statement of financial position at cost plus post-acquisition changes in Abacus Group's share of net assets of the joint ventures/associates, less any impairment in value. The consolidated statement of profit and loss reflects Abacus Group's share of the results of operations of the joint ventures and associates.

Abacus Group's interest in joint operations that give the parties a right to the underlying assets and obligations themselves is accounted for by recognising Abacus Group's share of those assets and obligations.

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time that the cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market and property specific conditions at the date of the consolidated statement of financial position. This includes investment properties under redevelopment because fair value can be calculated based on estimated fair value on completion of redevelopment after allowing for the remaining expected costs of completion plus an appropriate risk adjusted development margin. Gains or losses arising from changes in the fair values of investment properties are recognised in the consolidated statement of profit and loss in the year in which they arise.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to Abacus Group prior to the end of the financial year that are unpaid and arise when Abacus Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

09 ABACUS GROUP FINANCIAL INFORMATION CONTINUED

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid in the establishment of loan facilities are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as non-current liabilities where Abacus Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred unless they relate to a qualifying asset or to upfront borrowing establishment and arrangement costs, which are deferred and amortised as an expense over the life of the facility. A qualifying asset is an asset that generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised into the cost of the asset. Where funds are borrowed by Abacus Group for the acquisition or construction of a qualifying asset, the amount of the borrowing costs capitalised are those incurred in relation to the borrowing.



10

ABACUS STORAGE KING FINANCIAL INFORMATION

10 ABACUS STORAGE KING FINANCIAL INFORMATION

10.1 Overview

This Section 10 contains the financial information for Abacus Storage King which comprises:

- the statutory forecast consolidated statement of profit and loss for the year ending 30 June 2024 as set out in Section 10.3 (the **ASK Statutory Forecast Statement of Profit and Loss** or the **ASK Statutory Forecast Financial Information**);
- the pro forma forecast consolidated statement of profit and loss for the year ending 30 June 2024 as set out in Section 10.3 (the **ASK Pro Forma Forecast Statement of Profit and Loss**);
- the pro forma forecast consolidated FFO for the year ending 30 June 2024 as set out in Section 10.3 (the **ASK Pro Forma Forecast FFO**); and
- the pro forma historical consolidated statement of financial position as at 31 December 2022 as set out in Section 10.4 (the **ASK Pro Forma Historical Statement of Financial Position**).

The ASK Pro Forma Forecast Statement of Profit and Loss and the ASK Pro Forma Forecast FFO are together referred to as the **ASK Pro Forma Forecast Financial Information**. The ASK Statutory Forecast Financial Information and the ASK Pro Forma Forecast Financial Information are together referred to as the **ASK Forecast Financial Information**.

The ASK Pro forma Historical Statement of Financial Position and the ASK Forecast Financial Information are together referred to as the **ASK Financial Information**.

Abacus Storage King will operate on a financial year ending 30 June, and all figures stated in this Section 10 are for the year ending 30 June 2024 or as at 31 December 2022 unless otherwise stated.

All amounts set out in the tables are presented in Australian dollars, and unless otherwise noted are rounded to the nearest $0.1 million. Figures in this Transaction Booklet may be subject to rounding adjustments causing discrepancies in totals, sum of components and percentage calculations.

The ASK Financial Information, as defined above, has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, by Ernst & Young Strategy and Transactions Limited whose Independent Limited Assurance Report is contained in Annexure B. Abacus Storage King Securityholders should note the scope and limitations of the report.

The ASK Financial Information provided in this Section should be read in conjunction with the ABG Financial Information contained in Section 9, the sensitivities set out in Section 10.8, the risk factors set out in Section 14, the other information set out in this Transaction Booklet and any public announcements made by Abacus Property Group which are available from https://abacusgroup.com.au/investor-centre/.

Also summarised in this Section 10 are:

- the basis of preparation and presentation of the ASK Financial Information, including an explanation of non-IFRS measures used in this Transaction Booklet (Section 10.2);
- a reconciliation of the statutory forecast consolidated net profit after tax to the pro forma forecast consolidated net profit after tax for the year ending 30 June 2024 (Section 10.3);
- a reconciliation of the statutory historical statements of financial position of ASOL and ASPT to Abacus Storage King's historical combined statement of financial position as at 31 December 2022 (Section 10.4.1);
- the impact of certain post-balance date events which have occurred since 31 December 2022 which are relevant in further understanding the ASK Financial Information (Section 10.5);
- the key financial metrics of Abacus Storage King (Section 10.6);
- the Abacus Storage King Directors' best estimate general and specific assumptions underlying the ASK Forecast Financial Information (Section 10.7);
- the key sensitivities in respect of the ASK Pro Forma Forecast FFO (Section 10.8);
- Abacus Storage King's distribution policy (Section 10.9);
- a description of Abacus Storage King's significant accounting policies (Section 10.10); and
- information on Abacus Storage King's working capital (Section 10.11).

10.2 Basis of preparation of the ASK Financial Information

10.2.1 Overview

The ASK Financial Information has been prepared by the Abacus Storage King Directors and is intended to present Abacus Property Group Securityholders, Abacus Storage King Securityholders and Abacus Group Securityholders with information to assist them in understanding the pro forma historical financial position of Abacus Storage King together with the ASK Forecast Financial Information.

The Directors of Abacus Storage King are responsible for the preparation and presentation of the ASK Financial Information.

Abacus Property Group is currently controlled by Calculator Australia and both Abacus Storage King and Abacus Group expect to continue to be controlled by Calculator Australia subsequent to the Proposal including the Offer. The deemed acquisition of ASPT by ASOL, with ASOL as the deemed parent for accounting purposes, on De-stapling has been treated as a business combination under common control and is therefore outside the scope of AASB 3 Business Combinations. Abacus Storage King management has elected to apply the pooling of interest method to account for the business combination under common control.

Historical financial statements exist for ASPT and ASOL as standalone entities, but not as a combined entity as Abacus Storage King will only be established upon implementation of the Proposal. The historical financial statements of ASPT and ASOL for the years ended 30 June 2021 and 30 June 2022 and the half year ended 31 December 2022 have been lodged with ASIC and are available at https://abacusgroup.com.au/investor-centre/.

The annual statutory financial statements of Abacus Storage King for the year to 30 June 2024, will represent the financial results and financial position as follows:

- the financial results for ASOL and its controlled entities for the year from 1 July 2023 to 30 June 2024 and the financial results of ASPT and its controlled entities for the period from 3 August 2023 (being the assumed Implementation Date) to 30 June 2024, noting that the comparative results will represent the results of ASOL and its controlled entities for the year from 1 July 2022 to 30 June 2023; and
- the statement of financial position as at 30 June 2024 will represent the consolidated financial position of ASOL and its controlled entities and ASPT and its controlled entities, noting that the comparative statement of financial position will represent ASOL and its controlled entities as at 30 June 2023.

The ASK Statutory Forecast Financial Information has been prepared in accordance with the recognition and measurement principles of AAS issued by the AASB which is consistent with IFRS as issued by the International Accounting Standards Board.

The ASK Pro Forma Forecast Statement of Profit and Loss and the ASK Pro Forma Historical Statement of Financial Position have been prepared in accordance with the recognition and measurement principles contained in AAS, other than that they include certain adjustments that have been prepared in a manner consistent with AAS, that reflect the (i) the recognition of certain items in periods different from the applicable period under AAS, (ii) the exclusion of certain transactions that are forecast to occur in the relevant period and (iii) the impact of certain transactions and the Proposal (including the Offer) as if they occurred as at 31 December 2022 in the ASK Pro Forma Historical Statement of Financial Position or on or after 1 July 2023 in the ASK Pro Forma Forecast Statement of Profit and Loss.

The ASK Pro Forma Forecast FFO has been prepared on the basis of the pro forma forecast consolidated net profit after tax adjusted for non-cash accounting adjustments and other non-recurring items determined in reference to the best practice guidelines published by the PCA.

Due to their nature, the ASK Pro Forma Historical Statement of Financial Position and the ASK Pro Forma Forecast Financial Information do not represent Abacus Storage King's actual or prospective financial position, financial performance or FFO. Past performance is not a guide to future performance.

The significant accounting policies adopted by Abacus Storage King are set out in Section 10.10.

The ASK Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information required by AAS and the Corporations Act for annual general purpose financial reports.

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

10.2.2 Preparation of the ASK Forecast Financial Information

The ASK Forecast Financial Information has been prepared and presented by Abacus Storage King considering present economic and operating conditions to determine the best estimate general and specific assumptions as set out in Section 10.7.

The Abacus Storage King Directors believe the forecast assumptions to be reasonable when taken as a whole at the Transaction Booklet Date. This information is not fact and Abacus Property Group Securityholders, Abacus Group Securityholders and Abacus Storage King Securityholders are cautioned not to place undue reliance on the ASK Forecast Financial Information. The best estimate assumptions serve to assist investors in determining the reasonableness and likelihood of the assumptions occurring, and the ASK Forecast Financial Information is not intended to be a representation that the assumptions will occur.

Abacus Property Group Securityholders, Abacus Storage King Securityholders and Abacus Group Securityholders should be aware that any changes to the assumptions that form the basis of the ASK Forecast Financial Information may materially impact the actual financial performance and FFO of Abacus Storage King. Accordingly, none of the Abacus Storage King Directors, Abacus Storage King management or any other person can provide Abacus Property Group Securityholders, Abacus Group Securityholders or Abacus Storage King Securityholders with any certainty that the outcomes discussed in the ASK Forecast Financial Information will arise.

Abacus Property Group Securityholders, Abacus Group Securityholders and Abacus Storage King Securityholders are advised to review the ASK Forecast Financial Information in conjunction with the ABG Financial Information set out in Section 9, the Abacus Storage King Directors best-estimate assumptions set out in Section 10.7, the sensitivity analysis set out in Section 10.8, the risk factors set out in Section 14 and the other information set out in this Transaction Booklet.

The ASK Forecast Financial Information does not account for any potential fair value adjustments to properties, derivative financial instruments or other financial assets which may be recognised in the actual statement of profit and loss in the year ending 30 June 2024 on the basis that these values cannot be reliably determined at this stage.

The ASK Statutory Forecast Financial Information assumes that the Proposal is implemented on 3 August 2023 whereas the ASK Pro Forma Forecast Financial Information is prepared on the basis that the Proposal will take place on 1 July 2023.

The ASK Pro Forma Forecast Statement of Profit and Loss has been derived from the ASK Statutory **Forecast Statement of Profit and Loss and adjusted to:**

- recognise ASPT's statutory forecast net loss after tax for the period from 1 July 2023 to 3 August 2023 (on the basis that ASOL is deemed to have acquired ASPT at 1 July 2023 as opposed to at 3 August 2023);
- reflect the incremental rental income and expenses relating to ART units and Castle Hill asset had they been acquired from 1 July 2023;
- reflect the incremental costs of being a publicly listed stapled entity from 1 July 2023; and
- exclude transaction costs incurred by Abacus Storage King in relation to the Proposal including the Offer.

The ASK Pro Forma Forecast FFO, set out in Table 10.3.3, has been determined by adjusting the pro forma forecast consolidated net profit after tax for Abacus Storage King for the year ending 30 June 2024 for non-cash accounting adjustments and other non-recurring items in accordance with best practice guidelines published by the PCA and is calculated by adding back depreciation and amortisation and movement in lease liabilities.

The resulting measure is termed FFO, being the Abacus Storage King Directors' measure of the periodic amount available for distribution, which differs from net profit after tax as determined in accordance with AAS.

The Abacus Storage King Directors have no intention to update or revise the ASK Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Transaction Booklet, except where required by law.

10.2.3 Preparation of the ASK Pro Forma Historical Statement of Financial Position

The ASK Pro Forma Historical Statement of Financial Position has been prepared for the sole purpose of inclusion in this Transaction Booklet.

The ASK Pro Forma Historical Statement of Financial Position has been derived from combining each of the statutory historical consolidated statements of financial position of ASOL and ASPT as at 31 December 2022 adjusted for relevant intercompany eliminations and the effects of the pro forma adjustments described below. The statutory historical consolidated statements of financial position of ASOL and ASPT as at 31 December 2022 have been derived from the respective interim consolidated financial statements of ASOL and ASPT for the half year ended 31 December 2022. Each of these interim consolidated financial statements were reviewed by Ernst & Young and an unqualified limited assurance conclusion was issued on them.

The interim consolidated financial statements of ASOL and ASPT for the half year ended 31 December 2022 have been lodged with ASIC and are available at https://abacusgroup.com.au/investor-centre/.

The ASK Pro Forma Historical Statement of Financial Position as at 31 December 2022 has been prepared and presented to reflect the following pro forma adjustments as if they had occurred as at 31 December 2022:

- the combination of the historical statements of financial position of ASOL and ASPT as at 31 December 2022 and the relevant intercompany eliminations;
- the settlement of the intercompany loan from AGHL to ASPT, a proportion of which is to be settled by way of an issuance of Abacus Storage King Securities to Abacus Group and the remainder being settled with cash;
- the settlement of the intercompany loan from ASOL to AGHL, which is to be settled with cash;
- the acquisition of the ART units and Castle Hill asset from Abacus Property Group; and
- the impact of the Offer including transaction costs relating to the Offer.

10.2.4 Explanation of certain non-IFRS financial measures and disclosures

Abacus Storage King will use certain measures to manage and report on its operations that are not recognised under IFRS and AAS. These measures are referred to as "non-IFRS financial measures". These non-IFRS financial measures are not prescribed under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although the Abacus Storage King Directors believe these non-IFRS financial measures provide useful information for measuring the financial performance and condition of the business, Abacus Property Group Securityholders, Abacus Group Securityholders and Abacus Storage King Securityholders are cautioned not to place undue reliance on any non-IFRS financial measures included in this Transaction Booklet.

The principal non-IFRS financial measures that are referred to in this Transaction Booklet are as follows:

- FFO is derived from the consolidated net profit after tax and presents the results of the ongoing business activities in a way that reflects Abacus Storage King's underlying performance. FFO has been determined with reference to the best practice guidelines published by the PCA to help investors and analysts compare Australian real estate organisations. FFO represents pro forma forecast consolidated net profit after tax adjusted for non-cash accounting adjustments and other non-recurring items and is calculated by adding back depreciation and amortisation and movement in lease liabilities. FFO is the basis on which Distributions will be determined by the Abacus Storage King Directors;
- FFO per Security represents FFO divided by the weighted average number of Abacus Storage King Securities on issue;
- FFO yield which represents the rate of return derived by dividing the FFO per Security by the Offer Price;
- Distribution which represents the percentage of pro forma forecast FFO expected by the Abacus Storage King Directors to be available for distribution to Abacus Storage King Securityholders for the year ending 30 June 2024;
- Distribution per Security represents Distribution divided by the number of Abacus Storage King Securities on issue;
- Distribution yield which represents the rate of return derived by dividing the Distribution per Security by the Offer Price;
- EBIT which represents earnings (or losses) before net finance costs, income tax expense or benefit;
- NTA represents Abacus Storage King's net tangible assets (being net assets less intangible assets and goodwill as presented on the face of the statement of financial position; less net deferred tax assets and liabilities);

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

- Adjusted NTA represents Abacus Storage King's NTA adjusted for the impact of certain post-balance date events which the Abacus Storage King Directors consider to be material and relevant in further understanding the financial position of Abacus Storage King;
- NTA per Security represents NTA divided by the number of Abacus Storage King Securities on issue;
- Adjusted NTA per Security represents Adjusted NTA divided by the number of Abacus Storage King Securities on issue;
- Gearing represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents;
- Adjusted Gearing represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents adjusted for the impact of certain post-balance date events which the Abacus Storage King Directors consider to be material and relevant in further understanding the financial position of Abacus Storage King; and
- Operating margin represents the total operating profit as a percentage of total revenue.

10.3 ASK Statements of Profit and Loss

Table 10.3.1 below sets out the statutory forecast and pro forma forecast consolidated statements of profit and loss of Abacus Storage King for the year ending 30 June 2024.

Table 10.3.1: ASK Statutory Forecast Statement of Profit and Loss and ASK Pro Forma Forecast Statement of Profit and Loss

$M	STATUTORY FORECAST FOR THE YEAR ENDING 30 JUNE 2024	PRO FORMA FORECAST FOR THE YEAR ENDING 30 JUNE 2024
Revenue		
Storage income	197.8	198.7
Fee income	16.3	16.2
Share of profit from equity accounted investments	0.5	0.5
Other income[1]	11.0	10.7
Total revenue	**225.6**	**226.1**
Expenses		
Storage expenses and outgoings	(42.1)	(42.2)
Administrative and other expenses	(59.8)	(61.5)
Depreciation and amortisation	(3.1)	(3.1)
Transaction costs[2]	(6.6)	–
Total expenses	**(111.6)**	**(106.8)**
EBIT	**114.0**	**119.3**
Net finance costs	(30.6)	(31.8)
Income tax expense	(7.2)	(7.2)
Net profit after tax[3]	**76.2**	**80.3**

Notes:

1. Majority relates to distribution income in relation to Abacus Storage King's investments in listed securities.
2. Total transaction costs of $15.5 million expected to be incurred by Abacus Storage King in relation to the Proposal, of which $6.6 million is forecast to be expensed in the year ending 30 June 2024 with the remaining portion either offset against contributed equity in the year ending 30 June 2024 ($4.2 million). The remainder was incurred and expensed in the year ending 30 June 2023 ($4.7 million).
3. Total net profit after tax represents amounts attributable to the members of ASOL and ASPT.

Table 10.3.2 below sets out a reconciliation of the statutory forecast net profit after tax to the pro forma forecast net profit after tax of Abacus Storage King for the year ending 30 June 2024.

Table 10.3.2: Reconciliation of the ASK statutory forecast net profit after tax to the pro forma forecast net profit after tax

$M	YEAR ENDING 30 JUNE 2024
Statutory Forecast Net Profit After Tax	**76.2**
ASPT net loss for the period from 1 July 2023 to 3 August 2023[1]	(3.1)
ART units and Castle Hill revenue and expenses for the period from 1 July 2023 to 3 August 2023[2]	0.1
Finance costs[3]	0.7
Listed entity costs[4]	(0.2)
Transaction costs[5]	6.6
Pro Forma Forecast Net Profit After Tax	**80.3**

Notes:

1. Reflects ASPT's net loss for the period from 1 July 2023 to 3 August 2023, which is not included in the ASK Statutory Forecast Statement of Profit and Loss given ASOL is deemed to acquire ASPT from 3 August 2023. ASPT's net loss for that period primarily relates to finance costs given ASPT holds the bank debt, but the majority of operating revenue and expenses are recognised in ASOL.
2. Reflects incremental revenue and expenses for the ART units and Castle Hill asset had the acquisitions settled on 1 July 2023 as opposed to on 3 August 2023.
3. Reflects the lower finance costs on intercompany loans with Abacus Property Group had these been settled on 1 July 2023 as opposed to on 3 August 2023.
4. The ASK Statutory Forecast Statement of Profit and Loss includes the estimated costs of being a publicly listed entity from Completion on 3 August 2023 and the adjustment to the ASK Pro Forma Forecast Statement of Profit and Loss for the year ending 30 June 2024 represents the incremental costs of being listed from 1 July 2023.
5. The ASK Pro Forma Forecast Statement of Profit and Loss excludes the transaction costs of $6.6 million which are expected to be expensed in the ASK Statutory Forecast Statement of Profit and Loss in the year ending 30 June 2024.

Table 10.3.3 below sets out a reconciliation of the pro forma forecast net profit after tax to the pro forma forecast FFO of Abacus Storage King for the year ending 30 June 2024.

Table 10.3.3: ASK Pro Forma Forecast FFO

$M	YEAR ENDING 30 JUNE 2024
Pro Forma Forecast Net Profit After tax	**80.3**
Adjustments:	
Depreciation and amortisation	3.1
Movement in lease liabilities	(0.6)
Pro Forma Forecast FFO	**82.8**

10.4 ASK Pro Forma Historical Statement of Financial Position

10.4.1 Reconciliation of the statutory historical statements of financial position of ASOL and ASPT to Abacus Storage King's historical combined statement of financial position as at 31 December 2022

Table 10.4.1 below sets out the reconciliation of the statutory historical statements of financial position of ASOL and ASPT (each on a consolidated basis) as at 31 December 2022 to the historical combined statement of financial position of Abacus Storage King as at 31 December 2022.

The statutory historical statements of financial position of ASOL and ASPT (each on a consolidated basis) as at 31 December 2022 have been derived from the respective interim consolidated financial statements of ASOL and ASPT for the half year ended 31 December 2022. The eliminations reflect the discontinuation of certain transactions between ASOL and ASPT after the implementation of the Proposal (including the Offer).

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

Table 10.4.1: Reconciliation of the statutory historical statements of financial position of ASOL and ASPT to the historical combined statement of financial position of Abacus Storage King as at 31 December 2022

$M	ASOL STATUTORY HISTORICAL	ASPT STATUTORY HISTORICAL	ELIMINATIONS[1]	ASK HISTORICAL COMBINED
Cash and cash equivalents	21.2	125.9	–	147.1
Trade and other receivables	7.5	21.6	(6.6)	22.5
Derivatives at fair value	–	–	–	–
Other	4.6	1.3	–	5.9
Current Assets	**33.3**	**148.8**	**(6.6)**	**175.5**
Property, plant and equipment	23.3	–	–	23.3
Investment properties	320.8	2,199.2	(142.2)	2,377.8
Property loans	82.9	–	–	82.9
Other financial assets	13.2	260.7	(13.2)	260.7
Equity accounted investments	–	15.7	–	15.7
Deferred tax assets	–	–	–	–
Derivatives at fair value	–	–	–	–
Intangible assets and goodwill	72.6	–	–	72.6
Other	–	–	–	–
Non-Current Assets	**512.8**	**2,475.6**	**(155.4)**	**2,833.0**
Total Assets	**546.1**	**2,624.4**	**(162.0)**	**3,008.5**
Trade and other payables	26.9	141.1	(19.8)	148.2
Income tax payable	0.9	–	–	0.9
Other	89.0	0.4	(86.0)	3.4
Current Liabilities	**116.8**	**141.5**	**(105.8)**	**152.5**
Interest-bearing loans and borrowing	66.3	1,341.3	–	1,407.6
Deferred tax liabilities	45.6	–	–	45.6
Other	67.4	2.0	(56.7)	12.7
Non-Current Liabilities	**179.3**	**1,343.3**	**(56.7)**	**1,465.9**
Total Liabilities	**296.1**	**1,484.8**	**(162.5)**	**1,618.4**
Net Assets	**250.0**	**1,139.6**	**0.5**	**1,390.1**
Contributed equity	84.4	334.6	–	419.0
Retained earnings/(losses)	165.8	802.9	0.5	969.2
Reserves	(0.2)	2.1	–	1.9
Total Equity	**250.0**	**1,139.6**	**0.5**	**1,390.1**

Note:

1. Relates to the elimination of right of use assets and lease liabilities recognised on ASOL's statutory historical statement of financial position as at 31 December 2022 which relate to leases with ASPT, as well as the elimination of receivable and payables balances between both entities.

10.4.2 ASK Pro Forma Historical Statement of Financial Position

Table 10.4.2 below sets out the pro forma historical consolidated statement of financial position of Abacus Storage King as at 31 December 2022.

Table 10.4.2: ASK Pro Forma Historical Statement of Financial Position as at 31 December 2022

$M	ASK HISTORICAL COMBINED[1]	SETTLEMENT OF INTERCOMPANY LOANS[2]	ACQUISITION OF ART UNITS AND CASTLE HILL ASSET[3]	IMPACT OF THE OFFER[4]	ASK PRO FORMA HISTORICAL
Cash and cash equivalents	147.1	–	–	–	147.1
Trade and other receivables	22.5	–	–	–	22.5
Derivatives at fair value	–	–	–	–	–
Other	5.9	–	–	–	5.9
Current Assets	**175.5**	**–**	**–**	**–**	**175.5**
Property, plant and equipment	23.3	–	–	–	23.3
Investment properties[5]	2,377.8	–	71.9	–	2,449.7
Property loans	82.9	(82.9)	–	–	–
Other financial assets	260.7	–	–	–	260.7
Equity accounted investments	15.7	–	–	–	15.7
Deferred tax assets	–	–	–	–	–
Derivatives at fair value	–	–	–	–	–
Intangible assets and goodwill	72.6	–	–	–	72.6
Other	–	–	–	–	–
Non-Current Assets	**2,833.0**	**(82.9)**	**71.9**	**–**	**2,822.0**
Total Assets	**3,008.5**	**(82.9)**	**71.9**	**–**	**2,997.5**
Trade and other payables	148.2	–	–	–	148.2
Income tax payable	0.9	–	–	–	0.9
Other	3.4	–	–	–	3.4
Current Liabilities	**152.5**	**–**	**–**	**–**	**152.5**
Interest-bearing loans and borrowing	1,407.6	(437.6)	17.5	(209.5)	778.0
Deferred tax liabilities	45.6	–	–	–	45.6
Other	12.7	–	(9.1)	–	3.6
Non-Current Liabilities	**1,465.9**	**(437.6)**	**8.4**	**(209.5)**	**827.2**
Total Liabilities	**1,618.4**	**(437.6)**	**8.4**	**(209.5)**	**979.7**
Net Assets	**1,390.1**	**354.7**	**63.5**	**209.5**	**2,017.8**
Contributed equity	419.0	354.7	63.5	220.8	1,058.0
Retained earnings/(losses)[6]	969.2	–	–	(11.3)	957.9
Reserves	1.9	–	–	–	1.9
Total Equity[7]	**1,390.1**	**354.7**	**63.5**	**209.5**	**2,017.8**

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

Notes:

1. The "ASK Historical Combined" column has been derived from the combination of the statutory historical consolidated statements of financial position of ASOL and ASPT adjusted for relevant eliminations between the two entities as at 31 December 2022. Refer to Section 10.4.1 for further detail.
2. Reflects the impact of the settlement of $502.2 million intercompany loan (as at 31 December 2022) from AGHL to ASPT and $82.9 million intercompany loan (as at 31 December 2022) from ASOL to AGHL. A portion of the intercompany loan from AGHL to ASPT is to be settled by way of an issuance of 221.1 million of Abacus Storage King Securities to Abacus Group. The remaining portion of the intercompany loan is to be settled with a draw down from ASPT and ASOL's existing debt facilities. The intercompany loan from ASOL to AGHL is to be repaid with cash which Abacus Storage King will use to pay down ASPT and ASOL's existing bank debt.
3. Reflects the acquisition of the ART units and separate acquisition of the Castle Hill asset from Abacus Group. The ART units will be purchased by an issuance of 39.7 million ASPT units to Abacus Group; the separate acquisition of the Castle Hill asset is to be settled with cash which will be drawn from Abacus Storage King's bank debt facilities and therefore results in an increase in interest-bearing loans and borrowings. On recognition of these acquisitions by ASPT from AGHL, a right of use asset and lease liability of $9.1 million relating to a lease entered into by ASOL for the Castle Hill asset will be eliminated given the lease will become between ASOL and ASPT following the acquisition of the asset from AGHL by ASPT. Transaction costs (stamp duty) of $3.6 million are expected to be incurred in relation to these acquisitions; these have been reflected as part of the pro forma adjustment for the impact of the Offer.
4. $225.0 million equity raising under the Offer through the issue of approximately 159.6 million securities at the Offer Price, less the expected transaction costs relating to the Proposal including the Offer. Total transaction costs for Abacus Storage King are expected to be $15.5 million, of which $4.2 million is offset against contributed equity, and $11.3 million is recorded in retained earnings (comprising $4.7 million expensed in the year ending 30 June 2023 and $6.6 million forecast to be expensed in the year ending 30 June 2024).
5. Investment property valuations are based on the 31 December 2022 valuations recognised in ASPT and ASOL's historical consolidated statements of financial position as at 31 December 2022.
6. Retained earnings/(losses) reflect acquisition and transaction costs relating to the Proposal (including the Offer).
7. Total equity represents the net assets attributable to the members of ASOL and ASPT.

10.5 Impact of Post-Balance Date Events

Table 10.5.1 below sets out the impact of certain post-balance date events which have occurred subsequent to 31 December 2022 which the Abacus Storage King Directors believe to be material and relevant in further understanding the financial position of Abacus Storage King.

Table 10.5.1: Impact of Post-Balance Date Events

$M	ASK PRO FORMA HISTORICAL	BANKING PAYABLE REPAYMENT[1]	VALUATION MOVEMENT AND CAPEX[2]	SALE OF LISTED SECURITIES[3]	INTEREST RATE HEDGING ADJUSTMENTS[4]	ADJUSTED
Movement in:						
Total assets	2,997.5	(80.0)	185.4	(39.4)	16.1	3,079.6
Total liabilities	979.7	(80.0)	120.2	(44.0)	16.1	992.0
Net assets	2,017.8	–	65.2	4.6	–	2,087.6

Notes:

1. At 31 December 2022, instructions had been given by Abacus Property Group to the bank to draw cash of $80m for a partial repayment of the ASPT bank loan; as the loan balance was reduced by ASPT in its accounting records on 31 December 2022 but the cash not drawn by the bank until after this date, management recognised an $80m payable at 31 December 2022. This adjustment reflects the subsequent settlement of this payable post 31 December 2022 including the associated reduction in the cash balance.
2. The $185.4 million increase in total assets relates to $91.6 million of acquisitions, $28.1 million of capital expenditure, and $65.7 million increase in investment properties reflecting the 30 April 2023 valuations. The $120.2 million increase in total liabilities relates to debt used to fund the acquisitions and capital expenditure. The overall increase of $65.2 million in net assets relates to the increase in the value of investment properties reflecting the 30 April 2023 valuation update.
3. Reflects the cash proceeds received from sale of investments in listed securities, as well as the recognition of the movement in the fair value of the securities sold since 31 December 2022.
4. Reflects $16.1 million of interest rate swaps entered into since 31 December 2022 which relate to ASPT and ASOL's existing bank facilities. The impact of these new interest rate swaps entered into by ASPT and ASOL has been effectively offset by the cancellation of a proportion of Abacus Group's existing interest rate swaps. Refer to Table 9.4.1 in Section 9 for further detail.

Prior to making these post-balance date events adjustments to the ASK Pro Forma Historical Statement of Financial Position as at 31 December 2022, Gearing and NTA are 24.9% and $1,990.8 million respectively.

As a result of making these post-balance date event adjustments to the ASK Pro Forma Historical Statement of Financial Position as at 31 December 2022, the adjusted key financial metrics for Abacus Storage King are as follows:

- Adjusted NTA: $2,060.6 million
- Adjusted NTA per Security: $1.57
- Adjusted Gearing: 26.7%

10.6 Key Financial Metrics of Abacus Storage King

Table 10.6.1 below sets out the key financial metrics of Abacus Storage King including the impact of the Offer.

Table 10.6.1: Key Financial Metrics of Abacus Storage King

	FOR THE YEAR ENDING 30 JUNE 2024
Pro forma forecast FFO ($ million)	82.8
FFO per Security (cents)	6.3
FFO yield (%)[1]	4.5%
Distributions per Security (cents)[2]	6.0
Distribution yield (%)[1,2]	4.2%
Payout ratio (%)[2]	95.0%
Operating margin (%)	65%
	ADJUSTED FOR POST-BALANCE DATE EVENTS
Adjusted NTA ($ million)	2,060.6
Adjusted NTA per security ($)	$1.57
Adjusted Gearing (%)	26.7%

Notes:

1. Based on the Offer Price of $1.41 per security.
2. Based on a payout ratio of 95.0% of FFO being the mid-range of Abacus Storage King's payout policy.

10.7 Assumptions underlying the ASK Forecast Financial Information

The Abacus Storage King Directors best estimate general and specific assumptions relating to the preparation of the ASK Forecast Financial Information are set out below.

10.7.1 General assumptions

The key best estimate general assumptions include:

- the ASK Statutory Forecast Financial Information assumes that the Proposal is implemented on 3 August 2023 whereas the ASK Pro Forma Forecast Financial Information is prepared on the basis that the Proposal will take place on 1 July 2023;
- the Proposal (including the Offer) proceeds in accordance with the timetable set out in this Transaction Booklet;
- no significant change in the economic conditions (including property market and financial market stability) in which Abacus Storage King will operate;
- no significant changes to the statutory, legal or regulatory environment which would be detrimental to Abacus Storage King in any of the jurisdictions in which it will operate;
- no material changes in the credit markets;
- no material changes in current Australian and New Zealand tax legislation;
- Abacus Storage King will consistently apply its key accounting policies for the year ending 30 June 2024;
- no significant change in Abacus Storage King's capital and debt structure, other than as disclosed in this Transaction Booklet;
- no material litigation or dispute to which Abacus Storage King is a party;

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

- no acquisitions and disposals of investment properties other than those contemplated in the Proposal (including Abacus Storage King's acquisition of the ART units and the separate acquisition of the Castle Hill asset from Abacus Property Group);
- no material changes in capital expenditure requirements from those included in the ASK Forecast Financial Information and described in the specific assumptions detailed in Section 10.7.2;
- average CPI rate of 4.3% in the year ending 30 June 2024;
- no significant amendment to any material contract relating to Abacus Storage King's business; and
- no potential fair value adjustments to properties, derivative financial instruments or other financial assets which may be recognised in the actual statement of profit and loss in the year ending 30 June 2024 have been taken into account on the basis that these values cannot be reliably determined at this stage.

10.7.2 Specific assumptions

The key best estimate specific assumptions include:

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%.

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.

Fee income

Fee income reflects management and license fee income as well as various recharges from third party stores. Management and license fee income is derived as a percentage of gross store revenue and the assumption is that any expiring agreements are renewed on similar terms and that gross store revenue is grown at the same rate as Abacus Storage King's established portfolio.

Other income

Other income forecast to be derived from Abacus Storage King's investments in listed securities.

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.

Borrowing costs are recognised as an expense when incurred unless they relate to a qualifying asset or to upfront borrowing establishment and arrangement costs, which are deferred and amortised as an expense over the life of the facility. A qualifying asset is an asset that generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised into the costs of the asset. Where funds will be borrowed by Abacus Storage King for the acquisition or construction of a qualifying asset, the amount of the borrowing costs capitalised will be those incurred in relation to the borrowing.

Valuation of investment properties

Abacus Storage King's Self Storage Properties have been independently valued by CBRE at approximately $2,305[210] million for Australian based properties and NZ$335 million for New Zealand based properties as at 30 April 2023.

210. Comprises property, plant and equipment and investment properties but excludes properties that have exchanged but not yet settled.

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 development and expansions are $81.6 million and $6.5 million respectively.

Management fees

The Manager, ASFML (a wholly owned subsidiary of Abacus Group), is entitled to receive a Management Fee of 0.40% per annum of GAV plus GST for performing the Management Services. Management fees will be paid monthly in arrears.

The Development Manager, AFML, is entitled to receive:

- the Fixed Fee for the planning work up to lodgement of the development application;
- the Development/Expansion Project Management Fees for the provision of property development services; and
- reimbursement for all reasonable and documented out-of-pocket third party costs.

The Development/Expansion Project Management Fees have been capitalised for development projects whilst the properties are under development and excluded from the statutory forecast, pro forma forecast net profit and pro forma forecast FFO.

In relation to certain Commercial tenancies within the Self Storage Properties, the Property Manager, APS, is entitled to receive:

- the Property Management fee of 3% of the gross aggregate of Gross Property Income (plus GST);
- the Property Management Leasing Fee for the provision of leasing services;
- reimbursement for all reasonable and documented out-of-pocket third party costs for performing the Property Management Services; and

in most instances, property management costs are recoverable from Commercial tenants through outgoings.

Fees noted in this Section 10.7.2 have the meanings given to them in Section 16.3.

Corporate expenses

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.

Income tax expense

Abacus Storage King will comprise taxable and non-taxable entities. A liability for current and deferred tax and tax expense is only recognised in respect of taxable entities that are subject to income tax and potential capital gains tax as detailed below.

Under current Australian income tax legislation ASPT is not liable for Australian income tax provided Securityholders are presently entitled to the taxable income of the trusts.

ASOL and its Australian resident wholly-owned subsidiaries have formed a tax consolidation group. ASOL has entered into a tax funding agreement with the Australian resident wholly-owned subsidiaries, so that each subsidiary agrees to pay or receive its share of the allocated tax at the current tax rate.

The head tax entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

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 Transaction Booklet, the total transaction costs have been estimated at $21.9 million based on existing agreements and quotes, and applicable stamp duty rates.

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

Table 10.7.2: Transaction Costs

ACCOUNTING TREATMENT OF TRANSACTION COSTS	$M
Amount expensed to Abacus Storage King in FY23	4.7
Amount expensed to Abacus Storage King in FY24	6.6
Amount offset against Abacus Storage King's contributed equity	4.2
Amount expensed to Abacus Group	6.4
Total transaction costs	**21.9**

10.8 Sensitivity analysis

The ASK Forecast Financial Information is based on a number of key best estimate assumptions which have been outlined in Section 10.7. These best estimate assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Abacus Storage King, the Abacus Storage King Directors and the Abacus Storage King management and are based upon assumptions with respect to future business decisions or actions which are subject to change. The ASK Forecast Financial Information is also subject to a number of key investment risks as set out in Section 14.

Abacus Property Group Securityholders, Abacus Storage King Securityholders and Abacus Group Securityholders should be aware that future events cannot be predicted with certainty and, as a result, deviations from the figures forecast in this Transaction Booklet are to be expected.

To assist Abacus Property Group Securityholders, Abacus Storage King Securityholders and Abacus Group Securityholders in assessing the impact of these assumptions on the ASK Forecast Financial Information, the table below sets out the sensitivity of the ASK Pro Forma Forecast FFO for the year ending 30 June 2024 to changes in certain key best estimate assumptions.

The estimated impact of changes in each assumption has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or maybe additive. In addition, the sensitivities set out in the table below do not reflect any action that Abacus Storage King might take to manage the impact of changes to the assumptions.

Table 10.8.1 below sets out a sensitivity analysis, which is intended to provide a guide only and variation in actual performance could exceed the ranges shown.

Table 10.8.1: Sensitivity analysis

		PRO FORMA FORECAST FOR THE YEAR ENDING 30 JUNE 2024	
		$M	CENTS PER SECURITY
Pro Forma Forecast FFO		**82.8**	**6.3**
Incremental impact of change			
1.0% change in average annual rate per square metre growth on the Established and Acquisitions Portfolios	+/-	1.2	0.1
50 basis point change in average annual interest rate	+/-	1.1	0.1
250 basis point change in occupancy on Established and Acquisitions Portfolios	+/-	3.3	0.3
50 basis point change in the consumer price index	+/-	0.1	0.0
5% change in corporate expenses	+/-	1.5	0.1

10.9 Distribution policy

Abacus Storage King's Distribution policy will be to payout between 90% to 100% of its FFO.

Abacus Storage King's Distribution payout ratio will be formulated with regard to a range of factors, including:

- General business and financial condition;
- The certainty of Abacus Storage King's cash flow;
- The average duration and timing of customer contracts;
- Capital expenditure requirements of the Self Storage portfolio;
- Taxation considerations;
- Working capital requirements; and
- Other factors that Abacus Storage King Directors consider relevant.

It is anticipated that Distributions will be made on a bi-annual basis, with the first Distribution expected to be paid in February 2024.

Distribution payments to Abacus Storage King Securityholders are expected to contain a portion of tax deferred amounts. Tax deferred amounts will generally arise through the different treatment of income, expenses and depreciation on Self Storage assets including plant and equipment for accounting and taxation purposes. Changes in the amount of depreciation, interest rates, the level of gearing and other risk factors set out in Section 14, may influence the actual tax-deferred amounts of a Distribution.

10.10 Significant accounting policies of Abacus Storage King

Revenue recognition

Revenue is recognised when performance obligations have been met and is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to Abacus Storage King and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Storage income

Storage income primarily comprises rental income and ancillary income.

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

Ancillary income primarily comprises merchandise sales to customers, which are recognised when control of the goods and services are transferred to the customer, at an amount that reflects the consideration Abacus Storage King expects to receive in exchange for those goods or services.

Fee income

Revenue from rendering of services is recognised in accordance with the performance obligations under the terms and conditions of the service agreements and the accounting standards.

Other Income

Other income incorporates finance income and distributions.

Finance income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost or principal of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

Distributions

Revenue is recognised when Abacus Storage King's right to receive the payment is established.

Net change in fair value of investments and financial instruments derecognised during the year

Revenue from sale of investments is recognised on settlement when all performance obligations under the contract have been met. Performance obligations are generally considered to have been met at the time of settlement of the sale. Financial instruments are derecognised when the right to receive or pay cash flows from the financial derivative has expired or when the entity transfers substantially all the risks and rewards and the performance obligations of the financial derivative through termination. Gains or losses due to derecognition are recognised in the consolidated statement of profit and loss.

Net change in fair value of investments held at balance date

Changes in market value of investments are recognised as revenue or expense in determining the net profit for the period.

Expenses

Expenses including rates, taxes and other outgoings are brought to account on an accrual basis and any related payables are carried at cost.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables, which generally have 30 day terms, are held to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest. At initial recognition, these are measured at amortised cost at the transaction price.

Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, reduced by impairment losses. Interest income and impairment losses are recognised in the consolidated statement of profit and loss. The receivable is written off when there is no reasonable expectation of recovering the contractual cash flows. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss.

In assessing for impairment under AASB 9 Financial Instruments, Abacus Storage King assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade receivables, Abacus Storage King applies the simplified approach permitted by the standard, which requires lifetime expected losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade debtors and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on outstanding balances, days past their due date and the corresponding historical credit losses experienced. Historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (including GDP) affecting the ability of customers to settle their debts.

Deemed acquisition of ASPT by ASOL

The deemed acquisition of ASPT by ASOL (with ASOL as the deemed parent for accounting purposes on Re-stapling) has been identified as a business combination under common control as Calculator Australia control both businesses at the time of this acquisition and is therefore outside the scope of AASB 3 Business Combinations. Abacus Storage King management has elected to apply the pooling of interest method and as such:

- the assets and liabilities acquired are measured at the carrying amounts of the existing ASPT business (as reported in Abacus Property Group' accounts) rather than at fair value; and
- no new goodwill has been recognised as a result of the combination.
- the pre-combination equity reserves of the existing ASPT business were carried over as at the date of transaction and reflected in the post- combination consolidated statement of financial position of Abacus Storage King.

Derivative financial instruments and hedging

Abacus Storage King utilises derivative financial instruments, both foreign exchange and interest rate derivatives to manage the risk associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value through profit or loss (FVTPL).

Abacus Storage King has set defined policies and implemented hedging policies to manage interest and exchange rate risks. Derivative instruments are transacted in line with these policies to achieve the economic outcomes in line with Abacus Storage King's treasury and hedging policy. They are not transacted for speculative purposes.

Abacus Storage King does not employ hedge accounting and as such derivatives are recorded at fair value with gains or losses arising from the movement in fair values recorded in the consolidated statement of profit and loss.

Interest in joint arrangements

Abacus Storage King's interest in joint venture entities is accounted for under the equity method of accounting in the consolidated financial statements. The investment in the joint venture entities is carried in the consolidated statement of financial position at cost plus post-acquisition changes in Abacus Storage King's share of net assets of the joint ventures, less any impairment in value. The consolidated statement of profit and loss reflects Abacus Storage King's share of the results of operations of the joint ventures.

Abacus Storage King's interest in joint operations that give the parties a right to the underlying assets and obligations themselves is accounted for by recognising Abacus Storage King's share of those assets and obligations.

Other financial assets

Financial assets in the scope of AASB 9 Financial Instruments are classified as either financial assets at fair value through profit or loss or financial assets at amortised cost. Abacus Storage King determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss

Abacus Storage King classifies its financial assets that do not meet the solely payments of principal and interest criterion and derivatives at fair value through profit or loss.

At initial recognition, the financial asset is measured at its fair value and transaction costs are recognised in profit or loss as incurred. Financial assets at FVTPL are subsequently measured at fair value. Any gains and losses from changes in fair value are recognised through profit or loss unless they have been designated and qualify as cash flow or net investment hedging instruments, where the effective portion of changes in fair value is recognised in either a cash flow or foreign currency reserve within equity. Any gain or loss on derecognition is recognised in the consolidated statement of profit and loss.

Abacus Storage King holds investments in listed securities.

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time that the cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market and property specific conditions at the date of the consolidated statement of financial position. This includes investment properties under redevelopment because fair value can be calculated based on estimated fair value on completion of redevelopment after allowing for the remaining expected costs of completion plus an appropriate risk adjusted development margin. Gains or losses arising from changes in the fair values of investment properties are recognised in the consolidated statement of profit and loss in the year in which they arise.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

10 ABACUS STORAGE KING FINANCIAL INFORMATION CONTINUED

Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to Abacus Storage King prior to the end of the financial year that are unpaid and arise when Abacus Storage King becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid in the establishment of loan facilities are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as non-current liabilities where Abacus Storage King has an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred unless they relate to a qualifying asset or to upfront borrowing establishment and arrangement costs, which are deferred and amortised as an expense over the life of the facility. A qualifying asset is an asset that generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised into the cost of the asset. Where funds are borrowed by Abacus Storage King for the acquisition or construction of a qualifying asset, the amount of the borrowing costs capitalised are those incurred in relation to the borrowing.

10.11 Working capital

The Abacus Storage King Directors are of the opinion that Abacus Storage King will have sufficient working capital to achieve its stated business objectives, including as set out in Section 5.3. Abacus Storage King is expected to have $67.1 million in adjusted cash and cash equivalents as at 31 December 2022 (based on the pro forma historical consolidated cash and cash equivalents as at 31 December 2022 adjusted for the impact of the banking payable repayment of $80 million as described in Section 10.5). In addition, Abacus Storage King is expected to have $129.8 million in undrawn debt available as at the Implementation Date (based on the pro forma historical consolidated debt and available debt facilities as at 31 December 2022).



11

MEETING AND VOTING INFORMATION



11 MEETING AND VOTING INFORMATION

11.1 Overview of Abacus Property Group Securityholder approvals

The Proposal requires Abacus Property Group Securityholder approval in order to proceed.

Abacus Property Group Securityholder approval is being sought to:

- amend the constitution of each Abacus Property Group Entity to implement the Proposal and give effect to certain other amendments described in Section 11.2 (**Constitution Amendment Resolutions**);
- approve, for the purposes of item 7 of section 611 of the Corporations Act, the acquisition by the Abacus Group Acquirers of a relevant interest in up to 22.6% of the securities in each Abacus Storage King Entity (or, following the Re-stapling, the Abacus Storage King Securities) under the Proposal, which will result in the voting power of the Abacus Group Acquirers and their associates (including Calculator Australia) in those entities increasing from 51.8% to up to 62.69% (**Acquisition Resolutions**);
- approve the entry into, and giving of financial benefits by AGHL, AGPL and their controlled entities to related parties under, the Abacus Group Stapling Deed and transactions contemplated by it for the purposes of section 208 of the Corporations Act (**Abacus Group Stapling Deed Resolutions**);
- approve the entry into, and giving of financial benefits by ASOL and its controlled entities to related parties under, the Abacus Storage King Stapling Deed and transactions contemplated by it for the purposes of section 208 of the Corporations Act (**Abacus Storage King Stapling Deed Resolution**); and
- approve certain related party elements of the Proposal for the purposes of section 208 of the Corporations Act (as modified for each of AT, AIT and ASPT by section 601LC of the Corporations Act) (**Proposal Approval Resolutions**).

Each of the above Resolutions is set out in the Notice of Meeting. Abacus Property Group Securityholders will be asked to consider, and if thought fit, approve the above Resolutions at the Meeting.

The Resolutions are interconditional and the Proposal will only proceed if each Resolution is approved by the requisite majorities of Abacus Property Group Securityholders at the Meeting. If any Resolution is not passed, the Proposal will not proceed.

In addition, each Constitution Amendment Resolutions is conditional upon each of the Conditions Precedent being satisfied or waived in accordance with the Implementation Deed. The Conditions Precedent that need to be satisfied or waived for the Proposal to proceed are set out in Sections 3.4 and 16.2.

Further information in relation to each Resolution is set out in Sections 11.2 to 11.5 below.

If you do not vote, or if you vote against any of the Resolutions, then the Proposal may not be approved and may not be implemented. However, even if you do not vote or vote against any of the Resolutions, this does not mean the Proposal will not be approved. If all of the Conditions Precedent are satisfied or waived in accordance with the Implementation Deed (including all of the Resolutions being approved by Abacus Property Group Securityholders at the Meeting), then the Proposal is expected to proceed and become binding on all Abacus Property Group Securityholders who are recorded on the Register on at the De-stapling Implementation Date even if they do not vote or they vote against the Resolutions.

11.2 Constitution Amendment Resolutions

If each Resolution is approved by the requisite majorities of Abacus Property Group Securityholders and each Condition Precedent is satisfied or waived in accordance with the Implementation Deed, the Constitution of each Abacus Property Group Entity will be amended in order to implement the Proposal and give effect to certain other amendments described in this Section 11.2. However, if any of these requirements are not satisfied, the Constitutions will remain unchanged.

Under the Corporations Act, a special resolution of Abacus Property Group Securityholders (in their capacity as members of each relevant Abacus Property Group Entity) is required to modify each Constitution.

For the Constitutions of AIT, AT and ASPT, the relevant amendments will be recorded in supplemental deed polls (**Supplemental Deeds**), which AFML (in its capacity as responsible entity of AIT and AT) and ASFML (in its capacity as the ASPT Responsible Entity) will execute and lodge with ASIC if each Resolution is approved by Abacus Property Group Securityholders and each Condition Precedent is satisfied or waived in accordance with the Implementation Deed.

Under section 601GC(2) of the Corporations Act, the amendments to the Constitutions of AIT, AT and ASPT will not take effect until the copies of the Supplemental Deeds are lodged with ASIC.

In accordance with the Constitution Amendment Resolutions and sections 136(2) and 137 of the Corporations Act, the amendments to the Constitutions of AGHL, AGPL and ASOL will take effect immediately upon all of the Conditions Precedent being satisfied or waived in accordance with the Implementation Deed.

Copies of the proposed revised Constitutions will be available for inspection at the offices of the Abacus Group, Level 13, 77 Castlereagh Street, Sydney NSW 2000 between 9.00am and 5.00pm on Business Days until the Meeting. A copy of these documents will also be made available on request free of charge by calling the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays).

11.2.1 Overview

The proposed amendments to the Constitutions are primarily designed to:

- facilitate, and set out the mechanisms by which each Abacus Property Group Entity will implement, the Proposal;
- amend the fees payable to the ASPT Responsible Entity under the ASPT Constitution in connection with the Proposal;
- facilitate the effective and efficient administration and capital management of each of Abacus Storage King and Abacus Group following Completion; and
- take into account developments in law and regulation, the Listing Rules, corporate governance principles and general corporate and commercial practice for ASX listed entities since the last comprehensive update to the Constitutions in 2012.

Further information in relation to the proposed amendments to the Constitutions is set out below.

11.2.2 AIT, AT and ASPT Constitution amendments

The key proposed amendments to the AIT, AT and ASPT Constitutions under the Trust Constitution Amendment Resolutions are set out below.

PROPOSED AMENDMENT	DESCRIPTION
IMPLEMENTATION OF THE PROPOSAL	
Powers to implement the Proposal	The existing Constitutions and the existing Abacus Property Group Stapling Deed provide for the de-stapling of the securities of all of the Abacus Property Group Entities if each Abacus Property Group Entity makes a determination to that effect and the de-stapling is approved by Abacus Property Group Securityholders by special resolution. However, they do not provide for the ASPT Units and the ASOL Shares to be individually de-stapled in the manner contemplated under the Proposal. Provisions will be inserted into each of the AIT, AT and ASPT Constitutions to enable the responsible entity to implement the Proposal, including powers to: • de-staple the ASPT Units and ASOL Shares from the securities in each Abacus Group Entity and each other; • for the ASPT Constitution only, issue ASPT Units and procure that ASOL issues ASOL Shares and, following the Re-stapling described below, issue the Abacus Storage King Securities to the Abacus Group Acquirers under, and on the terms provided for under, the Proposal; • for the ASPT Constitution only, re-staple the ASPT Units and ASOL Shares to each other on a one for one basis to form Abacus Storage King Securities; • for the ASPT Constitution only, issue the Abacus Storage King Securities to successful applicants under the Offer; and • do all things that the responsible entity considers necessary, desirable or reasonably incidental to implement the Proposal, including under any related steps or documents.

11 MEETING AND VOTING INFORMATION CONTINUED

PROPOSED AMENDMENT	DESCRIPTION
Powers to implement the Proposal continued	The proposed amendments also exclude the Proposal from the requirement under the AIT, AT and ASPT Constitutions to obtain Abacus Property Group Securityholder approval by special resolution to de-staple the ASPT Units and ASOL Shares on the basis that each Resolution must be approved by Abacus Property Group Securityholders in order for the amendments to the Constitutions to take effect. If the Proposal proceeds, an equivalent restriction under the existing Abacus Property Group Stapling Deed will be removed upon termination of the Abacus Property Group Stapling Deed. Seeking Abacus Property Group Securityholder approval under an additional resolution for the purposes of the AIT, AT and ASPT Constitutions and the Abacus Property Group Stapling Deed will not give Abacus Property Group Securityholders any additional approval rights with respect to the Proposal that they cannot already exercise under the Resolutions. The proposed amendments also permit one or more components of Stapled Securities to be individually de-stapled in the future, subject to each stapled entity making a determination to that effect and the de-stapling being approved by securityholders of the relevant stapled entities by special resolution. The existing stapling provisions will also be amended to clarify the process for de-stapling and stapling securities to facilitate the Proposal.
Appointment as agent and attorney	The responsible entity will be irrevocably appointed as the agent and attorney of each securityholder to execute all documents and do all things (including giving all consents) that it considers necessary, desirable or reasonably incidental to implement the Proposal.
Liability of responsible entity with respect to the Proposal	In addition to the customary limitations on the responsible entity's liability under the existing AIT, AT and ASPT Constitutions, the responsible entity will have no liability beyond the assets of the relevant trust to current or former Abacus Property Group Securityholders arising, directly or indirectly, from any act or omission in connection with implementing the Proposal.
OTHER AMENDMENTS	
Capital reallocation	The existing AIT, AT and ASPT Constitutions do not currently permit re-allocation of capital between the stapled entities without either the issue and immediate consolidation of, or the purchase of, securities in another stapled entity. Provisions will be included to allow further flexibility to re-allocate capital between stapled entities to ensure that each entity is appropriately capitalised. For this purpose, the new provisions enable the responsible entity to at any time, but subject to the Corporations Act and the Listing Rules, distribute an amount of capital from the trust, on terms that that distribution is to be applied by the responsible entity (on behalf of and at the deemed direction of unitholders) as a capital contribution to another stapled entity of the trust without the issue of securities. Similarly, the new provisions facilitate another stapled entity of the trust undertaking a capital reduction or distribution, on terms that the whole or any part of that amount is to be paid to, or for the benefit of, each unitholder of the trust. In that event, each unitholder of the trust is deemed to have directed the responsible entity to accept that incoming capital reallocation amount as an additional capital contribution on its units on its behalf.

PROPOSED AMENDMENT	DESCRIPTION
In-specie distribution	The existing AIT, AT and ASPT Constitutions allow capital distributions to be satisfied by a distribution of assets, but do not permit an income distribution to be satisfied in the same way. The proposed amendments permit any distribution, including an income distribution or capital return, to be satisfied wholly or partly by the distribution of specific assets (which could include securities in any entity). These types of distributions are increasingly common among Australian listed entities and the proposed amendments will provide the responsible entity of each of AIT, AT and ASPT with appropriate capital management flexibility to propose and implement in-specie distributions and capital returns in the future. The proposed amendments also expand the responsible entity's ancillary powers to facilitate the payment of in-specie distributions, including: • by irrevocably appointing the responsible entity as the agent and attorney of each unitholder to execute all documents and do all things (including giving all consents) that it considers necessary, desirable or reasonably incidental to give effect to the in-specie distribution, including (amongst other things) the power to give consent on behalf of each unitholder to become members of any entity whose securities are distributed in-specie and be bound by its constitution; • by allowing the responsible entity to make a cash payment or use a sale facility to deal with certain unitholders (including ineligible foreign securityholders or where required by law); and • to deal with fractions of securities, and otherwise adjust the rights of unitholders. Each Abacus Property Group Entity does not have any current intention to satisfy any income distribution or capital return by way of an in-specie distribution of securities or other assets. However, the Abacus Property Group Directors consider it to be in securityholders' best interests to include these provisions that provide the flexibility to do so in the future. Abacus Group will hold a minority interest of 19.9% in Abacus Storage King at Completion. Abacus Group intends to retain a minority ownership interest in Abacus Storage King to the extent it is in the best interests of Abacus Group Securityholders to do so. However, to the extent Abacus Group seeks to deal with its Abacus Storage King Securities from time to time in line with its investment strategy, the proposed amendments provide flexibility for Abacus Group to undertake an in-specie distribution of Abacus Storage King Securities to its securityholders should this be in the best interests of Abacus Group Securityholders at the relevant time.
Issue price of units (or, while Stapling applies, the unit component of stapled securities)	The existing issue price provisions will be updated to reflect ASIC Class Order CO 13/655 (**2013 Class Order**), the updated relief issued by ASIC since the last comprehensive update to the AIT, AT and ASPT Constitutions in 2012. The proposed amendments provide the responsible entity with greater flexibility in setting the issue price of units (or, while Stapling applies, the unit component of Stapled Securities), as permitted by the 2013 Class Order, by removing certain pricing restrictions which are no longer required. Under the Corporations Act, the Constitution of each of AIT, AT and ASPT must make adequate provision for the issue price of interests in the trust. This requires the Constitution to set out prescriptive pricing provisions for the issue of units in the trust. There is no equivalent requirement for the issue price of shares in public companies such as AGHL, AGPL and ASOL. The existing issue price provisions reflect the previous ASIC Class Order relief, which conferred more limited pricing discretion on responsible entities of registered schemes and imposed certain pricing restrictions that are no longer required under the 2013 Class Order.

11 MEETING AND VOTING INFORMATION CONTINUED

PROPOSED AMENDMENT	DESCRIPTION
Issue price of units (or, while Stapling applies, the unit component of stapled securities) continued	The 2013 Class Order allows greater flexibility for responsible entities of registered schemes to set the price at which interests may be issued, but with increased compliance requirements for responsible entities when exercising their discretion to set issue prices. For registered schemes registered before 1 October 2013, including AIT, AT and ASPT, the responsible entity must opt-in to operate under the 2013 Class Order regime. Abacus Property Group has opted into, and currently relies on, the 2013 Class Order for the purposes of setting the issue price of the unit component of its Stapled Securities. The proposed amendments will entitle the responsible entity to have the full benefit of the greater flexibility permitted by the 2013 Class Order. The effect of these amendments is set out in the table below. However, note that any applicable restrictions under the Listing Rules and the Corporations Act will continue to apply in addition to the below.

ISSUE	CURRENT PROVISION	NEW PROVISION
Rights issues	The issue price of Stapled Securities must not be less than 50% of the Current Market Value of Stapled Securities on the Business Day prior to announcement of the intention to make the offer.	The responsible entity may determine the issue price in its discretion, subject to any applicable ASIC relief and the Listing Rules.
Placements and Security Purchase Plans	The issue price may only be determined by the responsible entity in its discretion in reliance on ASIC relief without unitholder approval by special resolution of disinterested unitholders (and satisfaction of certain other conditions) if: • the issue price of Stapled Securities is not more than a 10% discount to the Current Market Value of stapled securities; and • the issue, together with any related issue in the previous year, does not comprise more than 15% of the Stapled Securities.	The responsible entity may determine the issue price in its discretion, subject to any applicable ASIC relief and the Listing Rules.
Distribution Reinvestment Plan	The issue price of Stapled Securities must not be less than 50% of the Current Market Value of Stapled Securities on the Business Day prior to the record date for determining securityholder entitlements.	The responsible entity may determine the issue price in its discretion, subject to any applicable ASIC relief and the Listing Rules.

PROPOSED AMENDMENT	DESCRIPTION

Issue price of units (or, while Stapling applies, the unit component of stapled securities) continued

ISSUE	CURRENT PROVISION	NEW PROVISION
Options	The issue price of Stapled Securities on exercise of an option issued pro rata to all existing unitholders must not be less than 50% of the Current Market Value of Stapled Securities on the Business Day prior to announcement of the intention to issue the options.	The responsible entity may determine the issue price of a unit on exercise of an option in its discretion, subject to any applicable ASIC relief and the Listing Rules.
Any other issue of units as part of Officially Quoted Stapled Securities	As above for Placement and Security Purchase Plans.	The issue price for a unit must be the Current Market Value of a Stapled Security on the Business Day immediately before the date on which the issue price is to be calculated, minus the issue price of the securities stapled to the unit (**Attached Securities**) or the amount allocated to the Attached Securities in accordance with the allocation provisions described below.

Under the existing AIT, AT and ASPT Constitutions, the Current Market Value of a Stapled Security is:

- the average of the daily weighted average price of Stapled Securities traded on ASX for each day on which Stapled Securities were sold during a 10 Business Day trading period immediately preceding the relevant day; or
- if there were no sales during this period, the last bid price for such Stapled Securities during that period.

This definition will be amended to better align with current market practice in calculation of Current Market Value of listed securities.[211]

The Abacus Property Group Board considers the flexibility in unit pricing to be appropriate because each of AIT, AT and ASPT will, following De-stapling Implementation, form part of an ASX listed stapled group comprising one or more trusts and companies, recognising there are no restrictions on setting the issue price of shares under the constitution of each stapled company.

Certain clarifying amendments are also proposed to facilitate the allocation of the issue price of stapled securities between the unit and the Attached Securities, as permitted under applicable ASIC relief.

211. For example, to provide for calculation of the weighted average price over a 10 day trading period (whether or not a sale was recorded on a particular day) and to remove the provision applying where there were no sales during the relevant period. Additional provisions will be inserted to include a price obtained pursuant to a bookbuild or, where the responsible entity considers that a determination by other means would not provide a fair reflection of market value, a price determined by an independent adviser with relevant market experience.

11 MEETING AND VOTING INFORMATION CONTINUED

PROPOSED AMENDMENT	DESCRIPTION
ASIC RG 134	Since the last comprehensive update to the AIT, AT and ASPT Constitutions in 2012, ASIC has released ASIC Regulatory Guide 134 (**ASIC RG 134**), which sets out its latest policy guidance on the content of constitutions of registered managed investment schemes. Several amendments are proposed to bring the Constitutions into line with ASIC RG 134, including in relation to calculation of the issue price for units (described above), methods of valuation of assets, investor complaints processes and to include adequate procedures for redemption of units whilst the relevant trust is liquid but not listed on ASX. The proposed amendments to the redemption procedures are intended to align the AIT, AT and ASPT Constitutions with the requirements of the Corporations Act and ASIC RG 134, which require the constitution of a registered scheme to set out rights of redemption and, if such rights exist, adequate procedures for redemption. However, as the Listing Rules prohibit the redemption of ASX listed securities except by way of an on-market or off-market buy-back or withdrawal offer, these proposed amendments will not apply while the relevant trust is listed on ASX. The proposed amendments do not impact the existing ability for the responsible entity to make a withdrawal offer to unitholders, or undertake a buy-back of units, subject to the Corporations Act and the Listing Rules. As the existing AIT, AT and ASPT Constitutions do not provide for calculation of the redemption price for a unit, a customary provision providing for calculation of the redemption price by reference to net asset value minus transaction costs has been inserted.
General meetings	The proposed amendments assist with the orderly administration and conduct of general meetings and reflect changes in market practice. For example, the proposed amendments: • (**hybrid meetings**) further strengthen the hybrid meeting regime already provided for in the Constitutions, including: — expressly setting out the actions the Chair may take to deal with technical issues that may arise before or during a meeting; and — providing that a proxy's authority to speak and vote for a unitholder is not suspended while the appointing unitholder is present, giving unitholders additional flexibility to participate in hybrid meetings in the manner most convenient to them. This amendment will assist with the orderly conduct of voting at hybrid meetings where there are technical challenges in monitoring the online and/or teleconference participation of unitholders and their proxies. The proposed amendment does not impact a unitholder's ability to revoke a proxy by specifically notifying the responsible entity; • (**voting**) clarify that voting at a general meeting must generally be conducted by poll unless the Chair determines, subject to applicable law, that a resolution should be decided by a show of hands. This proposed amendment reflects recent changes to the Corporations Act and, since voting by poll is already the current practice for each of AT, AIT and ASPT, it will not result in any change of approach; • (**orderly conduct of meetings**) facilitate the orderly administration and conduct of general meetings by: — expressly setting out the role of the Chair and their general power to conduct a meeting, including powers to deal with disorderly behaviour or issues that arise and to not put certain resolutions to the meeting (except for unitholder requisitioned resolutions or resolutions required by law) and other procedural powers; and — allowing another person to take the position of chair for items of business where the Chair is unable or unwilling to act (e.g. where the Chair's virtual connection to the meeting is interrupted). Any proxies held by the Chair will then be taken to be in favour of the acting Chair; and

PROPOSED AMENDMENT	DESCRIPTION
General meetings continued	• (**orderly administration of meetings**) facilitate the orderly administration of general meetings by: — providing greater clarity on the steps the responsible entity may take to clarify instructions with unitholders and amend defective, incomplete or unclear proxy forms to reflect those instructions, and the steps it will take to make documents available for inspection where unitholders do not have an address recorded in the register or no longer reside at the address the responsible entity has recorded for them; and — provide greater flexibility in communicating the cancellation, postponement or change of venue of a general meeting to unitholders.
Reasonable fees for paper-based off-market transfers	The existing AIT, AT and ASPT Constitutions are silent on whether fees may be charged to recover the administrative costs of registering, or enhancing the fraud detection practices associated with, paper-based off-market unit transfers. The Listing Rules have been amended to set out a number of situations where a listed entity may charge a reasonable fee for registering paper-based off-market unit transfers. The proposed amendments facilitate the responsible entity charging a reasonable fee for registering such transfers, as permitted by the Listing Rules.
Application of indemnity following retirement or removal of responsible entity	The existing AIT, AT and ASPT Constitutions contain customary provisions that the responsible entity is indemnified out of the trust fund for all liabilities incurred by it, or on its behalf, to the extent they are incurred in the proper performance of its duties. The proposed amendments expressly clarify that this indemnity continues to apply after the responsible entity retires or is removed as responsible entity of the trust, as is customary for entities of this nature.
Consistency with Abacus Property Group company Constitutions	A number of amendments are proposed to align the AIT, AT and ASPT Constitutions with the Constitutions of AGHL, AGPL and ASOL, including to: • provide that the Chair will not have a casting vote in the case of an equality of votes at a general meeting; and • to include customary provisions for a listed entity to reflect that the responsible entity must not prevent, delay or interfere with registration of a transfer if it would contravene the Listing Rules or ASX Settlement Operating Rules.
Other general updates	Other general updates have been proposed, including: • inserting customary provisions relating to valuation of trust assets and methods of valuation that are consistent with the requirements of the Corporations Act and ASIC RG 134; • as is customary for listed entities, inserting provisions allowing the responsible entity to request a holding lock to prevent a transfer, or refuse to register a transfer, if permitted under the Listing Rules and ASX Settlement Operating Rules (and must do so where required by the Corporations Act or Listing Rules); • inserting express interpretation provisions facilitating electronic signatures and electronic lodgement of proxies; • inserting customary provisions providing that, to the extent provisions are required to be included in the Constitutions under the Corporations Act or to enable reliance on any ASIC relief, the relevant provisions are taken to be included, and unitholders may not oppose amendment of the Constitution on that basis;

11 MEETING AND VOTING INFORMATION CONTINUED

PROPOSED AMENDMENT	DESCRIPTION
Other general updates continued	• clarifying amendments, including for determining assets of the trust, calculating net asset value and gross asset value and clarifying expenses reimbursable from the trusts (including expenses in relation to the Proposal); • removing rules which are now outdated, or which restated Corporations Act or Listing Rule requirements, to simplify the Constitution and minimise the need for further updates in the event of future regulatory changes; • updating provisions to reflect existing or anticipated changes in terminology in the Corporations Act, the Listing Rules and other applicable laws or cater for future potential developments, including in relation to clearing and settlement facilities; and • removing provisions relating to historical matters or transactions which are no longer applicable.

The following additional amendments to the ASPT Constitution are also proposed.

PROPOSED AMENDMENT	DESCRIPTION
FEES	
Management Fee	Under the existing ASPT Constitution, the ASPT Responsible Entity is entitled to a management fee of 1% per annum of the total assets of ASPT on a consolidated basis (plus GST), payable monthly in arrears. Since the merger of Abacus Property Group and ASF in 2012 (and while Abacus Property Group has been internally managed), the actual management fee charged by the ASPT Responsible Entity has been 0.425% of the gross asset value of ASPT (plus GST). During this period, the ASPT Responsible Entity has waived the remainder of the management fees to which it is entitled under the ASPT Constitution. The management fee payable to the ASPT Responsible Entity under the ASPT Constitution from the De-stapling Implementation Date will be amended to 0.40% per annum of the GAV (plus GST). The management fee payable to the ASPT Responsible Entity under the ASPT Constitution is reduced to the extent of any management fee paid to ASFML as Manager under the Management Services Agreement in respect of the relevant period. These arrangements will apply for so long as the ASPT Units are stapled to the ASOL Shares and the Management Services Agreement remains in place. If either of these conditions cease to be satisfied, the management fee payable to the responsible entity of ASPT under the ASPT Constitution will be 0.40% per annum of the gross asset value of ASPT (plus GST). The management fee payable to the ASPT Responsible Entity under the ASPT Constitution is in addition to any of the fees payable under the Development Management Agreement or the Property Management Agreement. The ASPT Responsible Entity is not entitled to any form of termination fee or compensation as a result of its removal as responsible entity of ASPT unless otherwise agreed with an incoming responsible entity.

PROPOSED AMENDMENT	DESCRIPTION
Removal of Capital Raising Fee, Acquisition and Finance Fee, Sales Management Fee and Performance Fee	The ASPT Responsible Entity will not be entitled to receive additional Capital Raising Fees, Acquisition and Finance Fees and Sales Management Fees following De-stapling Implementation and existing provisions relating to such fees will be removed from the ASPT Constitution. As the ASPT Responsible Entity has not charged these fees in respect of ASPT following the merger of Abacus Property Group and ASF in 2012, this will not result in any change in approach. Under the existing ASPT Constitution, no Performance Fee is payable following the initial listing of ASPT and ASOL in 2012. Accordingly, these provisions will be deleted as they are no longer relevant.

The following additional amendments to the AIT and AT Constitutions are also proposed.

PROPOSED AMENDMENT	DESCRIPTION
FEES	
Real Property Acquisition Fee and Capital Raising Fee	Minor amendments are proposed to the fee provisions under the AIT and AT Constitutions, including: • amending fees payable to the responsible entity for the acquisition of real property from the greater of $150,000 or up to 2% of the purchase price (in the case of AIT) and up to 1% of the purchase price (in the case of AT) to the following: — purchase price above $300 million: 0.20% of the purchase price; — purchase price between $200 and $300 million: 0.25% of the purchase price; — purchase price between $100 and $200 million: 0.50% of the purchase price; — purchase price between $50 and $100 million: 0.75% of the purchase price; and — purchase price up to $50 million: 1% of the purchase price; and • removing capital raising fee provisions which are no longer relevant.

11 MEETING AND VOTING INFORMATION CONTINUED

11.2.3 AGHL, AGPL and ASOL Constitution amendments

The key proposed amendments to the AGHL, AGPL and ASOL Constitutions under the Company Constitution Amendment Resolutions are set out below.

PROPOSED AMENDMENT	DESCRIPTION
IMPLEMENTATION OF THE PROPOSAL	
Powers to implement the Proposal	Consistent with the proposed amendments to the AIT, AT and ASPT Constitutions, provisions will be inserted into each of the AGHL, AGPL and ASOL Constitutions to facilitate implementation of the Proposal, including providing for: • de-stapling the ASPT Units and ASOL Shares from the securities in each Abacus Group Entity and each other; • for the ASOL Constitution only, issuing ASOL Shares and procuring that the ASPT Responsible Entity issues ASPT Units and, following the Re-stapling described below, issuing the Abacus Storage King Securities to the Abacus Group Acquirers under, and on the terms provided for under, the Proposal; • for the ASOL Constitution only, re-stapling the ASPT Units and ASOL Shares to each other on a one for one basis to form Abacus Storage King Securities; • for the ASOL Constitution only, issuing the Abacus Storage King Securities to successful applicants under the Offer; and • doing all things that the board of directors considers necessary, desirable or reasonably incidental to implement the Proposal, including under any related steps or documents.
Powers to implement the Proposal continued	For the reasons set out in Section 11.2.2, equivalent amendments to the proposed amendments to the AIT, AT and ASPT Constitutions will be made to exclude the Proposal from the requirement under the AGHL, AGPL and ASOL Constitutions to obtain Abacus Property Group Securityholder approval by special resolution to de-staple the ASPT Units and ASOL Shares in the manner contemplated by the Proposal. If the Proposal proceeds, an equivalent restriction under the existing Abacus Property Group Stapling Deed will be removed upon termination of the Abacus Property Group Stapling Deed. The proposed amendments also permit one or more components of Stapled Securities to be individually de-stapled in the future, subject to each stapled entity making a determination to that effect and the de-stapling being approved by securityholders of the relevant stapled entities by special resolution. Similarly, the existing stapling provisions will be amended to clarify the process for de-stapling and stapling securities to facilitate the Proposal.
Appointment as agent and attorney	The relevant company and its directors will each be irrevocably appointed as the agent and attorney of each securityholder to execute all documents and do all things (including giving all consents) that it considers necessary, desirable or reasonably incidental to implement the Proposal.
Liability of directors with respect to the Proposal	The directors have no liability of nature whatsoever to the company, current or former members arising, directly or indirectly, from any act or omission in connection with implementing the Proposal.

PROPOSED AMENDMENT	DESCRIPTION
OTHER AMENDMENTS	
Capital reallocation	Consistent with the proposed amendments to the AIT, AT and ASPT Constitutions, provisions will be included to allow further flexibility to re-allocate capital between stapled entities to ensure that each entity is appropriately capitalised. For this purpose, the new provisions enable the company to reduce its share capital by way of an equal reduction of capital (or such other appropriate methodology) in accordance with the Corporations Act and distribute such amount of capital to members, on terms that that distribution is to be applied by the company or the directors (on behalf of and at the deemed direction of members) as a capital contribution to another stapled entity of the company without the issue of securities. Similarly, the new provisions facilitate another stapled entity of the company undertaking a capital reduction or distribution, on terms that the whole or any part of that amount is to be paid to, or for the benefit of, each member of the company. In that event, each member of the company is deemed to have directed the company and the directors to accept that incoming capital reallocation amount as an additional capital contribution on its shares on its behalf.
In-specie distribution	Consistent with the proposed amendments to the AIT, AT and ASPT Constitutions, the proposed amendments permit any dividend, capital return or other distribution of the company to be satisfied wholly or partly by the distribution of specific assets (which could include securities in any entity). These types of distributions are increasingly common among Australian listed entities and the proposed amendments will provide each of AGHL, AGPL and ASOL with appropriate capital management flexibility to propose and implement in-specie distributions and capital returns in the future. The proposed amendments also expand the ancillary powers of the company and the directors to facilitate the payment of in-specie distributions on substantially similar terms as for the proposed amendments to the AIT, AT and ASPT Constitutions. Please refer to Section 11.2.2 for further information in relation the proposed amendments and the current intentions of each Abacus Property Group Entity in relation to making an in-specie distribution or capital return.
Allocation of issue price between shares and Attached Securities	Consistent with the proposed amendments to the AIT, AT and ASPT Constitutions, certain clarifying amendments are also proposed to facilitate the allocation of the issue price of Stapled Securities between the shares and the securities stapled to the shares.
General meetings	Equivalent amendments to the proposed amendments to the AIT, AT and ASPT Constitutions (with necessary modifications to enable the company and the directors to take the relevant actions, rather than the responsible entity) are proposed to assist with the orderly administration and conduct of general meetings and reflect changes in market practice. Please refer to Section 11.2.2 for further information in relation the proposed amendments.
Reasonable fees for paper-based off-market transfers	Equivalent amendments to the proposed amendments to the AIT, AT and ASPT Constitutions are proposed to facilitate the company charging a reasonable fee for registering, or enhancing the fraud detection practices associated with, paper-based off-market share transfers, as permitted by the Listing Rules. Please refer to Section 11.2.2 for further information in relation the proposed amendments.

11 MEETING AND VOTING INFORMATION CONTINUED

PROPOSED AMENDMENT	DESCRIPTION
Dividends	The dividend provisions in each of the existing AGHL, AGPL and ASOL Constitutions were drafted before amendments to the Corporations Act regarding the payment of dividends. The proposed amendments ensure the dividend provisions are subject to the statutory test under section 254T(1) of the Corporations Act to avoid any inadvertent inconsistency or ambiguity. The proposed amendments also make clear that the board of directors may rescind or alter any determination or declaration to pay a dividend at any time before payment is made.
Director rotation and re-election requirements	The existing AGHL, AGPL and ASOL Constitutions require one third of the board of directors to stand for election at each annual general meeting. The proposed amendments will remove this requirement and bring the Constitutions into line with the Listing Rules, which require an election of directors each year and that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer. In accordance with the Listing Rules, the Managing Director will not need to stand for election by securityholders. To further align with the Listing Rules, the proposed amendments will permit a director: • appointed to fill a casual vacancy during the year not to stand for re-election at the next annual general meeting; or • to retain office (without re-election) past the third annual general meeting following his or her appointment or three years, whichever is longer, to the extent permitted under the Listing Rules (including pursuant to a waiver or confirmation by ASX).
Calculation of directors' remuneration for Non-Executive Directors' aggregate fee cap	The existing AGHL, AGPL and ASOL Constitutions included outdated provisions for calculating directors' remuneration for the purposes of the aggregate Non-Executive Director fee cap under the Listing Rules. The proposed amendments update these provisions to align with the requirements of the Listing Rules, including providing that superannuation contributions paid for directors are included. The proposed amendments also clarify that the aggregate non-executive director fee cap of $1,250,000 per annum approved at Abacus Property Group's 2022 AGM apply separately to each of AGHL, AGPL and ASOL until a further fixed sum is approved at a meeting of members.
Indemnity of officers	The existing AGHL, AGPL and ASOL Constitutions provide for mandatory indemnification of each officer of the company and related bodies corporate to the extent permitted by law. The proposed amendments update these provisions so that they apply in a permissive (rather than mandatory) manner to avoid potential duplication and inconsistencies between the existing indemnity provisions in each Constitution and the particular terms of deeds of indemnity that the company may enter into with its officers from time to time. As is customary, the proposed amendments also extend these provisions to current and former officers of the company.

PROPOSED AMENDMENT	DESCRIPTION
Other general updates	Other general updates have been proposed, including: • as is customary for listed entities, inserting provisions allowing the responsible entity to request a holding lock to prevent a transfer, or refuse to register a transfer, if permitted under the Listing Rules and ASX Settlement Operating Rules (and must do so where required by the Corporations Act or Listing Rules); • inserting express interpretation provisions facilitating electronic signatures and electronic lodgement of proxies; • including provisions providing for all notices under the Constitution (rather than just notices of meeting) to be given electronically; • clarifying certain powers of directors of the company; • removing rules which are now outdated, or which restated Corporations Act or Listing Rule requirements, to simplify the Constitution and minimise the need for further updates in the event of future regulatory changes; • updating provisions to reflect existing or anticipated changes in terminology in the Corporations Act, the Listing Rules and other applicable laws or cater for future potential developments, including in relation to clearing and settlement facilities; and • removing provisions relating to historical matters or transactions which are no longer applicable.

11.3 Acquisition Resolution

The Acquisition Resolutions are ordinary resolutions of securityholders of ASPT and ASOL to approve, for the purposes of item 7 of section 611 of the Corporations Act, the acquisition by the Abacus Group Acquirers of a relevant interest in 260,859,303 (being approximately 22.6%) of the securities in each Abacus Storage King Entity (or, following the Re-stapling, the Abacus Storage King Securities) under the Proposal (**ASK Stake Acquisition**), which will result in the voting power of the Abacus Group Acquirers and their associates (including Calculator Australia) in those entities increasing from 51.8% to up to 62.69%. The Abacus Group Acquirers will be members of the Abacus Group following De-stapling Implementation.

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of a listed company, or the issued voting interests of a listed registered scheme, if the acquisition would result in that person's or another person's voting power in the company or the registered scheme increasing from:

- 20% or below to more than 20%; or
- a starting point that is above 20% and below 90%,

unless the acquisition falls within one of the exceptions in section 611 of the Corporations Act.

For these purposes, a person's voting power is the total number of votes in the entity that the person and their associates has a relevant interest in, expressed as a percentage of total votes attaching to all voting shares or interests in the entity.

Item 7 of section 611 of the Corporations Act allows a person to acquire a relevant interest in voting securities in a listed company or listed registered scheme which would otherwise be prohibited by section 606 of the Corporations Act where the acquisition has been approved by an ordinary resolution of securityholders of the relevant company or registered scheme, provided no votes are cast in favour of the resolution by the proposed acquirer, the proposed seller (if any) and their respective associates.

11 MEETING AND VOTING INFORMATION CONTINUED

As at the Transaction Booklet Date, the Abacus Group Acquirers do not hold a relevant interest in any ASPT Units or ASOL Shares.

As a majority securityholder in Abacus Property Group, Calculator Australia is an associate of each Abacus Property Group Member (including each Abacus Group Acquirer) for the purposes of the Corporations Act. Calculator Australia is ultimately owned and controlled by Ki Corporation Limited, a privately held investment group which has diverse global investments including property.

Calculator Australia holds a relevant interest in approximately 51.8% of the ASPT Units and the ASOL Shares (which each comprise components of the Abacus Property Group Securities) as at the Transaction Booklet Date. By virtue of their association, Abacus Property Group (including each Abacus Group Acquirer) and Calculator Australia have voting power in ASPT and ASOL of 51.8% as at the Transaction Booklet Date.

If the Proposal proceeds, the Abacus Group Acquirers will acquire a relevant interest in 22.6% of the securities in each of ASPT and ASOL (or, following the Re-stapling, the Abacus Storage King Securities) on the De-stapling Implementation Date in accordance with the Implementation Steps described in Section 17.3. This acquisition will result in the voting power of Abacus Group (including each Abacus Group Acquirer) and Calculator Australia in ASPT and ASOL (or, following the Re-stapling, Abacus Storage King) increasing from 51.8% to up to 62.69%.

ASPT and ASOL securityholder approval is therefore required under item 7 of section 611 of the Corporations Act for the issue of the ASPT Units and ASOL Shares (or, following the Re-stapling, Abacus Storage King Securities) under the Proposal.

As further explained in Sections 3.3 and 17.1, after the issue of the Abacus Storage King Securities under the Offer, the interest in Abacus Storage King Securities directly held by the Abacus Group Acquirers will be diluted from 22.6% to 19.9%. Calculator Australia has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Offer (see Section 16.13 for further details). Assuming Calculator Australia takes up $81.5 million of its Institutional Entitlement under the Offer, the voting power of Abacus Group (including each Abacus Group Acquirer) and Calculator Australia in Abacus Storage King following completion of the Offer will be approximately 59.47%.

The maximum increase in the voting power of the Abacus Group Acquirers and their associates (being other members of Abacus Group and Calculator Australia) in ASPT and ASOL (or, following the Re-stapling, Abacus Storage King) under the Proposal is 10.89%.

The following information is provided in accordance with item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74:

Rationale for the ASK Stake Acquisition	As Abacus Storage King will be externally managed by Abacus Group following De-stapling Implementation, Abacus Group considers it appropriate to hold a minority ownership interest in Abacus Storage King to support strategic alignment between Abacus Group and Abacus Storage King. The ASK Stake Acquisition also enables Abacus Group to retain exposure to the Abacus Storage King Investment Portfolio. Further details regarding the rationale for the Proposal are set out in Section 3.2.
Material terms of the ASK Stake Acquisition	Further details regarding the Implementation Steps, including the material terms of the ASK Stake Acquisition, are set out in Section 17.3.
Future intentions of the Abacus Group Acquirers	Abacus Group is supportive of the strategy of Abacus Storage King set out in this Transaction Booklet and its current intentions regarding the future of Abacus Storage King and its business are consistent with that strategy. Following De-stapling Implementation, Abacus Group managing director, Steven Sewell, will remain a Director on the Abacus Storage King Board as a nominee of Abacus Group. Abacus Group will not have any other representation on the Abacus Storage King Board on De-stapling Implementation, which is intended to comprise a majority of independent directors.

Future intentions of the Abacus Group Acquirers continued	To the extent that Abacus Group will have influence over the following matters following De-stapling Implementation in its capacity as an Abacus Storage King Securityholder, Abacus Group does not have any current intention to: • make any changes to the business of Abacus Storage King, other than where this would be consistent with the strategy of Abacus Storage King as set out in this Transaction Booklet; • make any changes to the future employment of present employees of the Abacus Storage King Entities; • significantly change the financial, dividend or distribution policies of Abacus Storage King from that set out in this Transaction Booklet; or • propose any transfer of assets between Abacus Storage King and Abacus Group or their respective associates, or otherwise seek to redeploy the fixed assets of Abacus Storage King, other than in connection with the Proposal. To the extent any such transactions were proposed or undertaken following De-stapling Implementation, they would be required to comply with the Conflicts of Interest and Related Party Transactions Policy, the Corporations Act and the Listing Rules. Abacus Group intends to retain a minority ownership interest in Abacus Storage King to the extent it is in the best interests of Abacus Group Securityholders to do so. Abacus Group considers the Proposal (including the Offer) to be sufficient to position Abacus Storage King such that it does not anticipate additional capital to be required in the near term. Consequently, apart from the ASK Stake Acquisition, Abacus Group has no current intention to provide further additional capital to Abacus Storage King (other than to the extent they may elect to participate in any dividend or distribution reinvestment plan). This section sets out the Abacus Group's current intentions on the basis of facts and information concerning each Abacus Storage King Entity and the general business environment which is known to the Abacus Group as at the Transaction Booklet Date. These statements reflect current intentions only and are subject to change as new information becomes available or as circumstances change.
Terms of relevant agreements between the Abacus Group Acquirers and Abacus Storage King (or any of their associates) that are conditional on, or directly or indirectly depend on, approval of the Acquisition Resolutions	If all of the Resolutions are passed and all of the Conditions Precedent are satisfied or, where relevant, waived in accordance with the Implementation Deed, the following agreements will be entered into on De-stapling Implementation: • the Management Services Agreement; • the Development Management Agreement; • the Property Management Agreement; • the Trade Mark Licence Deed; and • certain agreements to give effect to the Implementation Steps described in Section 17.3 and to terminate the existing Abacus Property Group arrangements described in Section 17.4. Abacus Storage King will also enter into a Confidentiality Deed with Calculator Australia, an associate of the Abacus Group Acquirers, on the De-stapling Implementation Date. Further details of the material terms of the above agreements are set out in Section 16.3, 17.3, 17.4, and 17.5.

11 MEETING AND VOTING INFORMATION CONTINUED

Interests of Directors in the Acquisition Resolutions or any relevant agreement	The Abacus Group Directors have an interest in the Acquisition Resolutions given their position as current directors of certain of the Abacus Group Acquirers (and, with respect to Steven Sewell, a current employee of the Abacus Group). Other than the above interests, and the interests the Abacus Storage King Directors have as a holder of Abacus Property Group Securities (as disclosed in Sections 4.7 and 8.4.1), no Abacus Storage King Director has an interest in the outcome of the Acquisition Resolutions or the relevant agreements described above. Except as set out in this Transaction Booklet, there are no contracts or arrangements between an Abacus Storage King Director and any person in connection with, or that is conditional upon the outcome of, the Proposal.
Directors' recommendation	All of the Abacus Storage King Independent Directors unanimously recommend that Abacus Property Group Securityholders (in their capacity as securityholders of ASPT and ASOL) vote in favour of the Acquisition Resolutions. Given their position as a current director of certain Abacus Group Acquirers (and, with respect to Steven Sewell, a current employee of the Abacus Group), the Abacus Group Directors do not consider it appropriate to make a recommendation, and make no recommendation, in respect of the Acquisition Resolutions.
Identity, association and qualification of intended Abacus Storage King Directors if the Acquisition Resolutions are passed	Detailed biographies of the Abacus Storage King Directors from De-stapling Implementation are set out in Section 8.2.1. There are no additional persons who are currently intended to be appointed as Abacus Storage King Directors following De-stapling Implementation if the Resolutions are passed.

11.4 Abacus Group Stapling Deed Resolutions and Abacus Storage King Stapling Deed Resolution

On De-stapling Implementation:

- the Abacus Group Entities will enter into the Abacus Group Stapling Deed, which governs the relationship between them in respect of Abacus Group Securities following De-stapling Implementation; and
- the Abacus Storage King Entities will enter into the Abacus Storage King Stapling Deed, which governs the relationship between them in respect of Abacus Storage King Securities following De-stapling Implementation.

The Abacus Group Stapling Deed Resolutions are ordinary resolutions of shareholders of AGHL and AGPL to approve the entry into, and provision of financial benefits by AGHL and AGPL (and their controlled entities) to related parties under, the Abacus Group Stapling Deed or any transactions contemplated by it.

The Abacus Storage King Stapling Deed Resolution is an ordinary resolution of shareholders of ASOL to approve the entry into, and provision of financial benefits by ASOL (and its controlled entities) to related parties under, the Abacus Storage King Stapling Deed or any transactions contemplated by it.

Chapter 2E of the Corporations Act regulates the provision of financial benefits by public companies or their controlled entities to related parties. Section 208 of the Corporations Act prohibits a public company and its controlled entities from giving a financial benefit to a related party without securityholder approval unless an exception applies.

A public company and its controlled entities will be permitted to give a financial benefit to a related party if it obtains securityholder approval in accordance with Chapter 2E of the Corporations Act and it gives the relevant financial benefit within 15 months after the relevant securityholder approval. However, if:

- the giving of the benefit is required by a contract;
- the making of the contract was approved by securityholders as a financial benefit given to the related party; and
- the contract was made within 15 months of that approval,

securityholder approval for the giving of the benefit is taken to have been given and the benefit need not be given within the 15 month period.

The Abacus Group Stapling Deed and the Abacus Storage King Stapling Deed (each a **Stapling Deed**) each provide, with respect to their respective stapled groups, that the parties must co-operate with each other for the benefit of the securityholders of the stapled group as a whole. Further details of the Stapling Deeds are set out in Sections 16.6, 16.7 and 17.9.

Relevantly, under each Stapling Deed, each party agrees, if called upon by another party, to give (or procure that its controlled entities give) financial benefits to the other stapled entities and wholly-owned entities in their respective stapled group, including by transferring assets, supplying services, entering into any agreements or arrangements, lending money and providing guarantees and financial accommodation. Any such benefits must only be given if, amongst other things, they are in the interests of the securityholders of the relevant stapled group as a whole.

Entities within the same stapled group will be related parties of each other to the extent they are under the common control of a person or entity (**Controlling Entity**).

A financial benefit can also be given indirectly, including through one or more interposed entities. Accordingly, an Abacus Group Entity or Abacus Storage King Entity (as applicable) giving a financial benefit directly to another entity within its stapled group could also result in a financial benefit being indirectly conferred on the securityholders of the entity receiving the relevant financial benefit.

Therefore, future dealings between the Abacus Group Entities and their controlled entities under, or to give effect to transactions contemplated by, the Abacus Group Stapling Deed could result in financial benefits being conferred by AGHL and AGPL (and their controlled entities) directly or indirectly on their related parties.

Similarly, future dealings between the Abacus Storage King Entities and their controlled entities under, or to give effect to transactions contemplated by, the Abacus Storage King Stapling Deed could result in financial benefits being conferred by ASOL and its controlled entities directly or indirectly on its related parties.

The nature of some transactions that occur within a stapled group may mean that it is not easily characterised as being on arm's length terms for the purposes of the 'arm's length' exception in section 210 of the Corporations Act. For example, an Abacus Group Entity or Abacus Storage King Entity (as applicable) providing loans, guarantees and security for borrowings of other entities in their relevant stapled group will often be difficult to characterise as being on arm's length terms. Similarly, there may be circumstances where it is appropriate for an entity to provide non-arm's length pricing for the cost of property or services provided to other entities in their relevant stapled group.

The Abacus Group Stapling Deed Resolutions and the Abacus Storage King Stapling Deed Resolution (together, the **Stapling Deed Resolutions**) seek approval for the giving of financial benefits under, or pursuant to any transaction contemplated by, the Stapling Deeds for the purposes of section 208 of the Corporations Act.

Approval of the Stapling Deed Resolutions will reduce the need for unnecessary expenditure by each of Abacus Group and Abacus Storage King (as applicable) following De-stapling Implementation, including by removing the need to obtain independent valuations, reports and securityholder approvals for transactions between wholly owned entities of the respective stapled groups.

11 MEETING AND VOTING INFORMATION CONTINUED

The following information comprises the prescribed information required under section 219 of the Corporations Act:

RELEVANT INFORMATION	ABACUS GROUP STAPLING DEED RESOLUTIONS	ABACUS STORAGE KING STAPLING DEED RESOLUTION
Related parties to whom the Resolution would permit financial benefits to be given	The Abacus Group Stapling Deed provides for financial benefits to be directly given between the Abacus Group Entities and other wholly-owned entities in the Abacus Group, which will be related parties of AGHL and AGPL (as applicable) to the extent they are under the common control of a Controlling Entity at the relevant time. This may also result in financial benefits being indirectly conferred on the following related parties of AGHL and AGPL to the extent they hold Abacus Group Securities (by virtue of their Securityholding in the entities within the Abacus Group receiving the financial benefit): • each Controlling Entity of AGHL or AGPL (as applicable); • directors of AGHL or AGPL (as applicable) and any Controlling Entity of AGHL or AGPL (as applicable); and • any controlled entities of the entities or persons set out above. The Abacus Group Stapling Deed does not provide for, or permit, financial benefits to be given directly to the above parties or controlled entities of the Abacus Group which are not wholly owned. Accordingly, the transactions contemplated by the Abacus Group Stapling Deed will not result in value leakage to persons outside of the Abacus Group.	The Abacus Storage King Stapling Deed provides for financial benefits to be directly given between the Abacus Storage King Entities and other wholly-owned entities in Abacus Storage King, which will be related parties of ASOL to the extent they are under the common control of a Controlling Entity at the relevant time. This may also result in financial benefits being indirectly conferred on the following related parties of ASOL to the extent they hold Abacus Storage King Securities (by virtue of their Securityholding in the entities within Abacus Storage King receiving the financial benefit): • each Controlling Entity of ASOL; • directors of ASOL and any Controlling Entity of ASOL; and • any controlled entities of the entities or persons set out above. The Abacus Storage King Stapling Deed does not provide for, or permit, financial benefits to be given directly to the above parties or controlled entities of Abacus Storage King which are not wholly owned. Accordingly, the transactions contemplated by the Abacus Storage King Stapling Deed will not result in value leakage to persons outside of Abacus Storage King.
Nature of the financial benefits given	The financial benefits given under the Abacus Group Stapling Deed or to give effect to transactions contemplated by it from time to time (as described above), including financial benefits indirectly received by related parties of AGHL or AGPL (as applicable) as a result of their Securityholding in Abacus Group Securities.	The financial benefits given under the Abacus Storage King Stapling Deed or to give effect to transactions contemplated by it from time to time (as described above), including financial benefits indirectly received by related parties of ASOL as a result of their Securityholding in Abacus Storage King Securities.

RELEVANT INFORMATION	ABACUS GROUP STAPLING DEED RESOLUTIONS	ABACUS STORAGE KING STAPLING DEED RESOLUTION
Directors' recommendation and reasons for the recommendation	Each Abacus Group Director recommends that Abacus Property Group Securityholders (in their capacity as shareholders of AGHL and AGPL) vote in favour of the Abacus Group Stapling Deed Resolutions. Each Abacus Group Director considers that entering into, and giving effect to the transactions contemplated by, the Abacus Group Stapling Deed will be in the interests of Abacus Group Securityholders as a whole for the reasons set out in this Section 11.4.	Each Abacus Storage King Director recommends that Abacus Property Group Securityholders (in their capacity as shareholders of ASOL) vote in favour of the Abacus Storage King Stapling Deed Resolution. Each Abacus Storage King Director considers that entering into, and giving effect to, transactions contemplated by, the Abacus Storage King Stapling Deed will be in the interests of Abacus Storage King Securityholders as a whole for the reasons set out in this Section 11.4.
Interests of Directors in the Resolution	No Abacus Group Director has an interest in the outcome of the proposed Abacus Group Stapling Deed Resolutions other than as a holder of Abacus Property Group Securities as disclosed in Section 4.7 (or, if the Proposal is implemented, as a holder of Abacus Group Securities) or as a director of each Abacus Group Entity (and, in respect of Myra Salkinder, as a director of various companies associated with Ki Corporation Limited, a Controlling Entity of Abacus Group at De-stapling Implementation).	No Abacus Storage King Director has an interest in the outcome of the proposed Abacus Storage King Stapling Deed Resolution other than as a holder of Abacus Property Group Securities as disclosed in Section 4.7 and 8.4.1 (or, if the Proposal is implemented, as a holder of Abacus Storage King Securities) or as a director of each Abacus Storage King Entity (and, in respect of Myra Salkinder, as a director of various companies associated with Ki Corporation Limited, to the extent it is a Controlling Entity of Abacus Storage King at De-stapling Implementation).
All other information reasonably required to make a voting decision which is known to the company or its Directors	No other information, other than that which is set out in this Transaction Booklet.	No other information, other than that which is set out in this Transaction Booklet.

ASIC has granted, or agreed in principle to grant, relief from the related party provisions in Part 5C.7 of the Corporations Act to permit:

- AFML as responsible entity of each of AIT and AT to give financial benefits out of scheme property to each other Abacus Group Entity and each wholly-owned member of the Abacus Group following De-stapling Implementation; and
- The ASPT Responsible Entity to give financial benefits out of scheme property to ASOL and each wholly-owned member of Abacus Storage King following De-stapling Implementation.

Accordingly, the approval of unitholders of AIT, AT and ASPT is not being sought in respect of the provision of financial benefits to related parties by the responsible entities of those registered schemes out of scheme property under the Abacus Group Stapling Deed (in the case of AIT and AT) and the Abacus Storage King Stapling Deed (in the case of ASPT).

The approval of Abacus Property Group Securityholders sought under the Stapling Deed Resolutions is consistent with this customary stapling relief granted by ASIC in respect of registered schemes but, for technical reasons, ASIC is unable to grant equivalent relief in respect of public companies such as AGHL, AGPL and ASOL.

11 MEETING AND VOTING INFORMATION CONTINUED

11.5 Proposal Approval Resolutions

The Proposal Approval Resolutions are ordinary resolutions of securityholders of each Abacus Property Group Entity to approve the giving of certain financial benefits between the Abacus Property Group Entities (or their controlled entities) under the Proposal for the purposes of section 208 of the Corporations Act (as modified for each of AT, AIT and ASPT by section 601LC of the Corporations Act).

The Proposal Approval Resolutions also seek approval for the indirect conferral of financial benefits on certain other related parties by virtue of their Securityholding in the entities within the Abacus Property Group receiving the financial benefit, as further explained in this Section 11.5.

Chapter 2E of the Corporations Act regulates the provision of financial benefits by public companies to related parties and, as modified by Part 5C.7 of the Corporations Act, also regulates the provision by responsible entities of registered schemes of financial benefits out of scheme property to related parties.

In particular, section 208 of the Corporations Act (as modified by section 601LC in the case of responsible entities of registered schemes) prohibits a public company or responsible entity of a registered scheme or their controlled entities from giving a financial benefit (in the case of responsible entities, out of scheme property) to a related party without securityholder approval unless an exception applies.

As set out in Section 11.4, a public company, a responsible entity of a registered scheme or their controlled entities will be permitted to give a financial benefit (in the case of responsible entities, out of scheme property) to a related party if it obtains securityholder approval in accordance with Chapter 2E of the Corporations Act (as modified by Part 5C.7 of the Corporations Act in the case of responsible entities of registered schemes) and it gives the relevant financial benefit within 15 months after the relevant securityholder approval.

Furthermore, if the giving of the benefit is required by a contract, the making of the contract was approved by securityholders for the purposes of Chapter 2E of the Corporations Act (as modified by Part 5C.7 of the Corporations Act in the case of responsible entities of registered schemes) and the contract was made within 15 months of that approval, securityholder approval is taken to have been given for the giving of the financial benefit and the benefit need not be given within the 15 month period.

As at the Transaction Booklet Date, each of the Abacus Property Group Entities are related parties of each other for the purposes of the Corporations Act as they are under the common control of the majority securityholder of Abacus Property Group, Calculator Australia. Furthermore, since the responsible entities of each of AIT, AT and ASPT are wholly owned by AGHL, AGHL is a related party of the responsible entities of AIT, AT and ASPT under the Corporations Act.

Certain Abacus Property Group Entities will provide benefits to each other or their controlled entities under the Proposal.

The financial benefits to be provided under the Proposal are financial benefits to be given under:

- the Implementation Steps and arrangements under the Implementation Deed, including:
  - the issue of ASPT Units by the ASPT Responsible Entity to the Abacus Group Acquirers, and the transfer by the Abacus Group Acquirers of 100% of the units in ART to the ASPT Responsible Entity as consideration for the issue;
  - the issue of ASOL Shares by ASOL to the Abacus Group Acquirers, and satisfaction of the issue price by the Abacus Group Acquirers by way of partial repayment of certain intragroup loans owing from Abacus Storage King Group Members to Abacus Group Members; and
  - the issue of Abacus Storage King Securities by the Abacus Storage King Entities to AFML as responsible entity for AT, and satisfaction of the issue price by AFML as responsible entity for AT by way of partial repayment of certain intragroup loans owing from Abacus Storage King Group Members to Abacus Group Members;
- the Management Services Agreement, including the management services provided by ASFML as Manager to ASOL, the operational services and assistance provided by Storage King to the Manager and the fees and expenses payable by ASOL to the Manager in respect of the provision of such services by the Manager under the Management Services Agreement);
- the Development Management Agreement, including the development management and project management services provided by AFML as Development Manager to ASOL and the ASPT Responsible Entity (together, the "**Principal**") in relation to the development or expansion of certain Self Storage Properties owned by Abacus Storage King and the fees and expenses payable by the Principal in respect of the provision of such services under the Development Management Agreement);
- the Property Management Agreement, including the property management services provided by APS as Property Manager to ASOL and the ASPT Responsible Entity (together, the "**Principal**") in relation to certain commercial tenancies within Self Storage Properties owned by Abacus Storage King and the fees and expenses payable by the Principal in respect of the provision of such services under the Property Management Agreement);

- the Trade Mark Licence Deed, including the grant by AGHL to the ASPT Responsible Entity and ASOL of a non-exclusive royalty free licence to use the Abacus Group Trade Marks in Australia and any other jurisdiction in which an Abacus Group Trade Mark is registered in respect of the Self Storage Assets and Business;
- the insurance arrangements described in Section 16.3.6 under which AGHL has agreed to use commercially reasonable endeavours to maintain certain insurance cover for certain Abacus Storage King Group Members following De-stapling Implementation, and certain amounts are payable by Abacus Storage King Group Members to reimburse AGHL or otherwise bear its proportion of the relevant costs of the insurance cover; and
- to the extent AFML performs certain functions of the ASPT Responsible Entity and the Manager of ASOL on behalf of (and with the supervision and consent of) ASFML under the Investment Management Agreement, the performance of such functions for the benefit of Abacus Storage King. No fees are payable out of Abacus Storage King under the Investment Management Agreement.

The provision of such financial benefits between Abacus Property Group Entities or their controlled entities may also result in financial benefits being indirectly conferred on the following related parties of the Abacus Property Group Entities to the extent they hold securities in an Abacus Property Group Entity (by virtue of their Securityholding in the relevant entities receiving the financial benefit):

- each Controlling Entity of the Abacus Property Group Entity giving the financial benefit (as applicable); and
- directors of the Abacus Property Group Entity giving the financial benefit (or, in the case of AIT, AT and ASPT, directors of their responsible entity) and any Controlling Entity of the Abacus Property Group Entity giving the financial benefit.

These arrangements and further details of the financial benefits provided under them are set out in Sections 17.1, 16.3.1 to 16.3.6 and 16.10. Several of these arrangements will remain in place between Abacus Group Members and Abacus Storage King Group Members on and from De-stapling Implementation. Further details of such arrangements are set out in Section 8.3.1.

The Independent Expert has had regard to the above arrangements in reaching the conclusion that the Proposal is fair and reasonable to Abacus Property Group Securityholders.

The Abacus Group Directors (on behalf of the Abacus Group Entities) and the Abacus Storage King Independent Directors (on behalf of the Abacus Storage King Entities) consider that the financial benefits to be provided under the Proposal are reasonable and appropriate.

Given the number of complex and interrelated steps involved in the Proposal, Abacus Property Group Securityholder approval is being sought for the giving of financial benefits under the Proposal for the purposes of section 208 of the Corporations Act (as modified for AFML as responsible entity of AIT and AT and ASFML as responsible entity of ASPT by section 601LC of the Corporations Act) notwithstanding that such approval may not be strictly necessary.

With respect to the Proposal Approval Resolutions proposed by the Abacus Group Entities:

- each Abacus Group Director recommends that Abacus Property Group Securityholders (in their capacity as Abacus Group Securityholders) vote in favour of the Proposal Approval Resolutions; and
- no Abacus Group Director has an interest in the outcome of these Proposal Approval Resolutions other than as a holder of Abacus Property Group Securities (as disclosed in Section 4.7) which comprise (in part) what will become Abacus Group Securities and Abacus Storage King Securities or as a director of each Abacus Group Entity and each Abacus Storage King Entity (and, in respect of Myra Salkinder, as a director of various companies associated with Ki Corporation Limited, a Controlling Entity of Abacus Property Group).

With respect to the Proposal Approval Resolutions proposed by the Abacus Storage King Entities:

- each Abacus Storage King Independent Director recommends that Abacus Property Group Securityholders (in their capacity as Abacus Storage King Securityholders) vote in favour of the Proposal Approval Resolutions;
- given their position as a current director (and, with respect to Steven Sewell, current employee) of the Abacus Group Entities, the Abacus Group Directors do not consider it appropriate to make a recommendation, and make no recommendation, in respect of these Proposal Approval Resolutions in their capacity as directors of the Abacus Storage King Entities; and
- other than the interests described above, and the following interests of the Abacus Storage King Directors, no Abacus Storage King Director has an interest in the outcome of these Proposal Approval Resolutions:
  - interests as a holder of Abacus Property Group Securities (as disclosed in Sections 4.7 and 8.4.1) which comprise (in part) what will become Abacus Group Securities and Abacus Storage King Securities;
  - interests as a director of each Abacus Storage King Entity; and
  - in respect of Myra Salkinder, interests as a director of various companies associated with Ki Corporation Limited, a Controlling Entity of Abacus Property Group.

11 MEETING AND VOTING INFORMATION CONTINUED

Other than as set out in this Transaction Booklet, there is no other information known to Abacus Property Group or any of the Abacus Property Group Directors that is reasonably required by Abacus Property Group Securityholders in order to decide whether it is in the best interests of Abacus Property Group Securityholders to pass the Proposal Approval Resolutions.

The reasons for the Proposal and the recommendations of the Abacus Group Directors and Abacus Storage King Independent Directors set out above are set out in Section 3.

The alternative options to the Proposal are set out in Section 3.11 and the implications of not proceeding with the Proposal are set out in Section 3.10.

The impact of the Proposal on the Abacus Group Entities and the Abacus Storage King Entities are set out in Sections 4 and 5. The potential dilutionary impact of the Proposal on other securityholders of the Abacus Storage King Entities is set out in Section 17.8.

The taxation consequences of the Proposal are set out in Annexure D.

11.6 Voting

11.6.1 Approval thresholds

The approval thresholds for each of the Resolutions are as follows:

- each Constitution Amendment Resolution will be passed as a special resolution only if it has been passed by at least 75% of the votes cast by Abacus Property Group Securityholders (in their capacity as a member of each relevant Abacus Property Group Entity) entitled to vote on the resolution; and
- each of the Acquisition Resolutions, the Abacus Group Stapling Deed Resolutions, the Abacus Storage King Stapling Deed Resolution and the Proposal Approval Resolutions will be passed as ordinary resolutions only if they have been passed by more than 50% of the votes cast by Abacus Property Group Securityholders (in their capacity as a member of each relevant Abacus Property Group Entities) entitled to vote on the resolution.

Each Abacus Property Group Securityholder who is registered on the Register as at 7.00pm (AEST) on the Voting Record Date is entitled to attend and vote at the Meeting subject to any applicable Voting Exclusions.

11.6.2 Voting exclusions

The following voting exclusions apply to the Resolutions. The Chair of the Meeting will determine whether an Abacus Property Group Securityholder is entitled to vote on a Resolution based on the circumstances known at the relevant time of the Meeting.

RESOLUTION(S)	VOTING EXCLUSIONS (IF ANY)
Company Constitution Amendment Resolutions	No applicable voting exclusions.
Trust Constitution Amendment Resolutions	In accordance with section 253E of the Corporations Act, AFML (in the case of the AT and AIT Trust Constitution Amendment Resolutions) and ASFML (in the case of the ASPT Trust Constitution Amendment Resolution) and their respective associates (including Calculator Australia) are not entitled to vote their interest on the relevant Resolution if they have an interest in the Resolution other than as a member of the relevant registered scheme. However, these persons may vote as a proxy for another Abacus Property Group Securityholder, provided their appointments specify the way they are to vote on the Resolution and they vote that way. ASIC has granted, or agreed in principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on each Trust Constitution Amendment Resolution to the extent it would otherwise be entitled to vote but for section 253E of the Corporations Act.

RESOLUTION(S)	VOTING EXCLUSIONS (IF ANY)
Acquisition Resolutions	In accordance with item 7 of section 611 of the Corporations Act, the Abacus Group Acquirers and their associates (including Calculator Australia) must not cast any votes in favour of the Acquisition Resolutions. For the purposes of the Acquisition Resolution proposed in respect of ASPT, in accordance with section 253E of the Corporations Act, ASFML and its associates (including Calculator Australia) are not entitled to vote their interest on the Resolution if they have an interest in the Resolution other than as a member of ASPT (except where they vote as proxy in the manner described above). ASIC has granted, or agreed in principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on the Acquisition Resolutions to the extent it does not have an interest in the resolution other than as a member and would otherwise be entitled to vote in respect of all of their interests but for section 253E of the Corporations Act.
Abacus Group Stapling Deed Resolutions and Abacus Storage King Stapling Deed Resolution	Under Section 224(1) of the Corporations Act, related parties of AGHL or AGPL (in the case of the Abacus Group Stapling Deed Resolutions) or ASOL (in the case of the Abacus Storage King Stapling Deed Resolution), or associates of such related parties, must not cast votes on the relevant Stapling Deed Resolution if the Resolution permits the giving of financial benefits to those parties. However, these persons may vote as a proxy for another Abacus Property Group Securityholder that is not a related party or associate of the kind described above pursuant to a directed proxy appointment. ASIC has granted, or agreed in principle to grant, relief to enable Calculator Australia and its controlled entities and the directors of each of AGHL, AGPL, ASOL, Calculator Australia or its applicable upstream entities and any entities controlled by such entities or persons to vote their interests in Abacus Property Group on the Stapling Deed Resolutions on the basis that they will only receive financial benefits on the same basis as other Abacus Property Group Securityholders.
Proposal Approval Resolutions	For the purposes of the Proposal Approval Resolutions proposed by AGHL, AGPL and ASOL (**Company Proposal Approval Resolutions**), in accordance with section 224(1) of the Corporations Act, related parties of AGHL, AGPL and ASOL, or associates of such related parties, must not cast votes on these Proposal Approval Resolutions if the Resolution permits the giving of financial benefits to those parties (except where they vote as proxy in the manner described above). ASIC has granted, or agreed in principle to grant, relief to enable Calculator Australia and its controlled entities and the directors of each of AGHL, AGPL, ASOL, Calculator Australia or its applicable upstream entities and any entities controlled by such entities or persons to vote their interests in Abacus Property Group on the Company Proposal Approval Resolutions on the basis that they will only receive financial benefits on the same basis as other Abacus Property Group Securityholders. For the purposes of the Proposal Approval Resolutions proposed in respect of AT, AIT and ASPT (**Trust Proposal Approval Resolutions**), in accordance with section 253E of the Corporations Act, ASFML and its associates (including Calculator Australia) are not entitled to vote their interest on the Resolution if they have an interest in the Resolution other than as a member of ASPT (except where they vote as proxy in the manner described above). ASIC has granted, or agreed in principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on the Trust Proposal Approval Resolutions to the extent it does not have an interest in the resolution other than as a member and would otherwise be entitled to vote but for section 253E of the Corporations Act.

11 MEETING AND VOTING INFORMATION CONTINUED

11.6.3 Voting by Calculator Australia

As a majority securityholder in Abacus Property Group, Calculator Australia is an associate and related party of each Abacus Property Group Entity (including each of AFML and ASFML) for the purposes of the Corporations Act.

In light of the voting exclusions described above and based on the circumstances existing as at the Transaction Booklet Date, Abacus Property Group expects that Calculator Australia would not be able to vote on the Resolutions (other than the Company Constitution Amendment Resolutions) in the absence of relief being granted by ASIC.

ASIC has granted, or agreed in principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on all of the Resolutions to the extent it does not have an interest in the Resolutions other than as a member of Abacus Property Group and would otherwise be entitled to vote but for section 253E of the Corporations Act.

As at the Transaction Booklet Date, Calculator Australia has confirmed that it intends to vote all of the Abacus Property Group Securities it owns or controls in favour of all Resolutions.

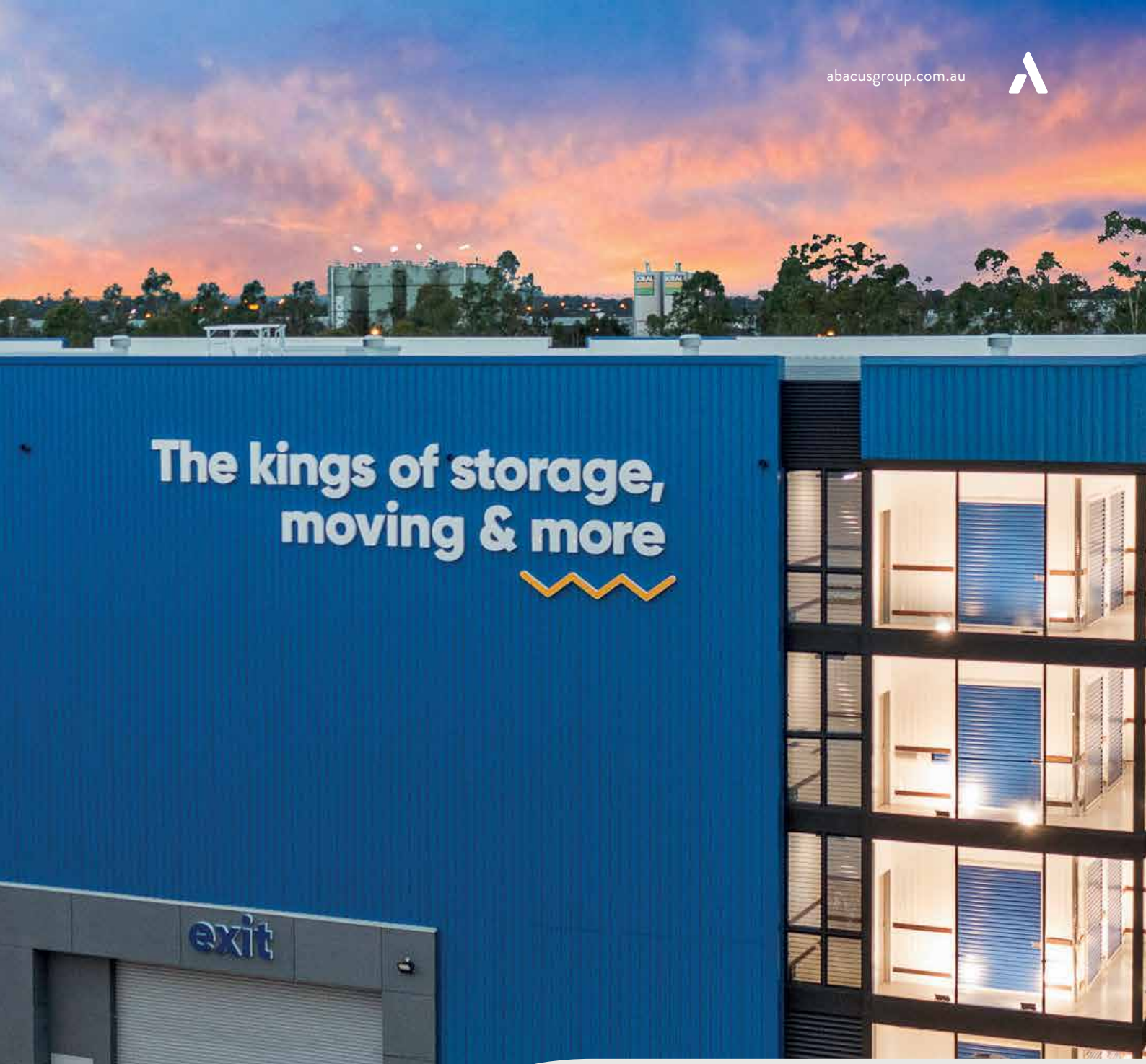
11.6.4 Voting by poll

Each Resolution will be decided by way of a poll.

On a poll for resolutions of AGHL, AGPL and ASOL (each a **Company**), each Abacus Property Group Securityholder has one vote for each share held in the Company.

On a poll for resolutions of AT, AIT and ASPT (each a **Trust**), each Abacus Property Group Securityholder has one vote for each dollar of the value of the total interests they have in the relevant Trust.

The value of an Abacus Property Group Securityholder's total interest in a Trust will be calculated by reference to the last sale price of Abacus Property Group Securities on ASX on the trading day immediately prior to the date of the Meeting.



12

DETAILS OF THE OFFER

12 DETAILS OF THE OFFER

12.1 Overview of the Offer

The Offer of new Abacus Storage King Securities is being made by the Abacus Storage King Entities under the Prospectus and PDS that form part of this Transaction Booklet. Subject to the conditions of the Offer as set out in Section 12.2 being met, the Abacus Storage King Entities intend to issue 159.6 million Abacus Storage King Securities at the Offer Price of $1.41 per Abacus Storage King Security on the Allotment Date, to raise proceeds of approximately $225.0 million. The purpose of the Offer and use of proceeds is set out in Sections 12.3 and 12.4.

The Offer is structured as a 1 for 5.6 pro rata securityholder offer (Offer Ratio) which comprises:

- an Institutional Securityholder Offer to raise up to approximately $191.5 million;
- an Institutional Shortfall Offer for any Entitlements to Abacus Storage King Securities not taken up by Eligible Institutional Abacus Property Group Securityholders under the Institutional Securityholder Offer as well as those which would otherwise have been offered to Ineligible Institutional Abacus Property Group Securityholders had they been eligible to participate; and
- a Retail Securityholder Offer to raise up to approximately $33.5 million, including a Retail Oversubscription Facility.

No general public offer of Abacus Storage King Securities will be made under the Offer.

The Institutional Securityholder Offer and the Institutional Shortfall Offer closed on 16 June 2023 and raised approximately $191.5 million.

Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details). The balance of the Offer is underwritten by the Joint Lead Managers.

Further details on eligibility to participate in, and the structure of, the Offer are set out in Sections 12.8 to 12.10. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, are set out in Section 16.11.

The Abacus Storage King Securities being offered under the Offer will represent approximately 12.1% of the Abacus Storage King Securities on issue on Completion. Calculator Australia, Abacus Property Group's majority securityholder, has confirmed it currently intends to hold Abacus Storage King Securities on Completion of the Proposal such that its total interest in Abacus Storage King (including its indirect interest through the new Abacus Group) would be under 50%. The free float of the Abacus Storage King register is expected to be more than 40% of securities on issue, after allowing for Calculator Australia's and Abacus Group's ownership interests. Details on the securityholder structure and substantial securityholders of Abacus Storage King following completion of the Offer are set out in Sections 12.5 and 12.6.

Each Abacus Storage King Security issued pursuant to this Transaction Booklet under the ASK Stake Acquisition or the Offer will, from the time it is issued, rank equally with all other Abacus Storage King Securities on issue at Completion. A summary of the rights attaching to the Abacus Storage King Securities is set out in Section 17.7.

An Eligible Abacus Property Group Securityholder's Entitlements to subscribe for Abacus Storage King Securities under the Offer are non-renounceable, which means they are personal and cannot be traded on ASX or any other exchange or privately transferred, sold or otherwise disposed of.

The Offer is made on the terms, and is subject to the conditions set out, in this Transaction Booklet.

12.2 Conditions to the Offer

The completion of the Offer is conditional on the Conditions Precedent set out in Section 3.4 being met (including the Underwriting Agreement having not been terminated or becoming incapable of being completed as at 10.00am on the Effective Date) or waived and the Proposal (or the Offer itself) not being otherwise withdrawn. A summary of the Underwriting Agreement can be found in Section 16.11.

If any of the Conditions Precedent are not satisfied or waived (as applicable), or if the Proposal is withdrawn, the Abacus Storage King Entities will not proceed with the Offer. In the event that the Offer is cancelled or withdrawn before the allotment and issue of Abacus Storage King Securities to successful Applicants, then all Application Monies received under the Offer will be refunded to the Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

12.3 Purpose of the Offer

The Offer is being conducted to raise proceeds of approximately $225.0 million. Proceeds from the Offer are intended to be used to:

- optimise Abacus Storage King's capital structure with its Adjusted Gearing expected to be reduced to 26.7% at Completion[212], providing balance sheet capacity to take advantage of acquisition and development opportunities;
- fund capital expenditure for Abacus Storage King's development pipeline;
- provide Abacus Storage King with working capital; and
- fund Abacus Storage King's transaction costs associated with the Proposal.

12.4 Sources and Uses

The sources and uses of proceeds for the Offer can been seen below.

Table 12.4.1: Sources and Uses of Proceeds

SOURCES OF PROCEEDS	$ M	%
Offer proceeds	225.0	100.0%

USES OF PROCEEDS	$ M	%
Acquisitions costs associated with the ART units and the Castle Hill asset[213]	21	9.3%
Repayment of intercompany loans	161	71.6%
Repayment of existing debt	31	13.8%
Transaction costs	12	5.3%
Total Uses	**225.0**	**100.0%**

12.5 Securityholder Structure

The table below provides a summary of ownership of Abacus Storage King Securities at key stages of the Proposal.

Table 12.5.1: Ownership of Abacus Storage King Securities

	NUMBER OF ABACUS STORAGE KING SECURITIES AS OF THE TRANSACTION BOOKLET DATE[214]	NUMBER OF ABACUS STORAGE KING SECURITIES TO BE ISSUED UNDER ASK STAKE ACQUISITION[215]	NUMBER OF ABACUS STORAGE KING SECURITIES TO BE ISSUED UNDER THE OFFER	NUMBER OF ABACUS STORAGE KING SECURITIES ON COMPLETION OF THE PROPOSAL
Abacus Group	–	260,859,303	–	260,859,303
Calculator Australia	462,898,698	–	57,781,775	520,680,473
Abacus Storage King Directors and External Management[216]	1,202,402	–	214,715	1,417,117
Other Securityholders (excluding the above)	429,556,533	–	101,585,231	531,141,764
TOTAL	**893,657,633**	**260,859,303**	**159,581,720**	**1,314,098,656**

212. Adjusted Gearing calculated as bank debt minus cash divided by total assets minus cash; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.
213. ART units hold the Storage King Woolloomooloo, Homebush and Miami assets.
214. Consisting of fully paid ordinary shares in ASOL and fully paid ordinary units in ASPT as part of Abacus Property Group. This is expected to remain unchanged on the Listing Date.
215. Consisting of fully paid ordinary shares in ASOL and fully paid ordinary units in ASPT as part of Abacus Property Group.
216. The analysis in this table assumes Abacus Storage King Directors and External Management are issued their full Entitlements under the Offer. Abacus Storage King Directors and other Listing Rule 10.11 parties are not entitled to participate in the Retail Oversubscription Facility due to the application of Listing Rule 10.11.

12 DETAILS OF THE OFFER CONTINUED

On Completion of the Proposal, 23,232 Abacus Storage King Securities will remain subject to restrictions in trading which applied to these Securities under the Restricted Abacus Property Group Security Awards. See Section 4.9 for further details on the treatment of Restricted Abacus Property Group Security Awards and the applicable trading restriction.

Abacus Storage King's free float on Completion of the Proposal is expected to be more than 40%.[217]

12.6 Substantial Securityholders

Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up approximately $81.5 million of its Institutional Entitlement (being approximately 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details).

Based on the information known as at the Transaction Booklet Date, on Completion the following entities will have a direct interest in 5% or more of the Abacus Storage King Securities on issue:

Table 12.6.1: Substantial Securityholders

NAME	# OF SECURITIES (M)	% OF SECURITIES ON ISSUE
Calculator Australia	520.7	39.6%
Abacus Group	260.9	19.9%

Note: Calculator Australia's total interest in Abacus Storage King on Completion (including its indirect interest through Abacus Group) is expected to be 49.9%.

12.7 Terms and conditions of the Offer

The following is a summary of the offer:

TOPIC	SUMMARY
Who is eligible to participate in the Offer?	See Sections 12.8 and 12.9 for further details.
What is the structure of the Offer?	See Section 12.10 for further details.
What is the type of security being offered?	Fully paid ordinary stapled securities each comprising a fully paid ordinary share in ASOL and a fully paid ordinary unit in ASPT.
What are the rights and liabilities attached to the Abacus Storage King Securities?	A description of the Abacus Storage King Securities, including the rights and liabilities attaching to them, is set out in Section 17.7.
What is the consideration payable for each Abacus Storage King Security being offered under the Offer?	The Offer Price is $1.41 per Abacus Storage King Security.

217. Abacus Group's stake, Calculator Australia's stake and the Directors' collective stake are excluded from the free float calculation.

TOPIC	SUMMARY
What is the Offer Period?	The key dates, including details of the Offer Period for the Retail Securityholder Offer (including the Retail Oversubscription Facility), are set out in the "Important Dates" section in the "Key Information for the Proposal" section of this Transaction Booklet. These key dates are indicative only and may change. Unless otherwise indicated, all times are stated in AEST. The Abacus Storage King Entities and the Joint Lead Managers reserve the right to amend any or all of the times and dates of the Offer without notice subject to the Listing Rules, the Corporations Act and other applicable laws, including closing the Offer (or part of the Offer) early, extending the Offer (or part of the Offer), deferring the date of completion of the Offer, accepting late Applications either generally or in particular cases, allotting Abacus Storage King Securities at different times to different Applicants or to cancel or withdraw the Offer without prior notice. If the Offer is cancelled or withdrawn before the allotment and issue of Abacus Storage King Securities to successful Applicants, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The separate quotation and commencement of trading of the Abacus Storage King Securities is subject to confirmation from ASX.
How much is to be raised under the Offer?	Approximately $225.0 million is to be raised under the Offer.
Will the Offer be extended into New Zealand?	Yes. All Abacus Storage King Securities offered to investors in New Zealand under the Offer are being offered under the Mutual Recognition Regime. No offer of Abacus Storage King Securities is being made to investors in New Zealand until such time as the relevant notice and accompanying documents required to be lodged under the Mutual Recognition Regime have been lodged. Investors in New Zealand should refer to the section "Warning statement for New Zealand investors" in the Important Notices section of this Transaction Booklet.
Is the Offer underwritten?	Abacus Property Group's majority securityholder, Calculator Australia, is supportive of the Offer and has agreed to take up $81.5 million of its Institutional Entitlement (being 69.9% of its Institutional Entitlement) under the Institutional Securityholder Offer (see Section 16.13 for further details). The balance of the Offer is fully underwritten by the Joint Lead Managers Barrenjoey and Morgan Stanley. More detail on the underwriting arrangements is set out in Section 16.11.
Who are the Joint Lead Managers of the Offer?	The Joint Lead Managers of the underwritten part of the Offer are Barrenjoey and Morgan Stanley. The Co-Manager of the Offer is Shaw and Partners.
How do I apply to participate in the Offer?	Participants under the Institutional Securityholder Offer and the Institutional Shortfall Offer have been provided with information regarding Applications by the Joint Lead Managers. See Sections 12.10 and 12.11 for details on how to participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility).

12 DETAILS OF THE OFFER CONTINUED

TOPIC	SUMMARY
What are the minimum and maximum Application amounts?	Applicants under the Institutional Securityholder Offer and the Institutional Shortfall Offer have been provided with information regarding Applications by the Joint Lead Managers. Eligible Retail Abacus Property Group Securityholders may apply for up to their full pro rata entitlement under the Retail Securityholder Offer (being their Retail Entitlement). In addition, Eligible Retail Abacus Property Group Securityholders who take up their full Retail Entitlement under the Retail Securityholder Offer may also participate in the Retail Oversubscription Facility by applying for Additional Abacus Storage King Securities in excess of their Retail Entitlement (up to an additional 25% of their Retail Entitlement, subject to scale back), at the Offer Price per Abacus Storage King Security. There is no minimum Application amount. The number of Abacus Storage King Securities to which an Eligible Retail Abacus Property Group Securityholder is entitled to apply for is shown on the personalised Application Form that accompanies this Transaction Booklet or via the Registry's Investorserve website at www.investorserve.com.au, in each case from the opening of the Retail Securityholder Offer. See Sections 12.10 and 12.11 for further details.
Do Eligible Abacus Property Group Securityholders have to participate in the Offer?	No, there is no obligation for Eligible Abacus Property Group Securityholders to participate in the Offer.
Will the Abacus Storage King Securities be quoted on ASX?	Abacus Storage King will apply, within seven days of the Transaction Booklet Date, for the ASX Listing under the code 'ASX:ASK'. It is anticipated that quotation will initially be on a conditional and deferred settlement basis. Completion of the Proposal (including the Offer) is conditional on, among other things, ASX approving this application by 10.00am on the Effective Date. If approval is not given, the Proposal will not proceed, the Offer will be withdrawn and all Application Monies received will be refunded as soon as practicable without interest (in accordance with the requirements of the Corporations Act). Abacus Storage King will be required to comply with the Listing Rules, subject to any waivers obtained by Abacus Storage King from time to time. ASX takes no responsibility for the contents of this Transaction Booklet or the investment to which it relates. The fact that ASX may separately admit Abacus Storage King to the Official List of ASX is not to be taken as an indication of the merits of Abacus Storage King or the Abacus Storage King Securities offered under the Offer. See Section 12.17 for further details.
When can I sell my Abacus Storage King Securities on ASX?	It is expected that on the Listing Date the Abacus Storage King Securities will commence trading on ASX on a conditional and deferred settlement basis as if the De-stapling had occurred. It is expected that the Abacus Storage King Securities will commence trading on ASX on a normal settlement basis on the Normal Trading Date. It is the responsibility of the Applicants to confirm their allocation of Abacus Storage King Securities prior to trading in Abacus Storage King Securities. Abacus Storage King Securityholders who sell Abacus Storage King Securities before they receive their holding statements do so at their own risk. See Section 12.17 for further details.

TOPIC	SUMMARY
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be dispatched by Priority Post on the Normal Trading Date. Successful Applicants under the Offer and other Abacus Storage King Securityholders will receive a holding statement setting out the number of Abacus Storage King Securities issued to them under the Offer (if applicable) and how many they hold in total by Priority Post. Refunds of the difference (without interest) to Applicants who make an Application and receive an allocation of Abacus Storage King Securities, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion. See Sections 12.16 and 12.17 for further details.
Are there any escrow arrangements?	No.
Has any ASIC relief or ASX confirmations or waivers been sought, obtained or been relied on?	Yes. Details are provided in Sections 17.11 and 17.12.
Are there any tax considerations?	Yes. Details are provided in Annexure D.
Is there any brokerage or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Abacus Storage King Securities under the Offer. See Sections 15.3 and 16.11 for details of various fees payable by Abacus Storage King to the Joint Lead Managers. Investors who buy or sell Abacus Storage King Securities on ASX may be subject to brokerage and other transaction costs. Transfers of Abacus Storage King Securities on ASX should not attract any Australian stamp duty. Abacus Storage King Securityholders should confirm the stamp duty consequences of dealing with their Abacus Storage King Securities with their taxation adviser.
Do any representations or warranties apply?	Yes. Each Applicant will be taken to have agreed to or otherwise given the applicable declarations, acknowledgements, certifications, representations, warranties, confirmations and other agreements contained in Section 12.12 for the benefit of Abacus Storage King, the Joint Lead Managers, the Co-Manager, the Registry and their respective Beneficiaries.
What should you do with any enquiries?	All enquiries in relation to this Transaction Booklet should be directed to the Abacus Property Group Securityholder Information Line on **1300 139 440** (within Australia) or **+61 2 9290 9691** (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays) during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether Abacus Storage King is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before making a decision to invest.

12 DETAILS OF THE OFFER CONTINUED

12.8 Eligibility to participate in the Offer

12.8.1 Eligibility

Details on eligibility to participate in the Offer are set out below.

TRANCHE OF OFFER	ELIGIBILITY
Institutional Securityholder Offer	Eligible Institutional Abacus Property Group Securityholders, being those persons who: • are registered as a holder of Abacus Property Group Securities at 7.00pm (AEST) on the Offer Record Date; • have a registered address in an Eligible Institutional Jurisdiction at 7.00pm (AEST) on the Offer Record Date; and • is determined by Abacus Storage King and the Joint Lead Managers in their absolute discretion to be an Institutional Investor and not otherwise ineligible to participate.
Institutional Shortfall Offer	Eligible Institutional Investors.
Retail Securityholder Offer	Eligible Retail Abacus Property Group Securityholders, being those persons who: • are registered as a holder of Abacus Property Group Securities at 7.00pm (AEST) on the Offer Record Date; • have a registered address in an Eligible Retail Jurisdiction (being Australia or New Zealand) at 7.00pm (AEST) on the Offer Record Date; • are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds Abacus Property Group Securities for the account of benefit of such persons in the United States); and • is determined by Abacus Storage King and the Joint Lead Managers in their absolute discretion to not be an Institutional Investor and not otherwise ineligible to participate. Eligible Retail Abacus Property Group Securityholders who take up their full Retail Entitlement under the Retail Securityholder Offer may also participate in the Retail Oversubscription Facility by applying for Additional Abacus Storage King Securities in excess of their Retail Entitlement (up to an additional 25% of their Retail Entitlement, subject to scale back), at the Offer Price per Abacus Storage King Security. Abacus Storage King Directors and other Listing Rule 10.11 parties are not entitled to participate in the Retail Oversubscription Facility due to the application of Listing Rule 10.11.

The determination of the eligibility of investors for the purposes of the tranches of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Abacus Storage King and the Joint Lead Managers.

Abacus Storage King and its respective Beneficiaries and the Joint Lead Managers and their respective Beneficiaries disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

12.8.2 Nominees, trustees or custodians

Institutional Securityholder Offer and Institutional Shortfall Offer

The Joint Lead Managers have sought to separately communicate with nominees, trustees and custodians in relation to the Institutional Securityholder Offer and the Institutional Shortfall Offer.

Investors acting as the nominee, trustee or custodian for any beneficiary in a jurisdiction outside Australia and New Zealand, other than the United States, will need to satisfy themselves that the application or acceptance does not breach any law of any relevant overseas jurisdiction. Failure to comply with these restrictions may result in violations of applicable securities laws.

Retail Securityholder Offer (including the Retail Oversubscription Facility)

The Retail Securityholder Offer (including the Retail Oversubscription Facility) is being made to all Eligible Retail Abacus Property Group Securityholders. Nominees, trustees and custodians with registered addresses in Australia or New Zealand (being an Eligible Retail Jurisdiction) at 7.00pm (AEST) on the Offer Record Date, irrespective of whether they participate under the Institutional Securityholder Offer or the Institutional Shortfall Offer, may also be able to participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility) in respect of some or all of the beneficiaries on whose behalf they hold Abacus Property Group Securities as at 7.00pm (AEST) on the Offer Record Date, provided the applicable beneficiary would satisfy the criteria for an Eligible Retail Abacus Property Group Securityholder.

Nominees, trustees and custodians who hold Abacus Property Group Securities as nominees, trustees or custodians will have received, or will shortly receive, a letter from Abacus Storage King. Nominees, trustees and custodians should carefully consider the contents of that letter and note in particular that the Retail Securityholder Offer (including the Retail Oversubscription Facility) is not available to:

- beneficiaries on whose behalf they hold Abacus Property Group Securities who would not satisfy the criteria for an Eligible Retail Abacus Property Group Securityholder;
- Eligible Institutional Abacus Property Group Securityholders who were sent an offer to participate in the Institutional Securityholder Offer (whether they accepted or not and irrespective of whether they received it);
- Ineligible Foreign Securityholders who are ineligible to participate in the Offer; or
- Abacus Property Group Securityholders who are not eligible under applicable securities laws to receive an offer under the Offer or who Abacus Storage King and the Joint Lead Managers otherwise determine are not eligible to participate in the Offer.

General

Eligible Abacus Property Group Securityholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.

Abacus Storage King is not required to determine whether or not any registered holder of Abacus Property Group Securities is acting as a nominee, trustee or custodian nor is it required to determine the identity or residence of any beneficial owners of those securities or any entitlements. Where any holder is acting as a nominee, trustee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with foreign laws. Abacus Storage King is not able to advise on foreign laws.

To the extent that you are a nominee, trustee or custodian for a beneficial owner that is in the United States, please note that the Abacus Storage King Securities have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable United States securities laws. Accordingly, nominees, trustees and custodians must not:

- send this Transaction Booklet or any other document relating to the Offer to any of their clients in the United States unless it is attached to, or constitutes part of, the U.S. Private Placement Memorandum as part of the Institutional Securityholder Offer or Institutional Shortfall Offer in the United States; or
- submit an application or otherwise accept the Offer on behalf of a person in the United States.

12.9 Ineligibility

The Offer is not being extended by the Abacus Storage King Entities to any Abacus Property Group Securityholder with a registered address outside of the Eligible Jurisdictions as at 7.00pm (AEST) on the Offer Record Date (**Ineligible Foreign Securityholder**). The Abacus Storage King Entities have determined that making the Offer to Ineligible Foreign Securityholders is not reasonable in the circumstances, taking into account the small number of Ineligible Foreign Securityholders in the excluded jurisdictions, the number and value of new Abacus Storage King Securities that would have been offered to those Ineligible Foreign Securityholders and the cost of complying with the laws, and any requirements of any regulatory authority, of the excluded jurisdictions.

12 DETAILS OF THE OFFER CONTINUED

The number of Entitlements to Abacus Storage King Securities to which an Ineligible Foreign Securityholder or any other Abacus Property Group Securityholder who is determined to be ineligible to participate in the Offer would otherwise be entitled to apply for under the:

- Institutional Securityholder Offer will not be offered to such Abacus Property Group Securityholder and instead will form the Institutional Shortfall Offer; or
- Retail Securityholder Offer will not be offered to such Abacus Property Group Securityholder and instead will form part of the Retail Oversubscription Facility and, if not allocated under that, then will be allocated to the Joint Lead Managers and/or any sub-underwriters.

Ineligible Foreign Securityholders or any other Abacus Property Group Securityholder who is determined to be ineligible to participate in the Offer will not receive any payment or value for the allocation of those Abacus Storage King Securities to other investors.

12.10 Structure of the Offer and how to participate

12.10.1 Institutional Securityholder Offer

The Abacus Storage King Entities invited Eligible Institutional Abacus Property Group Securityholders to apply for new Abacus Storage King Securities at an underwritten floor price of $1.41 as part of a variable price bookbuild to raise up to a minimum of $191.5 million. Following the conclusion of the bookbuild, the Offer Price of $1.41 per Abacus Storage King Security and final total Offer size of approximately $225.0 million were determined. The Institutional Securityholder Offer and the Institutional Shortfall Offer closed on 16 June 2023 and raised approximately $191.5 million.

The Institutional Securityholder Offer was an offer to Eligible Institutional Abacus Property Group Securityholders on the basis of the Offer Ratio of 1 Abacus Storage King Security for every 5.6 Abacus Property Group Securities held as at 7.00pm (AEST) on the Offer Record Date. Fractional allocations will be rounded up to the nearest whole number.

The Joint Lead Managers separately advised the Eligible Institutional Abacus Property Group Securityholders of the Application procedures for the Institutional Securityholder Offer.

12.10.2 Institutional Shortfall Offer

Entitlements to Abacus Storage King Securities not taken up by Eligible Institutional Abacus Property Group Securityholders under the Institutional Securityholder Offer, as well as those which would otherwise have been offered to Ineligible Institutional Abacus Property Group Securityholders had they been eligible to participate, (together being **Shortfall Securities**) formed the institutional shortfall offer (**Institutional Shortfall Offer**). Any Shortfall Securities not allocated under the Institutional Shortfall Offer were allocated to the Joint Lead Managers and/or any sub-underwriters. The Institutional Securityholder Offer and the Institutional Shortfall Offer closed on 16 June 2023 and raised approximately $191.5 million.

The Institutional Shortfall Offer was a separate offer made under this Transaction Booklet to Eligible Institutional Investors. The Offer Price of the Abacus Storage King Securities offered under the Institutional Shortfall Offer was determined following the variable price bookbuild and is the same as for the Institutional Securityholder Offer.

Abacus Storage King Securities were only allocated under the Institutional Shortfall Offer to the extent the Institutional Securityholder Offer was undersubscribed and will only be issued to the extent necessary to make up any shortfall.

12.10.3 Allocations under the Institutional Securityholder Offer and the Institutional Shortfall Offer

Reasonable endeavours were and will be used to give Eligible Institutional Abacus Property Group Securityholders who validly bid for or otherwise applied for all or part of their Institutional Entitlement under the Institutional Securityholder Offer at the final price as determined following the variable price bookbuild (which is the Offer Price) the applicable part of their Institutional Entitlement as new Abacus Storage King Securities, subject to Section 12.2 and them making payment for the relevant amount within the required timeframe.

The allocation of Abacus Storage King Securities among Applicants in the Institutional Securityholder Offer and the Institutional Shortfall Offer was determined by agreement between Abacus Storage King and the Joint Lead Managers. Abacus Storage King and the Joint Lead Managers had absolute discretion regarding the basis of allocation of Abacus Storage King Securities amongst Eligible Institutional Investors.

Participants in the Institutional Securityholder Offer and the Institutional Shortfall Offer have been advised of their allocation of Abacus Storage King Securities, if any, by the Joint Lead Managers.

The allocation policy was influenced, but not constrained by, the following factors:

- Eligible Institutional Abacus Property Group Securityholders may take up to their respective full Institutional Entitlement under the Institutional Securityholder Offer to the extent that they bid or otherwise applied to take up their full Institutional Entitlement at the final price as determined following the variable price bookbuild (which is the Offer Price).
- Abacus Storage King wanted to give Eligible Institutional Abacus Property Group Securityholders priority over the allocation of any Shortfall Securities under the Institutional Shortfall Offer.
- The Abacus Storage King Board, in agreement with the Joint Lead Managers, otherwise reserved full discretion to allocate the Shortfall Securities to Eligible Institutional Investors. In exercising its discretion to allocate any Shortfall Securities to Eligible Institutional Investors, the Abacus Storage King Board took into account a number of factors, including:
  - the Eligible Institutional Investor's existing ownership in Abacus Property Group (if any);
  - the timing and level of engagement by the Eligible Institutional Investor with Abacus Property Group;
  - the number of Entitlements for Abacus Storage King Securities bid for by the Eligible Institutional Investor at the final price as determined following the variable price bookbuild (which is the Offer Price);
  - the timeliness of the bid by the Eligible Institutional Investor;
  - Abacus Storage King's desire for an informed and active trading market following Listing;
  - the likelihood that the Eligible Institutional Investor would be a long term securityholder;
  - recommendations of the Joint Lead Managers to place the shortfall;
  - ensuring Abacus Storage King has an appropriate and optimal securityholder base, which may be achieved through the introduction of new investors; and
  - any other factors that Abacus Storage King and the Joint Lead Managers considered appropriate.
- The number of Abacus Storage King Securities available under the Institutional Shortfall Offer could not exceed the shortfall under the Institutional Securityholder Offer.
- No Abacus Storage King Securities would be issued under the Institutional Shortfall Offer if their issue would contravene any applicable law or Listing Rule.

There was no guarantee of any allocation of Abacus Storage King Securities under the Institutional Shortfall Offer, or that applications for Abacus Storage King Securities under the Institutional Shortfall Offer would be satisfied in full.

It was a term of the Institutional Shortfall Offer that, if Abacus Storage King scaled back applications for Abacus Storage King Securities under the Institutional Shortfall Offer in accordance with the allocation policy described above, the Applicant would be bound to accept such lesser number allocated to them.

Subject to the above, the Abacus Storage King Entities reserve the right to issue the Abacus Storage King Securities under the Institutional Securityholder Offer and the Institutional Shortfall Offer at their discretion.

12.10.4 Retail Securityholder Offer (including the Retail Oversubscription Facility)

Overview of the Retail Securityholder Offer (including the Retail Oversubscription Facility)

Eligible Retail Abacus Property Group Securityholders may apply to participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility). Details of eligibility are set out in Sections 12.8 and 12.9.

The Abacus Storage King Entities invite Eligible Retail Abacus Property Group Securityholders to apply for in aggregate up to approximately 23.8 million Abacus Storage King Securities at an Offer Price of $1.41 per Abacus Storage King Security to raise up to approximately $33.5 million under the Retail Securityholder Offer.

The Retail Securityholder Offer is an offer to Eligible Retail Abacus Property Group Securityholders on the basis of the Offer Ratio of 1 Abacus Storage King Security for every 5.6 Abacus Property Group Securities held as at 7.00pm (AEST) on the Offer Record Date. Fractional allocations will be rounded up to the nearest whole number.

A Retail Oversubscription Facility will also be available. Entitlements to Abacus Storage King Securities not taken up by Eligible Retail Abacus Property Group Securityholders under the Retail Securityholder Offer, as well as those which would otherwise have been offered to Ineligible Retail Abacus Property Group Securityholders had they been eligible to participate, will be included in the Retail Oversubscription Facility.

12 DETAILS OF THE OFFER CONTINUED

An Eligible Retail Abacus Property Group Securityholder who applies for their full Retail Entitlement may also apply for Additional Abacus Storage King Securities under the Retail Oversubscription Facility, up to an additional 25% of their Retail Entitlement (subject to scale back).

The number of Abacus Storage King Securities for which an Eligible Retail Abacus Property Group Securityholder is entitled to apply for is shown on the personalised Application Form that accompanies this Transaction Booklet or via the Registry's Investorserve website at www.investorserve.com.au, in each case from the opening of the Retail Securityholder Offer.

Eligible Retail Abacus Property Group Securityholders who have more than one registered holding of Abacus Property Group Securities will be provided with more than one personalised Application Form and they will have a separate Retail Entitlement for each holding.

An Eligible Retail Abacus Property Group Securityholder may:

- apply for their full Retail Entitlement;
- apply for their full Retail Entitlement and apply for Additional Abacus Storage King Securities under the Retail Oversubscription Facility, up to an additional 25% of their Retail Entitlement (subject to scale back). There is no guarantee that they will be allocated any Additional Abacus Storage King Securities;
- apply for less than their full Retail Entitlement. If they only take up part of their Retail Entitlement, the part of the Retail Entitlement that is not taken up will lapse and they will not receive any payment or value for that; or
- take no action and not participate in the Offer. If they do not take up any of their Retail Entitlement, their Retail Entitlement will lapse and they will not receive any payment or value for that.

Details on the Application process for the Retail Securityholder Offer (including the Retail Oversubscription Facility) are set out in Section 12.11.

Details on whether existing Abacus Property Group Securityholders will be diluted as a result of participation or non-participation in the Offer and as a result of Completion of the Proposal are set out in Section 17.8.

Opening Date and Closing Date of the Retail Securityholder Offer (including the Retail Oversubscription Facility)

The Retail Securityholder Offer (including the Retail Oversubscription Facility) will be open to Eligible Retail Abacus Property Group Securityholders following the end of the Exposure Period. Unless the Exposure Period is extended, it is expected that the Retail Securityholder Offer (including the Retail Oversubscription Facility) will be open between 9.00am (AEST), 27 June 2023 and 5.00pm (AEST), 27 July 2023.

The Abacus Storage King Entities and the Joint Lead Managers reserve the right to amend any or all of the times and dates of the Offer without notice subject to the Listing Rules, the Corporations Act and other applicable laws, including closing the Offer (or part of the Offer) early, extending the Offer (or part of the Offer), deferring the date of completion of the Offer, accepting late Applications either generally or in particular cases, allotting Abacus Storage King Securities at different times to different Applicants or to cancel or withdraw the Offer without prior notice.

12.10.5 Allocations under the Retail Securityholder Offer (including the Retail Oversubscription Facility)

Reasonable endeavours will be used to give Eligible Retail Abacus Property Group Securityholders who validly apply for and pay for all or part of their Retail Entitlement under the Retail Securityholder Offer the applicable part of their Retail Entitlement as new Abacus Storage King Securities, subject to the conditions set out in Section 12.2.

Additional Abacus Storage King Securities will only be allocated to a participating Eligible Retail Abacus Property Group Securityholder who takes up their full Retail Entitlement if Additional Abacus Storage King Securities are available under the Retail Oversubscription Facility and then up to 25% of their Retail Entitlement, in each case subject to the Corporations Act, Listing Rules and other applicable laws and regulations. If Eligible Retail Abacus Property Group Securityholders apply for more Additional Abacus Storage King Securities than available under the Retail Oversubscription Facility, Abacus Storage King will scale back those applications in its absolute discretion having regard to the pro rata Retail Entitlement of those eligible securityholders who applied for Additional Abacus Storage King Securities. There is no guarantee that Eligible Retail Abacus Property Group Securityholders who validly apply for and pay for Additional Abacus Storage King Securities will receive the number of additional securities applied for.

Any shortfall under the Retail Securityholder Offer that is not taken up under the Retail Oversubscription Facility will be allocated to the Joint Lead Managers and/or any sub-underwriters. The allocations of the shortfall under the Retail Securityholder Offer are to be determined by Abacus Storage King, in agreement with the Joint Lead Managers.

Abacus Storage King Directors and other Listing Rule 10.11 parties are not entitled to participate in the Retail Oversubscription Facility due to the application of Listing Rule 10.11.

12.11 Application Process for the Retail Securityholder Offer (including the Retail Oversubscription Facility)

A copy of this Transaction Booklet along with information about how to apply under the Retail Securityholder Offer (including the Retail Oversubscription Facility) will be available online at the Registry's Investorserve website at www.investorserve.com.au once the Retail Securityholder Offer opens.

Abacus Storage King encourages you to carefully read this Transaction Booklet before making your investment decision, noting you will be bound by the terms and conditions in this Transaction Booklet if you choose to participate.

Eligible Retail Abacus Property Group Securityholders can log on to the Registry's Investorserve website through www.investorserve.com.au and view and/or download the Transaction Booklet and their personalised Application Form once the Retail Securityholder Offer opens. Specifically:

- **Registered users:** go to www.investorserve.com.au, then enter your username and password using the "Registered User Login". Select "My Portfolio" and then from the left hand side of the page select "Company Announcements" for the Transaction Booklet and "Statements/Advices" for your personalised Application Form.
- **Unregistered users:** go to www.investorserve.com.au, then select "Individual Investment Access". You will need to enter details regarding your Abacus Property Group securityholding in order to proceed. Once you have been validated, select from the left hand side of the page "Company Announcements" for the Transaction Booklet and "Statements/Advices" for your personalised Application Form.

Securityholders can then log on to their banking portal and pay by BPAY® using the Biller Code and their unique Customer Reference Number (CRN) shown on their personalised Application Form. This is the fastest and easiest way to apply.

For Eligible Retail Abacus Property Group Securityholders who have multiple holdings and consequently receive more than one personalised Application Form, when taking up their Retail Entitlement in respect of one of those holdings, they should only use the CRN specific to that holding. If they do not use the correct CRN specific to that holding, their Application will not be recognised as valid.

By paying by BPAY there is no need for the Applicant to return their personalised Application Form.

If you are unable to pay via BPAY or access the Registry's Investorserve website, please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST), Monday to Friday (excluding public holidays), during the Offer Period. Any Applicants applying using a hard copy of the Application Form must comply with the requirements set out in the Application Form and with any instructions from the Registry or Abacus Storage King.

If you make a payment by BPAY or, in the case of Eligible Retail Abacus Property Group Securityholders resident in New Zealand only, by direct transfer, or you otherwise participate in the Retail Securityholder Offer (including if you decide to apply to participate in the Retail Oversubscription Facility), you are taken to make the declarations, acknowledgements, certifications, representations, warranties, confirmations and agreements described in this Transaction Booklet and in the Application Form, including those set out in Section 12.12.

Please note that financial institutions may apply limits on the use of BPAY or direct transfers (as applicable) and therefore Eligible Retail Abacus Property Group Securityholders who wish to participate should make enquiries with their financial institution about the limits that apply in their personal circumstances.

All payments must be made in Australian dollars.

If an Applicant does not provide the exact amount, the Abacus Storage King Entities reserve the right to issue them a lesser number of Abacus Storage King Securities and (if necessary) return a portion of their funds. No interest will be paid on money returned.

Any payments received for less than an Eligible Retail Abacus Property Group Securityholder's full Retail Entitlement will be deemed to be an Application for such whole number of new Abacus Storage King Securities which is covered in full by that payment.

Any payments received for more than an Eligible Retail Abacus Property Group Securityholder's Retail Entitlement will be treated as applying for their full Retail Entitlement plus as many Additional Abacus Storage King Securities as it will pay for in full, up to an additional 25% of their Retail Entitlement (subject to scale back).

Application Money paid for the units (interests) in ASPT may be held for up to 60 calendar days starting on the day on which the Application Money was received before the units (interests) in ASPT are issued or the Application Money is returned.

No brokerage, commission or stamp duty are payable by Applicants.

12 DETAILS OF THE OFFER CONTINUED

Application Forms will be made available to Eligible Retail Abacus Property Group Securityholders from the opening of the Retail Securityholder Offer. The Application Form (if applicable) and payment must be completed and received by the Registry by no later than 5.00pm (AEST) on the Closing Date. The Retail Securityholder Offer (including the Retail Oversubscription Facility) may be closed at an earlier date and time at the discretion of Abacus Storage King, without prior notice. Applicants are therefore encouraged to submit their Application Forms (if applicable) and payment as early as possible. It is an Applicant's responsibility to ensure that their Application Form (if applicable) and payment is received by the Registry by no later than 5.00pm (AEST) on the Closing Date. Please be aware that financial institutions may implement earlier cut-off times with regard to electronic payment and this should therefore be taken into consideration as to the timing of when payment is made.

12.12 Acknowledgement of Applicants

By submitting an Application, each Applicant under the Offer declares, acknowledges, certifies, represents, warrants, confirms and agrees as follows for the benefit of Abacus Storage King, the Joint Lead Managers, the Co-Manager, the Registry and their respective Beneficiaries:

- that the Applicant personally received or accessed a printed or electronic copy of this Transaction Booklet (and any supplementary or replacement Transaction Booklet) including or accompanied by the Application Form and read each document in full;
- that the Applicant has received or accessed and (if required) completed their Application Form in accordance with this Transaction Booklet and the instructions, declarations and statements on the Application Form;
- that the Applicant agrees to be bound by the terms of the Offer and the provisions of this Transaction Booklet and the Application Form;
- that all details provided and statements in their Application Form are complete and accurate and up-to-date and not misleading (including by omission);
- that the Applicant is eligible to participate in the Offer, both under the terms and conditions of the Offer and under applicable securities laws;
- the Applicant declares that the Applicant(s), if a natural person, is/are over 18 years of age, has full legal capacity and power to perform all of their rights and obligations under the Offer and do not/does not suffer from any legal disability preventing them from applying for Abacus Storage King Securities;
- that the signature on the Application Form (particularly where a corporate or trust/trustee) is valid and binding;
- that there is no cooling off period under the Offer and that, once Abacus Storage King, the Registry, the Joint Lead Managers, the Co-Manager or a Broker accepts an Application Form or Application Monies, it may not be withdrawn except as allowed by law;
- that the Applicant to the extent they have applied to participate in the Retail Securityholder Offer (including the Retail Oversubscription Facility) has applied for the number of Abacus Storage King Securities that represents its total paid Application Monies divided by the Offer Price (rounding down);
- to being allocated and issued the number of Abacus Storage King Securities applied for (or a lower number allocated in a way described in this Transaction Booklet), or no Abacus Storage King Securities at all;
- the Applicant acknowledges and agrees that:
  - determination of the eligibility of investors for the purposes of the tranches of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Abacus Storage King and the Joint Lead Managers; and
  - Abacus Storage King and its respective Beneficiaries and the Joint Lead Managers and their respective Beneficiaries disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- the Applicant represents and warrants that they are only applying to participate in either the Institutional Securityholder Offer or the Retail Securityholder, but not both;
- to become a securityholder of Abacus Storage King and to be bound by the terms of the Constitutions of ASPT and ASOL and the terms and conditions of the Offer;
- that Abacus Storage King and the Joint Lead Managers and their respective officers and agents, are authorised to do anything on behalf of the Applicant(s) necessary for Abacus Storage King Securities to be allocated to the Applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form;
- that Abacus Storage King is authorised to correct any errors on their Application Form;

- that Abacus Storage King may undertake steps in its absolute discretion in order to reconcile any allocation to the Applicant as set out in Section 12.14;
- that, in some circumstances, Abacus Storage King may not pay dividends or distributions;
- that they have read the statement of risks in Sections 3.9 and 14;
- none of Abacus Storage King, the Joint Lead Managers, the Co-Manager or any of their respective Beneficiaries guarantees the performance of the Abacus Storage King Securities or the performance of Abacus Storage King, nor do they guarantee the repayment of capital from Abacus Storage King;
- agree to provide (and direct their nominee, trustee or custodian to provide) any requested substantiation of their (or their underlying beneficiary's) eligibility to participate in the relevant tranche of the Offer and of their holding of Abacus Property Group Securities as at 7.00pm (AEST) on the Offer Record Date;
- if the Applicant is a nominee, trustee or custodian, each beneficial holder on whose behalf they are submitting an Application is in an Eligible Jurisdiction for that tranche of the Offer and is eligible to participate in that tranche of the Offer;
- that the information contained in this Transaction Booklet (or any supplementary or replacement Transaction Booklet) is not financial product advice or investment advice or a recommendation that Abacus Storage King Securities are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- that the Applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Institutional Securityholder Offer and the Institutional Shortfall Offer); and
- that the Offer may be withdrawn by the Abacus Storage King Entities and/or may otherwise not proceed, including in the circumstances described in this Transaction Booklet.

By submitting an Application, each Applicant in the Offer will be taken to have represented, warranted and agreed as follows:

- it understands that the Abacus Storage King Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States or in any of other jurisdiction outside Australia and New Zealand, and accordingly, the Abacus Storage King Securities may not be offered, sold or otherwise transferred, directly or indirectly, in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- it and each person on whose account it is acting are not in the United States and are not otherwise a person to whom it would be unlawful to make an offer of or issue of Abacus Storage King Securities under the Offer and under any applicable laws and regulations;
- it and each person on whose account it is acting have not sent and will not send this Transaction Booklet or any other material relating to the Offer to any person in the United States;
- if in the future it decides to sell or otherwise transfer the Abacus Storage King Securities, it will only do so in the regular way transactions take place on ASX where neither it nor any person acting on its behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if it is acting as a nominee, trustee or custodian, each beneficial holder on whose behalf it is submitting the Application Form is not in the United States, and it has not sent this booklet, the Application Form or any information relating to the Offer to any such person.

12.13 No cooling-off

Cooling-off rights do not apply to an investment in Abacus Storage King Securities under this Transaction Booklet. This means that, in most circumstances, an Applicant cannot withdraw their Application once it has been accepted. Should separate quotation of the Abacus Storage King Securities be granted by ASX, Abacus Storage King Securityholders will have the opportunity to sell their Abacus Storage King Securities at the prevailing market price, which may be different to the Offer Price.

Details of the rights and liabilities attached to each Abacus Storage King Security are set out in Section 17.7 and in the Constitutions of ASPT and ASOL, copies of which will be made available for inspection, free of charge at the registered office of ASFML and ASOL within normal trading hours.

12 DETAILS OF THE OFFER CONTINUED

12.14 Reconciliation

In any pro rata offer, securityholders may believe that they own more Abacus Property Group Securities as at 7.00pm (AEST) on the Offer Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Abacus Property Group Securityholders have the opportunity to receive their full Institutional Entitlement or Retail Entitlement (as applicable).

The Abacus Storage King Entities may need to issue a small quantity of additional new Abacus Storage King Securities to ensure all Eligible Abacus Property Group Securityholders have the opportunity to receive their appropriate allocation of Abacus Storage King Securities. The price at which these new Abacus Storage King Securities would be issued, if required, is the same as the Offer Price.

Abacus Storage King also reserves the right to reduce the number of Institutional Entitlements or Retail Entitlements or Abacus Storage King Securities allocated to Eligible Abacus Property Group Securityholders or persons claiming to be such, if their Institutional Entitlement or Retail Entitlement (as applicable) claims prove to be overstated, if they or their nominees, trustees or custodians fail to provide information requested to substantiate their claims, or if they are not eligible to participate in the Offer.

12.15 Restriction on distribution

No action has been taken to register or qualify this Transaction Booklet, the Abacus Storage King Securities or the Offer or otherwise to permit a public offering of the Securities in any jurisdiction outside of Australia and New Zealand.

This Transaction Booklet does not constitute an offer or invitation to apply for Abacus Storage King Securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Transaction Booklet.

This Transaction Booklet and any material accompanying it may not be released or distributed in the United States.

This Transaction Booklet and any material accompanying it do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, unless it is attached to, or constitutes part of, the U.S. Private Placement Memorandum as part of the Institutional Securityholder Offer or Institutional Shortfall Offer in the United States.

The Abacus Storage King Securities have not been, and will not be, registered under the U.S. Securities Act or the securities law of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

Each Applicant under the Institutional Securityholder Offer and the Institutional Shortfall Offer has been required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

See Section 17.13 for further details regarding foreign selling restrictions.

12.16 Discretion regarding the Offer

The completion of the Offer is conditional on the matters set out in Section 12.2, and the Proposal (or the Offer itself) not otherwise being withdrawn.

Subject to Abacus Storage King's obligations under the Implementation Deed to take all actions as may be reasonably necessary to conduct the Offer in accordance with the timetable agreed under the Implementation Deed, the Underwriting Agreement and the terms of this Transaction Booklet, the Abacus Storage King Entities may withdraw the Offer at any time before the issue of Abacus Storage King Securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies received under the Offer will be refunded to the Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Abacus Storage King Entities and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Abacus Storage King Securities than applied or bid for.

Subject to the allocation policies outlined in Sections 12.10, Abacus Storage King will allocate Abacus Storage King Securities under the Offer at its sole discretion. There is no assurance that any Applicant will be allocated any Abacus Storage King Securities, or the number of Abacus Storage King Securities for which it has applied. Abacus Storage King also reserves the right to reject any Application and the Abacus Storage King Entities reserve the right to issue a lesser number of Abacus Storage King Securities than those applied for. Where the number of Abacus Storage King Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after Completion.

Any interest earned on Application Monies pending the allocation of the Abacus Storage King Securities or refund will be retained by Abacus Storage King. If the Offer does not proceed to completion, any interest earned on Application Monies will be retained by Abacus Property Group.

12.17 ASX Listing, registers and holding statements, conditional and deferred settlement trading

12.17.1 Application to ASX for Abacus Storage King's ASX Listing

Abacus Storage King will apply within seven days of the Transaction Booklet Date for the ASX Listing. Abacus Storage King's expected ASX code will be 'ASK'.

ASX takes no responsibility for this Transaction Booklet or the investment to which it relates. The fact that ASX may separately admit Abacus Storage King to the Official List of ASX is not to be taken as an indication of the merits of Abacus Storage King or the Abacus Storage King Securities offered for subscription under the Offer.

If permission is not granted for the official quotation of the Abacus Storage King Securities on ASX, all Application Monies received by Abacus Storage King will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by Abacus Storage King from time to time), Abacus Storage King will be required to comply with the Listing Rules.

12.17.2 CHESS and issuer sponsored holdings

Abacus Storage King has applied (or will apply) for it to participate in ASX's Clearing House Electronic Sub-register System (**CHESS**) and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

When the Abacus Storage King Securities become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants and all existing Abacus Property Group Securityholders, the Abacus Storage King Securities of a securityholder who is a participant in CHESS or a securityholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Abacus Storage King Securities will be registered on the issuer sponsored sub-register.

Following Completion, Abacus Storage King Securityholders will be sent a holding statement that sets out the number of Abacus Storage King Securities that have been allocated to them or that they otherwise hold. This statement will also provide details of an Abacus Storage King Securityholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders.

Abacus Storage King Securityholders will subsequently receive statements showing any changes to their Securityholding. Certificates will not be issued.

Abacus Storage King Securityholders will receive subsequent statements shortly after the end of the month in which there has been a change to their holding and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Abacus Storage King Securityholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. Abacus Storage King and the Registry may charge a fee for these additional issuer sponsored statements.

12 DETAILS OF THE OFFER CONTINUED

12.17.3 Conditional and deferred settlement trading and selling Abacus Storage King Securities on market

It is expected that trading of the Abacus Storage King Securities on ASX on a conditional and deferred settlement basis will commence on the Listing Date. This applies to all Abacus Storage King Securities, including those that will be newly issued under the Offer.

Trades occurring on ASX before the date on which the new Abacus Storage King Securities are issued under the Offer (expected to occur on the Allotment Date) will be conditional on, among other things, the De-stapling Implementation Steps due to occur on the De-stapling Implementation Date having occurred and the new Abacus Storage King Securities being issued to successful Applicants on the Allotment Date (**Conditions**). Conditional and deferred settlement trading will continue until Abacus Storage King has advised ASX that the Conditions have been satisfied, which is expected to be on the Allotment Date. This is expected to be the last day of trading on a conditional and deferred settlement basis.

If the Conditions have not been satisfied by the end of the conditional and deferred settlement trading period or if the Offer is withdrawn, the Offer will not complete and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.

Trading on ASX is expected to commence on a normal settlement basis on the Business Day after the Allotment Date (being the Normal Trading Date). It is expected that holding statements will be dispatched by Priority Post on the Normal Trading Date. Successful Applicants under the Offer and other Abacus Storage King Securityholders will receive a holding statement setting out the number of Abacus Storage King Securities issued to them under the Offer (if applicable) and how many they hold in total.

It is the responsibility of each person who trades in Abacus Storage King Securities to confirm their own holding before trading in Abacus Storage King Securities. Investors will be able to confirm their holdings by telephoning the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays) during the Offer Period.

If an investor sells Abacus Storage King Securities before receiving a holding statement, they do so at their own risk. Abacus Property Group, Abacus Group, Abacus Storage King, the Registry, the Joint Lead Managers and the Co-Manager disclaim all liability, whether in fault, negligence or otherwise, if an investor sells Abacus Storage King Securities before receiving their holding statement, even if they obtained details of their holding from the Abacus Property Group Securityholder Information Line or confirmed their firm allocation through a Broker or online.

12.18 Further Enquiries

If you have further enquiries or questions relating to aspects of this Transaction Booklet or about the Offer, please contact the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays) during the Offer Period.

If you are unclear in relation to any matter or are uncertain as to whether Abacus Storage King is a suitable investment for you, you should seek professional guidance from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.



13

INDEPENDENT EXPERT'S REPORT

13 INDEPENDENT EXPERT'S REPORT

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The Directors
Abacus Property Group
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19 June 2023

Dear Directors

Part One – Independent Expert's Report

1 Introduction

On 16 February 2023, Abacus Property Group (**ASX:ABP**) announced its intention to create a new Australian Securities Exchange (**ASX**) listed Self Storage real estate investment trust (**A-REIT**) known as Abacus Storage King (**ASX:ASK**). In order to achieve this, it is intended that Abacus Property Group will be restructured to form two A-REITs, separately containing its Self Storage properties and other Self Storage investments (**Self Storage Investment Portfolio**) and its Commercial property portfolio (**Commercial Portfolio**).

Abacus Storage King will be established by de-stapling Abacus Storage Operations Limited (**ASOL**) and Abacus Storage Property Trust **(ASPT**) from Abacus Property Group, with the remaining entities, Abacus Group Holdings Limited (**AGHL**), Abacus Trust (**AT**), Abacus Group Projects Limited (**AGPL**) and Abacus Income Trust (**AIT**), forming the Abacus Group (**ASX:ABG**) (the **Proposal**). If the Proposal is approved, Abacus Storage King will undertake a capital raising involving an offer of new Abacus Storage King stapled securities to existing Abacus Property Group Securityholders at $1.41 per security (**Offer Price**) on a pro rata basis (the **Offer**).

Abacus Storage King will be externally managed by Abacus Group. In addition, Abacus Group is expected to retain an investment of 19.9% in Abacus Storage King upon implementation of the Proposal.

Abacus Property Group is a listed diversified A-REIT with an investment portfolio concentrated in the Commercial property and Self Storage sectors across key metropolitan markets, primarily on Australia's east coast and throughout New Zealand. As at 15 February 2023, the last trading day prior to the announcement of its intention to explore the Proposal, Abacus Property Group had a market capitalisation of $2.5 billion.[1]

To implement the Proposal, the following steps will take place:

- **Securityholder approval**: approval of Abacus Property Group Securityholders of the Resolutions[2] (each of which is inter-conditional) by the requisite majorities at an Extraordinary General Meeting;
- **Constitution**: the constitution of Abacus Property Group will be amended to enable implementation of the Proposal;

[1] Calculated as $2.85 per security multiplied by 893,657,633 Abacus Property Group Securities.
[2] Refer to Section 11 of the Transaction Booklet for details of the Resolutions.

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- **De-stapling of Abacus Property Group**: ASPT and ASOL will be de-stapled from AGHL, AT, AGPL and AIT (the **De-stapling**) and each other, and, in conjunction with the issue of securities to Abacus Group, re-stapled together on a one-for-one basis to create Abacus Storage King and Abacus Group, respectively. Following De-stapling Implementation,[3] each Abacus Property Group Securityholder will hold 1 Abacus Group Security and 1 Abacus Storage King Security for each Abacus Property Group Security they held on the De-Stapling Implementation Date;[4]
- **Abacus Group obtains a stake in Abacus Storage King**: Abacus Group will acquire a collective interest of 22.6% of Abacus Storage King Securities in consideration for the partial repayment of intragroup loans owing from entities in Abacus Storage King to entities in Abacus Group and the transfer of certain Self Storage assets; and
- **Offer and admission**: Abacus Storage King will undertake the Offer, a fully underwritten pro rata offer of new Abacus Storage King Securities, and will seek a separate ASX listing. At completion of the offer, Abacus Group is expected to have a collective interest in Abacus Storage King of 19.9%.

The effect of the De-stapling and Offer is that Abacus Property Group Securityholders (other than ineligible shareholders) will receive securities in Abacus Storage King that represent, in aggregate, 80.1% of Abacus Storage King's issued capital. Abacus Group will hold a further 19.9% interest in Abacus Storage King and will remain listed on the ASX.

The Proposal is conditional on approval of the Resolutions at the Extraordinary General Meeting to be held at 10:30 am (Sydney time) on 27 July 2023 and other conditions precedent as set out in Section 5.4 of this report. Abacus Property Group Securityholders will be entitled to attend and vote on the Resolutions to implement the Proposal.

Abacus Group and Abacus Storage King will have a continuing relationship after implementation of the Proposal including:

- an Abacus Group entity will be the responsible entity of ASPT;
- a Management Services Agreement for the provision of management services and operational oversight of ASOL;
- a Development Management Agreement for the provision of development management services in relation to the future development of Self Storage sites owned by Abacus Storage King; and
- a Property Management Agreement for the provision of property management services for a limited amount of Commercial tenancies within the Self Storage Investment Properties.

The Abacus Property Group Directors unanimously support the Proposal and recommend that Abacus Group Securityholders vote in favour of the Resolutions. Each Abacus Property Group Director eligible to vote intends to vote all of the Abacus Property Group Securities they own or control in favour of all Resolutions proposed.

In order to assist Abacus Property Group Securityholders in assessing the Proposal, the Abacus Property Group Board has appointed Kroll Australia Pty Ltd (**Kroll**), to prepare an independent expert's report setting out whether, in our opinion, the Proposal is fair and reasonable to Abacus Property Group Securityholders in the absence of a superior proposal.

This report sets out Kroll's opinion as to the merits or otherwise of the Proposal and will be included in the Explanatory Memorandum, Prospectus and Product Disclosure Statement (**Transaction Booklet**) to be sent to Abacus Property Group Securityholders.

Further information regarding Kroll, as it pertains to the preparation of this report, is set out in Appendix 1. Kroll's Financial Services Guide is contained in Part Two of this report.

2 Scope of report

The Proposal is intended to be implemented by way of a vote by Abacus Property Group Securityholders at an Extraordinary General Meeting.

In relation to the Proposal, we have referred to guidance provided by the Australian Securities and Investments Commission (**ASIC**) in its Regulatory Guides, in particular Regulatory Guide 111 'Content of

[3] Completion of the De-stapling, the ASX Listing, the execution of the Transaction Documents and the other Implementation Steps due to be completed on the De-Stapling Implementation Date.
[4] Implementation of the De-stapling, being 3 August 2023 or such other date as may be agreed between the Abacus Property Group entities under the Implementation Deed.

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expert reports' (**RG 111**), which outlines the principles and matters which it expects a person preparing an independent expert's report to consider when providing an opinion on a transaction. In this respect we consider the transaction to be most similar to a demerger and have considered the relevant guidance in forming our opinion as to whether the Proposal is fair and reasonable to securityholders.

The statutory requirement for an independent expert's report in respect of the Proposal does not apply because the Proposal would not result in a change in control or selective treatment among Abacus Property Group Securityholders.

3 Opinion

3.1 Rationale for the Proposal

In November 2005, Abacus Property Group launched the Abacus Storage Fund, an unlisted stapled entity comprised of units in ASPT and shares in ASOL. In March 2012, Abacus Property Group merged with the Abacus Storage Fund.[5] At the time, Abacus Storage Fund owned a portfolio of 41 storage assets and Australia and New Zealand, which were managed by Storage King, a privately owned and operated management platform for Self Storage real estate, managing stores in Australia and New Zealand on behalf of Abacus Property Group and a number of other third party owners.

Since 2018, Abacus has accelerated the growth of the Self Storage Investment Portfolio. It acquired a 25% interest in the Storage King operating platform in August 2018 and the remaining 75% interest in November 2020, providing Abacus Group with pre-emptive rights to purchase a majority of the Storage King licenced assets operated on behalf of third party owners. Abacus Property Group has accumulated a 7.1% interest in an ASX listed Self Storage A-REIT.

Following the acquisition of the Storage King operating platform, Abacus Property Group increased the velocity of acquisitions and, together with development activities, it has grown the Self Storage Investment Portfolio to 131 assets with a valuation of $2.6 billion as at 30 April 2023 and $508.0 million invested on Other Self Storage investments.

The Self Storage market currently has attractive fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, in part due to densification of residential property, and the growth of e-commerce. There has been a trend towards consolidation in the industry, although the industry remains fragmented. Abacus Storage King is well positioned to benefit from these fundamentals and industry consolidation since:

- it has a development and expansion pipeline of 105,500 sqm requiring an estimated $200 million of costs to complete; and
- it has a pipeline of future acquisitions through its pre-emptive rights to purchase a majority of the 86 Storage King licenced assets operated on behalf of third party owners and a track record of acquiring assets under pre-emptive right arrangements.

The establishment of a greater number of Self Storage centres under a single brand can offer significant advantages and economies of scale including:

- brand recognition, with Storage King already being the most recognised Self Storage brand in Australia;[6]
- a network of stores to satisfy consumer and business across various locations;
- economies of scale in the purchase of advertising and sales (from a central call centre), insurance and recruitment; and
- the ability to attract talent and develop leading management systems and operating applications.

With earnings from the trusts being fully distributed to securityholders, Abacus Property Group is mainly reliant on debt and equity issues to take advantage of growth opportunities. At the present time, Abacus Property Group's funding capacity is limited. As at 31 December 2022, its Gearing[7] of 32.2% was approaching its maximum target Gearing of 35.0% and Abacus Property Group had $158.1 million of

[5] The merger was implemented by way of the stapling of securities of Abacus (AT units, AIT units, AGHL shares, and AGPL shares) to securities of Abacus Storage Fund (ASPT units and ASOL shares). Each new stapled security post-merger comprised one AT unit, one AIT unit, one AGHL share, one AGPL share, on restructured ASPT unit, and one restructured ASOL share.
[6] Source: Self Storage Association of Australasia – "State of the Industry 2022".
[7] Gearing is calculated as bank debt less cash divided by total assets less cash.

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available debt facilities compared to $154.8 million of capital and other commitments as at 30 June 2022. At the same time, the official cash rate has progressively increased since May 2022, raising borrowing costs towards more historically normalised levels. A decline in the value of the Commercial Portfolio may push gearing above the maximum target Gearing.

Since the onset of the COVID-19 pandemic, listed Commercial A-REITs have generally traded at a discount to NTA. This likely reflects an expectation that office property values will decline; however, property valuations have been slow to adjust due to an absence of market transactions. Whilst transaction volumes are subdued, a small number of recent transactions involving CBD office towers suggest a price decline in the order of 10% to 15%.[8] This expected decline is a result of the impact on occupancy and rental growth from trends such as working from home and slowing economic growth, as well as the impact of the tightening of monetary policy on capitalisation rates. Market commentators have expressed concern that lower property valuations will increase gearing in the sector to 'uncomfortably high levels'.[9] Furthermore, there is speculation that lower quality office buildings will experience higher vacancy rates as major tenants consolidate into higher quality buildings.[10] The discount to NTA further widened in March 2023 as the United States (**US**) and European banking crisis heightened fears of tighter credit conditions in Commercial property, and as employee layoffs are expected to create further pressure on occupancy. As at 14 June 2023, listed office A-REITs were trading at discounts to NTA in the order of 34.5% to 45.9%.[11]

Despite its 52.3% exposure (by total assets) to the Self Storage property sector, until the announcement of the Proposal, Abacus Property Group Securities were trading at a discount to NTA that was comparable to those of listed office A-REITs. Consequently, in the absence of the Proposal, a capital raising at this time would be highly dilutive to Abacus Property Group Securityholders.

The Proposal allows Abacus Property Group to set an appropriate Gearing level to position Abacus Storage King to deliver on its respective growth opportunities and additional headroom for Abacus Group should the value of the Commercial Portfolio decline further.

3.2 Summary of opinion

In our opinion, we consider the Proposal is fair and reasonable to Abacus Property Group Securityholders.

The Proposal is being undertaken against the backdrop of post-COVID-19 pandemic structural change for Commercial property, whereby the trends of lower occupancy and rental growth fuelled by flexible working arrangements are combining with certain macroeconomic factors, including slowing economic growth and rising interest rates, to place downward pressure on office property values. Since March 2023, the US and European banking crisis heightened fears of tighter credit conditions in Commercial property and employee layoffs are expected to create further pressure on occupancy. The result is that a majority of Commercial A-REITs, including Abacus Property Group, are trading at large discounts to NTA.

In assessing whether the Proposal is fair and reasonable to Abacus Property Group Securityholders, it is important to recognise that:

- the underlying economic interests of Abacus Property Group Securityholders will remain unchanged. Essentially, Abacus Property Group Securityholders will hold securities in Abacus Storage King in a fixed proportion to their existing holding in Abacus and consequently, the De-stapling is, by definition, fair; and
- the businesses will continue to be linked as Abacus Group will act as manager for Abacus Storage King and will retain a strategic investment of 19.9% of Abacus Storage King Securities.

Due to the nature of the transaction, it is not possible to precisely quantify specific advantages or disadvantages, and, therefore, our assessment is necessarily subjective in nature and is based on an evaluation of the benefits, disadvantages and other factors having regard to the strategic, financial, and current circumstances of the business. Where possible, however, we have sought to quantify benefits (e.g. the potential impact of a market re-rating).

[8] For example "Collins St deal to set benchmark for battered office market", Australian Financial Review, 27 April 2023 and "Dexus taps bellwether buyer for discount tower deal", Australian Financial Review, 3 May 2023.
[9] For example, "How it might get 'uncomfortable' for Australian commercial property", Australian Financial Review, 29 March 2023.
[10] For example, "Fears of office crunch overblown: Charter Hall chief", Australian Financial Review, 27 March 2023.
[11] Listed office A-REITs include Dexus, Centuria Office REIT, Cromwell Property Group, and GDI Property Group. NTA measured as at 31 December 2022.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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In light of the evolving operating and capital markets environment, the Abacus Property Group Board has determined that the strategic growth objectives of the Self Storage Investment Portfolio would be better achieved if it was separated from the Commercial Portfolio. Abacus Storage King is expected to have a cost of capital advantage as a standalone entity relative to Abacus Property Group in its current form, as Abacus Storage King will raise equity under the Offer at a reduced discount to NTA. Furthermore, as a result of the Proposal, Abacus Group and Abacus Storage King will have an improved capital structure with a lower initial Adjusted Gearing[12] (27.0% and 26.7% respectively) than Abacus Property Group (32.2% at 31 December 2022), which is favourable in an environment of rising interest rates and declining Commercial property valuations.

The other key advantage of the Proposal is the potential for a market re-rating. In particular, given the Offer Price of $1.41 per Abacus Storage King Security (a 10.2% discount to Adjusted NTA per Abacus Storage King Security on Completion)[13] as well as the current market performance of peers against which Abacus Storage King is likely to be rated and the attractiveness of the Self Storage market, there is evidence to suggest that Abacus Storage King is likely to trade at a price that is closer to NTA.

Other advantages of the Proposal include:

- enhanced financial flexibility;
- increased securityholder flexibility; and
- greater strategic focus for Abacus Group.

Whilst we consider a number of advantages to be compelling, we have identified several disadvantages of the Proposal. These include:

- reduced scale and diversification at an entity level;
- dilution of existing securityholders depending on their respective levels of participation in the Offer;
- additional corporate and ongoing costs;
- reduced trading liquidity;
- one-off transaction and implementation costs;
- transition and implementation risk; and
- ongoing relationship between Abacus Group and Abacus Storage King.

While these risks, disadvantages and costs of the Demerger cannot be disregarded, the risks and disadvantages are not outside the normal risks of any corporate restructuring transaction and/or have mitigating factors and the costs are not material in the overall context of the de-stapled entities.

Our evaluation of the Proposal also considered:

- impact on distributions;
- investment in Abacus Storage King;
- management fees;
- the Proposal is subject to the satisfaction of certain conditions;
- the tax implications of the Proposal; and
- alternatives to the Proposal.

Kroll has also considered the consequences for Abacus Property Group Securityholders if the Proposal does not proceed.

The decision to approve the Proposal is a matter for individual Abacus Property Group Securityholders based on their views as to value, expectations about future market conditions, and their particular circumstances including investment strategy and portfolio, risk profile and tax position. If in doubt, Abacus

[12] Adjusted Gearing is calculated as bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they occurred at 31 December 2022.

[13] Completion as defined in the Transaction Booklet. Adjusted NTA of $1.57 per Abacus Storage King Security represents net tangible assets including pro forma adjustments and certain post balance date events as if they had occurred as at 31 December 2022.

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Property Group Securityholders should consult their own professional adviser regarding the action they should take in relation to the Proposal.

3.3 Advantages

3.3.1 Enhanced strategic growth outlook for Abacus Storage King and the Storage King operating platform

As discussed in Section 3.1 of this report, the Self Storage Investment Portfolio has a strong growth outlook with a strong development and expansion pipeline and a pipeline of future acquisitions through its pre-emptive rights to acquire a majority of the Storage King licenced assets operated on behalf of third party owners.

With earnings from the trusts being fully distributed to securityholders, Abacus Property Group is mainly reliant on debt and equity issues to fund growth. At the present time, Abacus Property Group's funding capacity is limited. As at 31 December 2022, its Gearing[14] of 32.2% was approaching its maximum target Gearing of 35.0% and Abacus Property Group had $158.1 million of available debt facilities compared to $154.8 million of capital and other commitments at 30 June 2022. Furthermore, with Abacus Property Group Securities trading at a significant discount to NTA, a capital raising at this time, in the absence of the Proposal, would be highly dilutive to Abacus Property Group Securityholders.

The Proposal will enable Abacus Storage King to set an appropriate Gearing level so as to enable it to fund accretive acquisitions and developments through borrowings since Abacus Storage King will initially have Adjusted Gearing[15] of 26.7%, which is at the low end of its target range of 25.0% to 35.0%. Abacus Storage King will initially have limited undrawn debt. After implementation of the Proposal (and the Offer), Abacus Storage King is expected to have $67.1 million in pro forma historical consolidated cash available and $125.8 million of undrawn debt available at 3 August 2023.

Furthermore, Abacus Storage King will have an ability to exceed the top end of the target Gearing range, providing Gearing will be reduced to below 35.0% within a reasonable period of time, which provides greater flexibility than Abacus Property Group's current maximum target Gearing of 35.0%. Abacus Storage King is also expected to have a lower cost of capital relative to than Abacus Property Group at the time of Completion.

Comparison of Financing Facilities

	Abacus Property Group	Abacus Storage King
Undrawn debt	$158.1 million	$125.8 million at 3 August 2023
Gearing[1] target	Maximum of 35%	25% to 35%, with ability to exceed
Gearing as at 31 December 2022	32.2%	26.7%[2]

Source: Abacus

Notes:

1. Gearing is calculated as bank debt less cash divided by total assets less cash.
2. Adjusted Gearing is calculated as bank debt less cash divided by total assets less cash adjusted for post balance date events.

Abacus Storage King expects to target a distribution payout ratio of 90% to 100% of FFO. The Board of Abacus Storage King will retain the discretion to vary the distribution policy, and a payout ratio below this target may be adopted in circumstances where Abacus Storage King has identified growth initiatives including acquisitions and developments.

Furthermore, the Proposal provides the potential for Abacus Storage King to raise equity in the future at a price that is closer to NTA per security whereas any equity raising by the current Abacus Property Group would likely otherwise be at a significant discount to NTA given current trading price discounts. The effect of this is to reduce the dilutionary impact for Abacus Property Group Securityholders. The potential for a market re-rating is discussed in the following section.

[14] Gearing is calculated as bank debt less cash divided by total assets less cash.
[15] Adjusted Gearing is calculated as bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they occurred at 31 December 2022.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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3.3.2 Potential for a market re-rating

The Proposal provides an opportunity for Abacus Property Group to realise the underlying value of the Self Storage Investment Portfolio. In assessing the potential of a market re-rating of Abacus Storage King following the Proposal, we have considered:

- **the Offer**: the Offer Price of $1.41 has been determined by Institutional investors during a bookbuild of demand as part of the Institutional Securityholder Offer. The Offer Price represents a discount to Adjusted NTA of 10.2%,[16] and a forecast distribution yield of 4.2% and multiple of 22.4 times forecast FFO,[17] whereas on 14 June 2023, Abacus Property Group was trading at a discount to NTA of 33.1%, distribution yield of 7.1% (based on Abacus Property Group's forecast FY24 distribution) and multiple of 13.9 times forecast FY24 FFO.[18] This is clear evidence of a market re-rating of Abacus Storage King;
- **the attractiveness of the Self Storage market and expected movements in property values**: the Self Storage market currently has attractive fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, in part due to densification of residential property, and the growth of e-commerce. Consequently, it is likely that Abacus Storage King's security price will trade broadly around NTA reflecting further anticipated growth in Self Storage asset values (noting the delay between movements in security prices and property valuations); and
- **recent trading relative to NTA for National Storage REIT (National Storage), a pure-play Self Storage A-REIT**: since April 2020, National Storage has traded at or above NTA, likely reflecting the attractive fundamentals for the Self Storage market.

Price to NTA for Storage A-REITs



Source: S&P Capital IQ and Kroll analysis.

- In the three months to 14 June 2023, National Storage securities traded at an average premium to NTA of 3.3% and its closing price on 14 June 2023 represented a 0.8% premium to NTA. National Storage's equity raising in March 2023 provides additional evidence of a strong market appetite for investments in listed Self Storage assets. National Storage raised $300 million through an institutional placement of 124 million new securities (representing 10.3% of securities on issue) at $2.41 per security, a 4.0% discount to the last closing price and a 1.2% discount to National Storage's 31 December 2022 NTA per security;
- **the characteristics of Abacus Storage King relative to National Storage**: the premium/(discount) to NTA at which Abacus Storage King may trade over time will depend on the relative characteristics of Abacus Storage King and National Storage. Both Abacus Storage King and National Storage have

[16] Adjusted NTA of $1.57 per Abacus Storage King Security represents net tangible assets including pro forma adjustments and certain post balance date events as if they had occurred as at 31 December 2022.
[17] Based on pro forma forecast FFO per security for the year ending 30 June 2024, and a payout ratio of 95.0% of FFO being the mid-range of Abacus Storage King's payout policy.
[18] Based on broken median FY24 forecast distribution of 18.4 cents per security and FFO of 18.5 cents per security.

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internal operating platforms. Unlike National Storage, however, Abacus Storage King will licence and/or manage 86 stores on behalf of third parties. On the other hand, Abacus Storage King will be externally managed by Abacus Group whereas National Storage is internally managed. However, Abacus Storage King will have a relatively lower Management Expense Ratio (**MER**) of 0.70% compared to National Storage (0.87%).

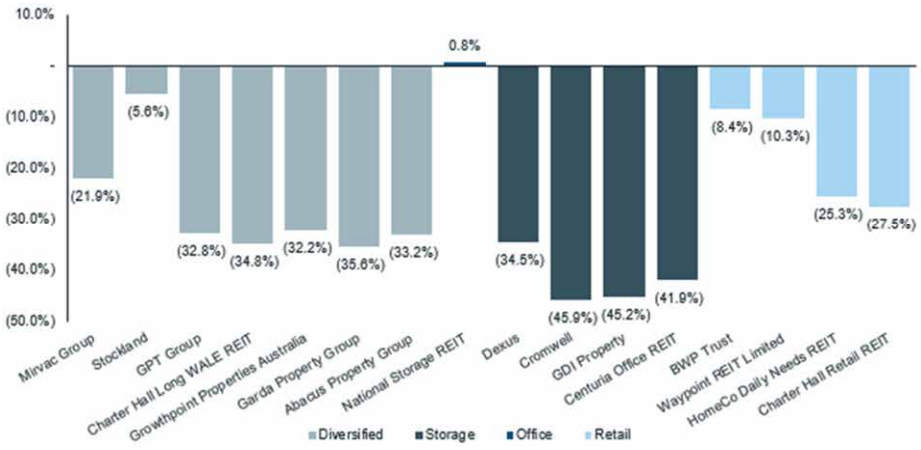
Unlike National Storage, Abacus Storage King will have a limited free float (approximately 40.5%), which likely reduces liquidity and eliminates any potential takeover premium and Abacus Storage King is not initially expected to be included in the ASX 200 A-REIT Index. A comparison of the operating and financial metrics of Abacus Storage King and National Storage is included in Section 8.10 of this report.

The De-stapling is expected to result in an overall increased value for Abacus Property Group Securityholders. In assessing the overall potential for a re-rating, we have considered:

- **market evidence as to the performance of demergers based on empirical studies and our analysis of recent Australian demergers** as set out in Appendix 3 of this report. It is evident, whilst not all demergers created shareholder value, the shares of the parent and demerged entity have typically outperformed the broader market over the medium term. However, due to the nature of the transactions and the uncertainty over what the performance of the parent entity would have been if the demerger had not been completed, it is difficult to argue conclusively that demergers create shareholder value. Rather, the success or otherwise of any demerger will always depend on the specific circumstances of each transaction;
- **the market valuation parameters of listed peers against which Abacus Storage King and Abacus Group are likely to be rated** as set out in Appendix 7 of this report. Abacus Property Group Securities do not appear to have benefited from the growth in the Self Storage sector. Despite Abacus Property Group's 52.3% exposure to the Self Storage property sector (by asset value), until the announcement of the Proposal, Abacus Property Group Securities were trading at a discount to NTA that was comparable to those of listed A-REITs with a focus on the office property sector.[19] Since 1 January 2020, Abacus Property Group Securities have consistently traded at a lower premium / higher discount to NTA than National Storage.

  On an ongoing basis, we consider that Abacus Storage King is most likely to be compared to National Storage, the only pure-play Self Storage A-REIT (allowing for differences in operating structure, liquidity, operating and financial metrics as discussed above), while Abacus Group is likely to be compared to the A-REITs with a focus on the Commercial office sector. Price to NTA, distribution yield and FFO multiples for Abacus Property Group and selected A-REITs as at 14 June 2023 are set out as follows.

Price to NTA for A-REITs



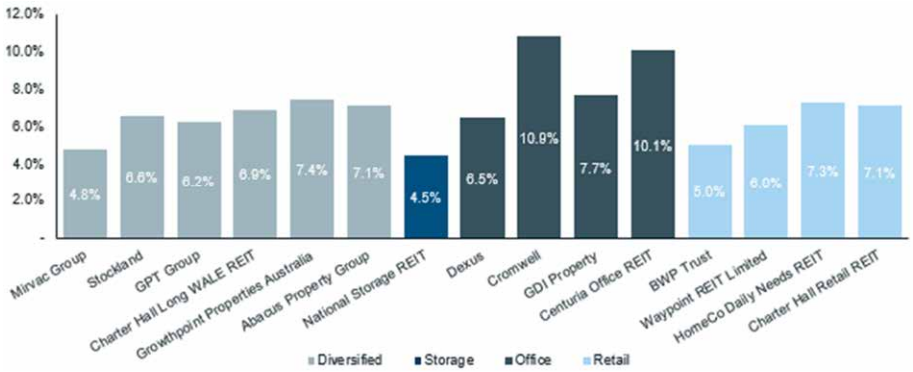
Source: S&P Capital IQ and Kroll analysis.

[19] As at 15 February 2023, Abacus Group's discount to NTA of 26.0% was at the low end of the range of discounts for office A-REITs of 26.8% to 35.6%.

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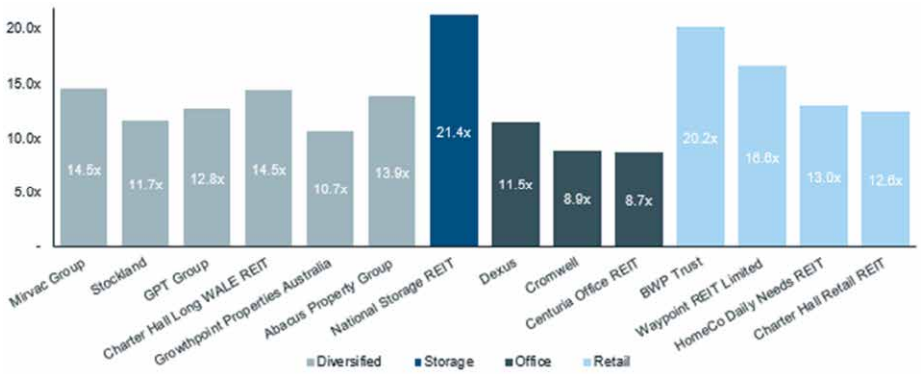
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Forecast Distribution Yield for A-REITs



Source: S&P Capital IQ and Kroll analysis.

Price to Forecast FFO for A-REITs



Source: S&P Capital IQ and Kroll analysis.

As discussed in Section 3.1 of this report, since the onset of the COVID-19 pandemic, office A-REITs have generally traded at a discount to NTA, likely reflecting an expectation that office property values will decline, however, property valuations are slow to adjust due to an absence of market transactions.

Since 15 February 2023, the last trading day before the announcement of the Proposal, the median discount to NTA for A-REITs with a focus on the office property sector has increased from 29.7% to 40.9%. Abacus Property Group's discount to NTA on 14 June 2023 of 33.1% was below the range of discounts for the office A-REITs of 34.5% to 45.9%, however, this likely reflects the impact of the announcement of the Proposal. In contrast, National Storage, a pure play storage A-REIT, traded at a premium to NTA of 0.8%.

- **the security price performance of Abacus Property Group since announcement of Proposal**. On the day of the announcement of the Proposal, Abacus Property Group's security price increased by 7.4% compared to the ASX 200 Index which increased by 0.8%, the A-REIT Index, which increased by 2.2%, and median of the office A-REITs, which increased by 1.8%. Since then, the Abacus Property Group security price has declined by 15.0% to close at $2.60 on 31 March 2023, while the ASX 200 Index decreased by 3.1%, the A-REIT index decreased by 9.1% and median of the office A-REITs decreased by 14.1%. It is not possible to conclusively assess whether and to what extent the current security price of Abacus Property Group incorporates any anticipation of the benefits of the Proposal, which adds to the complexity of assessing the prospects of a potential market re-rating following the Proposal. For further detail in relation to Abacus Property Group's share price performance refer to Section 7.12 of this report;
- **the current securityholder structure of Abacus Property Group and the trading liquidity in Abacus Property Group Securities**. In the short term, there is likely to be an increase in share price

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volatility in both Abacus Storage King and Abacus Group until portfolio weightings and share registers are stabilised and the market becomes familiar with the risk/return profile and performance of each A-REIT on a standalone basis. In the long term, the de-stapled A-REITs should be held by those investors that assign the highest value to the respective businesses, which will increase the likelihood of any market re-rating;

- **the likely benefits and disadvantages of the Proposal** as set out in Section 3.3 of this report including the lower gearing as a result of the Offer. It is noted that the relative security price performance in the short term may be impacted by the one-off cash transaction and incremental costs of the Proposal as they will be incurred immediately, while many of the benefits will likely take longer to materialise in improved earnings and cash flow, and in turn a market re-rating; and
- **the degree of transparency**. Abacus Property Group's current structure is complex and unusual as it includes six stapled entities. Abacus Group will comprise four stapled entities and Abacus Storage King will comprise two stapled entities. As such, there will be greater transparency and understanding of each business, particularly in relation to Abacus Storage King. This, in turn, increases the likelihood of a more efficient value assessment being made by the market.

On balance, we consider it likely that there will be a material market re-rating shortly after the implementation of the Proposal. As with demergers, however, there is a risk of a period of increased security price volatility and relative security price weakness in the short term. Whilst we are unable to quantify with any certainty the extent or timing of any re-rating, the balance of market evidence does favour demergers outperforming the market over a medium term investment horizon, say one to two years.

Ultimately, the traded price of Abacus Storage King and Abacus Group, and the quantum of any re-rating, will be influenced by a range of factors, including:

- the extent of any increase in the transparency of each entity, which may increase analyst coverage and investors' confidence in their ability to judge and value each entity;
- the ability of management to realise the benefits and mitigate the risks associated with the Proposal;
- the extent to which the 'pure play' entities can attract and maintain a new investor base;
- the operating performance of Abacus Storage King and Abacus Group and market perceptions as to the earnings prospects of each entity;
- the performance of the respective sectors in which Abacus Storage King and Abacus Group operate and the ability of each A-REIT to effectively adapt to new opportunities and threats;
- the market conditions of global equity markets; and
- economic conditions (including interest rates) prevalent at the time.

3.3.3 Enhanced financial flexibility

Abacus Property Group has established separate financing strategies and distribution policies for the Abacus Storage King and Abacus Group to appropriately reflect their financial, operational and strategic objectives without the potential for any internal conflict in relation to the allocation of capital.

As part of Abacus Property Group and prior to the Proposal, any capital investment would be assessed against the risk/return profile of the overall A-REIT and the impact of raising equity on securityholders. Given the different characteristics of each business, that could result in suboptimal operating outcomes.

Following the Proposal, each entity will adopt an appropriate gearing structure tailored to its earnings profile and strategic goals, without the influence or competing priorities of the other A-REIT.

To enable Abacus Storage King to operate independently, Abacus Property Group has arranged for Abacus Storage King to retain the loan facility that is secured against the Self Storage Investment Portfolio, although its availability will be limited. Abacus Storage King will, however, be able to raise additional capital, be it in equity or debt, to support its future growth opportunities. This will allow it to execute its focused strategy without restrictions.

Abacus Group will initially have Adjusted Gearing of 27.0%, which is well below its 35.0% maximum target Gearing, providing headroom should the value of the Commercial Portfolio decline further. This reduces the likelihood of Abacus Group needing to raise equity at a significant discount to NTA in order to maintain its Gearing target. Rather, the Proposal provides Abacus Group with an ability to raise capital at a time that results in reduced dilution to securityholders.

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3.3.4 Increased securityholder flexibility

On implementation of the De-Stapling, current securityholders of Abacus Property Group will, in total, have the same collective ownership interest in Abacus Group and Abacus Storage King as they currently hold in Abacus Property Group. However, the risk profile, growth prospects and return characteristics of Abacus Group and Abacus Storage King differ and may appeal to different types of investors. Therefore, securityholders will have the flexibility to adjust their holdings in each to match their individual risk/return profile.

Further, the Proposal will create two standalone listed entities which can be better aligned with their specific industry or market dynamics. Combined with a greater level of transparency in the de-stapled A-REITs investors should be able to clearly assess the strategy and risks of each entity. Potentially this will also attract new investors post the Proposal.

The retention by Abacus Group post Completion of 19.9% interest in Abacus Storage King and ownership of management rights in relation to the Self Storage Investment Portfolio does create an overlap of exposures. It potentially reduces securityholder flexibility and attractiveness to investors in some respects. Management fees from Abacus Storage King will represent 14.0% to 15.5% of Abacus Group's FY24 pro forma pre-tax FFO, although the interest in Abacus Storage King will be treated as an equity accounted investment for accounting purposes.

3.3.5 Greater strategic focus for Abacus Group

The Proposal will result in a clear and focused strategy for Abacus Group, which will continue to own and manage its high quality, eastern seaboard focused $2.6 billion Commercial Portfolio. Abacus Group is positioned to provide stable FFO and opportunities for growth for securityholders using its active asset management capabilities and strong relationships with customers.

However, Abacus Group will continue to provide management services to Abacus Storage King. Consequently, the Board and Management will continue to need to focus on both entities. Refer to Section 5.3.2 of this report for further details of the specific management services to be provided.

3.4 Disadvantages

3.4.1 Reduced scale and diversification

Following the Proposal, Abacus Group will continue to hold an investment in Abacus Storage King and generate management fees from the Self Storage Investment Portfolio, however, its exposure to the Self Storage sector will be reduced. Further, as standalone entities both Abacus Group and Abacus Storage King will be smaller in size relative to the existing Abacus Property Group.

Abacus Group and Abacus Storage King will be exposed to different risks and growth prospects. Abacus Group's distribution yield is expected to be supported by relatively stable operating cash flows and moderate growth prospects, whilst Abacus Storage King is expected to provide a higher capital growth potential, supported by higher return and growth expectations inherent in the Self Storage sector.

There is a general risk that the future financial performance or prospects of Abacus Group and Abacus Storage King may be adversely affected by events beyond the control of management. Following the Proposal, the potential negative impact of a material adverse event on one of the businesses will be offset to a lesser degree by the performance of the other business. On the other hand, a strong performing business may no longer be penalised by an underperforming business.

Whilst the Proposal will result in reduced diversification at the entity level, Abacus Property Group Securityholders would still be able to replicate this diversification from an investment portfolio perspective through maintaining their ownership in both Abacus Group and Abacus Storage King.

3.4.2 Dilution of existing securityholders

Abacus Property Group Securityholder collective interests in Abacus Group will remain unchanged as a consequence of the De-stapling. Their relative interest in Abacus Storage King will be diluted by the Abacus Storage King Securities issued to Abacus Group in exchange for the Loan Capitalisation, however, they will hold an equivalent indirect interest in Abacus Storage King through Abacus Group's 19.9% interest in Abacus Storage King. Their collective interests may, however, be diluted following the completion of the Offer depending on their respective levels of participation in the Offer.

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3.4.3 Additional corporate and ongoing costs

Upon completion of the Proposal, as Abacus Storage King and Abacus Group will be separate listed A-REITs, there are an estimated $1.6 million of additional corporate and on-going costs per annum including:

- costs associated with Abacus Storage King maintaining its own Board of Directors; and
- incremental costs associated with Abacus Storage King's separate listing on the ASX, including, securityholder communications, share registry and mailout and incremental audit fees.

3.4.4 Reduced trading liquidity

Abacus Property Group had a market capitalisation of $2.5 billion[20] on 15 February 2023, the last trading day prior to the announcement of the Proposal, and is currently included in the S&P/ASX 200 Index and S&P/ASX 200 A-REIT Index. The Proposal will lead to both Abacus Group and Abacus Storage King being separately listed entities on the ASX and individually having lower market capitalisations and consequently, lower index weightings, relative to the current market capitalisation and index weighting of Abacus Property Group. It is possible that this reduction in size and lower presence in the share market indices may result in a lower level of Institutional interest in each of the de-stapled entities. This may, in turn, reduce liquidity. However, both entities will be substantial in size and should continue to attract considerable investor interest.

Abacus Property Group currently has a free float of 48.2%. Following Completion, Abacus Group will continue to have a free float of 48.2% while Abacus Storage King is expected to have a lower free float of approximately 40.5% as a result of Abacus Group's 19.9% interest in Abacus Storage King and Ki Corporation Limited's 39.6% interest.

The de-stapled entities are both expected to be included in the S&P/ASX 300 Index, however, are not expected to be initially included in the S&P/ASX 200 Index, the key benchmark index for institutional investors. To the extent that either Abacus Group or Abacus Storage King can raise further equity and undertake accretive acquisitions and developments they may, in future, reach a scale where they are included in the S&P/ASX 200 Index.

3.4.5 One-off transaction and implementation costs

Management have estimated total one-off transaction and implementation costs in relation to the Proposal to be approximately $21.9 million on a pre-tax basis (of which approximately $3.6 million relates to stamp duty and land transfer fees). These include third party advisory fees, listing and administrative fees, underwriting fees and other expenses associated with the Proposal.

If the Proposal is implemented, Abacus Group is expected to bear $6.4 million of the total transaction costs and Abacus Storage King is expected to bear $15.5 million. As a result, the combined NTA will be lower on Completion.

If the Proposal does not proceed, it is estimated that $7.9 million will be incurred by Abacus Property Group.[21]

The total one-off transaction costs (before tax) of the Proposal are not significant, representing less than 1.0% of Abacus Property Group's current market capitalisation.

There is a risk that total transaction and implementation costs could exceed the estimate of $21.9 million (before tax). However, any excess is unlikely to be material in the context of Abacus Property Group as a whole.

3.4.6 Transition and implementation risk

Transition risk associated with the Proposal relates primarily to the initial share trading in the de-stapled entities. In respect of the initial share trading, it is possible that once the Proposal is implemented, Abacus Group Securityholders will adjust their portfolio holdings in both Abacus Group and/or Abacus Storage King. Accordingly, until the securityholder bases of both A-REITS are rebalanced, a risk exists that short term volatility in the share price of both A-REITs may result in the combined value of Abacus Group and Abacus Storage King being lower than the current market capitalisation of Abacus Property Group noting that the security price within the capital raising will also impact the Abacus Storage King security trading price. Such short term volatility is not unusual after a demerger, as discussed in Appendix 3 of this report.

[20] Calculated as $2.85 per security multiplied by 893,657,633 Abacus Property Group Securities.
[21] As at Transaction Booklet Date.

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3.4.7 Ongoing relationship

It is anticipated that following implementation of the Proposal, Abacus Group and Abacus Storage King will act with separate commercial objectives in their dealings in the future. It can be assumed that Abacus Group and Abacus Storage King will act in their respective best interests over the term of the management agreement arrangements which has the potential to increase the prospects that commercial interests may diverge and disputes may occur over time. If their respective commercial interests significantly diverge, or if there are any material disputes (whether individually or in the aggregate), this may have an adverse impact on either respective financial position, financial performance and reputation. This risk is mitigated since Abacus Group will hold a 19.9% interest in Abacus Storage King. Furthermore, as responsible entity of Abacus Storage King, Abacus Group has a fiduciary duty to act in the best interests of Abacus Storage King.

Abacus Storage King will be externally managed by Abacus Group. There will be a number of related party arrangements in place as set out in Section 8.3.1 of the Transaction Booklet.

The ASPT Responsible Entity has obligations under the Corporations Act and the ASX Listing Rules to have in place adequate arrangements to identify and manage conflicts of interest and related party transactions. Given the relationships between Abacus Storage King and Abacus Group, the Abacus Storage King Board has adopted a Conflicts of Interest and Related Party Transactions Policy effective from De-stapling Implementation to ensure there are adequate arrangements to identify and manage conflicts of interest and related party transactions. Under the policy, Abacus Storage King will have first rights to acquire or lease new Self Storage Assets in prior to other members of Abacus Group or any other entity that Abacus Group manages.

3.5 Other considerations

In forming our opinion, we have also considered a number of other factors. Whilst we do not necessarily consider these factors to impact our assessment of the reasonableness of the Proposal, we have addressed them as follows.

3.5.1 Impact on distributions

The future distribution policy of Abacus Group and Abacus Storage King will be determined at the discretion of their respective Boards and will ultimately depend on the financial performance and cash requirements of each individual entity. It currently is the intention of:

- Abacus Group for its distribution policy to remain unchanged, targeting a payout ratio in the range of 85% to 95% of FFO; and
- Abacus Storage King expects to target a distribution payout ratio of 90% to 100% of FFO once its portfolio is fully stabilised. A payout ratio below this target may be adopted in circumstances where Abacus Storage King has identified growth initiatives including acquisitions and developments.

It follows that as the Abacus Storage King target distribution payout ratio is greater than that for Abacus Property Group then following the Proposal Securityholders will potentially receive a higher combined distribution than would otherwise have arisen if the Proposal was not implemented unless growth initiatives have been identified.

3.5.2 Investment in Abacus Storage King

Following the Proposal, Abacus Group will retain a 19.9% interest in Abacus Storage King and have one representative on the Board of Abacus Storage King.

Abacus Group's rationale for retaining a 19.9% interest in Abacus Group is that it:

- provides alignment of interests given the ongoing commercial relationships (Management Agreements) between Abacus Group and Abacus Group; and
- provides an initial balance of control and influence.

The 19.9% interest in Abacus Storage King should provide Abacus Group with a "voice" at board meetings, particularly in relation to the ongoing Management Agreements. Given the Management Agreement in which Abacus Group will provide services to Abacus Storage King, Abacus Group's ownership interest and board representation may provide benefits such as:

- assisting to maintain a culture of collaboration between Abacus Group and Abacus Storage King;

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- ameliorating any tensions that might arise as a result of having a better understanding of Abacus Storage King's position and strategy;
- reassuring investors of Abacus Group's conviction and commitment to Abacus Storage King (although the opposite can also occur, creating investor concern when a decision is made to sell);
- providing a recurring funds management revenue; and
- enabling Abacus Group to benefit from the upside potential from realisation of significant growth opportunities by Abacus Storage King and/or corporate activity.

While Abacus Storage King will be a liquid investment listed on the ASX:

- the Abacus Group investment in Abacus Storage King could create a potential overhang if Abacus Group was perceived either as a seller or not a long term holder of the interest. In this regard we note that Ki Corporation Limited is expected to hold approximately 39.6%; and
- the relatively large size of Abacus Group's shareholding as Abacus Storage King's second largest shareholder may mean that it is difficult to sell quickly or in one line and may restrict the price at which Abacus Group is able to sell its interest, should it choose to do so in the future.

On balance, while Abacus Group's investment in Abacus Storage King is probably not critical, it may provide some benefits and is unlikely to be detrimental to either party.

3.5.3 Management fees

We note that Abacus Storage King's MER[22] is expected to be 0.70%, which is below the MER of the most comparable company, National Storage, of 0.87%. Kroll has also benchmarked the MER against comparable externally managed A-REITs and found that it lies within the range of comparable MERs of 0.50% to 1.00%, but lies above the median MER of 0.66% (refer to Appendix 4 of this report for further details).

3.5.4 The Proposal is subject to the satisfaction of certain conditions

There are certain conditions which, if not satisfied, will result in the Proposal not being implemented. In particular, approval is required from Australia's FIRB. If any conditions precedent prevent the Proposal from being implemented, Abacus Property Group Securityholders will continue to hold their existing Abacus Property Group Securities.

Refer to Section 3.4 of the Transaction Booklet for further details on the conditions precedent to the proposal.

3.5.5 Taxation implications of the Proposal

General Australian tax implications for Abacus Property Group securityholders are outlined in Section 17 of the Transaction Booklet.

It is important to note that for Australian taxation purposes, each interest in an entity within a stapled group is a separate interest and as such the tax consequences must be determined separately for each interest. In this respect currently the Abacus Property Group represents six separate CGT assets and following the Proposal, the New Abacus Group and Abacus Storage King Securities will represent four and two separate CGT assets respectively.

Abacus Property Group has sought a Class Ruling from the ATO in order to confirm the tax implications of the Proposal. A final ATO ruling has not been received at the date of this report. The final ruling, once received, will be available on the ATO website and published on Abacus Group website.

The tax advice indicates:

- the De-stapling should not constitute a CGT event;
- the overall cost base will be the same post the Proposal;
- as the De-stapling does not involve a disposal or an acquisition no change will arise in the acquisition date for securityholders;

As such, in effect the De-stapling should not result in any change in the existing tax characteristics and treatment for Securityholders. They will however be required to treat each component separately as

[22] MER is base management fees and other expenses as a percentage of average GAV.

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applicable to the relevant stapled structures of Abacus Group and Abacus Storage King. We note that Abacus Property Group Securityholders should consider their individual taxation circumstances, review Section 17 of the Transaction Booklet for further information where it applies to their circumstances and seek the advice of their own professional adviser.

3.5.6 Alternatives to the Proposal

The Abacus Property Group Directors considered a number of alternatives to fund growth opportunities. These included:

- Commercial asset sales;
- divestment of Abacus Property Group's 7.1% interest in the ASX listed Self Storage A-REIT;
- an equity raising; and
- a de-stapling involving the full separation of Self Storage Investment Portfolio with internalised management).

While it is inevitable that any proposal will involve some compromises and drawbacks, the Abacus Property Group Board and management considered each of these alternatives and determined that the Proposal is the most effective means of achieving its objectives since:

- the sale of $200 million of additional non-core Commercial assets would likely involve significant execution risk in the current market environment and would likely involve a significant discount to NTA;
- the divestment of Abacus Property Group's 7.1% interest in the ASX listed Self Storage A-REIT involves limited execution risk and the A-REIT's securities are currently trading at a slight premium to NTA, however, Abacus Property Group would lose the strategic value inherent in the 7.1% stake and its most liquid asset; and
- an equity raising by Abacus Property Group would be highly dilutive to NTA and FFO at this time, given that Abacus Property Group Securities are trading at a 33.1% discount to NTA.[23]

Furthermore, none of the above alternatives provides sufficient capital to take advantage of all of the identified growth opportunities across the Commercial Office and Self Storage portfolios.

The Abacus Property Group Board and management also considered a demerger involving the full separation of Self Storage Investment Portfolio with internalised management. Although this alternative would provide greater flexibility for shareholders who wish to hold a pure play Commercial or Self Storage portfolio and reduces the risk of conflicts of interests arising between the de-merged A-REITs, this alternative was ultimately considered to be suboptimal given the sub scale size of the Self Storage management team and resulting dis-synergies that would arise as a result of having to employ a senior management team.

It is possible that Abacus Storage King securityholders could pursue an internalisation of management in the future once Abacus Storage King reaches sufficient scale, requiring a 50.0% vote. Although there is no compensation payable to Abacus Group should Abacus Storage King Securityholders vote out the responsible entity (and thus, terminate the management agreements), Abacus Group will initially hold a 19.9% interest in Abacus Storage King and, combined with Ki Corporation Limited's 39.6% interest, this would be sufficient to block such a vote, unless either or both party sells down their interests such that their combined interest is less than 50.0%.

While the Proposal would incur one-off costs and some dis-synergies, it has several advantages. The Proposal:

- it provides more certainty of execution compared to a sale of Commercial office assets or equity raising at the present time;
- creates a new sector specific vehicle in Self Storage, a highly sort after asset class;
- maximises the potential for unlocking material securityholder value;
- allows for a clear repositioning of Abacus Group; and

[23] Abacus Property Group Securities closed at $2.58 as at 14 June 2023. NTA of $3.86 per share as at 31 December 2022.

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- allows for an equity raising which will reduce gearing and support future growth initiatives at the highest possible reference price.
- de-stapling tax relief should be available to Abacus Property Group Securityholders, deferring any tax payable until they sell any of their Abacus Storage King shares (see Appendix D of the Transaction Booklet for more detail).

Ultimately, the Abacus Property Group Board settled on the Proposal as the preferred way forward. Abacus Group will retain a strategic investment of 19.9% interest in Abacus Storage King given the ongoing management arrangements with Abacus Group. The advantages and disadvantages of Abacus Group's retention of an interest in Abacus Storage King are discussed in Section 3.5.2 of this report.

3.6 Consequences if the Proposal does not proceed

In the event that the Proposal is not approved or any other conditions precedent prevent the Proposal from being implemented, Abacus Property Group will continue to operate in its current form with its current strategy and will remain listed on the ASX. As a consequence:

- the benefits of the Proposal will not be realised and Abacus Property Group' capital structure will remain constrained with respect to being able to deliver on growth opportunities;
- Abacus Property Group Securityholders will continue to be exposed to the risks and benefits associated with the Self Storage Investment Portfolio;
- it is possible that the Abacus Property Group security price will fall. The current price of Abacus Property Group Securities reflects the terms of the Proposal and increased by 7.4% on the day of the announcement of the Proposal on 16 February 2023. Further, whilst discounts to NTA for Abacus Property Group has increased since that date, the increase is generally lower than for the office A-REITS (refer Section 7.12.2); and
- Abacus Property Group will incur an estimated $7.9 million of one-off transaction costs in relation to the Proposal.[24]

4 Other matters

Our report has also been prepared in accordance with the relevant provisions of the *Corporations Act 2001* (Cth) (the **Corporations Act**) and other applicable Australian regulatory requirements and has been prepared solely for the purpose of assisting Abacus Property Group Securityholders in considering the Proposal. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

This report constitutes general financial product advice and has been prepared without taking into consideration the individual circumstances of Abacus Property Group Securityholders. This advice, therefore, does not consider the financial situation, objectives or needs of individual Abacus Property Group Securityholders.

The decision of Abacus Property Group Securityholders as to whether or not to approve the Proposal is a matter for individual securityholders who should, therefore, consider the appropriateness of our opinion to their specific circumstances. As an individual's decision to vote for or against the proposed resolutions may be influenced by their particular circumstances, we recommend that individual Abacus Property Group Securityholders, including residents of foreign jurisdictions, seek their own independent professional advice.

All currency amounts in this report are denominated in Australian dollars unless otherwise stated. References to an Australian financial year (i.e. the 12 months to 30 June) have been abbreviated to FY, references to calendar years have been abbreviated to CY and references to half year have been abbreviated to H.

Our opinion is based solely on information available as at the date of this report. This information, and our limitations and reliance on information section, are set out in Appendix 2. We have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

Kroll has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included at the end of this report.

[24] As at Transaction Booklet Date.

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The above opinion should be considered in conjunction with, and not independently of, the information set out in the remainder of this report, including the appendices.

Yours faithfully



Ian Jedlin
Authorised Representative



Celeste Oakley
Managing Director



Independent Expert's Report
and
Financial Services Guide
in relation to the proposed de-stapling
of Abacus Property Group



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5 The Proposal

5.1 Overview

On 16 February 2023, Abacus Property Group announced its intention to create a new ASX-listed Self Storage REIT known as Abacus Storage King (ASX:ASK). Abacus Property Group will be restructured to form two ASX-listed REITs, separately containing the Self Storage Investment Portfolio and the Commercial Portfolio.

It is intended that Abacus Storage King will be established by de-stapling ASOL and ASPT from Abacus Property Group (the De-stapling), with the remaining entities forming Abacus Group. If the Proposal is approved, Abacus Storage King will undertake the Offer, a capital raising involving an offer of new Abacus Storage King stapled securities to existing Abacus Property Group Securityholders at the Offer Price of $1.41 per security on a pro rata basis.

5.2 Rationale

Since 2005, Abacus Property Group has grown its Self Storage Investment Portfolio to 131 Investment Properties with a valuation of $2.6 billion as at 30 April 2023 and $508 million invested in Other Self Storage investments. The creation of Abacus Storage King as a dedicated Self Storage REIT will provide securityholders with a pure play exposure to the Self Storage Investment Portfolio.

The Self Storage market currently has attractive fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, in part due to densification of residential property, and the growth of e-commerce. Abacus Storage King has a strong growth outlook with a development and expansion pipeline of 105,500 sqm and a pipeline of future acquisitions opportunities.

With earnings from the trusts being fully distributed to securityholders, Abacus Property Group is reliant on debt and equity issues to fund growth. At the present time, Abacus Property Group's funding capacity is limited. As at 31 December 2022, its Gearing[25] of 32.2% was approaching its maximum target Gearing of 35.0% and Abacus Property Group had $158.1 million of available debt facilities compared to $154.8 million of capital and other commitments as at 30 June 2022, not including uncommitted capital to take advantage of all identified growth opportunities. At the same time, the official cash rate has progressively increased since May 2022, raising borrowing costs towards more historically normalised levels. Consequently, this growth will need to be funded by capital raisings.

Since the onset of the COVID-19 pandemic, listed Commercial A-REITs have generally traded at a discount to NTA. This likely reflects an expectation that office property values will decline, however, property valuations have been slow to adjust due to an absence of market transactions. Whilst transaction volumes are subdued, a small number of recent transactions involving CBD office towers suggest a price decline in the order of 10% to 15%.[26] This expected decline is a result of the impact on occupancy and rental growth from trends such as working from home and slowing economic growth, as well as the impact of the tightening of monetary policy on capitalisation rates. Market commentators have expressed concern that lower property valuations will increase gearing in the sector to 'uncomfortably high levels'.[27] Furthermore, there is speculation that lower quality office buildings will experience higher vacancy rates as major tenants consolidate into top range towers.[28] The discount to NTA further widened in March 2023 as the US and European banking crisis heightened fears of tighter credit conditions in Commercial property, and as employee layoffs are expected to create further pressure on occupancy. As at 14 June 2023, listed office A-REITs were trading at discounts to NTA in the order of 34.5% to 45.9%.

Despite its 52.3% exposure (by total assets) to the Self Storage property sector, until the announcement of the Proposal, Abacus Property Group Securities were trading at a discount to NTA that was comparable to those of listed office A-REITs. Consequently, in the absence of the Proposal, a capital raising at this time would be highly dilutive to Abacus Property Group Securityholders.

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[25] Gearing is calculated as bank debt less cash divided by total assets less cash.
[26] For example "Collins St deal to set benchmark for battered office market", Australian Financial Review, 27 April 2023 and "Dexus taps bellwether buyer for discount tower deal", Australian Financial Review, 3 May 2023.
[27] For example, "How it might get 'uncomfortable' for Australian commercial property", Australian Financial Review, 29 March 2023.
[28] For example, "Fears of office crunch overblown: Charter Hall chief", Australian Financial Review, 27 March 2023.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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The Proposal allows Abacus Property Group to set an appropriate gearing level to position each entity to deliver on their respective growth opportunities. It is intended that Abacus Storage King will undertake an equity raising at the time of the De-stapling. It is anticipated that the Offer Price will be determined by Institutional investors during a bookbuild of demand as part of the Institutional Securityholder Offer. This will determine if the Offer Price is offered to all securityholders at a discount to NTA.

5.3 Steps to implement the Proposal

5.3.1 Abacus Property Group current structure

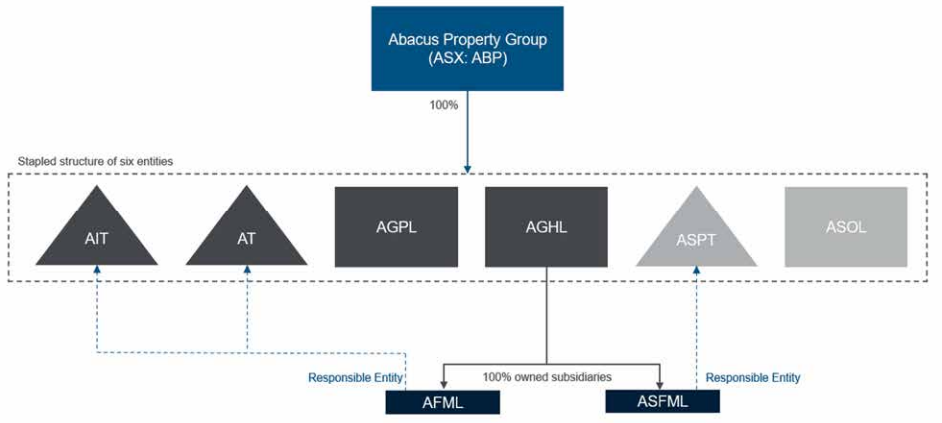
Abacus Property Group is a stapled structure comprising of units in AT, AIT and ASPT and shares in AGHL, AGPL and ASOL. Although the group has been structured into separate legal entities, they are effectively operated as a single economic entity. The entities have been stapled and are traded together on the ASX as Abacus Property Group Securities. AT, AIT and ASPT are Australian registered managed investment schemes. AGHL, AGPL and ASOL are companies that are incorporated and domiciled in Australia.

AGHL is the nominated parent entity of Abacus Property Group. It's 100% owned subsidiaries include Abacus Funds Management Limited (**AFML**), the responsible entity of AT and AIT, and Abacus Storage Funds Management Limited (**ASFML**), the responsible entity of ASPT.

AT, AIT and AGPL hold investments in Commercial properties ASPT holds Self Storage real estate assets and other investments in Self Storage assets. ASOL holds Abacus Storage King Pty Ltd and other investments in Self Storage assets.

The current operating structure of Abacus Property Group is summarised in the following chart.

Abacus Property Group Current Structure



Source: Abacus.

5.3.2 Proposed corporate structure

The Proposal will involve the creation of two separate groups:

- **Abacus Group**, a stapled group comprising shares in AGHL and AGPL and units in AT and AIT (and their respective controlled entities), which will own the Commercial Portfolio and remain internally managed. Abacus Group will remain listed on the ASX under the new ticker (ASX:ABG); and
- **Abacus Storage King**, a stapled group comprising units in ASPT and shares in ASOL (and their respective controlled entities), which will own the Self Storage Investment Portfolio and will be externally managed by Abacus Group. Abacus Storage King will seek to be separately listed on the ASX under the ticker (ASX:ASK).

Abacus Group and Abacus Storage King will have a continuing relationship after implementation of the Proposal including:

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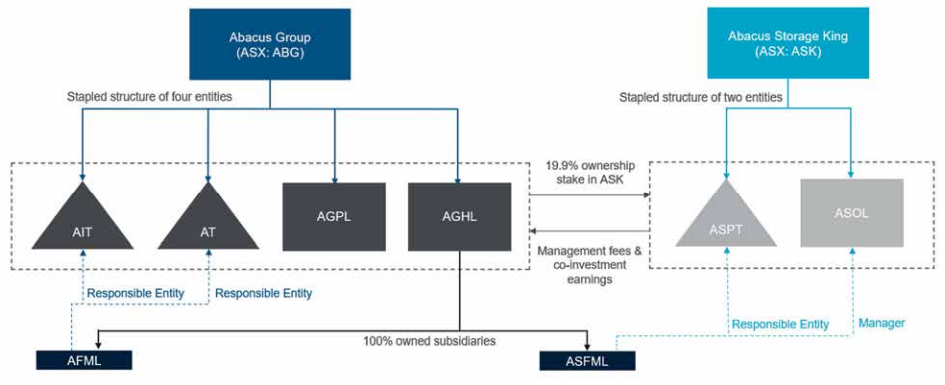
- an Abacus Group entity will be the responsible entity of ASPT;
- a Management Services Agreement for the provision of management services and operational oversight of ASOL;
- a Development Management Agreement for the provision of development management services in relation to the future development of Self Storage sites owned by Abacus Storage King; and
- a Property Management Agreement for the provision of property management services for a limited amount of Commercial tenancies within the Self Storage Investment Properties.

Refer to Sections 4.10 and 8.3 of the Transaction Booklet for further details on the various agreements between Abacus Group and Abacus Storage King.

In addition, Abacus Group is expected to retain a 19.9% interest in Abacus Storage King upon implementation of the Proposal.

If the Proposal is implemented, the structure of Abacus Group and Abacus Storage King will be as follows.

Abacus Group and Abacus Storage King Proposed Structure



Source: Abacus

5.3.3 Implementation steps

To implement the Proposal, the following steps will take place:

- **Abacus Property Group Securityholder approval:** of the Resolutions by the requisite majorities at an Extraordinary General Meeting;
- **Constitution**: the constitution of Abacus Property Group will be amended to enable implementation of the Proposal;
- **De-stapling of Abacus Property Group**: ASPT and ASOL will be de-stapled from AGHL, AT, AGPL and AIT (the **De-stapling**) and each other, and, in conjunction with the issue of securities to Abacus Group, re-stapled together on a one-for-one basis to create Storage King and Abacus Group, respectively. Following De-stapling Implementation, each Abacus Property Group Securityholder will hold 1 Abacus Group Security and 1 Abacus Storage King Security Abacus Property Group Security they held on the Last Registration Date;
- **Abacus Group obtains a stake in Abacus Storage King**: Abacus Group will acquire a collective interest of 22.6% of Abacus Storage King Securities in consideration for the partial payment of intragroup loans owing from entities in Abacus Storage King to entities in Abacus Group and the transfer of certain Self Storage assets; and
- **Offer and admission**: Abacus Storage King will undertake the Offer, an offer of new Abacus Storage King Securities via an underwritten pro rata Institutional Securityholder Offer and Retail Securityholder Offer in Australia and New Zealand and institutional investors in certain other jurisdictions, and will seek separate admission to the official list of the ASX and a separate quotation of its securities. The

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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Offer is expected to raise proceeds of $344.6 million. At completion of the offer, Abacus Group is expected to have a collective interest in Abacus Storage King of 19.9%.

Further details of these steps are contained in Section 3.3 of the Transaction Booklet.

5.4 Conditions precedent

Implementation of the Proposal is subject to the following conditions precedent:

- regulatory approvals;
- Abacus Property Group Securityholder approval;
- the Offer not being withdrawn and Underwriting Agreement not being terminated or becoming incapable of completion;
- ASX listing of Abacus Storage King; and
- no restraint imposed by court or regulatory authority.

The conditions precedent are described in Section 3.4 of the Transaction Booklet.

6 Scope of the report

6.1 Purpose

The Abacus Property Group Directors have appointed Kroll to prepare an independent expert's report setting out whether, in our opinion, the Proposal is fair and reasonable to Abacus Property Group Securityholders, in order to assist Abacus Property Group Securityholders in assessing the Proposal.

We understand that the Proposal is intended to be implemented by way of a vote by securityholders at an Extraordinary General Meeting.

This report is to be included in the Transaction Booklet to be sent to Abacus Property Group Securityholders.

6.2 Basis of assessment

RG 111, issued by ASIC, provides guidance on the content of an independent expert's report and how an independent expert can help securityholders make informed decisions about transactions. RG 111 specifically provides a recommended approach for control transactions, demergers and demutualisations, approval of a sale of securities under item 7 of Section 611 of the Corporations Act, and compulsory acquisitions and buy-outs.

In our opinion, the transaction is most similar to that of a demerger and demutualisation as it does not involve any of the following:

- a change in the underlying economic interests of securityholders;
- a change of control; and
- selective treatment of different securityholders.

RG 111.36 states that in the absence of these factors, the issue of 'value' may be of secondary importance and the expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. This involves a judgement by the expert as to the overall commercial effect of the proposed transaction, the circumstances that led to the proposal and the alternatives available. By weighing up the advantages and disadvantages of the proposal, the expert forms an overall view as to whether the shareholders are likely to be better off if the proposal is implemented than if it is not.

It follows that, where the advantages of the Proposal are considered to outweigh the disadvantages, the Proposal will be fair and reasonable to Abacus Property Group Securityholders.

In forming our opinion as to whether the Proposal is fair and reasonable to Abacus Property Group Securityholders, we have considered the following:

- the financial implications of the Proposal on the operations of both Abacus Group and Abacus Storage King;

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- the effect on earnings and distributions attributable to existing Abacus Property Group Securityholders;
- the proposed management and board structures and associated potential change in management focus on the business operations of both Abacus Group and Abacus Storage King;
- any possible share market re-rating following the Proposal;
- the transitional and ongoing management arrangements between Abacus Group and Abacus Storage King following the implementation of the Proposal;
- the potential taxation risks and/or consequences for existing Abacus Property Group Securityholders;
- any other benefits or advantages of the Proposal;
- the disadvantages, costs and risks of the Proposal; and
- the implications for Abacus Property Group Securityholders if the Proposal not implemented.

Due to the nature of the transaction, it is not possible to quantify specific benefits or disadvantages, and therefore our assessment is necessarily subjective in nature and is based on an evaluation of the benefits, disadvantages and other factors having regard to the strategic, financial and current circumstances of the business.

7 Profile of Abacus Property Group

7.1 Background

Abacus Property Group is a diversified property group that specialises in Self Storage and Commercial (mostly office) property investments in Australia and New Zealand. As at 31 December 2022, it had an investment portfolio that was valued at $5.4 billion and comprised $2.8 billion in Self Storage assets and $2.6 billion in Commercial properties. As at 14 June 2023, it had a market capitalisation of $2.3 billion.[29] Abacus Property Group's largest securityholder, Calculator Australia Pty Ltd as trustee for the Calculator Australia Trust (**Calculator Australia**), currently has a 51.8% interest in Abacus Property Group Securities.[30]

Abacus Property Group was formed in August 2001 through the merger of eight property syndicates and a small development company established and managed by AFML. In the ensuing years, the Company positioned itself as a diversified property investment group providing exposure to a portfolio of Commercial, retail and industrial property, mortgage investments, development syndicates and property funds management initiatives. Abacus Property Group was listed on the ASX in November 2002.

In June 2003, Abacus Property Group launched the Abacus Diversified Income Fund, an unlisted stapled entity which comprised units in AIT and shares in AGPL, which was subsequently merged with the Abacus Property Group in March 2006.[31]

In November 2005, Abacus Property Group launched the Abacus Storage Fund, an unlisted stapled entity comprised of units in ASPT and shares in ASOL. In March 2012, Abacus Property Group merged with the Abacus Storage Fund.[32] At the time, Abacus Storage Fund owned a portfolio of 41 Self Storage assets in Australia and New Zealand, which were managed by Storage King.

In January 2009, Abacus Property Group undertook a capital raising in the wake of the global financial crisis to reduce gearing and allow the company to capitalise on acquisition opportunities. Calculator Australia assisted in the recapitalisation, emerging with a 27.4% interest in Abacus Property Group. Since then,

[29] Calculated as $2.58 per share multiplied by 893,657,633 securities.
[30] Calculator Australia is a privately held investment group controlled by Natie Kirsh. It holds a majority stake in New York state cash and carry operations Jetro Holdings, LLC, and has various equity and investments in Australia, Eswatini, the United Kingdom (**UK**), the US, and Israel.
[32] The merger was implemented by way of the stapling of securities of Abacus (AT units, AIT units, AGHL shares, and AGPL shares) to securities of Abacus Storage Fund (ASPT units and ASOL shares). Each new stapled security post-merger comprised one AT unit, one AIT unit, one AGHL share, one AGPL share, on restructured ASPT unit, and one restructured ASOL share.
[32] The merger was implemented by way of the stapling of securities of Abacus (AT units, AIT units, AGHL shares, and AGPL shares) to securities of Abacus Storage Fund (ASPT units and ASOL shares). Each new stapled security post-merger comprised one AT unit, one AIT unit, one AGHL share, one AGPL share, on restructured ASPT unit, and one restructured ASOL share.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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Calculator Australia has increased its interest in Abacus Property Group on a regular basis through the exercise of its rights under the 3% creep provisions of the Corporations Act, and through participation in the Dividend Distribution Reinvestment Program (**DRP**).

At the November 2016 Annual General Meeting, Abacus Property Group management announced a strategy to reposition Abacus Property Group's portfolio in order to enhance recurring income and support distributions, specifically through investment in the Self Storage and office sectors.

Since 30 June 2018, following the appointment of Steven Sewell as Managing Director, Abacus Property Group has:

- divested non-core Retail centres and Residential properties;
- acquired over $1.5 billion of Commercial assets;
- $1.4 billion deployed into Self Storage acquisitions;
- acquired a 25% interest in the Storage King operating platform in August 2018 and acquired the remaining 75% in November 2020;
- deployed over $300 million on Commercial developments and $150 million on Self Storage developments; and
- wound up the Residential loans business in FY22.

7.2 Strategy

Abacus Property Group is focused on investing in assets that are forecast to drive long-term total returns and securityholder value, with an investment objective to provide its investors with reliable asset backing and increasing returns over the medium to longer term. Abacus Property Group looks for investments in the Self Storage and Commercial sectors that can provide strong and stable cash-backed distributions, with potential for capital and income growth.[33]

Abacus Property Group has indicated that it executes on its strategy by:[34]

- maintaining a portfolio of high-quality assets;
- optimising operational performance to drive rate and occupancy growth;
- implementing a disciplined and strategic acquisition strategy, with a priority on securing assets in high-quality locations with strong demographic drivers;
- pursuing development and expansion opportunities to achieve enhanced risk-adjusted returns;
- increasing value through active management of the asset portfolio; and
- maintaining an appropriate capital structure.

7.3 Operations

7.3.1 Summary

Abacus Property Group has two operating segments:

- Property Investment – Self Storage (**Self Storage**): responsible for the management, operation and ownership of Self Storage properties. The segment also includes the operating business of Storage King, ownership of listed securities and equity accounting of co-investments; and
- Property Investment – Commercial (**Commercial**): responsible for management and ownership of Australian Commercial (office, retail and other) properties. The segment also includes the equity accounting of co-investments in property entities and secured property loans.

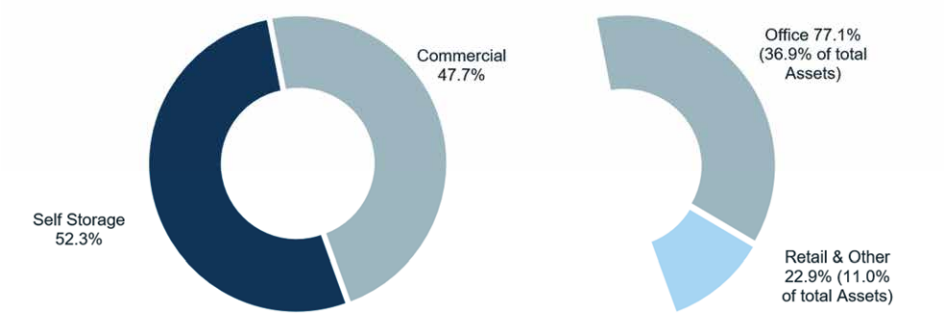
[33] Abacus FY22 Financial Report Appendix 4E

[34] Abacus 1H23 Results Presentation

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The relative contribution of total assets by operating segment as at 30 April 2023 is illustrated as follows.

Abacus Property Group's Total Assets by Operating Segment as at 30 April 2023



Source: Abacus Property Group

Note: Property Investment – Commercial includes office, retail and other assets.

Abacus Property Group previously had an additional operating segment known as Property Development. This segment was wound down and ceased operating in FY22.

7.4 Self Storage

7.4.1 Summary

Abacus Property Group's Self Storage Investment Portfolio comprises 131 assets,[35] including 110 trading stores with over 582,000 square metres (**sqm**) of net lettable area, 21 development sites, and $508 million of Other Self Storage Investments including a $238.0 million investment in another ASX listed Self Storage REIT. As at 30 April 2023, the portfolio of Self Storage Investment Properties had a weighted average capitalisation rate (**WACR**)[36] of 5.5% and was 91.4% occupied.[37] It has an independent valuation of approximately $3.1 billion.[38]

7.4.2 Self Storage Investment Properties

The Self Storage Investment Portfolio has 95 trading stores in Australia, geographically diversified across New South Wales (**NSW**), Victoria (**VIC**), Queensland (**QLD**), Australian Capital Territory (**ACT**), Western Australia (**WA**), and South Australia (**SA**), with a strong weighting towards metropolitan locations along the eastern seaboard. Of these assets, 63 (or 66.3%) are located in capital cities, including 29 stores in Sydney (30.5%), 19 in Melbourne (20.0%), and 15 in Brisbane (5.8%). The remaining 32 (or 33.7%) of Self Storage Investment Properties are located in non-capital cities and regions.

Abacus Property Group also has 15 Self Storage Investment Properties in New Zealand, of which 11 are located in Auckland.

[35] As at the date of this report, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores). These assets are not included in the portfolio statistics.

[36] WACR is calculated by dividing total expected net operating income from an investment property by the total value of the investment property (note that Abacus Property Group may have excluded certain assets from this calculation).

[37] WACR and Occupancy statistics are for the established portfolio.

[38] As at 30 April 2022. Valuation includes 131 Self Storage Investment Portfolio assets independently valued for $2,638.8 million and $508.0 million value for Storage King and other Self Storage investments. As at the date of this report, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of approximately $46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement.

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The portfolio of Self Storage Investment Properties as at 30 April 2023 is summarised as follows.

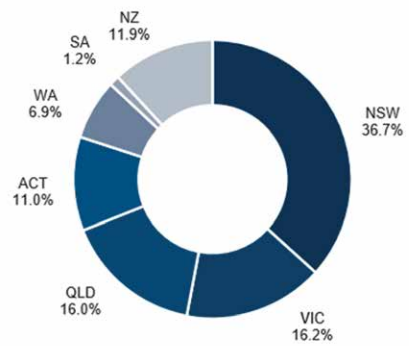
Abacus Self Storage Investment Properties Summary as at 30 April 2023

State/Country	Number of Assets	Value ($'000)	Capitalisation Rate (%)	Net Lettable Area (sqm)
NSW	48	961,800	5.2%	175,968
VIC	25	425,287	5.8%	106,410
QLD	24	419,850	5.7%	102,775
ACT	6	287,900	5.3%	50,354
WA	10	181,900	6.3%	59,023
SA	3	31,050	6.0%	10,476
New Zealand	15	311,223	6.0%	77,855
Total	**131**	**2,619,010**	**5.5%**	**582,861**

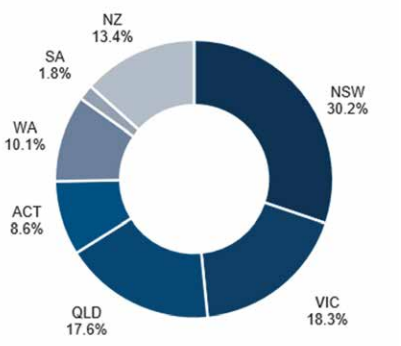
Source: Abacus Property Group.

Note: Total fair value of $2.6 billion does not include value for Storage King and other Self Storage investments, worth $508 million as at 30 April 2023.

Fair Value of Self Storage Investment Properties By Region as at 30 April 2023



NLA of Self Storage Investment Properties By Region as at 30 April 2023



Source: Abacus Property Group, Kroll analysis.

7.4.3 Self Storage Investment Properties key statistics

Key portfolio statistics for the Self Storage Investment Properties as at 30 April 2023 are summarised in the following table.

Abacus Self Storage Investment Properties Key Performance Statistics as at 30 April 2023

	Established Portfolio[1]	Acquisitions Portfolio[2]	Stabilising Portfolio[3]	Total
Number of properties/assets	76	18	37	131
Value ($ millions)	$1,657.0	$356.6	$605.4	$2,619.0
Average property value ($m)	$21.8	$19.8	$16.4	$20.0
Net Lettable Area (**NLA**) (sqm)[4]	395,214	95,707	91,940	582,861
Occupancy[5]	91.4%	91.0%	65.5%	91.4%
Average Rent (per sqm)[5]	$348.5	$338.8	$305.4	$348.5
RevPAM[5,6]	$318.5	$308.3	$200.0	$318.5

Source: Abacus Property Group

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Notes:

1. Assets in the Established portfolio include mature stores that have been owned/operated by Abacus Property Group since 1 July 2021 or longer.
2. Assets in the Acquisitions portfolio are mature stores which have been acquired by Abacus Property Group since 1 July 2021.
3. Assets in the Stabilising portfolio include stores yet to reach full occupancy and includes stores under development. The trading metrics of 21 stores under development are not captured in the table.
4. Net Lettable Area is a measurement of the total occupiable floor space that is to be leased and in respect of which rent is payable.
5. Statistics exclude two stores due to mixed site use composition.
6. RevPAM means revenue per available square metre and is calculated as revenue divided by available NLA. RevPAM is a key performance indicator (**KPI**) used by Abacus Property Group for the profitability and utilisation efficiency of available lettable space.
7. Figures may not add due to rounding.

Assets in the Established and Acquisition portfolios are comprised of mature stores that have been in operation for several years, having already grown their customer base which is reflected in their higher occupancy.

Utilisation efficiency, as measured by RevPAM, is higher across the both the Established ($319) and Acquisition ($308) portfolios compared to the Stabilising portfolio ($200), indicating higher profitability, which is a function of higher occupancy rates and average rents per sqm. Assets in the Stabilising portfolio are at various stages of development and will be included in the Established portfolio once completed and reach forecast optimum occupancy levels. Once this occurs, these assets will enhance the average rental rate and RevPAM across the Self Storage Investment Portfolio.

A summary of key portfolio statistics over time for the Self Storage Investment Properties at 30 June 2020, 30 June 2021, 30 June 2022 and 30 April 2023 are presented as follows.

Self Storage Investment Properties Key Statistics Time Series

	As at 30 June			As at 31 December	As at 30 April
	2020	2021	2022	2022	2023
Number of properties/assets	79	93	119	127	131
Value[1] ($ millions)	1,041	1,430	2,240	2,447	2,619
Change in value (%)	23.8%	37.4%	56.6%	9.2%	7.0%
NLA (sqm)	383,010	457,500	550,449	568,647	582,861
Average property value ($ millions)	13.2	15.4	18.8	19.3	20.0
Average NLA per property (sqm)	4,848	4,919	4,626	4,478	4,449
WACR	6.6%	5.7%	5.5%	5.5%	5.5%
Occupancy[1]	88.1%	90.9%	93.2%	91.7%	91.4%
Average rent psm ($)	281	290	323	346	348
RevPAM ($)[1]	248	264	301	318	319

Source: Abacus Property Group, Abacus Property Group Annual Reports FY20, FY21, FY22, 1H23 Results Presentation; Kroll analysis.

Notes:

1. Excluding Storage King and other Self Storage investments. For values as at 30 June 2020, 2021, and 2022, excludes developments.
2. For comparability across periods, certain statistics are for the established portfolio only.

Valuations

Abacus Property Group's valuation policy requires investment properties to be independently valued on an alternating basis every two years unless the underlying financing requires a more frequent independent valuation cycle. During the year ended 30 June 2022, 71 of the assets (60% by number) were subject to independent external valuations, while the remaining 40% were subject to internal valuation.

The Self Storage market has benefited from attractive fundamentals supported by macroeconomic tailwinds including an imbalance in supply and demand for Self Storage space, densification of residential property, population growth, and the growth of e-commerce driving demand for storage from Commercial tenants.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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Capitalisation rates across the industry have compressed since 2015 in the lower interest rate environment, generally supporting rising valuations, however, with interest rates now rising this has had the opposite effect so far in FY23.

In FY21, the book value of the Self Storage Investment Properties increased by approximately $390.0 million, reflecting:

- a fair value movement of $227.9 million (19.0%), reflecting net income growth and strong capitalisation rate compression from 6.58% to 5.74%;
- the acquisition of an additional 15 properties for consideration of approximately $142.0 million;
- the divestment of 1 property for consideration of $15.6 million;
- fair value derecognition of $2.0 million;
- capital expenditure $34.5 million; and
- effects of movements in foreign exchange of negative $1.0 million.

In FY22, the book value of the Self Storage Investment Properties increased by approximately $810.0 million mainly as a result of:

- a fair value movement of $305.2 million (15.8%) largely driven by improved performance (income growth through rental increases and higher occupancy rates) and capitalisation rate compression from 5.74% to 5.45%;
- the acquisition of an additional 26 properties for a consideration of $466.8 million;
- capital expenditure of $46.4 million; and
- effects of movements in foreign exchange of negative $8.7 million.

In 1H23, the book value of the Self Storage Investment Properties increased by approximately $207.0 million, reflecting:

- a fair value movement of $83.5 million (3.5%), reflecting strong net income growth, partially offset by capitalisation rate expansion from 5.45% to 5.54%;
- the acquisition of an additional 7 properties for a consideration of approximately $87.0 million;[39]
- capital expenditure $43.2 million; and
- effects of movements in foreign exchange of $10.2 million.

As a result of the Proposal, all Self Storage properties were independently valued as at 30 April 2023, resulting in a 2.8% uplift in values for the Self Storage Investment Properties since 31 December 2022. The uplift mainly reflected positive income growth partially offset by a 3 basis point increase in the capitalisation rate.

Other statistics

Abacus Property Group continues with its strategy of allocating significant investment capital to increasing its exposure to the Self Storage sector. Between 30 June 2020 and 30 April 2023, Abacus Property Group has acquired 52 new stores (including the 21 development sites), an increase of 65.8% by number and 52.2% in NLA. These stores are expected to deliver income and capital value returns to the portfolio over the medium to longer term. Abacus Property Group has determined a strategic priority to grow its presence in the three main metropolitan areas of Sydney, Melbourne, and Brisbane.

The occupancy rate and average rent for the Established portfolio has progressively increased between FY20 and FY22, from 88.1% to 93.2% (a relative increase of 5.8%) and $281 to $323 (an increase of 14.9%) respectively. Occupancy rates have risen post COVID-19 pandemic as demand for external storage space has increased while construction delays continue to constrain supply of new Self Storage assets. This has also had the effect of growth in average rental rates.

[39] Excludes Glen Iris property due to it being a joint venture.

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RevPAM for the Established portfolio has increased by 28.2% from $248 in FY20 to $318 in FY22, indicating increasing profitability and utilisation efficiency of the portfolio, driven by higher occupancy rates and average rents.

7.4.4 Development pipeline

Abacus Property Group's development pipeline comprises 21 new sites and expansion opportunities.

As at 30 April 2023, Abacus had 87,100 sqm of developed NLA to be completed over 15 new development sites. It had spent $170 million, with $200 million in costs to complete and an estimated completion value of $434 million. In addition, Abacus Property Group had $39 million of expansion opportunities over 6 properties within the existing portfolio comprising 18,400 sqm of additional NLA.

During 1H23, Abacus Property Group completed the development of 16,000 sqm of NLA across four stores, including 13,000 sqm of NLA from new developments and 3,000 sqm of NLA from expansions.

The following table illustrates the short-to-medium term development pipeline for the Self Storage Investment Portfolio.

Self Storage Investment Portfolio Development Pipeline by NLA

NLA	FY23	FY24	FY25+	Total
Sydney	-	7,200	36,900	44,100
Brisbane	-	-	6,200	6,200
Melbourne	-	7,200	6,500	13,700
Other	-	6,700	16,400	23,100
Total	**-**	**21,100**	**66,000**	**87,100**

Source: Abacus Property Group.

7.4.5 Storage King platform

Since November 2020, Abacus Property Group has wholly owned and maintained full control of the Self Storage management business of Storage King. The Storage King operating platform as at 30 April 2023 manages the day-to-day operations of 196 storage facilities, which includes 110 stores owned by Abacus Property Group, including 21 that are in development by Abacus Property Group. The Self Storage Investment Properties operate according to Storage King's standard Self Storage agreement, which specifies a month-to-month contract, with no lock in period.

Storage King also licences and/or manages the remaining 86 stores that are owned by third parties, with Abacus Property Group having pre-emptive rights, during the term of the license agreement, to purchase a majority of these stores should those owners wish to sell those assets. In total, the Storage King network includes over 80,000 customer storage units with an average length of stay of 3.4 years.[40]

As at 30 April 2023, Storage King and Other Self Storage Investments were valued at $508.0 million.

7.4.6 Interest in ASX Listed Self Storage REIT

Abacus Property Group maintains an investment in an ASX Listed Self Storage REIT, which it intends to hold as a long term investment. As at 28 April 2023, Abacus Property Group held a 7.1% interest in the A-REIT. This investment was valued at $238.4 million.[41]

7.5 Commercial

7.5.1 Summary

The Commercial Portfolio comprises 18 Office properties,[42] four Retail properties, and two 'Other' properties. The Commercial Portfolio is focused on assets on the eastern seaboard and are well diversified

[40] Statistics as at 30 April 2023 for existing customers in the Established portfolio.
[41] Calculated as 95,368,805 National Storage shares multiplied by the closing share price on 28 April 2023 of $2.50 per National Storage share.
[42] As at the date of this report, Abacus Property Group has exchanged contracts for the disposal of 187 Todd Road, Port Melbourne, and 247 Adelaide Street, Brisbane. Settlements are anticipated in Q2 of 2023.

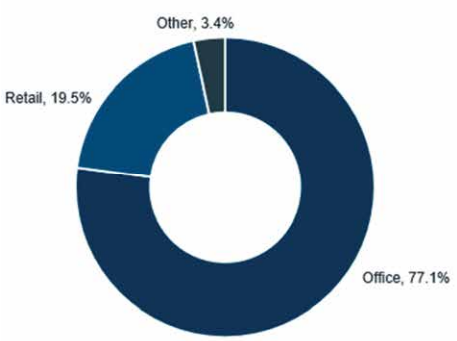
13 INDEPENDENT EXPERT'S REPORT CONTINUED

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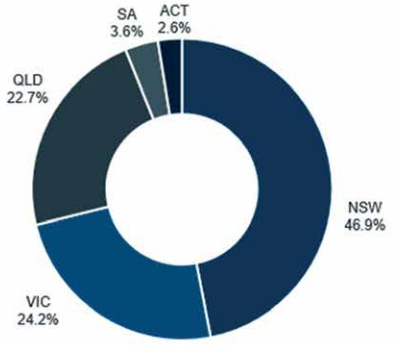
by market, asset grade, asset life cycle, customer industry and customer profile. As at 30 April 2023, the Commercial Portfolio had an independent valuation of approximately $2.4 billion.[43] The valuation comprises the Office properties with a book value of $1,843 million (77.1% of Commercial Portfolio by value), the retail properties with a value of $465 million (19.5%), and two 'other' properties with a value of $82 million (3.4%).

The geographic diversification of the Commercial Portfolio is heavily weighted towards Australia's eastern seaboard, with properties in NSW, QLD and VIC accounting for 93.8% of the portfolio by value as at 30 April 2023.

Commercial Portfolio by Sector (% value)



Commercial Portfolio by Location (% value)



Source: Abacus Property Group, Kroll analysis.

Notes:

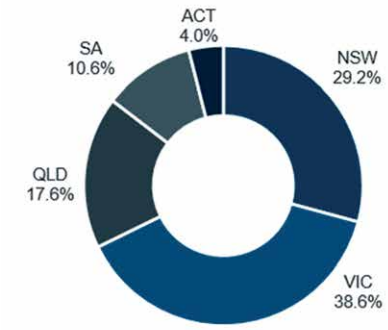
1. Data current as at 30 April 2023.
2. Portfolio includes development assets

7.5.2 Commercial Portfolio

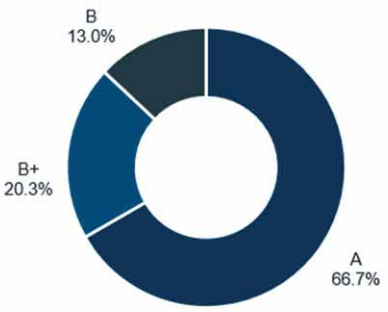
Office portfolio

The office portfolio comprises 18 properties of which six are located in Sydney, five in Melbourne, five in Brisbane, one in Adelaide and one in Canberra. All properties are located in metropolitan areas. Nine of the properties are classified as 'A' Grade, four as 'B+' Grade, and four as 'B' Grade. One property in Virginia Park, Bentleigh East, Victoria, is classified as a development-affected asset and is a mixed use industrial and office facility which is not rated.

Office Portfolio by Geography (% NLA)



Grade of Office Portfolio (% NLA)



Source: Abacus Property Group, Kroll analysis.

Note: Grade of office portfolio by NLA excludes Virginia Park, Victoria property which is classified as a development property and not rated.

[43] Does not include approximately $0.1 billion in Other Assets.

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Abacus Property Group's office portfolio as at 30 April 2023 is summarised as follows and the full Commercial Portfolio listing is set out in Appendix 5.

Abacus Property Group's Office Portfolio Summary as at 30 April 2023

State	Number of Properties	Fair value ($'000)	WACR[1]	NLA[2] (sqm)	Value / sqm[3]	Occupancy
NSW	6	960,740	5.1%	90,683	16,340	97.4%
VIC	5	427,881	5.4%	55,294	8,626	99.5%
QLD	5	307,020	6.3%	54,829	7,650	89.8%
SA	1	86,000	6.8%	32,904	5,227	85.9%
ACT	1	62,000	6.8%	12,432	4,987	100.0%
Total	**18**	**1,843,641**	**5.5%**	**246,143**	**10,494**	**94.1%**

Source: Abacus Property Group, Kroll analysis.

Notes:

1. WACR is weighted average capitalisation rate which is the capitalisation rate for each property weighted by the property's fair value.
2. NLA is total net lettable area of the property based on 100% ownership and is not reflective of Abacus Property Group's ownership interest in the property.
3. Value/sqm is total NLA of the property based on 100% ownership.
4. Excludes NLA, Value/sqm and WALE statistics for property in Virginia Park, Bentleigh East, which is classified as a mixed use industrial and office property and its statistics are therefore not comparable to remainder of dedicated office portfolio.

Retail & Other portfolio

The retail portfolio comprises four properties: three shopping centres and one CBD asset as follows.

- **Oasis Shopping Centre, Broadbeach, QLD**: a mixed use asset located in Gold Coast that primarily functions as a convenience based shopping centre. The asset is anchored by a Woolworths Group Limited (**Woolworths**) supermarket and includes a range of tenants and over 110 specialty stores over two levels. The centre has recently undergone a number of staged refurbishments which are now complete;
- **Myer Bourke Street, Melbourne, VI**C: located in one of Melbourne's most visible and premium retail locations, located in the heart of Melbourne's central business district (**CBD**) and immediately adjacent to the light rail. The site is currently tenanted by Myer Holdings Ltd (**Myer**), a mid-range to upmarket department store chain;
- **Ashfield Mall, NS**W: a four-level shopping centre located approximately ten kilometres south-west of the Sydney CBD. The building has four anchor tenants, including Woolworths, Coles Group Ltd (**Coles**), Aldi Süd Holdings (**Aldi**), and Kmart Australia Limited (**Kmart**), as well as over 80 specialty shops; and
- **Market Central Lutwyche, QL**D: located approximately five kilometres north of the Brisbane CBD in a residential suburb, this four-level neighbourhood shopping centre was redeveloped in 2019 is anchored by Woolworths, Coles, and Aldi supermarkets. The centre is positioned as a super convenience retail centre but has also become an office hub dominated by government or government funded tenants.

Abacus Property Group's retail portfolio as at 30 April 2023 is summarised as follows.

Abacus Property Group Retail Portfolio Summary as at 30 April 2023

Asset	Ownership	Fair value ($'000)	WACR[1]	NLA[2] (sqm)	Value / sqm	Occupancy
Oasis Shopping Centre	100%	175,500	6.8%	25,391	6,912	93.9%
Myer Centre	33%	150,000	5.6%	39,923	11,272	100.0%
Ashfield Mall	50%	78,450	5.8%	25,000	6,276	94.7%
Market Central	50%	61,360	6.3%	22,115	5,549	82.6%
Total		**465,310**	**6.2%**	**112,429**	**8,051**	**93.3%**

Source: Abacus Property Group, Kroll analysis.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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Notes:

1. WACR is weighted average capitalisation rate which is the capitalisation rate for each property weighted by the property's fair value.
2. NLA is total net lettable area of the property based on 100% ownership and is not reflective of Abacus Property Group's ownership interest in the property.

The 'other' properties include two landholdings acquired in 2022 as part of the wind-down of Abacus Property Group's residential development and mortgage loan businesses, converting its interest from lender to owner.

- **"Camellia", Camellia, NSW:** a prime 6.8-hectare parcel of land adjoining the Parramatta River and James Ruse Drive; and
- **"Riverlands", Milperra, NSW:** originally an 82-hectare Golf Course at Milperra, Mirvac Group (**Mirvac**) acquired approximately 18-hectares of the site in 2019 for residential development. The balance of the land is now owned by Abacus Property Group.

The two properties are managed internally with a focus on realising the medium-term development potential. The properties have a combined fair value of $88.5 million.

7.5.3 Commercial Portfolio key statistics

Office portfolio

The key statistics of the office portfolio at 30 June 2020, 30 June 2021, 30 June 2022 and 30 April 2023 are summarised in the following table.

Abacus Property Group Office Portfolio Key Metrics[1]

	As at 30 June			As at 31 December	As at 30 April
	2020	2021	2022	2022	2023
Number of properties/assets	24	23	18	18	18
Value ($ millions)[2]	1,493	1,646	1,903	1,978	1,844
Change in value (%)	39.5%[3]	10.2%	15.6%	3.9%	(6.8%)
NLA (sqm)[5]	148,670	127,410	114,317	129,900	130,822
Average property value ($ millions)	62.2	71.6	105.7	109.9	102.4
Average NLA per property (sqm)	6,198	5,540	6,351	7,217	7,267
WACR[6]	5.5%	5.5%	5.1%	5.3%	5.5%
Occupancy (% by area)[5]	91.5	95.5	94.7	94.8	94.1
Average rent per sqm ($)	517	627	678	670	712
WALE (years)[5]	3.6	3.9	3.8	3.7	3.6

Source: Abacus Property Group, Abacus Property Group Annual Reports FY20, FY21, FY22, 1H23 Results Presentation, Kroll analysis.

Notes:

1. Certain summary statistics exclude Virginia Park, VIC which is designated as a mixed use industrial and office property.
2. Includes investments in cash and other assets.
3. 39.5% growth compared to office portfolio value of $1,078 million as at 31 December 2019.
4. Excludes development affected assets. Abacus Group ownership basis.
5. Includes equity accounted investments.

The fair value of the office portfolio has progressively increased since 30 June 2020 despite the number of assets being held reducing. This in part reflects the fact that divestments have been smaller, non-core properties, while acquisitions have generally been larger transactions, as evidenced through an increase in average property value from $62.2 million as at 30 June 2020 to $109.9 million as at 31 December 2022, and an increase in average NLA per property from 6,198 sqm as at 30 June 2020 to 7,217 sqm as at 31 December 2022. It also reflects fair value growth through increased occupancy, higher rents per sqm, and the compression of WACR until 30 June 2022.

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Despite the fair value growth of Abacus Property Group' assets, significant uncertainties now exist for office assets following the COVID-19 pandemic, and it remains to be seen how these uncertainties manifest in terms of property valuations. Such uncertainties include:

- structural increases in flexible working arrangements, reducing the requirement for workers to attend the office five days per week. This structural shift may have further flow on effects to the demand for office space, as organisations seek to cut costs and reduce the footprint of office space they lease, or as organisations defer decisions to lease new property (driving efficiencies for the organisation). The full effect of these structural changes remains to be seen as we are not yet through a full typical five-year leasing cycle post the COVID-19 pandemic, and tenants may give up all or part of their existing space at the end of their existing agreements;
- office property values have been underpinned by rent growth and contractions in capitalisation rates, as bond yields declined during a period of significant quantitative easing. However, with global bond yields now rising to combat inflation, capitalisation rates are expanding which will put pressure on property valuations going forward. Further, increases in unemployment may lower the occupancy of office assets: and
- the possibility of recession or economic downturn will place further uncertainties on broader property valuations. Any decrease in the availability of credit to finance and invest in real estate assets is likely to have a negative effect on valuations. In addition, rising interest rates will decrease interest coverage ratios and may put pressure interest related covenants for certain REITs. In response, REITs may attempt to reduce debt by deferring the development of assets, or through a quick sale of lower quality assets to increase liquidity and reduce gearing, further depressing valuations.

Retail portfolio

The key metrics of the retail and other portfolio at 30 June 2020, 30 June 2021, 30 June 2022 and 30 April 2023 are summarised in the following table.

Abacus Property Group's Retail Portfolio Key Metrics

Description	30 Jun 2020	30 Jun 2021	30 Jun 2022	31 Dec 2022	30 Apr 2023
Number of properties/assets	4	4	4	4	4
Value ($ million)	198	478	490	484	465
NLA (sqm)	71,690	48,005	61,654	62,294	62,256
WACR	6.4%	5.6%	6.0%	6.0%	6.2%
Occupancy (% by area)	94.9%	92.7%	95.6%	95.7%	93.3%
Average rent psm ($)	291	591	601	624	623
WALE (years)	-	-	6.2	5.9	5.7

Source: Abacus Property Group, Abacus Property Group Annual Reports FY20, FY21, FY22, 1H23 Results Presentation, Kroll analysis.

Note: Excludes 'other' properties.

Commercial Portfolio Valuations

The Commercial Portfolio valuation policy is the same as that for the Self Storage Investment Portfolio, whereby investment properties to be independently valued on an alternating basis every two years unless the underlying financing requires a more frequent independent valuation cycle.

The COVID-19 pandemic created unprecedented uncertainty in the macroeconomic environment and in the market for office assets, with a continued lack of market transactions, which are ordinarily a strong source of evidence for office property valuations, further adding to the uncertainty regarding the valuation of these assets.

The fair value of Abacus Property Group's office portfolio has risen 32.5% since 2020 despite the reduction in number of properties, with the Company divesting several smaller, non-core properties over the same period as it continues to focus on CBD and select fringe markets. In FY21, Abacus Property Group divested two small non-core properties, while in FY22 a further eight non-core properties were divested, as well as the sale of a 50% interest in 710 Collins Street, Docklands, VIC, which was sold to form a strategic partnership with Walker Corporation.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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In FY21, the book value of the Commercial Portfolio increased by $307.5 million (19.1%) largely as a result of:

- a fair value gain on the revaluation of $9.6 million largely driven by capitalisation rate compression from 5.65% in 2020 to 5.54% in 2021;
- the acquisition of an 8% interest in 201 Elizabeth Street, Sydney, and the remaining interest in The Oasis, Broadbeach; and
- the divestment of two smaller non-core properties.

In FY22, the book value of the Commercial Portfolio increased by $340.9 million (17.8%) largely as a result of:

- a fair value gain on the revaluation of $40.3 million largely driven by improved performance (income growth through rental increases and higher occupancy rates in the retail property portfolio) and capitalisation rate compression from 5.54% in 2021 to 5.33% in 2022;
- the acquisition of a 100% interest in 77 Castlereagh Street, Sydney;
- the divestment of 464 St Kilda Road, Melbourne, and seven other smaller, non-core properties. Abacus Property Group also divested 50% of its interest in 710 Collins St Trust for this to become a Joint Venture;
- conversion of interest in Camellia and Riverlands from inventory to investment property; and
- acquisition of 33% interest in Myer Bourke Street, Melbourne.

In 1H23, the office portfolio was revalued downward by $77.7 million (3.2%), mainly reflecting capitalisation rate expansion from 5.15% to 5.28% as bond yields rise, as well as lower net income growth. As at 30 April 2023 the Office portfolio was revalued downward $84.8 million, reflecting capitalisation rate expansion of 20 basis points and lower net income.

Valuations as at 30 April 2023 in the Commercial Portfolio have reduced by approximately $120.0 million, reflecting rising uncertainty about real estate pricing going forward given a narrowing of bond yield and office yield spreads. In addition, volatility in 2023 is making investors more cautious and transaction volumes have slowed considerably since the COVID-19 pandemic, which further raises uncertainty in valuations.

7.5.4 Tenant profile

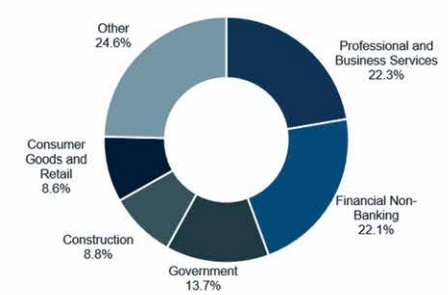
The tenant mix of Abacus Property Group's office portfolio is well diversified and weighted towards professional business services, financial non-banking and government sectors. The three sectors aggregated to 58.0% of office portfolio rental income at 31 December 2022.

The tenant mix of Abacus Property Group's retail portfolio is weighted towards department store and supermarket sectors. The two sectors aggregated to 55.2% of retail portfolio rental income at 31 December 2022.

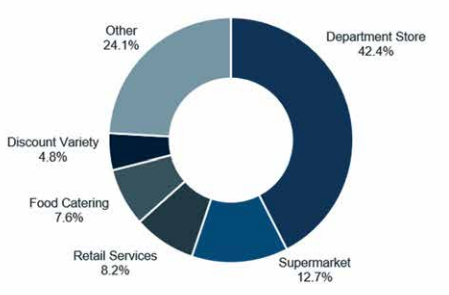
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The sector diversification of Abacus Property Group's office and retail portfolio by rental income at 31 December 2022 are illustrated in the following table.

Office Tenant Sector Diversification by Rental Income in 1H23



Retail Tenant Sector Diversification by Rental Income in 1H23

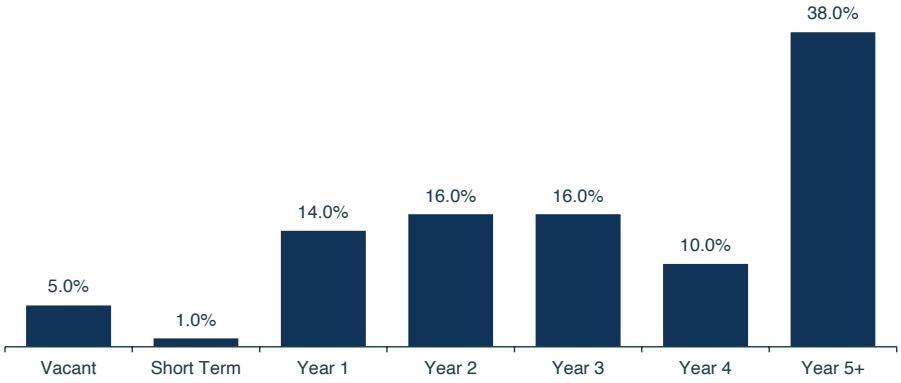


Source: Abacus Property Group

7.5.5 Lease Expiry Profile

On average, 14% of the total Office portfolio leases expires each year from Year 1 to Year 4, as shown in the following chart.

Office Portfolio Lease Expiry Profile by Gross Income as at 30 April 2023[1]



Source: Abacus Property Group.

Note:

1. Excludes development affected assets

7.5.6 Development

Abacus Property Group recently completed the development of two office properties, 459 Church Street, Richmond VIC (**Church Street**) and 452 Johnson Street, Abbotsford VIC (**Johnson Street**). As at 31 December 2022, Church Street had 19,464 sqm of NLA, average net face rent of $537 and a property value of $113 million. Church Street's tenant sector diversification measured by rent is weighted towards the manufacturing sector. As at 31 December 2022, Johnson Street had 15,223 sqm of NLA, average net face rent of $450 and a property value of $140 million. Johnson Street's tenant sector diversification measured by rent is weighted towards the financial non-banking sector.

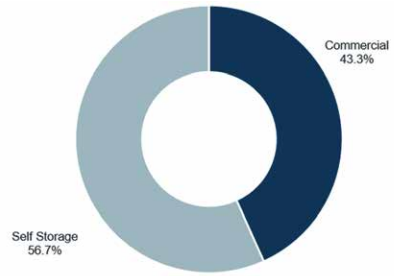
13 INDEPENDENT EXPERT'S REPORT CONTINUED

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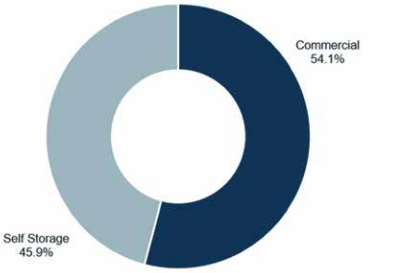
7.6 Segment Contribution

The contribution of each of operating segment to revenue and EBIT in 1H23 is illustrated as follows.

Abacus Property Group's Revenue by segment in 1H23



Abacus Property Group's EBIT by segment in 1H23



Source: Abacus Property Group

Self Storage contributed 56.7% of revenue and 45.9% of EBIT to Abacus Property Group in 1H23.

7.7 Abacus Property Group Board and management

Abacus Property Group's current Board of Directors and Executive team are set out in the following table.

Name	Title	Commencement
Myra Salkinder	Chair (Non-executive)	June 2011
Steven Sewell	Managing Director	April 2018
Trent Alston	Non-executive Director	September 2019
Mark Bloom	Non-executive Director	June 2021
Mark Haberlin	Non-executive Director	November 2018
Jingmin Qian	Non-executive Director	June 2017
Sally Herman	Non-executive Director	December 2022

Source: Abacus Property Group 1H23 Report

7.7.1 Environmental, social and governance

ESG targets and achievements noted in the Abacus Property Group FY22 Sustainability Report include:

- continued progress with public sustainability targets for energy, emissions, water and waste, including its 2050 net zero emission (scope 1 and scope 2) target;
- Office portfolio NABERS Energy average of 4.6 stars and NABERS Water average of 4.5 stars;
- 23% reduction in Scope 1 and Scope 2 greenhouse gas (**GHG**) emissions intensity and 23% reduction in water intensity compared to Abacus Property Group's 2019 baseline;
- ongoing investment of solar PV across Commercial and Self Storage portfolios;
- embedded Governance, Risk and Compliance system in line with its Risk Management Framework to improve the governance over risk management; and
- ongoing implementation of Modern Slavery Action plan and collaboration with the Property Council Modern Slavery working group.

Abacus Property Group's current environmental focus includes enhancement of existing sustainability practices such as reducing the resource use of its buildings, investing in alternative energy supplies and working with suppliers to ensure they meet Abacus Property Group's standards for environmental management and human rights. As part of this focus, Abacus Property Group is currently engaged in a rollout of solar across the Self Storage Investment Properties with a further 17 sites in progress.

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Other initiatives by Abacus Property Group include growing its Giving@Abacus employee initiative and working with key suppliers to better understand their modern slavery risks and uplift modern slavery assessments.

7.8 Financial performance

7.8.1 Historical financial performance

Abacus Property Group's financial performance for FY20, FY21, FY22 and 1H23 is summarised as follows.

Abacus Property Group Financial Performance ($ millions)

	FY20 Audited	FY21 Audited	FY22 Audited	1H23 Reviewed
Rental income	195.7	231.6	297.4	169.5
Finance income	46.8	15.1	11.1	1.5
Management and other fee income	5.0	13.1	17.3	9.0
Share of profit from equity accounted investments	9.7	7.5	9.1	3.8
Sale of inventory[1]	15.4	3.0	-	-
Other income	1.7	15.3	16.3	6.2
Total Revenue	**274.3**	**285.6**	**351.2**	**190.0**
Expenses[2]	(66.2)	(62.9)	(71.2)	(42.4)
Cost of inventory[1]	(12.7)	(2.7)	-	-
Segment result before corporate overheads	**195.4**	**220.0**	**280.0**	**147.6**
Administrative and other expenses[3]	(25.9)	(47.1)	(70.1)	(38.0)
EBIT	**169.5**	**172.9**	**209.9**	**109.6**
Finance costs	(23.0)	(25.7)	(36.0)	(23.0)
Tax expense	(21.6)	(10.6)	(13.0)	(5.2)
Non-controlling interests	(0.3)	(0.2)	-	-
FFO[4]	**124.6**	**136.4**	**160.9**	**81.4**
Depreciation and amortisation	(4.9)	(6.7)	(7.5)	(4.1)
Rent straight-lining, incentives, movement in lease liabilities, finance costs & one off adjustments	0.5	(2.9)	(13.6)	(4.9)
Gains/(losses) in divestments	(0.1)	2.6	(1.0)	-
Tax benefit/(expense) on FFO items	4.6	(5.0)	(17.5)	(3.8)
Change in fair value of investments and derivatives[5]	(40.0)	245.0	395.9	15.9
Net profit attributable to Abacus Property Group Securityholders	**84.7**	**369.4**	**517.2**	**84.5**
Statistics				
Total revenue growth	*(7.0%)*	*4.1%*	*23.0%*	*13.6%*
EBIT growth	*(1.1%)*	*2.0%*	*21.4%*	*6.2%*
FFO growth	*(3.6%)*	*9.5%*	*18.0%*	*0.4%*
EBIT margin	*61.8%*	*60.5%*	*59.8%*	*57.7%*
FFO margin	*45.4%*	*47.8%*	*45.8%*	*42.8%*

Source: Abacus Property Group Annual and Half-Yearly Reports, Kroll Analysis

Notes:

1. Inventories relate to Abacus Property Group's legacy property development business.
2. Expenses excluding administrative and other expenses.
3. Administrative and other expenses includes wages and salaries, contributions to defined contribution plans and other expenses.
4. Funds from operations (**FFO**) has been determined with reference to the updated Property Council of Australia's voluntary disclosure guidelines to help investors and analysts compare many different A-REITs. FFO is calculated by adding back tenant incentive amortisation, depreciation on owner occupied property, plant & equipment (**PP&E**), change in fair value of investments derecognised and held at balance date, impairment of inventory and non-FFO tax benefit/expense to statutory profit.
5. Net change in fair value of investments held at balance date includes net change in fair value of listed and unlisted property securities, property loans and other investments held at balance date.

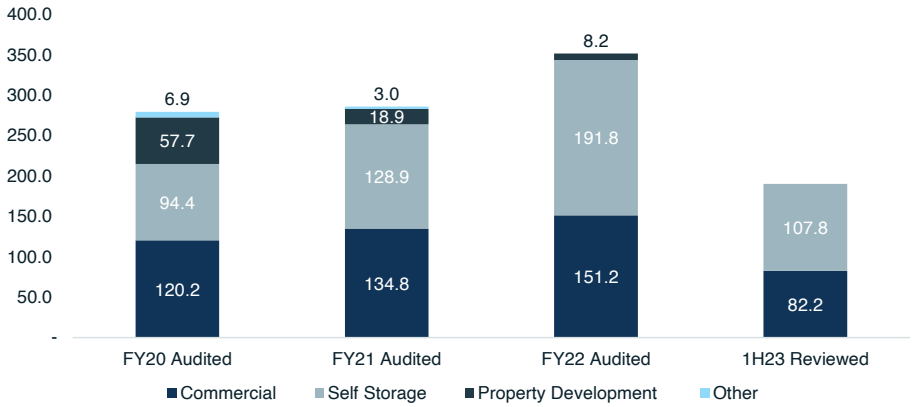
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In relation to the financial performance of Abacus Property Group from FY20 to 1H23, we note:

- total revenue increased by 4.1% in FY21 as strong growth in Self Storage and Commercial was partially offset by the wind down of Property Development and Other. Total revenue increased by 23.0% in FY22 and 13.6% in 1H23 compared to the prior corresponding period (**pcp**) of 1H22 due to strong growth in Self Storage and Commercial;
- Abacus Property Group's revenue by segment for FY20, FY21, FY22 and 1H23 is shown in the following chart:

Abacus Property Group Revenue by Segment ($ millions)



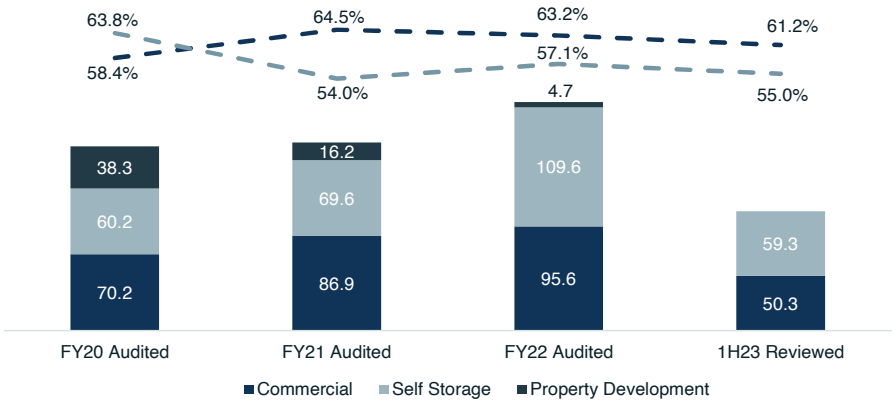
Source: Abacus Property Group Annual and Half-Year Reports, Kroll Analysis.

- Self Storage revenue increased by 103.2% between FY20 and FY22 and by 46.5% in 1H23, driven by acquisitions and developments, as well as by increases in occupancy and average rent, as described in Section 7.4.3 of this report. During FY22, Abacus Property Group acquired 26 Self Storage sites, driving a 48.8% increase in Self Storage revenue. The acquisition of the Storage King operating platform in December 2020 contributed $9.6 million of management fee revenue in FY21 and $15.2 million in FY22;
- Commercial revenues increased by 25.8% between FY20 and FY22 and by 25.9% in 1H23, driven by rising rental incomes. As described in Section 7.5.3 of this report, between 30 June 2020 and 31 December 2022 average rent increased 29.6% from $517 per square metre (**psm**) to $670 psm and portfolio occupancy increased from 91.5% on 30 June 2020 to 94.8% on 31 December 2022. Improvements in average rent and occupancy offset the impact of the reduction in NLA from 148,670 sqm to 129,900 over the period;
- administrative and other expenses increased significantly in all periods (in excess of revenue growth). Growth in FY21 and FY22 mainly relates to the acquisition of the remaining 75% interest in the Storage King operating platform in December 2020, with FY22 being the first full year impact of the acquisition. In 1H23, the increase in administrative and other expenses related to growth in headcount, higher superannuation contributions, inflationary pressures and increases in compliance costs;
- EBIT increased by 2.0% in FY21, 21.4% in FY22 and 6.2% in 1H23 compared to the pcp. As total expense growth has outpaced revenue growth, EBIT margin declined from 61.8% in FY20 to 57.7% in 1H23;

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- Abacus Property Group's EBIT by segment is shown in the following table:

Abacus Property Group EBIT and EBIT Margin by Segment ($ millions)



Source: Abacus Property Group Annual and Half-Year Reports, Kroll analysis.

- Self Storage EBIT increased by 82.1% from FY20 to FY22, reflecting the acquisition of the remaining 75% of the Storage King operating platform in December 2020, and increased by 11.9% in 1H23. The decrease in Self Storage EBIT margin from 63.8% in FY20 to 55.0% in 1H23 reflects the inclusion of Storage King's administrative and other expenses to the segment following the acquisition of the Storage King operating platform;
- Commercial EBIT increased by 36.2% from FY20 to FY22 and by 6.8% in 1H23, outpacing Commercial revenue growth. Consequently, Commercial EBIT margin increased from 58.4% in FY20 to 61.2% in 1H23;
- finance costs increased significantly over the period presented as a result of increased drawn debt to fund acquisitions and developments. Abacus Property Group's weighted average cost of debt declined from 3.0% in FY20 to 2.0% in FY21, remained relatively flat in FY22 before increasing to 2.6% in 1H23;
- FFO increased by 9.5% in FY21 and by 18.0% in FY22 and was favourably impacted by a sharp decline in income tax expense in FY21 and negatively impacted by the increase in finance costs in FY22. FFO was flat in 1H23 against the pcp; and
- net profit attributable to securityholders increased by 336.1% in FY21 and by 40.0% in FY22 primarily due to gains in the fair value of investment properties held. Net profit attributable to securityholders decreased by 73.2% in 1H23 compared to the pcp, as gains in the fair value of investment properties held declined from $253.4 million to $15.9 million.

7.8.2 Distributions

Abacus Property Group's distributable income and distributions for the years FY20, FY21, FY22 and 1H23 are summarised as follows.

Abacus Property Group Distribution and Payout Analysis

	FY20 Audited	FY21 Audited	FY22 Audited	1H23 Reviewed
Weighted average securities on issue (million)	643.0	741.1	846.3	893.3
Basic earnings per security (cents)	13.18	49.84	61.11	9.46
Basic FFO per security (cents)	19.38	18.40	19.01	9.11
Distribution per security (cents)	18.5	17.5	18.0	9.0
Payout ratio[1]	95%	95%	95%	99%

Source: Abacus Property Group Annual and Half-Year Reports, Kroll analysis.

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Note:

1. Payout ratio is calculated as distribution per security divided by basic FFO per security.

Abacus Property Group's distribution policy is to pay 85% to 95% of FFO.

Despite strong FFO growth in FY21 and FY22, FFO per security declined in FY21, then increased modestly in FY22, reflecting dilutive equity raisings. In the periods presented, Abacus Property Group's payout ratio ranged from 95% to 99%, at the high end and above the target distribution payout ratio.

Distributions may comprise distributions from AT, AIT and ASPT and dividends from AGHL, AGPL and ASOL. Over the period presented, distributions entirely represented distributions from AT, AIT and ASPT. No dividends were paid from AGHL, AGPL and ASOL.

An interim distribution with respect to 1H23 of 9.0 cents was declared on 16 December 2022 and paid on 28 February 2023. On the release of the 1H23 results on 16 February 2023, Abacus Property Group reaffirmed FY23 distribution guidance of at least 18.4 cents per security.

7.8.3 Taxation

Trust income tax

Under current Australian income tax legislation AT, AIT and ASPT are not liable to Australian income tax provided securityholders are presently entitled to the taxable income of the trusts and the trusts generally distribute their taxable income.

Company income tax

AGHL and its Australian resident wholly-owned subsidiaries and ASOL and its Australian resident wholly-owned subsidiaries have formed separate tax consolidation groups. AGHL and ASOL have entered into tax funding agreements with their Australian resident wholly-owned subsidiaries, so that each subsidiary agrees to pay or receive its share of the allocated tax at the current tax rate.

Income tax expenses increased by 95.2% in FY22 due to increase in EBIT and deferred tax liabilities as a result of revaluation of investment properties at fair value.

7.8.4 Outlook

On the release of the 1H23 results on 16 February 2023, Abacus Property Group management reaffirmed FY23 distribution guidance of at least 18.4 cents per security, predicated on no material deterioration in current business conditions. Abacus Property Group management advised the following in relation to Abacus Property Group's outlook, "We remain confident that the Group is positioned to leverage our key enablers and deliver recurring income and value creation over the medium to long term. The prevailing macro factors including:

- upward pressure on interest rates;
- inflationary impacts and the ability to capture higher income through rent growth; and
- building and labour cost inflation;

are under constant review."

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7.9 Financial position

Abacus Property Group' statement of financial position as at 30 June 2020, 30 June 2021, 30 June 2022 and 31 December 2022 are as follows.

Abacus Property Group Financial Position ($ millions)

	30 Jun 2020 Audited	30 Jun 2021 Audited	30 Jun 2022 Audited	31 Dec 2022 Reviewed
Current Assets				
Investment properties held for sale[1]	-	161.6	-	117.5
Property loans	73.2	20.7	-	-
Cash and cash equivalents	127.3	58.0	176.5	197.8
Trade and other receivables	39.4	33.7	43.5	48.5
Derivatives at fair value	2.2	-	20.9	17.4
Inventory	-	-	-	-
Other	3.7	4.7	7.3	8.1
Total Current Assets	**245.8**	**278.6**	**248.1**	**389.5**
Non-Current Assets				
Investment properties	2,652.9	3,188.4	4,500.6	4,650.5
Inventory	45.8	48.1	-	-
Property loans	63.2	47.2	53.1	53.1
Equity accounted investments[2]	123.4	110.4	173.0	185.5
Deferred tax assets	18.5	22.4	16.0	15.5
Property, plant and equipment	18.4	21.7	21.7	24.2
Other financial assets	141.5	234.5	244.3	264.4
Intangible assets and goodwill	32.4	106.3	105.6	105.2
Derivatives at fair value	-	0.7	38.1	37.1
Other	0.0	0.8	6.5	6.5
Total Non-Current Assets	**3,096.2**	**3,780.4**	**5,158.9**	**5,342.1**
Total Assets	**3,342.0**	**4,059.1**	**5,407.1**	**5,731.7**
Current Liabilities				
Trade and other payables	81.0	112.1	127.0	220.5
Derivatives at fair value	0.1	0.7	-	-
Income tax payable	11.6	4.8	1.7	0.9
Other	4.6	6.6	9.2	5.5
Total Current Liabilities	**97.3**	**124.2**	**138.0**	**226.9**
Non-Current Liabilities				
Interest-bearing loans and borrowings	1,009.8	988.5	1,709.2	1,932.8
Derivatives at fair value	1.5	0.3	-	-
Deferred tax liabilities	20.3	37.7	52.9	54.8
Other	6.3	6.5	5.9	5.5
Total Non-Current Liabilities	**1,038.0**	**1,033.0**	**1,768.0**	**1,993.1**
Total Liabilities	**1,135.3**	**1,157.2**	**1,906.0**	**2,220.0**
Net Assets	**2,206.7**	**2,901.9**	**3,501.1**	**3,511.6**
Total Equity	**2,206.7**	**2,901.9**	**3,501.1**	**3,511.6**
Statistics				
Weighted average number of securities ('000)	*643,014*	*741,130*	*846,260*	*893,250*
NTA per security ($)[3]	*3.32*	*3.43*	*3.85*	*3.86*
Gearing[4]	*26.5%*	*28.3%*	*28.7%*	*32.2%*
Look through gearing ratio[5]	*27.8%*	*29.0%*	*29.2%*	*32.6%*
Covenant gearing[6]	*31.9%*	*33.8%*	*33.5%*	*37.0%*

Source: Abacus Property Group Annual and Half Year Reports, Kroll analysis.

Notes:

1. Includes 187 Todd Road, VIC and 51 Allara Street, ACT.
2. Equity accounted investments include investments in Fordtrans Pty Ltd and AW 710 Collins Street Trust.
3. Calculated as net tangible assets divided by number of securities at the end of the period.
4. Gearing is calculated as bank debt less cash divided by total assets less cash.

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5. Look through gearing ratio is calculated the same as Gearing including joint ventures and associates on a look through basis.
6. Covenant gearing ratio is calculated as total tangible assets divided by total liabilities.

In relation to the financial position of Abacus Property Group as at 31 December 2022:

- Abacus Property Group's total value of investment properties of $4,651 million includes the Self Storage Investment Properties comprising 108 Self Storage assets ($2,447 million) and the Commercial Portfolio comprising 24 office, retail and other assets ($2,203 million). The determination of fair value includes reference to the original acquisition cost together with capital expenditure since acquisition and either the latest full independent valuation, latest independent update or Directors' valuation;
- equity accounted investments includes the following:

Abacus Property Group's Equity Accounted Investments

Joint Venture	Property	% Ownership	Abacus Property Group Share of Value ($ millions)
AW 710 Collins St Trust	710 Collins Street, Melbourne	50%	83.1
Fordtrans Pty Ltd	Virginia Park, Bentleigh East	50%	54.9
Other Joint Ventures			47.5
Total			**185.5**

Source: Abacus Property Group

- property loans relate to legacy loans related to residential properties and have declined as this activity has been wound down;
- other financial assets of $264.4 million mainly includes Abacus Property Group's 9.4% interest in an ASX listed Self Storage REIT as at 31 December 2022, which is reflected in the balance sheet based on the quoted security price;
- Abacus Property Group's net assets increased by 59.1% from 30 June 2020 to 31 December 2022, mainly reflecting equity raisings and increases in the fair value of properties;
- Abacus Property Group targets maximum Gearing[44] of 35%. Abacus Property Group's Gearing increased from 26.5% at 30 June 2020 to 32.2% at 31 December 2022, remaining below the target. As a result of the increase in Gearing, Abacus Property Group's interest coverage ratio decreased from 6.6 times at 30 June 2020 to 4.5 times at 31 December 2022; and
- NTA per security increased by 16.3% from $3.32 at 30 June 2020 to $3.86 at 31 December 2022, reflecting the net impact of asset growth and dilutive equity raisings.

7.10 Debt financing

Abacus Property Group's debt platform is underpinned by bank loans spread over a number of counterparties from Australian and New Zealand capital markets. Abacus Property Group's borrowings at 31 December 2022 are summarised as follows.

Borrowings ($ millions)

Type	Facility Limit	Undrawn	Drawn	Maturity Date
Bank loans	-	-	1,708.5	-
Bank loans ($NZ denominated)[1]	-	-	191.4	-
Total bank loans	**2,058.0**	**158.1**	**1,899.9**	**Jul 23 – Jul 28**
Loan from related party	33.4	-	33.4	-
Less: Unamortised borrowing costs	(0.5)	-	(0.5)	-
Total borrowings	**2,090.9**	**158.1**	**1,932.8**	**n.a.**

Source: Abacus Property Group 1H23 Annual Report and Presentation, Kroll analysis.

[44] Gearing is calculated as bank debt less cash divided by total assets less cash.

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Note:

1. $NZ denominated bank loans expressed in $A.

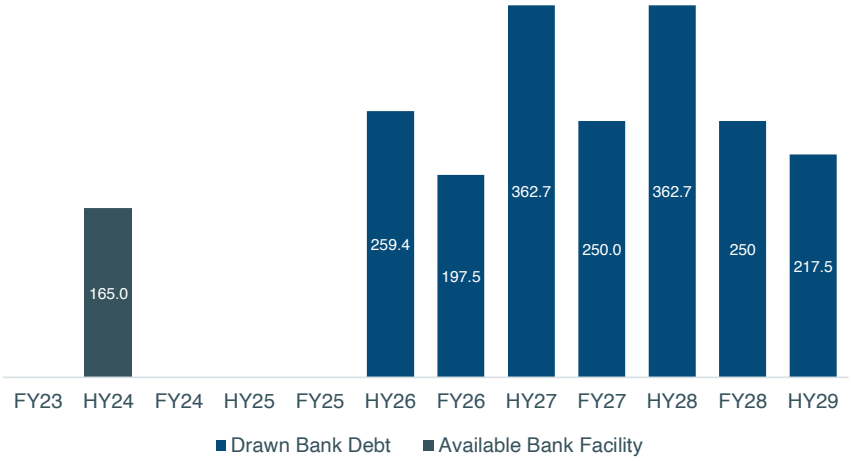
Abacus Property Group has total liquidity of $334.6 million, with $176.5 million of available cash and $158.1 million of undrawn bank facilities as at 31 December 2022. Bank loans are $A and $NZ denominated and are provided by several banks at interest rates which are set periodically on a floating basis. The bank loans are secured by charges over the investment properties, certain inventory and certain property, plant and equipment.

In FY22, Abacus Property Group refinanced and increased its bank loan facilities including its Headstock syndicated facility[45] to $1 billion with the longest-dated tranche expiring in July 2028. Abacus Property Group also increased and refinanced its Self Storage syndicated facility[46] to $1 billion with the longest-dated tranche expiring in July 2027.

7.10.1 Debt maturity profile

Abacus Property Group maintains a well spread debt maturity profile, as illustrated in the following chart.

Maturity Profile as at 31 December 2022 ($ millions)



Source: Abacus Property Group, Kroll analysis.

Abacus Property Group has no bank debt expiring in the financial year ending 30 June 2023 with the majority of debt expiring from the financial year ending 30 June 2025 onwards. As at 31 December 2022, the weighted average maturity on Abacus Property Group's borrowings was 4.0 years.

7.10.2 Financial covenants

The financial covenants relating to Abacus Property Group's interest-bearing liabilities and Abacus Property Group's actual performance with respect to each of those covenants, are set out in the following table.

Actual Performance Against Financial Covenants

Financial Metric	Covenant	Actual Performance[1]
Covenant gearing[2]	< 50%	37.0%
Interest coverage ratio[3]	> 2.0x	4.5x

Source: Abacus Property Group Annual and Half Year Reports, Kroll analysis.

Notes

1. Actual performance for covenant gearing as at 31 December 2022 and interest coverage ratio for 1H23.
2. Covenant gearing ratio is calculated as total tangible assets divided by total liabilities.

[45] The Headstock syndicated facility is syndicated debt facility made available to the Abacus parent company.
[46] The Self Storage syndicated facility is a syndicated debt facility made available to the Self Storage business.

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3. Interest coverage ratio is calculated as EBITDA divided by Total Interest Expense

Abacus Property Group has a total gearing covenant as a condition of the current $1 billion Headstock syndicated facility and the $11 million Bilateral facility. Abacus Property Group was compliant with debt covenants at each of the periods presented.

7.10.3 Derivative financial instruments

Abacus Property Group is exposed to the risk of changes in market interest rates because its long-term bank debt obligations are based on floating interest rates. The Group has a policy to maintain a mix of floating exposure and fixed interest rate hedging with fixed rate cover highest in years one to five.

As at 31 December 2022, after taking into account the effect of interest rate swaps, approximately 71.4% of the Group's drawn debt is subject to fixed rate hedges. Hedge cover as a percentage of available facilities as at 31 December 2022 is 65.9%.

7.10.4 Capital and other commitments

As at 30 June 2022, Abacus Property Group had capital and other commitments of $154.8 million.

7.11 Capital structure and ownership

At 6 June 2023, Abacus Property Group had the following securities on issue:

- 893,657,633 Abacus Property Group Securities;
- 796,532 unquoted security acquisition rights (**SARs**);
- 202,891 unquoted Short Term Incentive (**STI**) deferral rights; and
- 2,118,050 unquoted Long Term Incentive (**LTI**) rights.

As at 6 June 2023, Abacus Property Group had 8,877 registered securityholders. The top 10 registered securityholders accounted for 88.8% of securities and mainly included Calculator Australia (51.8%). Retail investors (holders of less than 10,000 securities) accounted for 77.0% of securityholders and 2.5% of securities.

Abacus Property Group has received a notice from the following substantial securityholder.

Abacus Property Group Substantial Securityholders

Substantial Securityholder	Date of Notice	Number of Securities	Percentage Interest
Calculator Australia	15 September 2022	462,898,698	51.8%

Source: ASX website.

Since 1 January 2020, Abacus Property Group has undertaken two equity raisings:

- in December 2020, Abacus Property Group completed an fully underwritten 1-for-4.8 entitlement offer which resulted in the issue of 138.6 million new ordinary securities at an issue price of $2.90 per security, a 6.5% discount to the last close. The entitlement offer raised $402.0 million; and
- in March 2022, Abacus Property Group completed a fully underwritten institutional placement of 59.2 million new ordinary stapled securities at an issue price of $3.38 per security, a 5.1% discount to the last close, which raised $200.0 million. A Security Purchase Plan (**SPP**) was also offered to eligible securityholders at $3.38 per security which raised a further $3.3 million.

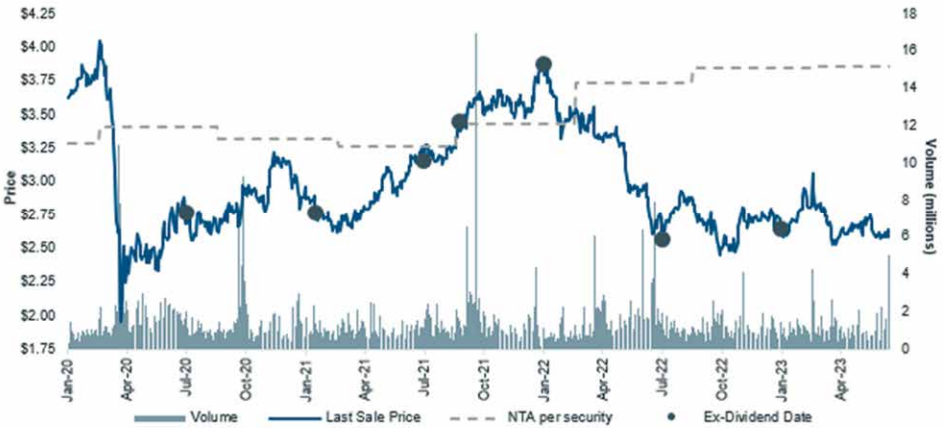
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7.12 Security price performance

7.12.1 Recent share market trading

The trading price and volume of Abacus Property Group Securities and NTA per security since 1 January 2020 are set out as follows.

Abacus Property Group Trading Price, Volume and NTA per Security



Source: S&P Capital IQ and Kroll analysis. NTA per security is shown at date of announcement.

At the onset of the COVID-19 pandemic in February 2020, Abacus Property Group's security price declined sharply together with the A-REIT sector and the broader share market. Since then, Abacus Property Group securities have generally traded at a discount to NTA.

Abacus Property Group's security price recovered from March 2020 and closed at a high of $3.22 on 11 November 2020 (a 3.0% discount to NTA), shortly after the announcement on 2 November 2020 that Abacus Property Group agreed to acquire the remaining 75% interest in the Storage King Self Storage operating platform.

From November 2020, the Abacus Property Group security price declined and closed at a low of $2.63 on 22 February 2021, a 19.3% discount to NTA, potentially reflecting:

- the dilutionary impact of the $402 million entitlement offer announced on 8 December 2020 at $2.90, a 6.5% discount to the last close;
- Abacus Property Group securities trading ex-distribution (8.5 cents) from 14 January 2021; and
- the 1.8% decline in NTA per security announced on 18 February 2021.

From 11 March 2021 until 31 December 2021, the Abacus Property Group security price generally increased and closed at a high of $3.91 on 29 December 2021, a 14.0% premium to NTA. During this time:

- the ASX 200 and ASX 200 A-REIT indices increased;
- Abacus Property Group was included in the FTSE EPRA/NAREIT index on 6 September 2021;
- on 1 July 2021, Abacus Property Group announced its acquisition of a one third interest in Myer Melbourne. The security price increased by 4.1% the following day;
- on 18 August 2021, Abacus Property Group released its FY21 results highlighting strong acquisitions and development in the Self Storage and Commercial portfolios and a 5.2% increase in NTA per share to $3.43 per share. The security price increased by 2.5% the following day;
- on 15 December 2021, Abacus Property Group announced the acquisition of 77 Castlereagh Street and a 5.0% increase in the value of the Self Storage Investment Properties. The security price increased by 5.0% the following day; and
- the security price trading cum distribution (8.75 cents) until 30 December 2021.

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From December 2021 the Abacus Property Group security price declined and reached a low of $2.45 on 27 September 2022, a 36.4% discount to NTA, potentially reflecting:

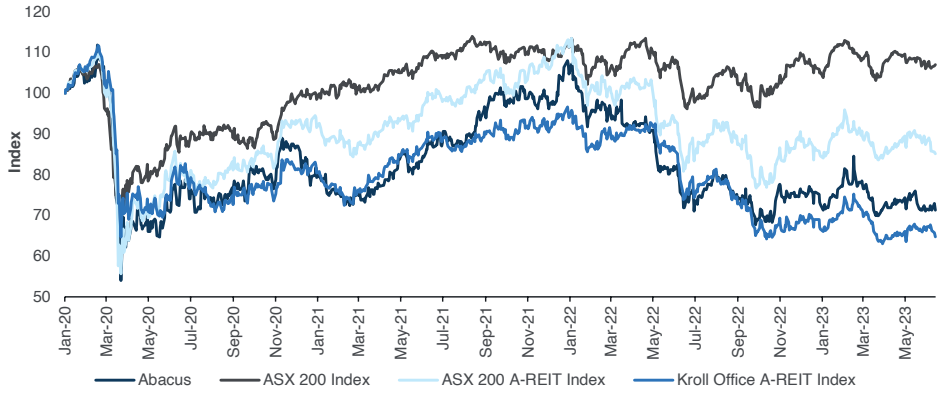
- the decline in the ASX 200 and ASX 200 A-REIT indices as a result of inflationary pressures, geopolitical tensions and contractionary monetary policy from May 2022;
- anticipation of decline in the value of the Commercial Portfolio and as a consequence the NTA per security, with the discount impacted by the lag between movements in share prices and property valuations; and
- the dilutionary impact of Abacus Property Group's $200 million institutional placement and $15 million security purchase plan announced on 17 March 2022 at $3.38, a 5.1% to the last closing price.

The Abacus Property Group security price increased by 8.5% from 25 October 2022 to 2 November 2022 coinciding with the increase in the share market and A-REIT index then remained fairly steady before increasing by 7.4% on the day of the announcement of the Proposal on 16 February 2023.

7.12.2 Relative security price performance

Abacus Property Group is a constituent in the S&P/ASX 200 Index (**ASX 200 Index**), (0.1% weighting), and the ASX 200 A-REIT Index (A-REIT Index) (2.0% weighting). The following chart sets out the performance of Abacus Property Group securities relative to the ASX 200 index, A-REIT Index and a Kroll-constructed Office A-REIT index since 1 January 2020.

Abacus Property Group Relative Security Price Performance



Source: S&P Capital IQ and Kroll analysis.

Note:

1. The Kroll Office A-REIT Index is a market capitalisation weighted index comprised of Dexus, Centuria Office Fund REIT, Cromwell Property Group, GDI Property Group, and Abacus Property Group.

Over the period presented, Abacus Property Group's security price has been closely aligned with the Kroll Office A-REIT index. From April 2020 until November 2020, as the share market recovered, Abacus Property Group, the A-REIT Index and the Kroll Office A-REIT Index generally underperformed the broader share market, reflecting the impact of lockdowns associated with the COVID-19 pandemic on the retail and office sectors.

From November 2020 until February 2021, the Abacus Property Group security price and the Kroll Office A-REIT index underperformed the A-REIT Index and broader share market, reflecting the relatively slow recovery for office assets, whilst other asset classes (including industrial and logistics assets and specialty assets such as self-storage) benefited from rising e-commerce penetration and increased demand for warehouse and storage space. The Abacus Property Group security price then increased in line with the indices until September 2021, when Abacus Property Group securities outperformed the indices until December 2021, reflecting strong growth in the value of the Self Storage Investment Properties and NTA per security.

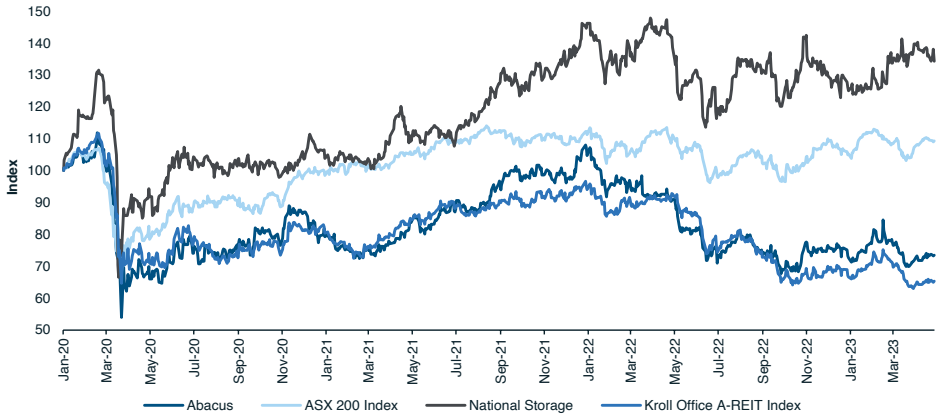
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From December 2021 until September 2022, the broader share market declined as a result of inflationary pressures, geopolitical tensions and monetary policy tightening (which commenced in May 2022). Abacus Property Group securities declined more steeply than the indices over this period, potentially reflecting the dilutionary equity raising announced on 17 March 2022 and the 'flight to quality' impact on the Commercial Portfolio (i.e. the tendency for the spread on cap rates between different investment grades to widen during periods of uncertainty).

In late November 2022, the Abacus Property Group security price and indices increased and the Kroll Office A-REIT Index underperformed.

The following chart sets out the performance of Abacus Property Group securities relative to the ASX 200 Index, Kroll's Office A-REIT Index and National Storage, a pure play Self Storage A-REIT, since 1 January 2020.

Abacus Property Group and National Storage Relative Security Price Performance



Source: S&P Capital IQ and Kroll analysis.

Abacus Property Group generally underperformed National Storage throughout the period presented, with the National Storage security price outperforming all of the indices. As discussed, Abacus Property Group's security price generally tracked the Office-A-REIT Index.

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The price to NTA per security for Abacus Property Group and National Storage since 1 January 2020 is set out as follows.

Price to NTA for Storage A-REITs



Source: S&P Capital IQ and Kroll analysis.

Since 1 January 2020, during which the office sector has underperformed, Abacus Property Group has consistently traded at a lower premium / higher discount to NTA than National Storage. The spread between the National Storage and Abacus Property Group discounts to NTA has generally ranged from 17% to 39% as can be seen in the following chart.

Spread between National Storage Price to NTA and Abacus Property Group Price to NTA

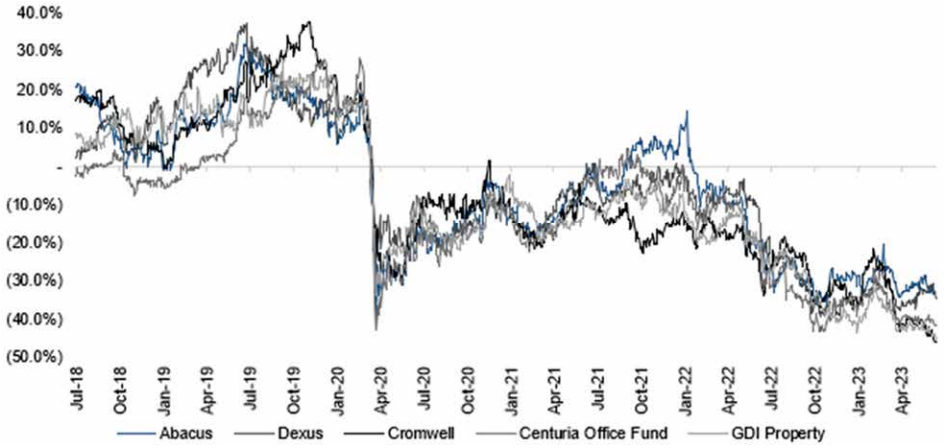


Source: S&P Capital IQ and Kroll analysis.

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The price to NTA for Abacus Property Group and office A-REITs is set out as follows.

Price to NTA for Office A-REITs



Source: S&P Capital IQ and Kroll analysis.

Since 1 January 2020, Abacus Property Group's premium or discount to NTA has closely tracked that of the other pure play office A-REITs, other than a period of outperformance in late 2021 potentially reflecting expectations of continued strong growth in the value of the Self Storage Investment Properties and NTA per security.

Office A-REITs have generally traded at a discount to NTA since the onset of the COVID-19 pandemic. This likely reflects an expectation that office property values will decline, however, property valuations are slow to adjust due to an absence of market transactions. As discussed in Section 7.5.3 of this report, property values are expected to decline as a result of the impact of trends towards working from home on occupancy and rental growth as well as the impact of tightening of monetary policy since May 2022 on capitalisation rates. Further, market commentators speculate that lower quality office buildings will experience higher vacancy rates as major tenants consolidate into top range towers.[47] On 15 February 2023, the last trading day before the announcement of the Proposal, and 14 June 2023, Abacus Property Group and A-REITs with a focus on the office property sector were trading at the following discounts to NTA.

Discount to NTA for Abacus Property Group and Office A-REITs

	Discount to NTA	
A-REIT	15 February 2023[1]	14 June 2023
Abacus Property Group	25.5%	33.1%
Dexus	28.5%	34.5%
Centuria Office REIT	30.9%	41.9%
Cromwell Property Group	26.8%	45.9%
GDI Property	35.6%	45.2%

Source: Capital IQ and Kroll analysis.

Note:

1. Last trading day before the announcement of the Proposal.

The discounts to NTA increased significantly between 15 February 2023 and 14 June 2023, as the US and European banking crisis has heightened fears of tighter credit conditions in Commercial property, and employee layoffs are expected to create further pressure on occupancy.

The increase in the discount to NTA for Abacus Property Group is generally lower than for the office A-REITs, potentially reflecting the impact of the announcement of the Proposal on 16 February 2023.

[47] For example, "Fears of office crunch overblown: Charter Hall chief", Australian Financial Review, 27 March 2023.

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As at 15 February 2023, Abacus Property Group, Cromwell Property Group (**Cromwell**) and Dexus traded at the lowest discounts to NTA, potentially reflecting Abacus Property Group's Self Storage Investment Portfolio, Cromwell and Dexus' significant third party funds management platform and Crowell and Dexus' exposure to industrial properties. We also note that Dexus has a high-quality office portfolio, with 95% of properties being either premium or A-grade.

GDI Property (**GDI**) and Centuria Office REIT are trading at higher discounts, potentially reflecting GDI's exposure to the weak Western Australian market and that Centuria Office REIT is externally managed and does not have a third party funds management platform.

7.12.3 Liquidity

An analysis of the volume of trading in the Abacus Property Group Securities, including the VWAP for various periods up to 15 February 2023, the last trading day prior to the announcement of Abacus Property Group's intention to explore the De-stapling, is set out as follows.[1]

Abacus Property Group Liquidity

Period	Price ($) Low	High[2]	VWAP	Cumulative value ($ million)	Cumulative volume (million)	Percentage of issued capital	Percentage of free float[3]
1 day	2.84	2.87	2.85	2.2	0.8	0.1%	0.2%
1 week	2.79	2.91	2.83	9.2	3.3	0.4%	0.8%
1 month	2.66	2.98	2.80	56.7	20.2	2.3%	4.9%
3 months	2.58	2.98	2.74	158.3	57.8	6.5%	14.0%
6 months	2.42	2.98	2.69	353.1	131.4	14.7%	31.9%
12 months	2.42	3.65	2.89	887.6	307.4	34.7%	76.2%

Source: IRESS.

Notes:

1. Data includes special crossings/ block trades.
2. The low and high prices include intraday trades.
3. Free float excludes Calculator Australia's 52.8% interest in Abacus Property Group Securities.

For the 12 months until 15 February 2023, 34.7% of Abacus Property Group securities were traded (76.2% of free float). This level of trading indicates that Abacus Property Group securities are liquid.

8 Profile of Abacus Storage King Post Completion

8.1 Overview

Following Completion, Abacus Storage King will be formed through a de-stapling of Abacus Property Group stapled securities to create a standalone REIT with a mandate to invest in the Self Storage sector. Abacus Storage King will own, operate, and manage the Storage King operating platform, and hold a portfolio of 131 metropolitan focused Self Storage Investment Properties including 110 trading stores and 21 developments with an independent valuation of $2.6 billion as at 30 April 2023.[48] It will also hold $508 million of Other Self Storage Investments, including a 7.1% interest in an ASX listed Self Storage A-REIT with a value of $238.4 million as at 28 April 2023.[49] The Gross Asset Value (**GAV**) of Abacus Storage King as at 30 April 2023 was $3.1 billion.

The Proposal is intended to set Abacus Storage King's capital structure at the low end of its target Gearing range, with Adjusted Gearing[50] at 26.7%, allowing the company to fund capital expenditure for its

[48] 131 properties were independently valued; As at the date of this report, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. These assets are not included in the portfolio statistics.

[49] Calculated as 95,368,805 National Storage shares multiplied by the closing share price on 28 April 2023 of $2.50 per National Storage share.

[50] Adjusted Gearing is calculated as bank debt less cash divided by total assets less cash adjusted for post balance date events.

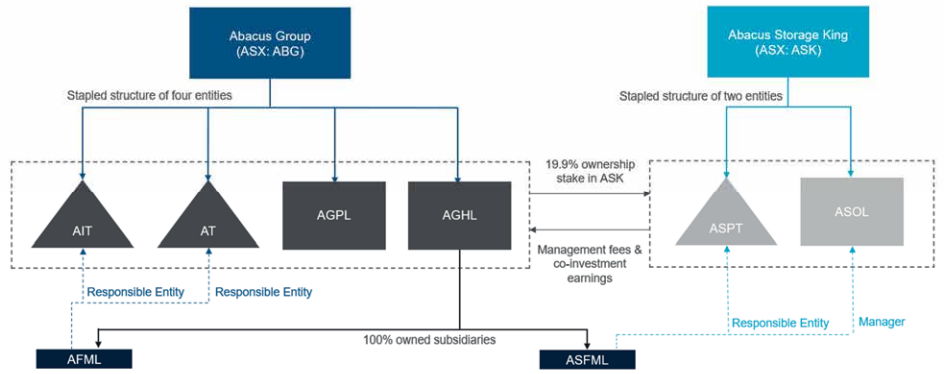
development pipeline, fund the transaction costs associated with the Proposal (and the Offer) and to provide balance sheet capacity for further acquisition and development opportunities.

Abacus Storage King will be externally managed by Abacus Group.

8.2 Proposed corporate structure

Abacus Storage King will comprise units in ASPT and shares in ASOL. The simplified proposed ownership structure of Abacus Storage King following implementation of the Proposal is summarised in the following chart.

Abacus Storage King Corporate Structure



Source: Abacus Property Group

In relation to the proposed corporate structure:

- Abacus Storage King will be externally managed by Abacus Group;
- ASFML, a wholly owned subsidiary of Abacus Group, will continue to be the responsible entity of ASPT and will manage it in accordance with ASPT's constitution;
- ASFML will be the manager of ASOL and will provide certain management services to ASOL under the Management Services Agreement. The day-to-day operational management of the Self Storage stores will continue to be undertaken by Storage King Corporate Holdings Pty Limited, a wholly owned subsidiary of ASOL;
- Abacus Group Managing Director, Steven Sewell, will be a director of the responsible entity, ASFML, and a director of ASOL;
- Abacus Group is expected to retain an interest of 19.9% in Abacus Storage King upon implementation of the Proposal;
- Abacus Storage King will have several other related party relationships with Abacus Group, including:
  - a Development Management Agreement with Abacus Group for the provision of development management services at market based fees;
  - a Property Management Agreement with Abacus Group for the provision of property management services across Commercial tenancies within the Self Storage Investment Properties;
  - a Trade Mark License with Abacus Group, which sets out the basis on which Abacus Storage King may use the Abacus Group brand;
  - a Commercial office lease at Abacus Group's 99 Walker Street property, which Abacus Storage King will continue to use for Storage King's head office;
  - a SKB Lease, whereby Abacus Storage King will continue to provide Abacus Group with storage space at Storage King Balmain for archiving;

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- the related party insurance arrangements under which AGHL has agreed to use commercially reasonable endeavours to maintain certain insurance covers for Abacus Storage King Members; and
- the Abacus Storage King Stapling Deed under which financial benefits will be provided between wholly owned group members of Abacus Storage King.

The overarching purpose of these relationships is to support strategic alignment between Abacus Storage King and Abacus Group into the future.

If ASFML is removed as the responsible entity of ASPT, the Management Services Agreement, Development Management Agreement and Property Management Agreement will be automatically terminated and the Trade Mark Licence may be terminated at the election of Abacus Group, with no termination fee payable to the Manager, the Development Manager or the Property Manager and no termination fee is payable to ASFML for being removed as the responsible entity of ASPT.

The Abacus Storage King Board has adopted a Conflicts of Interest and Related Party Transactions Policy. Under the policy, generally, Abacus Group will not (for itself or on behalf of any other entities it manages) lease, acquire or develop a storage asset. In addition, Abacus Storage King has first rights for acquiring or leasing storage assets in priority to any other members of Abacus Group or any other entity that Abacus Group manages. Further details of the policy are set out in Section 8.6.5.6 of the Transaction Booklet.

8.3 Management fees and other costs

The fees payable by Abacus Storage King to Abacus Group are summarised in the following table.

Summary of Management Fees and Costs

Management Services Agreement	
Management fee	0.40% of Abacus Storage King GAV (plus GST)
Property and Development Management Agreements	
Development management fees	5.0% of Total Development Cost (**TDC**) up to a total of $2.5 million and 3.0% of TDC above $2.5 million (plus GST). A further fee of $100,000 (plus GST) for each development application lodgement
Property management and leasing fees	3.0% of the aggregate of Gross Property Income received in a month (plus GST), plus recovery of facility management costs for property management on Commercial tenancies. Leasing fee of 15% of face rent for the first year of a newly negotiated lease and 7.5% of face value for the first year of renewal of an existing lease (plus GST).
Insurance arrangement	
Directors and Officers Insurance	5.0% of the annual premium paid by or on behalf of AGHL for the Abacus Group directors and officers liability insurance for the partial cost of ASOL's run-off insurance relating to matters prior to the De-stapling Implementation which may arise within the 7 year statutory limitation period.
Rental income from the related party leases	
99 Walker Street Lease	Rental income from Storage King Services Pty Limited as the tenant: ▪ Initial annual rent of $688,774 (plus GST), increased annually by 3.75%; and ▪ Car parking licence fee of $725.00 per car space (x15) per month.

Source: Abacus Property Group

Certain expenses of the ASPT Responsible Entity, the Manager, the Development Manager and the Property Manager will also be reimbursed from the assets of Abacus Storage King.

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Abacus Storage King's MER[51] is expected to be 0.70%. This lies under the MER of the most comparable company, National Storage, of 0.87%. Kroll has also benchmarked the MER against comparable externally managed A-REITs and found that it lies within the range of comparable MERs of 0.50% to 1.00%, but lies above the median MER of 0.66% (refer to Appendix 4 of this report for further details).

8.4 Objectives and strategy

The objective of Abacus Storage King will be to provide Abacus Storage King Securityholders with exposure to the Storage King operating platform and the Investment Portfolio of Self Storage assets that will target strong and stable distributions, as well as potential for capital and income growth.

Abacus Storage King intends to achieve its objectives by seeking to:[52]

- optimise operational performance through the Storage King operating platform to continue to drive rate and occupancy growth;
- maintain a high quality strategic portfolio of predominantly stabilised Self Storage assets generating income growth;
- drive Storage King income by increasing the take up of third party licenses to the Storage King operating platform;
- achieve capital growth through disciplined acquisitions according to Abacus Storage King's network strategy, which focuses on securing Self Storage assets with high quality locations and strong demographic drivers to complement the existing network;
- pursue development and expansion opportunities for enhanced risk-adjusted returns; and
- maintain an appropriate capital structure.

8.4.1 Investment and asset management strategy

Abacus Storage King's vision is to be the leader in the Self Storage industry by seeking to be the most recognise, respected, and responsive owner, operator, and manager.

Abacus Storage King aims to deliver sustainable and superior returns from its:

- **Storage King operating platform:** with a focus on brand, customer, and revenue management to maximise brand value. Abacus Storage King will seek to deliver best in class storage services that meet its customers bespoke and evolving needs; and
- **Self Storage Investment Portfolio:** with a focus on asset management to deliver an exceptional customer experience and set new industry standards for sustainability. There will also be a focus on identifying and executing growth initiatives through acquisitions and developments.

8.5 Storage King operating platform

If the Proposal is implemented, the Storage King operating platform will form part of the Abacus Storage King and the day-to-day operations of the storage facilities will continue to be conducted by the Storage King operating platform. Only a limited number of Commercial tenancies in the Self Storage properties owned by ASPT and/or ASOL will be managed by the Property Manager under the Property Management Agreement.

The Storage King operating platform manages 196 storage facilities, of which 110 are owned by Abacus Storage King and an additional 21 facilities are in development.[53] Storage King's 400+ employees specialise in the hybrid revenue management, marketing, customer engagement, delivery of the business plan and the provision of services to Abacus Storage King and licensee owners.

Abacus Storage King also has pre-emptive rights, which apply during the term of the license agreements, to purchase a majority of the remaining 86 stores which are licensed and/or managed by the Storage King operating platform in the event they are offered for sale.[54]

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[51] MER is base management fees and other expenses as a percentage of average GAV.
[52] See Section 5.3 of the Transaction Booklet for more details.
[53] Statistics as at 30 April 2023.
[54] Storage King manages and licences 60 stores, and licences but does not manage a further 27 stores.

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8.6 Self Storage Investment Portfolio[55]

Following Completion, Abacus Storage King will own 131 Self Storage Investment Properties including 110 trading stores with over 582,000 sqm of NLA and 21 developments with an independent valuation of approximately $2.6 billion. The Investment Properties have a WACR of 5.54% and are 91.4% occupied.[56]

Abacus Self Storage Investment Portfolio statistics as at 30 April 2023 are summarised as follows.

Abacus Self Storage Investment Portfolio Statistics

	As at 30 April 2023
Number of properties/assets	131
Value ($ millions)	2,619
NLA (sqm)	582,861
Average property value ($ millions)	20.0
Average NLA per property (sqm)	4,449
WACR	5.5%
Occupancy[1]	91.4%
Average rent psm ($)	348
RevPAM ($)[1]	319

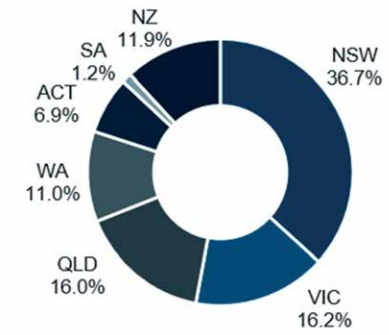
Source: Abacus Property Group.

Notes:

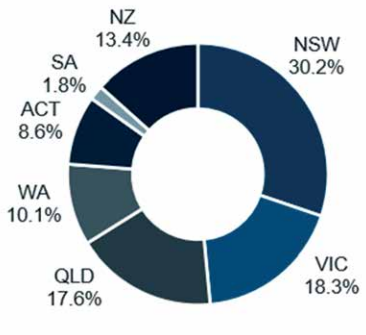
1. For comparability across periods, certain statistics are for the established portfolio only.
2. Excludes investments in cash and other assets.
3. Figures may not add due to rounding.

The Self Storage Investment Properties are geographically diversified across NSW, the ACT, VIC, QLD, WA, SA, and New Zealand.

Fair Value of Self Storage Investment Properties By Region as at 30 April 2023



NLA of Self Storage Investment Properties By Region as at 30 April 2023



Source: Abacus Property Group.

A detailed portfolio listing is set out in Appendix 8 of this report. Post Completion, the manager of Abacus Storage King expects to conduct property valuations on a semi-annual basis, with independent valuations

[55] As at the date of this report, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores). Settlement is anticipated or has occurred in Q2 and Q3 of 2023. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement. These assets are not included in the portfolio statistics.

[56] Statistics as at 30 April 2023.

obtained on a rotational basis to ensure that each property is valued at least once every 24 months by an independent external valuer.

8.6.1 Development and acquisition pipeline

The Self Storage Investment Portfolio has a considerable development pipeline including 87,100 sqm of NLA across 15 new development sites and 18,400 sqm of expansion opportunities across 6 existing properties to be delivered over the short-to-medium term, and a pipeline of future acquisitions through its pre-emptive rights (during the term of the license agreement) to acquire a majority of the 86 Storage King licenced assets operated on behalf of third-party owners should those owners wish to sell those assets.

Post Completion, Abacus Storage King will continue to execute on its short-to-medium term development pipeline for the Self Storage Investment Portfolio.

8.7 Board of Directors and External Management Team

The Abacus Storage King Board will comprise four Non-Executive Directors (including one independent Non-Executive Chair), and one Executive Director, who will be Abacus Group's Managing Director, Steven Sewell.

The external management team of Abacus Storage King will be comprised of Abacus Property Group executives (**External Management Team**), who will continue to be Abacus Group executives post Completion.

Steven Sewell is not currently considered to be an independent Director given he will remain as the Managing Director of Abacus Group and will form part of the Abacus Storage King External Management Team. Mark Bloom is also not currently considered to be an independent Director given his association with Abacus Property Group's (and following completion, Abacus Group's and Abacus Storage King's) major securityholder, Calculator Australia.

The composition of the Abacus Storage King Board and the External Management Team of Abacus Storage King is set out in the following table.

Abacus Storage King Board and External Management Team of ASOL

Name	Title
Abacus Storage King Board	
John O'Sullivan	Independent Non-Executive Chair
Steven Sewell	Executive Director (and Managing Director of Abacus Group)
Stephanie Lai	Independent Non-executive Director
Mark Bloom	Non-executive Director
Karen Robbins	Independent Non-executive Director
External Management Team of Abacus Storage King	
Steven Sewell	Managing Director, Abacus Group
Gavin Lechem	Chief Investment Officer & General Counsel, Abacus Group
Evan Goodridge	Chief Financial Officer, Abacus Group
Nikki Lawson	Fund Manager, Abacus Storage King

Source: Abacus Property Group

8.8 Forecast financial information

The Abacus Storage King forecast financial information has been prepared by the Directors of the responsible entity of Abacus Storage King and Abacus Property Group, considering present economic and operating conditions to determine the best estimate general and specific assumptions. These assumptions are set out in more detail in Section 10.5 of the Transaction Booklet.

The Abacus Storage King Forecast Financial Information does not account for any potential fair value adjustments to properties, derivative financial instruments, or other financial assets which may be recognised in the actual statement of profit and loss in the year ending 30 June 2024 on the basis that these values cannot be reliably determined at this stage.

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8.8.1 Financial performance

The pro-forma forecast financial performance of Abacus Storage King for FY24 is set out in Section 10.3 of the Transaction Booklet. It has been prepared by Abacus Group and is summarised in the following table.

Abacus Storage King's Pro-forma Forecast Financial Performance Post Completion ($ millions)

	Forecast FY24 Statutory	Forecast FY24 Pro forma
Storage income	197.8	198.7
Fee income – 3rd Party	16.3	16.2
Total Revenue	**214.1**	**214.9**
Share of profit from equity accounted investments	0.5	0.5
Income from distributions	11.0	10.7
Total Revenue and Other Income	**225.6**	**226.1**
Storage expenses and outgoings	(42.1)	(42.2)
Administrative and other expenses	(59.8)	(61.5)
Depreciation and amortisation	(3.1)	(3.1)
Net finance costs	(30.6)	(31.8)
Transaction costs relating to the Offer and Proposal	(6.6)	-
Income tax benefit/(expense)	(7.2)	(7.2)
Net profit after tax	**76.2**	**80.3**
Movement in lease liabilities		(0.6)
Depreciation and amortisation		3.1
FFO		**82.8**
Statistics		
Weighted average number of securities (millions)		*1,314.1*
FFO per security (cents)		*6.3*
Distribution per security (cents)		*6.0*
Distribution yield[1]		*4.2%*
Payout Ratio[2]		*95.0%*

Source: Abacus Property Group, Transaction Booklet

Notes:

1. Distribution yield calculated as Pro forma FY24 forecast distribution per security divided by the Offer Price. Based on a payout ratio of 95.0% of FFO being the mid-range of Abacus Storage King's payout policy. Assumes Abacus Storage King trades at a 10.2% discount to Adjusted NTA per security.
2. Based on a payout ratio of 95.0% of FFO being the mid-range of Abacus Storage King's payout policy.
3. Table may not add due to rounding.

The Abacus Storage King forecast financial information assumes the Proposal is implemented on 7 August 2023 whereas the Abacus Storage King pro forma forecast financial information is prepared on the basis that the Proposal had taken place on 1 July 2023.

The pro-forma forecast financial performance has been derived from the statutory forecasts and certain pro-forma adjustments relating to the following:

- recognise ASPT's statutory forecast net profit after tax for the period from 1 July 2023 to 7 August 2023 (on the basis that ASOL is deemed to have acquired ASPT at 1 July 2023 as opposed to at 7 August 2023);
- reflect the lower interest expense associated with the intercompany loans had they been settled from 1 July 2023;
- reflect the incremental rental income and expenses relating to ASIII units and Castle Hill asset had they been acquired from 1 July 2023; and
- reflect the incremental costs of being a publicly listed entity from 1 July 2023.

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8.8.2 Financial position

The pro forma statement of financial position for Abacus Storage King as at 31 December 2022, adjusted for the impact of the Proposal, Offer and post-balance date events, is summarised below and set out in further detail in Section 10.4.1 and 10.5.1 of the Transaction Booklet.

Abacus Storage King's Pro forma Statement of Financial Position Post Completion ($ millions)

	As at 31 December 2022 Adjusted, Pro forma
Assets	
Cash and cash equivalents	67.1
Investment properties	2,635.1
Other financial assets	237.4
Equity accounted investments	15.7
Intangible assets and goodwill	72.6
Other	51.7
Total Assets	**3,079.6**
Liabilities	
Interest bearing loans and borrowings	870.2
Other liabilities	121.7
Total Liabilities	**991.9**
Net Assets	**2,087.7**
Total Equity	**2,087.7**
Statistics	
Adjusted NTA ($ per security)	*$1.57*
Adjusted NTA ($ million)	*2,060.6*
Adjusted Gearing (%)[1]	*26.7%*

Source: Abacus Property Group, Transaction Booklet

Notes:

1. Adjusted Gearing calculated as bank debt minus cash divided by total assets minus cash adjusted for post balance date events.
2. Table may not add due to rounding.

The Abacus Storage King Pro Forma Historical Statement of Financial Position as at 31 December 2022 has been prepared and presented to reflect the following pro forma adjustments as if they had occurred as at 31 December 2022:

- the combination of the historical statements of financial position of ASOL and ASPT as at 31 December 2022 and the relevant intercompany eliminations;
- the settlement of the intercompany loan between AGHL and ASOL and the intercompany loan between ASPT and AGHL, the majority of which is settled by way of an issuance of Abacus Storage King Securities to Abacus Group;
- the acquisition of the ASIII units and Castle Hill asset from Abacus Property Group; and
- the Impact of the Offer including transaction costs relating to the Offer.

8.8.3 Distribution policy

Abacus Storage King expects to target a distribution payout ratio of 90% to 100% of FFO. The Board of Abacus Storage King will retain the discretion to vary the distribution policy, and a payout ratio below this target may be adopted in circumstances where Abacus Storage King has identified growth initiatives including acquisitions and developments.

Abacus Storage King intends to pay distributions every six months, with securityholders to receive distributions within 2 months following the end of each distribution period, being the six months ending 30 June and 31 December. The first distribution is expected to be a pro rata amount based on the period between Completion and 31 December 2023 and paid by 28 February 2024.

Should the Proposal proceed, Abacus Storage King is forecasting a distribution of 6.0 cents per Abacus Storage King Security for FY24, assuming the Proposal is implemented on 7 August 2023 and Eligible

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Abacus Property Group Securityholders or eligible institutional investor, underwriter or sub-underwriter take up 100% of their Entitlement under the Offer.

8.8.4 Borrowing policy

Upon Completion, Abacus Storage King is projected to have Adjusted Gearing[57] of 26.7%.

Under the proposed debt facilities, Abacus Storage King loan to value ratio must not exceed 60%, subject to temporary increases to 65% to support acquisitions in certain circumstances. Abacus Storage King's Board has approved a borrowing policy whereby Gearing will be maintained between 25% and 35%, with the ability to exceed the top end of the range, provided Gearing will be reduced to below 35% within a reasonable period of time.

Abacus Property Group's existing debt facilities secured by its Self Storage assets will remain in place for Abacus Storage King. As at 31 December 2022, the facilities totalled $1.0 billion and were fully drawn, and had a weighted maturity term to maturity of 3.3 years.

After implementation of the Proposal (and the Offer), Abacus Storage King is expected to have $67.1 million in pro forma historical consolidated cash available (as at 31 December 2022) and $125.8 million of undrawn debt available at 3 August 2023.

The Abacus Storage King Debt Facilities will 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.

8.9 Capital structure and ownership

Abacus Storage King's proposed securities on issue and ownership post Proposal and Offer are summarised as follows.

Abacus Storage King Securities on Issue and Ownership Post Completion

	Securities on Issue	Ownership
Ki Corporation Limited	520.7	39.6%
Other existing Abacus Property Group Securityholders	507.7	38.6%
Abacus Group	260.9	19.9%
New securityholders (from IPO)	24.9	1.9%
Total	**1,314.1**	**100.0%**

Source: Abacus Property Group

Abacus Group will retain a minority interest of 19.9% of the stapled securities in Abacus Storage King and new securityholders from the Offer will accrue approximately 1.9% of the stapled securities in Abacus Storage King. The ownership interests of Ki Corporation Limited and other existing Abacus Property Group Securityholders will decrease to 39.6% and 38.6% respectively.

[57] Adjusted Gearing is calculated as bank debt less cash divided by total assets less cash adjusted for post balance date events.

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8.10 Comparison of Abacus Storage King and National Storage

The following table sets out the key operating and financial metrics for Abacus Storage King and National Storage.

Comparison between Abacus Storage King and National Storage as at 31 December 2022

	Abacus Storage King	National Storage
Management structure		
Brand strength		
Management structure	Externally managed	Internally managed
Liquidity		
Free float	40.5%[1]	88.5%
A-REIT 200 Index inclusion	Potential	Yes
Liquidity (12 month period)	na	60.9% securities
Scale		
Number of stores	127	195
Portfolio value	$2.4 billion[2]	$4.1 billion
Net lettable area	568,647 sqm	1,230,000 sqm
Average value per asset	$19.3 million	$21.0 million
Average NLA per asset	4,478 sqm	6,308 sqm
Geographical diversification		
Eastern seaboard (by value)[3]	80.0%	65.0%
Growth outlook		
Development pipeline – new	96,900 sqm	215,000 sqm
Development pipeline – existing	18,400 sqm	135,000 sqm
Acquisition pipeline	Pre-emptive rights to Storage King licensed assets	$100 million under active consideration
Portfolio statistics		
WACR	5.54%	5.87%
Occupancy (by area)	91.7%	87.2%
Average rent psm	$346/sqm[2]	$250/sqm
RevPAM	$318/sqm	$273/sqm
Capital value per sqm	$5,000/sqm	$3,333/sqm
Financial metrics[4]		
Target distribution payout ratio	90 to 100% of FFO	90% to 100% of underlying earnings
Gearing[5]	26.7%	25.9%
Remaining debt capacity	$380 million	$269 million
Weighted average term to maturity	3.3 years	3.0 years
Weighted average cost of debt	3.6%	4.16% (hedged)
MER	0.70%	0.87%

Source: Abacus, National Storage 1H23 Results Presentation and ASX announcements, Kroll analysis.

Notes:

1. Excludes Ki Corporation and Abacus Group securityholdings.
2. Excludes Storage King and Other Self Storage Investments.
3. Eastern seaboard is defined as NSW, VIC, QLD and ACT.
4. Financial metrics for Abacus Storage King are pro forma forecast FY24.
5. Gearing is calculated as bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents.

9 Profile of Abacus Group Post Completion

9.1 Overview

Following Completion, the remaining entities of Abacus Property Group will form Abacus Group and will continue to own and manage its $2.4 billion Commercial property portfolio,[58] retain an interest of 19.9% in Abacus Storage King, and externally manage Abacus Storage King. Abacus Group's Commercial Portfolio will comprise 24 properties which are diversified by market, asset grade, asset life cycle, customer industry and customer profile.

[58] Portfolio value excludes Other Assets.

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Abacus Group will generate revenue through three streams:

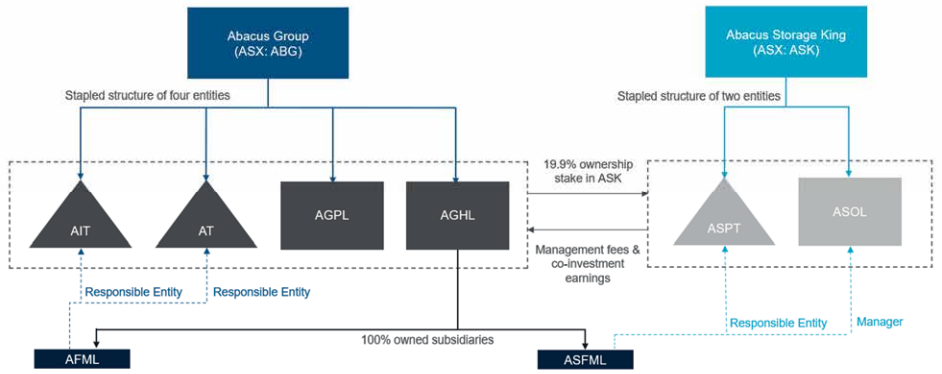
- rental income from diversified property investments across its Commercial Portfolio, which will represent the majority of Abacus Group's revenue;
- co-investment income from its interest in Abacus Storage King; and
- management fees from the management of Abacus Storage King.

Abacus Group's $5,610 million of assets under management will comprise of $2,948 million of assets, which will remain on Abacus Group's balance sheet, and $3,080 million of assets, which will be on the balance sheet of Abacus Storage King.[59]

Following Completion, Abacus Group's Gearing will reduce from 32.2% as at 31 December 2022 to 27.0%,[60] providing additional headroom in the event that the value the Commercial Portfolio declines further and capacity for accretive investment opportunities.

9.2 Proposed corporate structure

The proposed operating structure of Abacus Group is summarised in the following chart.



Source: Abacus Property Group

Abacus Group will comprise four stapled entities, AIT, AT, AGPL and AGHL. AFML, the responsible entity of AT and AIT, and ASFML, the responsible entity of ASPT and manager of ASOL, will be 100% owned subsidiaries of AGHL.

Abacus Group will maintain an ongoing relationship with Abacus Storage King which is intended to support strategic alignment between the entities. Post Completion, the nature of the relationship will be as follows:

- Abacus Group will externally manage Abacus Storage King. It will provide investment management services and operational oversight to Abacus Storage King under the Management Services Agreement;
- the responsible entity of Abacus Storage King (ASFML) will be a wholly owned subsidiary of Abacus Group, and will continue to manage ASPT in accordance with ASPT's constitution;
- Abacus Group's managing director, Steven Sewell, will be a director of ASFML (the responsible entity of ASPT) and a director of ASOL;
- the Board of Directors of ASFML will be identical to the Board of Directors of ASOL on or as soon as practicable after the De-stapling Implementation Date;
- Abacus Group will maintain an investment in Abacus Storage King and following the implementation of the De-stapling will own a 19.9% interest in of Abacus Storage King; and

[59] As at Completion.
[60] Adjusted Gearing of 27.0%. Adjusted Gearing is calculated as bank debt less cash divided by total assets less cash adjusted for post balance date events.

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- Abacus Group will have several related party relationships with Abacus Storage King as described in Section 8.1.2 of this report.

9.3 Business plan and strategy

Abacus Group's business plans and strategies will not materially change following Completion. Abacus Group will no longer invest directly in the Self Storage sector but will manage and have a minority interest in Abacus Storage King.

Post-Completion, Abacus Group will continue to be an asset backed business with key investments concentrated in the office and retail property sectors. The detailed portfolio listing is set out in Appendix 9 of this report.

Abacus Group will continue to invest in assets that are forecast to drive long-term total returns and securityholder value, with an investment objective to provide its investors with reliable asset backing and increasing returns over the medium to longer term.

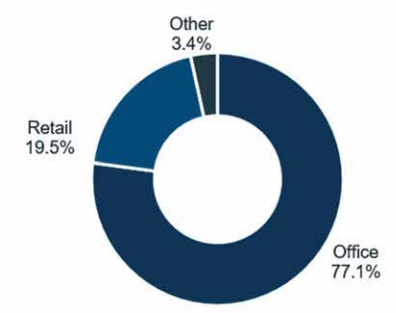
Abacus Group will also continue to invest in Commercial sectors that will target strong and stable distributions, with potential for capital and income growth, and externally manage Abacus Storage King.

9.4 Asset valuations and key metrics

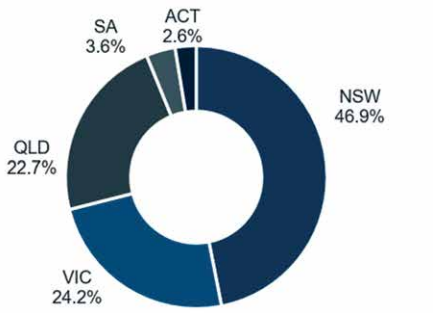
Upon completion of the Proposal, Abacus Group will continue to generate rental income from its portfolio of office properties (**Office Portfolio**), and retail and other properties (**Retail and Other Portfolio**) consisting of 24 wholly owned assets, comprising 18 office assets, 4 retail assets and 2 'other' assets, with an independent valuation of $2.4 billion as at 30 April 2023. The detailed portfolio listing is set out in Appendix 5 of this report.

The geographic diversification of the Commercial Portfolio is heavily weighted towards Australia's eastern seaboard, with properties in NSW, QLD and VIC accounting for 93.8% of the portfolio by value.

Commercial Portfolio by Sector (% value)



Commercial Portfolio by Location (% value)



Source: Abacus Group, Kroll analysis.

Notes:

1. Data current as at 30 April 2023.
2. Portfolio includes development assets

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Abacus Commercial Investment Portfolio statistics as at 30 April 2023 are summarised as follows.

Abacus Commercial Investment Portfolio Statistics as at 30 April 2023[1]

	Office Portfolio	Retail Portfolio
Number of properties/assets	18	4
Value ($ millions)[2]	1,843	548
NLA (sqm)[3]	199,978	62,256
Average property value ($ millions)	102.4	91.3
Average NLA per property (sqm)	11,110	10,376
WACR[4]	5.5%	6.2%
Occupancy[3]	94.1%	93.3%
Average rent psm ($)	712	623
WALE (years)[3]	3.6	5.7

Source: Abacus Property Group, Kroll analysis.

Notes:

1. NLA, Average NLA per property, Occupancy, Average rent psm statistics exclude Virginia Park, VIC which is designated as a mixed use industrial and office property.
2. Includes investments in cash and other assets.
3. Excludes development affected assets.
4. Includes equity accounted investments.

9.5 Board of Directors

Following the implementation of the Proposal, the Abacus Group Board in respect of AGHL, AGPL and AFML as responsible entity of AT and AIT will continue to be constituted by Abacus Property Group's existing directors with the exception of Mark Bloom who will be on the board of ASFML and ASOL (refer to Section 7.7 of this report).

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9.6 Financial information

9.6.1 Financial position

Abacus Group's pro-forma statement of financial position for 31 December 2022 post the Proposal is summarised as follows.

Abacus Group's Pro-forma Statement of Financial Position Post Proposal ($ millions)

	As at 31 December 2022 Pro-forma
Assets	
Cash and cash equivalents	50.7
Investment properties	2,137.8
Other financial assets	95.2
Equity accounted investments	579.3
Intangible assets and goodwill	32.6
Other	52.8
Total Assets	**2,948.4**
Current Liabilities	
Interest bearing loans and borrowings	832.6
Other liabilities	119.7
Total Liabilities	**952.2**
Net Assets	**1,996.1**
Total Equity	**1,996.1**
Statistics	
Adjusted NTA ($ per security)[1]	*$2.19*
Adjusted NTA ($ million)[1]	*1,957.3*
Implied acquisition capacity ($ million)[2]	*361.2*
Average cost of drawn debt (%)	*4.8%*
Adjusted Gearing (%)[3]	*27.0%*

Source: Abacus Property Group

Notes:

1. Calculated as net assets minus intangible assets, goodwill, and net deferred tax assets.
2. Assumes debt at maximum target gearing ratio of 35%.
3. Adjusted Gearing calculated as bank debt minus cash divided by total assets minus cash adjusted for post balance date events.
4. Table may not add due to rounding.

The Abacus Group Pro Forma Historical Statement of Financial Position as at 31 December 2022 has been prepared and presented to reflect the following pro forma adjustments as if they had occurred as at 31 December 2022:

- the de-stapling of Abacus Property Group's Self Storage assets and business;
- the settlement of the intercompany loan between AGHL and ASOL and the intercompany loan between ASPT and AGHL, the majority of which is settled by way of an issuance of Abacus Storage King Securities to Abacus Group;
- the disposal of the ASIII units and the Castle Hill asset to Abacus Storage King.

9.6.2 Distributions

Abacus Group's distribution policy will remain unchanged, targeting a payout ratio in the range of 85% to 95% of FFO. If the Proposal proceeds, Abacus Group is forecasting a pro forma distribution of 8.6 cents per security for FY24, assuming the Proposal is implemented on 7 August 2023.

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9.6.3 Interest-bearing liabilities

On and from De-stapling Implementation, Abacus Group will retain the existing Abacus Property Group debt facilities of $1.01 billion with some contextual changes (**Existing Facilities**). As at 31 December 2022, drawn bank debt was $0.91 billion with a weighted average term to maturity of 3.5 years. The facilities are secured by the majority of the Abacus Group's investment properties.

Interest on the facilities is calculated through applying a margin to an applicable variable base rate (being, if available, the Australian Bank Bill Swap Reference Rate (**BBSY**) Bid. The margin and fees vary depending on the tranche in each facility. Based on Abacus Group's Pro Forma Statement of Financial Position, a one year average of approximately 85.0% of Abacus Group's interest exposure on drawn bank debt will be subject to fixed rate hedges. Abacus Group will have a pro forma weighted average interest rate for FY24 of 4.8%.

Abacus Group will continue to have a maximum target gearing ratio of 35%. Following implementation of the Proposal, Abacus Group's Adjusted Gearing[61] will be reduced from 32.2% to 27.0%, well below the maximum target gearing ratio, providing additional headroom should the value of the Commercial Portfolio decline further and capacity to fund earnings accretive investment opportunities.

9.7 Capital structure and ownership

Abacus Group's proposed securities on issue and ownership post the De-stapling are summarised as follows.

Abacus Group Securities on Issue Post De-stapling

	Securities on Issue	Ownership
Ki Corporation Limited	462.9	51.8%
Other existing Abacus Property Group Securityholders	430.8	48.2%
Total	**893.7**	**100.0%**

Source: Abacus Property Group

Abacus Group's capital structure and ownership will not change post De-stapling. Ki Corporation Limited will continue to hold 51.8% of the stapled securities in Abacus Group and other existing securityholders will continue to hold 48.2%.

[61] Adjusted Gearing is calculated as bank debt less cash divided by total assets less cash adjusted for post balance date events.

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Appendix 1 – Kroll disclosures

Qualifications

The individuals with overall responsibility for preparing this report on behalf of Kroll are Ian Jedlin and Celeste Oakley. Ian is an Associate and Accredited Business Valuation Specialist of the Institute of Chartered Accountants Australia and New Zealand, a Senior Fellow of the Financial Securities Institute of Australia and holds a Master of Commerce. He is also a member of the Standards Review Board of the International Valuation Standards Council. Celeste holds a Bachelor of Economics, a Bachelor of Laws and a CFA designation. Both Ian and Celeste have extensive experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of independent expert's reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Kroll's opinion as to whether the Proposal is fair and reasonable to Abacus Property Group Securityholders. Kroll expressly disclaims any liability to any Abacus Property Group Securityholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, Kroll has had no involvement in the preparation of the Transaction Booklet or any other document prepared in respect of the Proposal. As such, Kroll takes no responsibility for the content of the Transaction Booklet as a whole or other documents prepared in respect of the Proposal (other than this report).

Independence

Kroll considers itself to be independent in accordance with the requirements of Regulatory Guide 112. In considering independence, it is noted that Kroll does not have, and has not had within the previous two years, any business or professional relationship with Abacus or the Consortium Group or any financial or other interest that could reasonably be regarded as capable of affecting our ability to provide an unbiased opinion in relation to Abacus. Kroll's only role with respect to the Proposal has been the preparation of this report.

Kroll will receive a fixed fee of $350,000 (excluding GST and out of pocket expenses) for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Extraordinary General Meeting. Kroll will receive no other benefit for the preparation of this report.

Declarations

Abacus has provided an indemnity to us for any claims arising out of any misstatement or omission in any material or information provided to us in the preparation of this report.

During the course of this engagement, Kroll provided draft copies of this report to management of Abacus for comment as to factual accuracy, as opposed to opinions, which are the responsibility of Kroll alone. Changes made to this report as a result of those reviews have not altered the methodology or opinions of Kroll as stated in this report.

The engagement has been conducted in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (**APESB**).

Kroll is authorised by Millinium Capital Managers Limited, Australian Financial Services License no. 284336, to provide the following financial services as their Corporate Authorised Representative:

- provide financial product advice in respect of the following classes of financial products:
- interests in managed investment schemes including investor directed portfolio services; and
- securities;

with respect to retail clients and wholesale clients.

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Consents

Kroll consents to the inclusion of this report in the form and context in which it is included in the Transaction Booklet to be issued to Abacus Property Group Securityholders. Neither the whole nor any part of this report or its attachments or any reference thereto may be included or attached to any other document without the prior written consent of Kroll as to the form and context in which it appears.

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Appendix 2 – Limitations and reliance on information

Limitations and reliance on information

Kroll's opinion is based on prevailing economic, market, business, and other conditions at the date of this report and corresponds with a period of continued uncertainty following the COVID-19 pandemic. To the extent possible, we have reflected these conditions in our opinion. However, the factors impacting these conditions continue to evolve and can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

Our report is also based on financial and other information provided by Abacus. Abacus has been responsible for ensuring that information provided by it and its representatives is not false or misleading or incomplete. Abacus has represented in writing to Kroll that to its knowledge, the information provided is complete and not incorrect or misleading in any material respect. Complete information is deemed to be information which at the time of completing this report should have been made available to Kroll and would have reasonably been expected to have been made available to Kroll to enable us to form our opinion. We have no reason to believe that any material facts have been withheld from us.

In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying such information. Nothing in this report should be taken to imply that Kroll has in any way carried out an audit of the books of account or other records of Abacus or the Consortium Group for the purposes of this report. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards, as applicable.

In addition, we have also had discussions with Abacus in relation to the nature of the business operations, specific risks and opportunities, historical results of Abacus and prospects for the foreseeable future of Abacus. This type of information has been evaluated through analysis, inquiry and review to the extent considered necessary or practical as part of the information used in forming our opinion is comprised of the opinions and judgements of management. Kroll does not warrant that its procedures and inquiries have identified all matters that a more extensive analysis might disclose as they did not include verification work nor an audit or review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. Such information is often not capable of external verification or validation.

The statements and opinions included in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

Disclosure of information

In preparing this report, Kroll has had access to all financial information considered necessary in order to provide the required opinion. Abacus has requested Kroll limit the disclosure of certain information relating to Abacus. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising Abacus. As such the information in this report, unless otherwise indicated, has been limited to the type of information that is regularly placed into the public domain by Abacus.

Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information

- Transaction Booklet;
- results presentations and annual reports for Abacus for 2020, 2021, 2022 and 1H23;

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- ASX announcements, press releases, media and analyst presentations and other public filings by Abacus including information available on its website;
- broker reports and recent press articles regarding Abacus;
- information sourced from S&P Capital IQ;
- Non-public information
- Abacus Property Group Board papers and other internal briefing papers prepared by Abacus in relation to the Proposal; and
- other confidential documents, presentations and workpapers.

In addition, we have had discussions with, and obtained information from, senior management of Abacus.

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Appendix 3 – Background on Demergers

Overview

A demerger (or "spin-off") is a common means of publicly restructuring an organisation with the aim of enhancing shareholder value. A demerger is essentially the divestment of all or a portion of a parent entity's interest in a wholly owned subsidiary and is usually executed via the transfer of shares in the subsidiary from the parent entity to the parent entity's shareholders on a pro rata basis. Common variations include:

- a *pure demerger*, where existing shareholders receive 100% of the shares in the subsidiary, and there is no dilution of equity or transfer of ownership from the current shareholders. The underlying economic interest of the shareholders remains the same;
- a *divestiture*, where 100% of the shares in the subsidiary are sold to the public through an initial public offering (**IPO**) or other sale process;
- a *partial demerger*, similar to a pure demerger however the parent entity retains an interest for a period or sells them immediately via an IPO or private sale process. The parent company may continue to influence the carved-out subsidiary depending on the interest retained; and
- an *equity carve-out*, where the parent entity or its shareholders retain an interest in a newly formed entity with the balance of the equity sold through an IPO process to newly introduced shareholders.

The operational implications of the various forms of demerger differ depending on the level of influence and links retained with the parent company, and the new group of financial stakeholders.

Prevalence

First implemented in America in the 1920s, demergers have been a common feature of equity markets in the US since the 1950s, the UK since the 1980s, Europe since the 1990s, and in Australia shortly after.[62] Demergers have been observed to typically occur in the following circumstances:[63]

- dissimilar operations or assets within the corporate group, especially if there is an underperforming business or a cash cow funding other parts of the business;
- restructuring following an acquisition;
- restructuring within the industry sector, regulatory changes or disciplinary events;
- changes in senior management;
- strategic reviews;
- 'structural' valuation anomalies surrounding the company's shares, which might be identified as a variance between sum of the parts valuations and the market capitalisation;
- prolonged security price underperformance;
- prolonged failure to achieve publicly given operating targets; and
- firms with higher growth opportunities and firms in need of external capital.

Further demergers are expected over the longer term for companies adversely affected by the COVID-19 pandemic, rising taxes and sustainability objectives.[64]

[62] Thomas Kirchmaier in his 2003 paper "The Performance Effects of European Demergers" attributed the commencement of spin-off activity in the UK in 1980 to the introduction of tax incentive legislation by the British Chancellor of the Exchequer, and the commencement in Europe to legislation by the European Commission in 1990. Australian demergers have been recorded since 1996.

[63] Supporting papers include: UBS Investment Research, Q-Series: Spin-offs and demergers, April 2005; P. Navatte and G. Shier "Spin-offs: "Accounting and financial issues across the literature" 2015; S. Krishnaswami and V. Subramaniam "Information asymmetry, valuation and the corporate spin-off decision" 1999; R. Rudisuli, "Value Creation of Spin-offs and Carve-outs", 2005

[64] Boston Consulting Group, The 2021 M&A Report "Mastering the Art of Breaking Up", October 2021.

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Rationale

General thinking has been that investors prefer "pure plays" rather than a package of dissimilar operations or assets. Market evidence tends to support this, observing that equity markets do not necessarily reward corporate diversification unless there are substantial synergies available or there is some other strategic rationale.[65] A key argument for this is that investors are better able to replicate the benefits offered by conglomerates by diversifying their own portfolio.

The negative effect of a disparate portfolio has been observed in real estate holding companies, such as REITs as well as operating companies. REIT's have become more 'pure play' over the past 20 years as investors have favoured REITS with geographic concentrations on their properties and specialisation in specific types of properties.[66]

The underlying objective of a demerger is to focus the corporate portfolio on the core business. However, demergers may be undertaken for a variety of strategic motives.

The most common advantages and disadvantages cited in demerger studies are summarised in the following tables.

Advantages and Opportunities

Advantage/ Opportunity	Driver
Shareholder flexibility	The separation of the parent and demerged entity provides investors with the opportunity to manage their own portfolio diversification according to their different investment preferences and ESG criteria, and may also attract new investors as each entity becomes more focused and aligned with a specific industry or market segment.
Investment transparency	Additional reporting and disclosures for the newly demerged entity will provide investors with better access and insight to corporate data and management decision making. This may encourage further analyst coverage and investor confidence.
Strategic focus	Demerged entities are better able to independently pursue growth initiatives that better align with their core strategy and specific risk/ return profile. Shareholder value may be gained from industry/ geographical focus, more efficient organisational structures and decision making regarding resource allocation, and elimination of dis-synergies.
Financial flexibility	The demerged entities can independently manage their capital structure according to their specific strategy and financial risk profile. Separation may enable more direct access to capital markets and redistribution of excess cash.
Management incentive alignment	A demerger can facilitate better management distribution and motivation across the separate entities, with incentives more closely aligned to a focused strategy and performance within management control. Management accountability is likely to increase with investor and analyst scrutiny.
Market re-rating	The increased transparency, shareholder flexibility and investor confidence may result in a removal of any 'conglomerate discount' or structural undervaluation via a market re-rating of the demerged entities.
Takeover potential	A demerged or parent entity with a more specific focus may become attractive to potential buyers. Shareholders may benefit from takeover offers with a premium to the share price for potential synergies. Miles and Woolridge (1992) found that the value created through spinoffs in their study of 815 US spinoffs between 1965 and 1988 is attributable to the spinoffs and parents involved in takeover activity[67].

[65] See for example: UBS Investment Research, "Q-Series: Spin-offs and demergers" 2005; R. Rudisuli, "Value Creation of Spin-offs and Carve-outs", 2005; P. Anslinger, S. Klepper, S. Subramaniam,, The McKinsey Quarterly; New York Issue 1 1999 "Breaking up is good to do"; Cologne Graduate School Working Paper Vol 3, No 1,"Corporate Diversification and Firm Value: A Survey of Recent Literature" January 2012

[66] E. Sherman, "The Orion Office REIT Spinoff is about focus" November 2021; P. Scherrer (1995), "Why REITs face a merger-driven consolidation wave", Mergers & Acquisitions, The Dealmakers Journal July/Aug 1995. Kroll University quoted source

[67] J. Miles, and J. Randall Woolridge , "Restructuring through spin-offs, the stock market evidence", November 1992

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Disadvantages and Risks

Disadvantage/ Risk	Driver
Loss of synergies and scale	The demerged entities may lose some of the benefits of operating as part of a larger group, such as loss of cross selling opportunities, shared staff resources, internal capital market, and cross subsidisation.
Transaction and implementation costs	The demerger will incur one-off transaction and restructuring costs, and other overhead costs required to establish new facilities and relationships.
Increased corporate and financing costs	The separation and listing of the demerged entity may result in an increase in ongoing costs associated with independent corporate governance and financial reporting. Separation may also affect each entity's access to funding and capital markets and therefore financial support, credit profile and cost of financing.
Loss of diversification	Without the support of internal diversification, the overall risk of the demerged entities may increase in line with market and industry exposure.
Reduction in size and trading liquidity	The reduction in the market capitalisations of each entity may change the index weighting, which in turn may impact passive demand and trading liquidity.
Instability	The demerged entities may face a period of instability during transition, until the entities can establish the necessary commerciality or flexibility to survive and thrive independently.

Market evidence

Empirical evidence

Academics and market analysts have studied demergers since the early 1980s, primarily based on the experience of US and European firms given the longer history and frequency of demergers available in those markets. The majority of the research has assessed value creation by observing share price reactions and short-term cumulative performance around the announcement of the restructure. Some studies have assessed longer-term performance up to three years after the demerger execution date, whilst others have considered the operating impact.

Despite the many studies, it is not conclusive as to whether demergers have been successful at enhancing shareholder value. Each study is influenced by the specific circumstances of the sampled demergers including the geographic location, underlying market conditions, reporting frameworks and ownership structures, as well as the variety of calculation methodologies applied. Therefore, not all studies are directly comparable. Counterfactual estimates are also not available as it is not possible to measure what the share prices would have been had the demergers not occurred. It is also possible that the conglomerate discount observed could be due to measurement error, empirical design or errors within the data.

Some of the key observations from the literature and market research on demergers include:

- the announcement of spin-offs and equity carve-outs has generally had a positive effect on the share price:
  - Navatte & Schier summarised 32 short term studies of US and European demergers between 1983 and 2013 presenting a range of observed average returns from 1.3% up to 5.6%.[68] BCG noted in 2021 that conglomerate discounts are economically and statistically significant, albeit lower than initially estimated in the late 1990s;[69] and
  - Chai, Lin & Veld found that the announcement effect may be lower in the Australian market than for the US market, observing a 3-day announcement effect of 2.93%;[70]
- over the longer term, demerged entities mostly outperformed the market, however results varied depending on the characteristics of the demerger, and not all demergers created shareholder value:

[68] P. Navatte and G.Schier, "Spin-offs: Accounting and financial issues across the literature", 2017, Table 2.
[69] BCG, The 2021 M&A Report, "Mastering the Art of Breaking Up", October 2021.
[70] D. Chai, Z. Lin, C. Veld, Australian Journal of Management Vol 43, "Value-creation through spin-offs: Australian evidence" 2017.

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- Navatte & Schier also summarised seven long term studies of US and European demergers between 1993 and 2013.[71] A range of average returns between 2% and 19.8% were observed for the demerged entities on a combined basis. Negative returns were observed for parents in some studies and the spun-off entity in others;
- different patterns have been observed for the performance of the newly demerged entity compared to the parent entity after the split.[72] The demerged/spin-off entities have been observed to underperform the market initially for a period of up to six months, then rebound after 12 months to substantially outperform the market. The positive abnormal returns for the spin-offs have generally also exceeded the returns of the parent over the long run. For the parent entity, whilst some studies observed superior post-spinoff investment performance, some found parent performance to be flat leading up to the demerger and at market following the split, and others observed substantial underperformance after the split;
- studies have demonstrated performance differences between other various demerger subgroups. For example small demergers were observed to be more successful than larger ones;[73] and
- even though spin-offs and carve-outs tend to experience a similar announcement effect, the long-term stock market performance for carve-outs has been observed to be worse than for spin-offs, particularly carve-outs with a free float of less than 75%.[74] Annema, Fallon & Goedhart noted that shareholder value typically increases only when both the parent and subsidiary perform better as independent companies, and only when parent companies aim for full separation of the subsidiary;[75]

- some of the reasons given for the observed outperformance included:
  - significantly higher long-run abnormal returns have been observed where the main rationale was to increase corporate focus, with corporate restructuring removing non-core assets and improving the operating the performance of core operations. This was particularly evident where the parent entity and demerged entity operated in different businesses;[76]
  - Cusatis, Miles and Woodridge found that the valued created by spinoffs was attributable to the higher incidence of takeover activity for both the demerged entity and the parent entity in the first three years after the demerger;[77]
  - the value gains around spinoffs are higher for firms with greater levels of information asymmetry. Following a demerger, firms with reduced information problems have seen an improvement in share price and issued more equity;[78] and
  - research has also indicated that firm values have increased as a result of increased efficiency in capital allocation following demergers, especially in the parent firm. The abnormal returns at announcement were significantly higher if investment efficiency was relatively low prior to the spin-off.[79]

[71] P. Navatte and G. Schier, "Spin-offs: Accounting and financial issues across the literature", 2017, Table 3
[72] See for example: Macquarie Research "Demergers: Breaking up is hard to do", March 2018; UBS Q-Series "Spin-offs and demergers", April 2015; T. Kirchmaier "The Performance Effects of European Demergers", May 2003, R. Rudisuli, "Value Creation of Spin-offs and Carve-outs", 2005; CIMB "Spin-off candidates", September 2013; McKinsey "Do carve-outs make sense? Yes, but not for the reasons you might think", September 2001
[73] See for example R. Rudisuli, "Value Creation of Spin-offs and Carve-outs", 2005; McKinsey "Do carve-outs make sense? Yes, but not for the reasons you might think", September 2001, and T. Kirchmaier "The Performance Effects of European Demergers", May 2003
[74] R. Rudisuli, "Value Creation of Spin-offs and Carve-outs", 2005;
[75] McKinsey "Do carve-outs make sense? Yes, but not for the reasons you might think", September 2001
[76] H. Desai and P. Jain, "Firm performance and focus: long run stock market performance following spinoffs" 1999; L. Daley, V. Mehrotra and R. Sivakumar "Corporate focus and value creation evidence from spinoffs 1997
[77] P. Cusatis, J. Miles and R. Woolridge,"Restructuring through spin-offs",1993
[78] S. Krishnaswami and V. Subramaniam, "Information asymmetry, valuation, and the corporate spin-off decision" 1999
[79] S. Zweiphenning, "Corporate Spin-offs in the United Kingdom" 2014; T Chemmanur, K. Krishnan, D. Nandy "The Effects of Corporate Spin-offs on Productivity", C. McNeil and W. Moore "Dismantling Internal Capital Markets via Spinoff: Effects on Capital Allocation Efficiency and Firm Valuation" 2005

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Kroll demerger research

To supplement the empirical studies which primarily focus on US and European demergers, we have undertaken an analysis of Australian demergers that have been successfully implemented since 2010.

Our analysis excludes demergers completed in the metals and mining sectors, as the rationale and returns around these transactions may be materially impacted by specific industry factors such as exploration outcomes, volatile share and commodity pricing, regulatory and geopolitical issues. The drivers of the performance in the metals and mining sector are very different from the drivers of Cromwell's performance, therefore these transactions are less relevant for the purposes of assessing the Proposal.

The selected demergers in our Australian demerger analysis are summarised in the following table (**Selected Demergers**).

Selected Demergers in Australia

Date[80]	Parent Entity	Business	Demerged Entity	Business	% Demerged
24 May 2022	Tabcorp Holdings Ltd	Gambling	Lotteries & Keno business of Tabcorp Holdings Ltd	Gambling	100%
24 Jun 2021	Woolworths Group Ltd	Grocery Stores	Endeavour Group Ltd	Wineries & Distilleries	85%[81]
23 Nov 2020	Home Consortium Limited	REIT—Retail	HomeCo Daily Needs REIT	REIT—Retail	73%[82]
24 Mar 2020	GrainCorp Ltd	Crops	United Malt Group Ltd	Brewers	90%[83]
22 Oct 2019	Cardno Ltd	Engineering & Construction	Intega Group	Engineering services	100%
21 Nov 2018	Wesfarmers Ltd	Home Improvement	Coles Group Ltd	Grocery Stores	85%[84]
31 May 2018	Westfield Corporation	Real Estate	OneMarket Limited	Information Management	100%
16 Nov 2017	Fairfax Media Ltd	Publishing & Broadcasting	Domain Holdings Australia	Internet Content & Information	40%[85]
27 Jun 2016	APN News & Media Ltd	Broadcasting	NZME Ltd	Entertainment	100%
4 Feb 2016	National Australia Bank Ltd	Banks-Diversified	CYBG PLC	Banks- Regional	75%[86]
18 Dec 2013	Amcor Ltd	Packaging & Containers	Orora Ltd	Packaging & Containers	100%
10 Dec 2013	Brambles Ltd	Specialty Business Services	Recall Holdings Ltd	Specialty Business Services	100%
26 Nov 2012	Woolworths Ltd	Grocery Stores	Shopping Centres Australasia	REIT—Retail	100%
21 Nov 2011	Telecom Corporation of New Zealand Ltd	Telecom Services	Chorus Limited	Telecom Services	100%
10 May 2011	Foster's Group Ltd	Brewers	Treasury Wine Estates	Distillers and Vintners	100%
6 Jun 2011	Tabcorp Holdings Ltd	Gambling	Echo Entertainment	Resorts & Casinos	100%
13 Dec 2010	Westfield Group	REIT—Retail	Westfield Retail Trust	REIT—Retail	100%
12 Jul 2010	Orica Ltd	Specialty Chemicals	Dulux Group	Paints & Coatings	100%
25 Jan 2010	Macquarie Infrastructure Group	Highways and Railtracks	Macquarie Atlas Roads Group	Highways and Railtracks	100%

[80] Implementation date (the first trading day of the demerged entity).
[81] Woolworths Group retained a 14.6% interest in Endeavour Group to provide alignment of interests given the ongoing commercial relationships between the entities.
[82] Home Consortium retained an interest of 27% in HomeCo Daily Needs REIT, to ensure alignment with HomeCo Daily Needs REIT unitholders (subject to a one year voluntary escrow). A Home Consortium subsidiary continues to act as responsible entity for HomeCo Daily Needs REIT.
[83] GrainCorp retained a minority ownership interest of 10% in United Malt Group to provide GrainCorp additional balance sheet resources and financing flexibility.
[84] Wesfarmers retained a 15% interest in Coles to support strategic alignment between the entities. Wesfarmers subsequently sold 4.9% in February 2020 and a further 5.2% stake in March 2020.
[85] Fairfax Media retained 60% holding in Domain Holdings to maintain control of the demerged entity.
[86] National Australian Bank demerged 75% of CYBG shares to shareholders, then divested the remaining 25% to institutional investors during by IPO.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

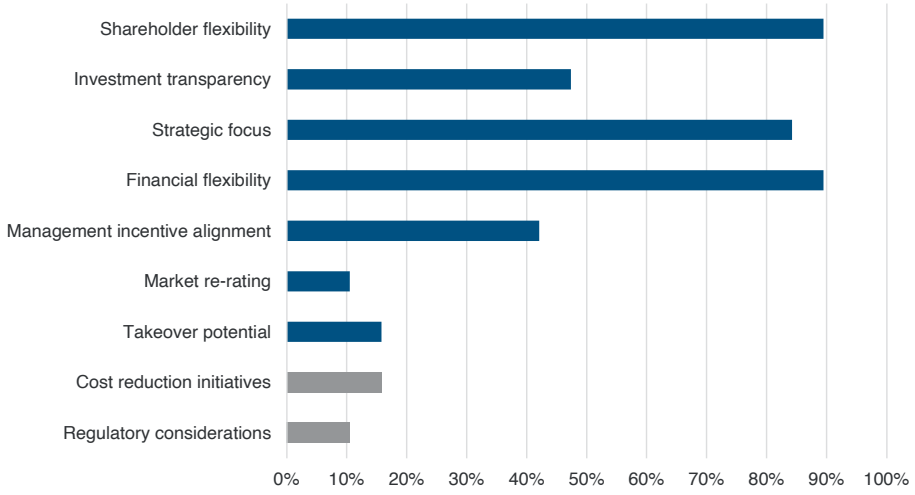
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Source: S&P Capital IQ, Kroll Analysis

The majority of these demergers involved divesting 100% of the subsidiary entity. For the transactions where an interest was retained, the motives noted in the demerger booklets were to align interests between the parent and demerged entity for ongoing strategic or management relationships, or to participate in future financial gains.

The chart below summarises the rationale of the selected demergers based upon the advantages referred to in the respective demerger booklets. The percentage shown reflects the number of the selected demergers which referred to the respective advantage as part of their rationale for the proposed demerger.

Stated Rationale for the Selected Demergers



Source: Demerger booklets for the 19 demergers listed above, Kroll analysis

Note: In addition to the most common advantages noted in empirical studies, demergers in our selected sample stated cost reduction initiatives and regulatory considerations as key motivations for the transaction.

Whilst each demerger was motivated by specific rationale according to their circumstances, most of the parent entities referred to the split as an opportunity for the respective entities to better focus on their own strategic priorities and capital management. Providing greater flexibility to investors and management is seen as a key means of enhancing shareholder value and attracting new investors.

The benefit of a potential market re-rating was only explicitly stated in two of the selected demergers. The Macquarie Infrastructure Group (**MIG**) Independent Directors believed that the demerger had the potential to improve the combined market rating of Intoll securities and Macquarie Atlas Roads securities in comparison to the market rating of MIG securities. The Tabcorp demerger booklet listed direct market valuation of The Lottery Corporation and New Tabcorp as a potential advantage.

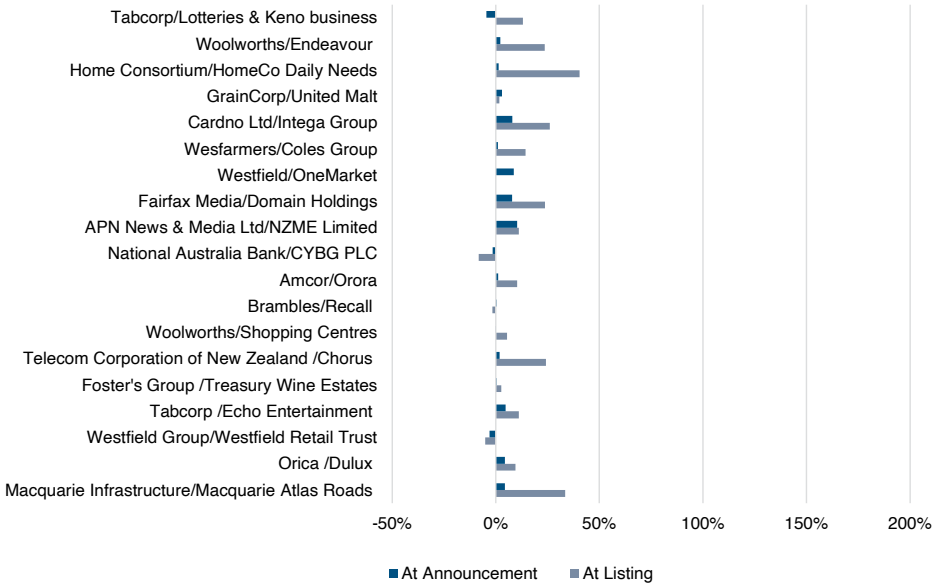
In order to assess the potential for a market re-rating following a demerger, we have analysed the share price movement of the parent entity and the aggregate of the parent and demerged entity to the broader market index over two distinct time periods being:

- from last close before announcement to the listing of the demerged entity; and
- from last close before announcement, to three months, one year and two years after the demerged entity was listed.

The following chart summarises the share price performance of the selected demergers from the last close before announcement date to the listing of the demerged entity, relative to the performance of the ASX 200 over the same time period.

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Relative Share Price Performance to the ASX 200, During Demerger Process



Source: S&P Capital IQ, Kroll Analysis

Note: Westfield was acquired by Unibail-Rodamco at the same time as the OneMarket demerger.

The above analysis indicates that the selected demergers were mostly positively received at announcement, with evidence of an initial market re-rating at implementation date, noting that:

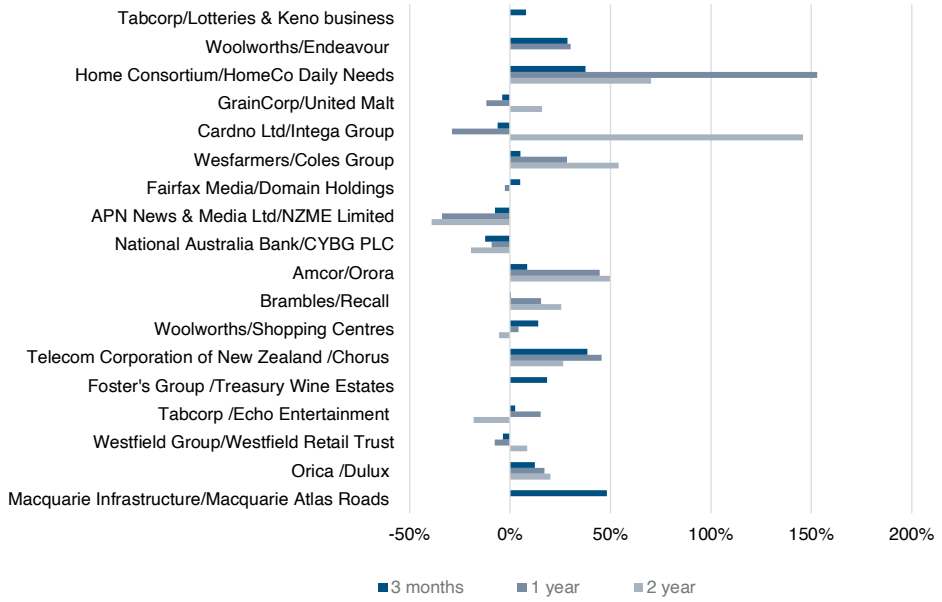
- on the day of the announcement, 15 out of the 19 demergers outperformed the broader market. Returns ranged between (4.5%) to 10.4% relative to the ASX 200. The average outperformance of 2.7% was marginal and in line with observed empirical studies; and
- on the day the demerged entity was listed on the ASX, relative performance for the selected demergers ranged between (8.3%) and 40.5% with 15 out of the 17 transactions outperforming the broader market. The average outperformance for the group was 13.1%. Factors that may have influenced the most significant positive returns at implementation date include:
  - Home Co Daily Needs secured $300 million through a successful IPO listing at the implementation of the Home Consortium demerger;
  - the demerger of Macquarie Atlas Roads freed up the mature and less risky toll assets of Intoll Group for takeover; and
  - by splitting into a retail operation and a fixed line operator (Chorus Ltd), Telecom Corporation of New Zealand met the independence requirements to win the government-sponsored Ultra-Fast Broadband network contract.

The following chart summarises the share price performance of the hypothetical combined parent and demerged entity from the last close before announcement date, to three months, one year and two years after the demerged entity was listed on the ASX, relative to the performance of the ASX 200 index over the same time period.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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Relative Share Price Performance to the ASX 200, Post Demerger Process



Source: S&P Capital IQ, Kroll Analysis

Note: The above analysis excludes demerger data after a parent or demerged entity has been acquired or delisted. Macquarie Infrastructure was delisted in February 2010, Foster Group in December 2011 and Fairfax Media in November 2018. Westfield was acquired by Unibail-Rodamco in February 2018 and OneMarket was delisted in December 2019.

The above analysis indicates that the selected demerged entities on a hypothetical combined basis have generally outperformed the market in the two years following announcement of the demerger, with an average outperformance for the group of 10.8% at 3 months, 17.3% at 1 year and 25.7% at 2 years. These averages include four demergers that underperformed the ASX 200 over the two year period.

There are however several limitations to this analysis:

- the outperformance may include premiums relating to takeover activity for the selected demerger group during and shortly after the observed time period. Five entities from this list of selected demergers, including both parents and demerged entities were subject to takeover activity within two years of the demerger;
- the selection of a different market index or relevant sector index may have presented different results;
- the relative performance of each demerger may have been uniquely impacted by specific industry or corporate events not relating to the demerger. For example:
  - ***Woolworths/ Endeavour***: The one year outperformance of 30% resulted due to Endeavour's better than expected 1H22 results on the back of growth in online sales and improvement in profitability of retail business.
  - ***Home Consortium/ HomeCo Daily***: The one year outperformance of 153% was positively impacted by HomeCo Daily's successful equity raise, and the announcement of Home Consortium's purchase of asset manager Aventus Group in October 2018;
  - ***Cardno/ Intega***: This demerger underperformed relative to the ASX 200 for the first year after announcement of the demerger, impacted by the resignation of Cardno's CEO shortly after the demerger was implemented, the COVID-19 pandemic, and withdrawal of the 2020 earnings guidance. The outperformance at two years may have been impacted by the announcement of the

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sale of Cardno's Americas and Asia Pacific consulting divisions and the proposed takeover of Intega by Kiwa Australia in October 2021;

- ***Wesfarmer/ Coles***: The two year outperformance reflected Wesfarmer's sale and acquisition activities together with the relatively limited impact of the COVID-19 pandemic on Coles' share price;
- ***APN/ NZME***: This demerger increasingly underperformed the ASX 200 over the two year period, impacted by media sector performance and regulatory termination of the NZME and Stuff Ltd merger in September 2018;
- ***National Australia Bank/CYBG***: The bank undertook a dilutive capital raising between the announcement of the demerger and implementation; and
- ***Tabcorp/ Echo***: The share price of Echo Entertainment was negatively impacted by uncertainty regarding a development proposal in Sydney, which was ultimately rejected by the Government in July 2013; and

- as previously discussed, select studies have indicated that the demerged entity tends to outperform the parent entity for the two year period following the demerger. In contrast, our analysis suggests that it is the parent who marginally outperforms the demerged entities from 18 to 24 months after listing. It is possible that our results differ due to the exclusion of mining companies and demerged entities exposed to takeover activity within the two years after listing (5 out of 19 from our selected sample). This highlights the influence of sample selection and methodology upon the conclusions of demerger analysis.

Conclusion

The analysis above generally supports the view of empirical research that parent and demerged entities have outperformed the broader market and created value for shareholders over the short to medium term. However, the range of outcomes across the numerous studies and between each observed demerger indicates that there is no ideal business structure nor definitive evidence to conclude that all demergers create shareholder value. Outperformance of the demerged entities can also be attributable to the combination of factors particular to each entity and each transaction. Ultimately, the success of a demerger will depend upon the specific circumstances of each demerger.

13 INDEPENDENT EXPERT'S REPORT CONTINUED

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Appendix 4 – Management fee benchmarking

Management fee benchmarking of externally managed REITs is summarised in the following table.

Management fee benchmarking of externally managed REITs as at 14 June 2023

	CLW	CQE	CQR	COF	CIP	BWP	HDN	DXI	DXC	REP	HCW
MER ($ million)	30.0	12.0	23.3	14.9	26.2	18.2	23.1	7.0	5.9	4.6	6.5
Opening FY21 GAV ($ million)	4,574.2	1,542	3,341	2,068.9	3,106	2,675	1,390	1,114	647	725	599
Closing FY22 GAV ($ million)	6,482.0	2,081	4,045	2,410.8	4,148	3,022	4,856	1,716	873	832	694
Average GAV ($ million)	5,528.1	1,812	3,693	2,240	3,627	2,848	3,123	1,415	760	779	646
MER (%)	**0.54%**	**0.66%**	**0.63%**	**0.66%**	**0.72%**	**0.64%**	**0.74%**	**0.50%**	**0.78%**	**0.59%**	**1.00%**
Responsible entity and other transaction expenses											
Base (asset) management fees	26.8	9.6	17.8	12.7	22.5	16.1	13.6	5.6	5.0	3.5	3.5
Property management fees	3.5	1.5	12.5	3.2	2.0	-	8.5	0.8	-	-	0.8
Facility management fees	0.2	-	-	1.9	1.2	-	-	-	-	-	-
Project management fees	0.2	-	1.0	0.7	0.9	-	-	-	-	-	-
Development management fee	-	0.4	0.7	-	-	-	2.3	-	-	-	1.0
Leasing fees	0.2	1.5	0.6	0.9	2.4	-	2.0	-	-	1.0	0.4
Custodian fees	-	-	-	0.9	1.8	-	-	-	0.2	-	-
Acquisition / DD fees	12.0	0.2	1.1	0.1	0.6	-	30.0	-	-	2.1	0.5
Disposal fees	-	-	-	-	-	-	-	-	-	-	-
Accounting services / Admin fees	1.0	0.7	-	0.3	-	0.6	-	-	-	0.4	-
Debt arranger fee	-	1.0	-	-	-	-	-	-	-	0.6	-
Other cost recoveries	0.3	0.4	13.4	-	-	-	0.7	-	-	1.3	1.3
Other non-related party expenses	-	-	-	-	-	1.5	-	-	-	0.0	-
Total fees	**44.1**	**15.3**	**47.1**	**20.7**	**31.4**	**18.2**	**57.1**	**6.4**	**5.1**	**8.9**	**7.5**
Total fees % of GAV	**0.80%**	**0.84%**	**1.28%**	**0.93%**	**0.86%**	**0.64%**	**1.83%**	**0.45%**	**0.67%**	**1.14%**	**1.16%**
Other costs / unallocated expenses (% of GAV)	0.06%	0.13%	0.15%	0.10%	0.10%	0.07%	0.30%	0.10%	0.13%	0.14%	0.46%
Base management fee (% of GAV)	0.48%	0.53%	0.48%	0.57%	0.62%	0.57%	0.44%	0.40%	0.65%	0.45%	0.55%
Total MER (%)	**0.54%**	**0.66%**	**0.63%**	**0.66%**	**0.72%**	**0.64%**	**0.74%**	**0.50%**	**0.78%**	**0.59%**	**1.00%**
Externally managed REIT median (%)	**0.66%**										

Source: Kroll analysis.

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Appendix 5 – Commercial Portfolio

The Commercial Portfolio listing at 30 April 2023 is summarised in the following table.

Commercial Portfolio Listing as at 30 April 2023

	Grade	Ownership	Value ($'000)	WACR	Occupancy	WALE
99 Walker Street, North Sydney	A	100%	297,000	5.38%	93.7%	5.12
77 Castlereagh Street, Sydney	A	100%	237,000	4.87%	100.0%	3.72
201 Elizabeth Street, Sydney	A	32%	226,240	4.88%	0.0%	0.00
324 Queen Street, Brisbane	B+	100%	171,000	6.13%	95.5%	3.39
452-484 Johnston Street, Abbotsford	A	100%	134,000	5.50%	0.0%	0.00
14 Martin Place, Sydney	B+	50%	117,500	4.88%	99.8%	3.54
459 Church Street, Richmond	A	50%	104,000	5.13%	0.0%	0.00
Westpac House, Adelaide	A	50%	86,000	6.75%	85.9%	3.29
2 King Street, Bowen Hills	A	50%	73,500	6.25%	91.2%	3.40
51 Allara Street, Canberra	A	100%	62,000	6.75%	100.0%	3.15
710 Collins Street, Melbourne	B+	50%	56,013	5.38%	98.6%	1.97
187 Todd Road, Port Melbourne	B	100%	50,000	6.00%	100.0%	3.42
11 Bowden Street, Alexandria	A	100%	47,500	5.75%	100.0%	3.34
63 Ann Street, Surry Hills	B+	100%	35,500	4.88%	100.0%	2.79
241 Adelaide Street, Brisbane	B	50%	22,813	6.75%	84.8%	2.54
33 Queen Street, Brisbane	B	100%	33,200	6.75%	81.6%	3.99
247 Adelaide Street, Brisbane	B	50%	6,508	7.00%	58.6%	1.78
Total Office			**1,759,773**	**5.49%**	**94.1%**	**3.62**
Oasis Shopping Centre, Broadbeach	N/A	100%	175,500	6.75%	93.9%	4.82
Myer Centre, Melbourne	N/A	33%	150,000	5.63%	100.0%	8.64
Ashfield Mall, Ashfield	N/A	50%	78,450	5.75%	94.7%	3.40
Market Central, Lutwyche	N/A.	50%	61,360	6.25%	82.5%	5.27
Total Retail			**465,310**	**6.15%**	**93.3%**	**5.67**
Virginia Park, Bentleigh East	N/A	50%	83,868	5.25%	0.0%	0.00
Camellia NSW – James Ruse Drive	N/A	100%	66,000	N/A	N/A	N/A
Riverland NSW – Prescott Pde	N/A	100%	16,400	N/A	N/A	N/A
Total Development			**166,268**	**N/A**	**N/A**	**N/A**

Source: Abacus Property Group

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Appendix 6 – Self Storage Investment Portfolio

The Self Storage Investment Portfolio listing at 30 April 2023 is summarised in the following table.

Self Storage Investment Portfolio Listing as at 30 April 2023

Site Name	Value ($'000)	Occupancy	Average Rental Rate	WACR
Homebush	14,215	92.50%	475	4.75%
Miami	28,265	92.50%	370	5.50%
Woolloomooloo	21,229	92.50%	825	4.50%
Acacia Ridge QLD - 23 Learoyd Road	31,825	90.00%	335	5.75%
Adamstown NSW	21,844	87.50%	290	6.00%
Artarmon	16,676	92.50%	530	4.75%
Balmain NSW - 100 Beattie Street	21,571	92.50%	500	4.50%
Bassendean WA, 5 McDonald Cres	13,492	92.50%	280	6.00%
Beenleigh - 29 Logan River Rd, Beenleigh	20,980	92.50%	325	5.75%
Belconnen ACT - 86 Nettlefold Street	69,051	90.00%	460	5.25%
Bellevue WA - 31 Robinson Road (Midland)	29,186	92.50%	325	6.00%
Brendale	11,600	90.00%	250	6.25%
Blacktown NSW - 29 Penny Place	37,106	91.50%	305	5.00%
Brookvale NSW - 628 Pittwater Road	37,419	90.00%	400	4.75%
Browns Plains QLD - 50 Eastern Road	11,281	90.00%	345	5.75%
Burleigh Heads	8,772	90.00%	290	5.50%
Burwood VIC - 1 Duffy St	38,020	90.00%	365	6.00%
Campbelltown	11,400	-	-	0.00%
Canning Vale	12,961	93.00%	300	6.00%
Capalaba	15,607	92.50%	350	5.50%
Carlton NSW - 297-303 Princes Highway	13,200	-	-	0.00%
Castle Hill	15,486	88.00%	385	5.00%
Chatswood	42,671	93.50%	450	4.75%
Chatswood - 79 Victoria Avenue	9,500	-	-	0.00%
Chatswood - 33 Alleyne St	12,200	-	-	0.00%
Cheltenham VIC - 337 Bay Road	18,674	92.50%	340	5.75%
Cleveland QLD - 4 Grant Street	29,461	87.50%	340	5.75%
Cockburn WA - 701 Beeliar Dr	13,038	90.00%	275	6.00%
Cockburn Central WA - 854 North Lake Road	14,912	83.50%	170	6.00%
Craigieburn VIC	8,640	90.00%	285	5.75%
Cranbourne VIC - 198 Sladen Street	21,058	90.00%	315	5.50%
Crestmead QLD - 38-40 Calcium Court	12,564	90.00%	310	5.75%
Cromer	38,308	93.50%	380	4.75%
Croydon NSW - 36-40 Parramatta Road	10,300	-	-	0.00%
Currumbin	20,100	90.00%	350	6.00%
Dandenong	4,650	-	-	0.00%
Dandenong South - 418-424 Gippsland Hwy	12,198	87.50%	250	5.75%
Darlington	2,050	-	-	0.00%
Deagon QLD	12,507	90.00%	275	6.00%
Delacombe VIC - 44-48 Wallis St	8,378	92.50%	205	6.50%
Ellenbrook WA - 2 Doig Road	16,589	95.00%	330	6.00%
Epping VIC - 2 Nexus Road	21,940	90.00%	300	5.75%
Fairfield VIC - 328 Darebin Rd	17,476	95.00%	380	5.50%
Frenchs Forest NSW - 11-13 Rodborough Rd	23,918	88.50%	320	4.75%
Fyshwick ACT - 25 Ipswich Street	50,940	90.00%	425	5.25%
Fyshwick East ACT	31,208	87.50%	340	5.25%
Gladesville	26,600	-	-	0.00%
Granville NSW - 1 Woodville Rd	18,608	90.00%	350	5.25%
Greenacre NSW - 10 Anzac St	22,796	92.50%	370	5.00%
Greensborough VIC - 24 Sherbourne Rd	26,343	92.50%	370	5.75%
Gregory Hills	27,526	90.00%	365	5.25%
Helensvale	27,178	92.50%	370	5.50%
Hope Island	8,544	88.50%	225	5.75%
Hoppers Crossing VIC - 71 - 75 Forsyth Road	17,107	90.00%	320	5.75%
Hume ACT, 10-12 Sleigh St	31,399	90.00%	340	5.50%

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Ingleburn NSW - 40 York Rd	5,994	93.50%	380	5.00%
Joondalup WA - 2 Delage St	31,248	90.00%	340	6.00%
Kambah ACT - 15-17 Jenke Circuit	54,686	87.50%	400	5.25%
Kings Park	13,584	92.50%	410	5.00%
Kingston QLD - 475 Kingston Road	17,664	90.00%	325	5.75%
Kirrawee NSW - 68 -72 Oak St	12,522	95.00%	480	5.00%
Knoxfield	16,750	-	-	0.00%
Kogarah NSW - 204 Rocky Point Road	11,000	-	-	0.00%
Kunda Park	7,691	90.00%	200	5.75%
Lane Cove NSW - 27 Mars Road	47,367	87.50%	340	4.75%
Langwarrin VIC - 381 McClelland Dr	27,229	90.00%	350	5.75%
Leppington	11,700	-	-	0.00%
Lidcombe NSW - 12 Carter Street	17,500	-	-	0.00%
Loganholme	10,192	90.00%	330	5.75%
Macquarie Park NSW - 115-117 Wicks Rd	19,828	90.00%	375	4.75%
Maddington WA - 1836 Albany Highway	13,682	87.50%	310	6.00%
Marsden Park	20,102	90.00%	320	5.25%
Mascot	23,100	-	-	0.00%
Melton VIC - Cnr High Street and Reserve Road	14,258	92.00%	325	5.75%
Mitcham VIC - 2 Simla St	22,978	95.00%	365	5.75%
Mitchell ACT	48,539	90.00%	405	5.25%
Mittagong	2,200	-	-	0.00%
Morisset	23,888	85.00%	145	6.50%
Narellan NSW - 3 Porrende St	26,956	92.50%	350	5.00%
North Wollongong NSW - 100 & 104 Montague St and 3 Ralph Black Dv	13,838	85.00%	290	6.00%
North Wyong	10,525	93.00%	290	5.75%
Oakleigh South VIC - 27 Clarinda Road	12,452	90.00%	260	5.75%
Osborne Park	19,689	90.00%	235	6.00%
Perth Airport WA - 19 Bungana Ave	15,695	90.00%	350	9.36%
Preston NSW - 150 Jedda Rd	30,630	90.00%	400	5.25%
Pymble	40,222	90.00%	375	5.00%
Raymond Terrace	13,469	90.00%	265	5.75%
Redbank Plains QLD - 136 Eagle St	7,763	95.00%	350	5.75%
Revesby NSW - 23 Marigold St	21,645	87.50%	370	5.00%
Richmond VIC - 47 Richmond Tce	15,891	93.50%	560	5.00%
Robina	23,404	87.50%	325	5.50%
Rouse Hill NSW - Lot 10 Mile End Road	22,556	90.00%	385	5.00%
Rowville VIC - 2 Corporate Ave	17,425	90.00%	300	6.00%
Rozelle NSW - 10 Parsons Street	13,024	95.00%	480	14.60%
Salisbury QLD - 148 Evans Road	13,371	93.50%	355	5.50%
St Peters NSW - 580-590 Princes Highway	15,043	93.00%	495	4.75%
South Windsor	22,458	87.50%	325	5.00%
Southport QLD - 16 Pinter Drive & 120 Minnie Street	24,472	92.50%	350	5.50%
St Leonards	29,018	95.00%	525	4.75%
Stafford QLD - 15 Barbara St	20,342	92.50%	280	5.50%
Sunbury VIC - 2-10 Anderson Rd	14,958	90.00%	280	5.75%
Thomastown VIC - 98 Northgate Drive	15,641	91.50%	305	5.75%
Thornleigh NSW - 25 Sefton Road	18,453	88.50%	400	5.00%
Tingalpa QLD - 248 New Cleveland Rd	26,311	92.50%	360	5.50%
Upper Coomerra	26,114	94.00%	360	5.50%
Wendouree VIC - 201A Gillies St	7,678	92.50%	250	6.50%
West Heidelberg VIC - 128 Dougharty Road	14,636	92.50%	335	5.50%
Windsor Gardens SA - 40-46 Albert St	14,735	90.00%	270	6.00%
Wodonga VIC - Lot 1403 White Box Rise Estate	14,662	90.00%	225	6.50%
Wollongong	7,800	-	-	0.00%
Woodville North SA - 596 Torrens Road	13,623	92.50%	230	6.00%
Woonona	16,920	90.00%	320	5.75%
Yarraville VIC - 14 Thomas St	16,268	87.50%	275	5.50%
Yeerongpilly QLD - 989 Fairfield Road (Rocklea)	1,502	92.50%	250	6.00%
Avondale - 379 Rosebank Rd (Auckland)	30,016	90.00%	365	6.00%
Botany Downs - 410 Te Irirangi Dr (Dannemora, Botany Nth)	16,728	90.00%	330	6.00%
Botany Downs - Cnr Orminston Rd & Te Irirangi Dr	20,448	92.50%	345	6.00%

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Christchurch - 980 Ferry Rd, Ferrymead	13,519	90.00%	295	6.50%
Dunedin - Cnr Portobello Rd & Portsmouth Dr	7,042	92.50%	320	6.75%
Grey Lynn , 300&300A Richmond Road	47,693	95.00%	500	5.50%
Hamilton - 31 Ruakura Road	18,663	95.00%	380	6.00%
Henderson - 182 Swanson Rd	12,764	90.00%	320	6.00%
New Lynn - Cnr Portage Road & Clark St	18,016	91.50%	470	6.00%
Onehunga	24,003	92.50%	365	6.00%
Panmure	9,400	95.50%	285	6.00%
Riccarton - 444 Blenheim Rd (Christchurch)	16,540	93.50%	290	6.50%
St Johns - 207 Merton Rd (Remuera)	24,829	90.00%	450	6.00%
Takapuna - 19 Hillside Rd	22,617	92.50%	395	6.09%
St Lukes - 2/7 Wagener Pl	23,585	92.50%	325	6.00%
Total	**2,579,322**	**91.40%**	**348**	**5.54%**

Source: Abacus Property Group

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Appendix 7 – Comparable Companies

Diversified REITs

Mirvac

Mirvac is an internally managed diversified A-REIT. As at 31 December 2022, Mirvac has approximately $34.6 billion AUM including $13.4 billion in passive invested capital, $2.6 billion in active invested capital and $17.4 billion of external assets and third-party funds under management. Mirvac's passive investment portfolio includes office (59.8%), retail (22.0%), industrial (12.1%) and build-to-rent properties (6.1%) with properties in NSW (62%), Victoria (23%), Queensland (9%), the ACT (4%) and WA (2%). As at 31 December 2022, the investment portfolio has occupancy of 97.6%, a WALE of 5.3 years and WACR of 4.99%. The active investment portfolio comprises residential development inventory and commercial and mixed-use inventory. Mirvac has a substantial $12.5 billion development pipeline that contributed to 21.9% of 1H23 EBIT. Third party funds under management include office (93% of external asset value), retail (5%) and industrial (2%) assets. Mirvac's third party funds under management include the integration of AMP Capital's Wholesale Office Fund (formerly AWOF, now MVOF), which Mirvac secured the management rights to in July 2022. AWOF features a high-quality office portfolio valued at over $7.7 billion. Mirvac currently trades at a discount to NTA that is slightly lower than most other diversified Australian REITs, reflecting Mirvac's scale and diversified asset portfolio.

Stockland Corporation Ltd

Stockland Corporation Limited (**Stockland**) is one of Australia's largest diversified property groups. As at 31 December 2022, Stockland's $14.8 billion real estate asset investment portfolio was diversified across retail town centres (39%), logistics (25%), workplace (15%), master planned communities (18%) as well as social infrastructure and land lease communities (3%). In FY22, Stockland's retail town centres has average occupancy of 99.1%, a WALE of 5.5 years and WACR of 5.9%. Its logistics assets had occupancy of 99.9%, a WALE of 3.4 years and a WACR of 4.1%. The workplace properties has average occupancy of 91.3%, a WALE of 4.4 years and a WACR of 5.3%. It had a $41 billion development pipeline across commercial property and communities. Stockland currently trades at a slight discount to NTA, potentially reflecting Stockland's exposure to the Australian residential market, which analysts suspect may have re-valued faster than other property sector valuations.

Charter Hall Long WALE REIT

Charter Hall Long WALE REIT (**CLW**) is an externally managed diversified A-REIT that focuses on high quality real estate assets leased to corporate and government tenants on long leases. As at 31 December 2022, CLW has a $7.2 billion portfolio across 550 properties, with 99% of tenants being Government, ASX-listed, multinational or national tenants. The investment portfolio includes hospitality (23% of total portfolio value), industrial and logistics (20%), office (19%), social infrastructure (14%), convenience retail (11%), diversified long WALE retail (9%) and agri-logistics (4%) assets. The value of the portfolio is diversified across New South Wales (33%), Victoria (22%), Queensland (18%), Western Australia (11%), South Australia (6%), ACT (5%), New Zealand (3%) and NT/Tasmania (2%). The portfolio has an occupancy of 99.9%, WALE of 11.8 years and a WACR of 4.41%. CLW currently trades at a discount to NTA that is comparable to other diversified Australian REITs.

GPT Group

GPT Group (**GPT**) is an internally managed diversified A-REIT. As at 31 December 2022, GPT has $32.4 billion of AUM including a $16.1 billion investment property portfolio and $19.1 billion in third party funds management. The investment portfolio includes office (37.3% of total portfolio value), retail (34.8%) and logistics (28.0%) properties and is located across NSW (49%), Victoria (38%), Queensland (12%) and other Australian states (1%). As at 31 December 2022, the investment portfolio has an average occupancy of 97.5%, a WALE of 4.8 years and WACR of 4.86%. It has a development pipeline including a $1.9 billion logistics pipeline. GPT's third party funds management platform includes the $9.6 billion GPT Wholesale Office Fund, $3.5 billion GPT Wholesale Shopping Centre Fund, $0.5 billion GPT QuadReal Logistics Trust, a $2.8 billion UniSuper direct real estate mandate and a $2.7 billion Australian Core Retail Trust (ACRT). GPT currently trades at a discount to NTA that is comparable to other diversified Australian REITs.

Growthpoint Properties Australia

Growthpoint Properties Australia (**Growthpoint**) is an internally managed diversified A-REIT. As at 31 December 2022, Growthpoint has approximately $6.9 billion AUM including $5.0 billion in directly owned property portfolio and $1.9 billion of third-party funds under management. Its $5.0 billion property portfolio

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comprises 58 properties in the office (65.6% of property portfolio value) and industrial (34.4%) sectors. The portfolio has an average occupancy of 94%, a WALE of 6.3 years and a WACR of 5.2%. Growthpoint's properties are located in Victoria (35.2%), NSW (24.4%), Queensland (20.4%), Western Australia (7.7%), South Australia (7.6%) and the ACT (4.7%). Growthpoint's relatively low gearing and balanced debt maturity profile with available undrawn debt suits their long-term investment and acquisition strategy. Growthpoint currently trades at a discount to NTA that is comparable with other diversified Australian REITs.

Garda Property Group

Garda Property Group (**Garda**) is an internally managed diversified A-REIT. As at 31 December 2022, Garda has a real estate portfolio valued at $622.9 million across 18 properties. The portfolio has an average occupancy of 91.2%, a WALE of 5.3 years and a WACR of 5.05% (FY22). Garda's properties are located in Brisbane (55% of pro-forma portfolio value), Melbourne (32%) and Cairns (13%) and include office (45%), industrial (43%) and land/industrial development (12%) assets. Garda currently trades at a discount to NTA that is comparable to other diversified Australian REITs.

Storage REITs

National Storage

National Storage is an internally managed A-REIT, focused on management and ownership of self-storage centres in Australia and New Zealand. As at 31 December 2022, National Storage's investment property portfolio was valued at $4.1 billion, consisting of 195 Self Storage centres with average occupancy of 87.2%. The investment portfolio is located in Queensland (29.7% of FY22 portfolio value), Victoria (22.2%), NSW (15.0%), New Zealand (11.8%), Western Australia (9.8%), South Australia (4.2%), the ACT (4.1%), Tasmania (2.0%) and the Northern Territory (1.1%). National Storage has predominantly traded at a premium to NTA over the last 5 years because of increasing demand for self-storage assets, as well as National Storage's strong acquisition and development pipelines, with National Storage completing 14 self-storage centre acquisitions in FY22 totalling $200 million.

Office REITs

Dexus

Dexus is an internally managed real estate group focused on owning, managing and developing real estate assets and funds. As at 31 December 2022, Dexus has $44.1 billion AUM comprising a $26.3 billion funds management portfolio and investment property portfolio of $17.8 billion. The investment property portfolio is comprised of office (72.5% of total portfolio value), industrial (23.6%) and healthcare, retail and other (3.9%) assets. The office portfolio is largely prime grade office space (95%) and is heavily weighted to the Eastern Seaboard, including NSW (58%), Victoria (20%) and QLD (11%). The office portfolio has occupancy of 95.3%, a WALE of 4.6 years and a WACR of 4.89%. It has a $15.8 billion development pipeline. In April 2022, Dexus acquired AMP's Collimate Capital real estate and domestic infrastructure business for upfront cash consideration of $250 million, with completion expected in FY23. Dexus expects that post acquisition and integration, it will manage up to $62.3 billion across real estate and infrastructure. Dexus currently trades at a significant discount to NTA, however the discount is broadly in line with other office REITs, reflecting the negative outlook for office valuations following the shift to virtual and hybrid working models.

Centuria Office REIT

Centuria Office REIT (**COF**) is an externally managed A-REIT that is focused on quality Australian office assets. As at 31 December 2022, COF's portfolio value is $2.3 billion across 23 assets. COF's assets are located in NSW (25.3% of total portfolio value), Victoria (23.9%), Queensland (21.2%), the ACT (14.6%), Western Australia (12.1%) and South Australia (2.9%). COF has an average occupancy of 96.4%, a WALE of 4.2 years and a WACR of 5.75%. COF benefits from strong tenancies, with 79% of income derived from government, ASX listed or multinational tenants. 90% of COF's portfolio are A-grade assets.[87] COF currently trades at a significant discount to NTA, however the discount is broadly in line with other office REITs, reflecting the negative outlook for office valuations following the shift to more virtual and hybrid working environments.

Cromwell

Cromwell is an Australian real estate manager and fund manager with global investment operations. As at 31 December 2022, Cromwell's investment portfolio value was valued at $2.8 billion, has an average occupancy of 94.4%, a WALE of 5.6 years and a WACR of 5.4%. Cromwell's $2.8 billion office investment portfolio is located in NSW (46%), QLD (30%), ACT (13%) and Victoria (11%). Cromwell has $12.0 billion

[87] COF management interpretation of Property Council of Australia guidelines.

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total asset under management across 15 countries. Cromwell's total assets under management are located in Europe (51.7% of total value), Australia (40.8%) and New Zealand (7.5%). Cromwell currently trades at a significant discount to NTA, with the discount slightly steeper than other office REITs, reflecting the negative outlook for office valuations following the shift to more virtual and hybrid working environments.

GDI Property Group

GDI is an internally managed A-REIT that is focused on office assets, particularly in Western Australia. As at 31 December 2022, GDI's wholly owned portfolio value is $778.5 million. GDI's property portfolio has an average occupancy of 76%, a WALE of 3.4 years and a WACR of 6.5%. GDI also manages 7 unlisted property funds, with AUM of $549.0 million (as at 30 June 2022). GDI currently trades at a significant discount to NTA, with a discount slightly greater than some other office REITs, potentially reflecting the smaller scale of GDI's portfolio as well as the negative outlook for office valuations.

Large Format Retail REITs

BWP Trust

BWP Trust (**BWP**) is an externally managed A-REIT that invests in large format commercial properties that are primarily underpinned by leases with The Bunnings Group Limited (**Bunnings**). BWP is externally managed by BWP Management Limited (**BWP Management**). Bunnings and BWP Management are wholly owned subsidiaries of Wesfarmers Limited. As at 31 December 2022, BWP's portfolio is valued at $3.1 billion with 65 of the 73 properties being standalone retail Bunnings Warehouses or Bunnings Warehouses with additional showrooms. BWP's portfolio is located nationally, with 79% being metropolitan based and 21% regionally based. The portfolio has occupancy of 97.5%, a WALE of 3.6 years and a WACR of 5.05%. BWP currently trades at approximately NTA, which likely reflects its high occupancy rates, long term lease profile (5-10 years followed by a number of optional five renewals), and the security of its income streams. Where properties has vacated by Bunnings, this represents attractive alternate use sale opportunities for home improvement, supermarkets, shopping centres, commercial and residential developments as well as strong underlying land values.

Waypoint REIT

Waypoint REIT (**Waypoint**) is externally managed by VER Limited. It is Australia's largest listed REIT that solely owns service station and convenience retail assets. As at 31 December 2022, Waypoint manages 402 properties valued at $2.9 billion, underpinned by Viva Energy Australia (Viva) who contribute 96% of total tenant income. Viva supplies approximately one-quarter of Australia's downstream fuel market and has sole right to operate the Shell brand for retail sale of fuel in Australia. Viva Energy has agreed to acquire the Coles Express business, creating Australia's largest Fuel and Convenience (F&C) network under a single operator. By value, Waypoint's assets are located in NSW (31.5%), Victoria (29.1%), Queensland (20.3%), Western Australia (9.4%), South Australia (5.0%), Tasmania (1.7%), the ACT (2.3%) and Northern Territory (0.7%). Waypoint's future income and growth is relatively predictable due to a strong occupancy rate of 99.9% and a staggered lease profile with an average portfolio WALE of 9.0 years. The portfolio has a WACR of 5.28%. Waypoint is heavily reliant on the fuel industry, meaning that Australia's slow electric vehicle take-up is beneficial for medium to long term income, with electric vehicles representing only 3.4% of all vehicle sales in FY22 against the global average of 8.6%.[88] Waypoint currently trades at a discount to NTA lower than other service station focused REITs.

HomeCo Daily Needs REIT

HomeCo Daily Needs REIT (**HomeCo Daily**) is externally managed by VER Limited. It is an A-REIT with a mandate to invest in convenience-based assets across the neighbourhood retail, large format retail and health & services subsectors. As at 31 December 2022, HomeCo Daily manages 53 properties valued at $4.7 billion, with tenants engaged in large format retail (48% of portfolio value), neighbourhood retail (34%) and health & services (18%). Over 79% of HomeCo Daily's assets are located in metropolitan areas, with assets distributed across NSW (46% of portfolio value), Victoria (25%), Queensland (20%), Western Australia (4%), South Australia (4%). Waypoint's future income and growth is relatively predictable due to a strong occupancy rate of 99%, a WALE of 4.6 years and 83% of income derived from national retailers such as Woolworths, Bunnings Warehouse and Coles. HomeCo Daily currently trades at a discount to NTA higher than other service station focused REITs.

Convenience Retail REITs

[88] Electric Vehicle Council. State of EVs. October 2022

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Charter Hall Retail REIT

Charter Hall Retail REIT (**CQR**) is an externally managed A-REIT focused on providing high quality convenience retail assets such as shopping centres and service stations. CQR's tenants are weighted to large, well-known retailers including Wesfarmers, bp, Coles and Woolworths, with CQR's 7 major tenants accounting for 56% of rental income. As at 31 December 2022, CQR has 51 shopping centres and 521 long WALE retail assets valued at $4.3 billion. CQR's portfolio is located in NSW (43%), QLD (16%), WA (15%), VIC (12%), New Zealand (9%), SA (3%) and the ACT (2%). The portfolio has occupancy of 98.6%, a WALE of 7.3 years and a WACR of 5.28%. CQR currently trades at a discount to NTA that is slightly steeper than other pure-play service station focused REITs.

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Part Two – Financial Services Guide

What is an FSG?

This Financial Services Guide ("FSG") is an important document that provides you with information to help you decide whether to use our financial services.

This FSG contains information on:

- who we are;
- who our authorised representatives are;
- how we can be contacted;
- certain financial services that we can offer you;
- how we, our authorised representatives and other parties involved in providing the financial services are paid in relation to the financial services we offer; and
- details of how you can make a complaint about us or the financial services we provide.

Who we are?

Kroll Australia Pty Ltd (ACN 116 738 535), ("We", "us" and "Kroll") is authorised to provide retail financial services on behalf of Millinium Capital Managers Limited (ACN 111 283 357) ("Millinium"), Australian Financial Services License ("AFSL") no. 284336, as a Corporate Authorised Representative ("CAR"). We have also appointed Mr. Ian Jedlin as an authorised representative to Millinium's AFSL (our "Authorised Representative"). All authorised representatives of Kroll are authorised representatives of Millinium. We aim to provide quality financial products and services to investors. Kroll acts on its own behalf when providing financial services.

Kroll has been engaged by Abacus Property Group ("Abacus") to prepare an independent expert's report ("Report") in connection with the proposed De-Stapling. Abacus will provide our Report to you.

Our details

Kroll Australia Pty Ltd
Level 32, 85 Castlereagh St
SYDNEY
NSW 2000
www.kroll.com
Ph: 02 8286 7200

Our Authorised Representative

Ian Jedlin
ASIC authorised representative: No. 000404117
Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

Authorised Financial Services

Kroll is authorised by Millinium to provide the following financial services as their CAR:

- provide financial product advice in respect of the following classes of financial products:
  - interests in managed investment schemes including investor directed portfolio services; and
  - securities,
  - with respect to retail clients and wholesale clients.

This FSG only relates to the provision of general advice by Kroll.

Personal Advice

Neither we nor our authorised representatives can provide you with personal advice. Personal advice is advice that takes into account your objectives, financial situation and needs. Where you are referred to a financial planner for personal advice, they will make reasonable enquiries to understand your personal objectives, financial situation and needs. Their personal advice, and any relevant warnings, will be provided to you in their Statement of Advice ("SOA").

Remuneration

Kroll charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay Kroll $350,000 (excluding GST and out of pocket expenses) for preparing the Report. Kroll and its officers, representatives, related entities and associates ("Personnel") will not receive any other fee or benefit in connection with the provision of the Report. All Personnel that provide general advice on our behalf in providing services are on contract to us and receive a salary or payments in accordance with their respective contracts. They may also receive a bonus, but it is not related to the general advice provided in the Report.

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Kroll may provide professional services, including consultancy, business intelligence, transfer pricing and financial advisory services, to the person who engaged us and receive fees for those services Kroll and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaint Redressal

If you have a complaint, please let either Kroll or the Authorised Representative know. Formal complaints should be sent in writing to Complaints Officer, Kroll, Level 32, 85 Castlereagh St, SYDNEY, NSW 2000. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 8286 7227 and they will assist you in documenting your complaint. If the complaint cannot be settled in the first instance by Kroll, you should contact Millinium via the contact details set out below:

In writing:

Dispute Resolution Officer
Millinium Capital Managers Limited
GPO Box 615
Sydney, NSW, 2000

When your complaint is received by Millinium it will be entered onto Millinium's complaints register. All details of the complaint will be sent to the Disputes Resolution Officer who will investigate the circumstances of the complaint. If the Disputes Resolution Officer is unable to reach a satisfactory resolution of the complaint within thirty (30) business days of receipt, you should contact Australian Financial Complaints Authority ("AFCA"). The details are:

In writing:

https://www.afca.org.au/make-a-complaint
Telephone
1300 56 55 62 (local call rate)
Email
info@afca.orga.au
Website
www.afca.org.au

Please note that AFCA can currently only deal with claims for compensation up to $1,085,000. Monetary limits and the AFCA terms of reference do change from time to time. Current details can be obtained from the AFCA website listed above.


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14
RISKS

14 RISKS

This Section 14 summarises the key risks associated with holding separate investments in Abacus Group Securities and Abacus Storage King Securities as a result of the Proposal being implemented. As part of this, it summarises the key risks associated with taking up new securities in Abacus Storage King through participation in the Offer. The risks set out below are not necessarily listed in order of materiality and do not constitute an exhaustive list of all risks involved with an investment in Abacus Group Securities or Abacus Storage King Securities.

Abacus Property Group Securityholders and potential investors should carefully consider the following risks as well as the disadvantages and risks of the Proposal summarised in Sections 3.8 and 3.9, the rest of the information in this Transaction Booklet and other publicly available information on Abacus Property Group (such as that available on the websites of Abacus Property Group and ASX) before deciding how to vote on the Proposal and whether to take up new Abacus Storage King Securities through the Offer.

The occurrence of consequences of some of the risks described in this Section and Sections 3.8 and 3.9 are partially or completely outside the control of Abacus Property Group, Abacus Group and Abacus Storage King and their respective boards and management. Abacus Property Group Securityholders and other investors should also consider their personal circumstances (including the possibility that they may lose all or a portion of their investment) and consult their financial or other professional adviser before making an investment decision or other decision in relation to the Proposal.

A number of known and unknown risks and uncertainties, which are both specific to Abacus Group and Abacus Storage King and of a more general nature, may affect the business, financial condition and operational results of Abacus Group or Abacus Storage King and the value of the Abacus Group Securities or Abacus Storage King Securities. There can be no guarantee that Abacus Group or Abacus Storage King will achieve their stated objectives or that any forward-looking statement or forecasts will eventuate.

14.1 Abacus Storage King specific risks (post Completion of the Proposal)

This section summarises the key risks associated with:

- holding a separate investment in Abacus Storage King Securities as a result of the Proposal being implemented; and
- taking up new Securities in Abacus Storage King through participation in the Offer.

Returns from an investment in Abacus Storage King will depend largely upon the amount of Self Storage income generated from the properties and the expenses incurred in the operations, including the management and maintenance of the properties as well as changes in the market value of the properties. In addition, returns from Abacus Storage King's investment in Self Storage properties could be affected by its property development, design and construction activities.

Some risks below may adversely affect Abacus Storage King's revenues and operating income, including Self Storage revenue, merchandise and ancillary retail sales of Abacus Storage King's properties or expected income arising from acquisition, development and asset management activities. Other risks may adversely affect Abacus Storage King's business, without necessarily affecting its revenues and operating income, including impacts on its operating costs.

14.1.1 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 including consumer confidence and macroeconomic growth;
- Changes in consumer behaviour in respect of using storage space or requiring different types of storage space (e.g. different size or different specifications);
- 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.

14.1.2 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 the prices that Abacus Storage King can charge, cause any price increases to be deferred and cause negative pressures on margins. Alternatively, the same adverse impacts may occur if more buildings become available for conversion to Self Storage uses (e.g. changes to council use zoning or changes to legislation that favour Self Storage), as 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.

14.1.3 Competition

The Self Storage business operates (and Abacus Storage King will operate from De-stapling Implementation) in a competitive industry and faces (and Abacus Storage King will face from De-stapling Implementation) competition from other existing or new Self Storage operators. Such competition 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. For example, Abacus Storage King's competitors may be more adequately resourced than Abacus Storage King, may introduce new technology or may offer more competitive storage unit pricing, and therefore may be able to operate more efficiently and at a lower cost. 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.

14.1.4 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 (i.e. RevPAM) may affect rental income.

Abacus Storage King intends to have the Self Storage Properties in its Self Storage Investment Portfolio revalued regularly in accordance with its valuation policy (see Section 5.9). Reported valuations, including those set out in Annexure C, 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.

The valuations contained in Annexure C reflect the relevant Independent Valuer's assessment of the value of the relevant property as at 30 April 2023. 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.

The table below sets out sensitivity analyses showing different gearing scenarios for valuation changes. It is intended to provide a guide only and variation in actual performance could exceed the ranges shown.

Table 14.1.4.1: Self Storage portfolio Adjusted Gearing sensitivity

		CURRENT	
Valuation movement	**5.0%**	**-%**	**(5.0%)**
Implied cap rate movement (%)	**(0.3%)**	**-%**	**0.3%**
Implied valuation ($m)[1]	2,767	2,635	2,503
Valuation movement ($m)	132	–	(132)
Adjusted Gearing (%)[2]	25.5%	26.7%	27.9%

Notes:

1. Pro forma historical investment properties as at 31 December 2022 adjusted for the impact of certain post balance date events (including the impact of revaluation update at 30 April 2023).
2. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

14 RISKS CONTINUED

14.1.5 Financial covenants

Post Completion, Abacus Storage King will have various covenants in relation to the Abacus Storage King Debt Facilities, including interest cover ratio requirements, loan to value ratio requirements and other debt 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 Storage King (all of which may be exacerbated by the rapid rise that is occurring with respect to interest rates), 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.

14.1.6 Operating business

As an operating business, the Self Storage business needs to be (and post-De-stapling Implementation, 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 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.

14.1.7 Arrangements with Self Storage Licensees

As part of the Self Storage business, Abacus Property Group manages and licences (and post-De-stapling Implementation Abacus Storage King will manage and license) Self Storage stores for third party owners (see Sections 5.5.5 and 16.8 for further details). As a result, the Self Storage business is (and post-De-stapling Implementation, Abacus Storage King will be) responsible for ensuring those sites are properly operated in line with the arrangements described in Section 16.8. 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 the Self Storage business (and post-De-stapling Implementation, Abacus Storage King) and could adversely impact on financial position and performance.

The Self Storage business has (and post-De-stapling Implementation, Abacus Storage King will have) licensee arrangements in place with third party owners, which includes pre-emptive rights, during the term of the licence agreement, to purchase the majority of Storage King licenced stores operated on behalf of licensee owners should those owners wish to sell those assets (see Sections 5.5.5 and 16.8 for further details). Where a store is owned and operated by a licensee (with no management by Storage King), then the reputation of the Storage King brand is reliant on that third party operating in line with the licence agreement.

There is no guarantee that any third party owner will decide to sell their store or that if they do, that ASOL or its Subsidiaries will determine to exercise its pre-emptive rights to purchase that store. If Abacus Storage King does not continue to acquire stores or does not acquire them at the expected rate, this may adversely impact on its growth and therefore its financial position and performance.

If a third party owner decides to terminate its licensee arrangements, ASOL or its Subsidiaries may lose its pre-emptive rights over that store, which will result in the reduction of licensed and managed stores leading to a loss of brand presence and declining operating margins due to a loss of licensed and management income, each of which may have an adverse impact on Abacus Storage King's growth and financial position and performance.

14.1.8 Investment mandate

A key element of Abacus Storage King's future strategy is expected to involve the acquisition of properties to add to its Investment Portfolio. As part of Abacus Property Group, the Self Storage business has been regularly evaluating investment opportunities, including mergers and acquisitions, property investments, developments, expansions and other opportunities, that it believes are consistent with its strategy. It is expected that Abacus Storage King will continue this approach post-De-stapling Implementation. Whilst it is expected that Abacus Storage King's policy will be to continue conducting a robust investment approval process together with a formal due diligence process in relation to its investment opportunities post-De-stapling Implementation, risks remain that are inherent in such investment opportunities. These risks include:

- Investments not performing in line with Abacus Storage King's forecast as set out in Section 10. See the risk in Section 14.1.10 for further details.
- Capital expenditure required in any of the acquisition or business opportunities being greater than expected.

- A breakdown in the relationship with Abacus Group, a joint venture partner or issues with neighbouring properties.
- A downturn in the relevant local market conditions.
- Due diligence not identifying unforeseen issues with acquisitions or unforeseen liabilities arising, including unexpected outcomes not being picked up in due diligence that may affect cost or operating performance (see the risk in Section 14.1.10 for further details).

The occurrence of these risks may adversely affect Abacus Storage King's financial condition, credit rating, 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 Storage King Securityholders.

14.1.9 Self Storage property concentration

Following Completion, Abacus Storage King will provide a new sector specific opportunity to invest in the Self Storage sector. As a result of this exposure, Abacus Storage King's performance depends, in part, on the performance of the Australian and New Zealand Self Storage property sector and demand for Self Storage. Fluctuations in economic conditions including consumer confidence, may adversely affect the demand for storage space and result in negative impacts on returns to Abacus Storage King Securityholders.

In addition, if any of the sub-sectors in New South Wales, Queensland, Victoria, Western Australia, South Australia, ACT or New Zealand experience a downturn in activity, Abacus Storage King's financial performance and distributions may be adversely impacted.

14.1.10 Acquisitions

As part of Abacus Property Group, the Self Storage business has been identifying new investment opportunities for potential acquisitions. At the date of this Transaction Booklet, approximately $46 million (inclusive of transaction costs) of Self Storage Property acquisitions have been exchanged and could settle pre or post 30 June 2023, the timing dependent on several factors including the outcome of development applications.[218] Each will be held by Abacus Storage King following De-stapling Implementation. While contracts have been entered into in relation to these acquisitions, there is no guarantee that they will reach settlement. If settlement does not occur, or occurs on a protracted timeframe, the anticipated benefits of those acquisitions may not be achieved, which may have an adverse impact on Abacus Storage King's revenue and financial performance. The value of these assets is not included in the Investment Portfolio valuation as at the Transaction Booklet Date.

As described in Section 16.3.1, from De-stapling Implementation, the ASPT Responsible Entity and the Manager will identify new potential acquisitions for investment by Abacus Storage King and its subsidiaries and the intention is that all reasonable and appropriate due diligence will be conducted on potential acquisitions.

Although the Self Storage business has endeavoured to do (as part of Abacus Property Group), and post-De-stapling Implementation the intention will be to do, all reasonable and appropriate due diligence on acquisitions, steps have not and will not be taken to verify the accuracy and completeness of all information provided. To the extent that any of this information was or is incomplete, inaccurate or misleading, or there are unexpected outcomes that were not picked up in due diligence, there is a risk that costs and operating performance may be adversely affected, and that the financial performance of Abacus Storage King may differ from its expectations, potentially adversely.

There is also risk that potential issues are uncovered subsequent to due diligence and that these risks cannot be fully mitigated by the warranties and indemnities in the sale agreements, or related insurance arrangements, for those acquisitions. If an unforeseen liability arises in respect of which the purchaser is unable to be indemnified, this may adversely impact the financial performance of Abacus Storage King and distributions. Also, there can be no guarantee as to the financial capacity of vendors. In these circumstances, if a warranty or other claim was made under a sale agreement, there is a risk that funds from the vendor may not be available to meet that claim. Any inability to recover amounts claimed from vendors could adversely affect Abacus Storage King's financial performance.

There is a risk that acquisitions may not perform as expected and there may be difficulty integrating acquired properties into the business. If acquisitions do not perform as expected, or if there are difficulties in integrating properties or expected synergies are not achieved (or not achieved within the expected timeframes), this may have an adverse impact on Abacus Storage King's financial position and performance.

There is also a risk that the ASPT Responsible Entity and the Manager will be unable to identify suitable investment opportunities for Abacus Storage King and its subsidiaries that meet Abacus Storage King's investment objectives. Even if such opportunities are identified, they may not be able to be secured on appropriate terms.

These factors may restrict Abacus Storage King's ability to add investments to its portfolio and this may adversely impact growth and returns to Abacus Storage King Securityholders.

218. These assets are not included in the Investment Portfolio but it is intended that each will be held by Abacus Storage King post settlement.

14 RISKS CONTINUED

14.1.11 Development

As part of Abacus Property Group, the Self Storage business has been involved in the development of Self Storage assets and has a development pipeline (see Section 5.5.6). As part of the De-stapling Implementation, the Development Management Agreement will be entered into whereby the Development Manager (AFML) will be appointed by ASPT Responsible Entity and ASOL to provide certain development management and project management services in relation to the development or expansion of Self Storage Properties owned by Abacus Storage King (see Section 16.3.2 for further details). Property development projects have a number of risks, including:

- Planning consents and regulatory approvals not being obtained or, if obtained, being received later than expected, or being adverse to Abacus Storage King's interests, or not being properly adhered to.
- Escalation of development costs beyond those originally expected.
- Unforeseeable project delays beyond the control of Abacus Storage King.
- Non-performance/breach of contract by a contractor or sub-contractor or joint venture partners.
- A slower build up of income than originally expected following completion of a development.

The expansion of existing Self Storage stores involve similar risks to the above, but additionally may also cause disruption to existing tenants.

The occurrence of these risks may adversely affect Abacus Storage King's financial condition, credit rating, net tangible assets and/or operational results.

14.1.12 Co-ownership risk

As part of Abacus Property Group the Self Storage part of the business currently holds, and post-De-stapling Implementation Abacus Storage King will hold some of its interests in its portfolios with its partners through joint co-ownership arrangements. The co-operation among the partners of such entities on existing and future business decisions is an important factor for the sound operation and financial success of such businesses. The partners in these investments may have objectives different from those of Abacus Storage King, or be unable or unwilling to fulfil their obligations under the relevant joint co-ownership agreement. While the intention is to seek to enter into joint co-ownership arrangements with partners whom Abacus Storage King considers to be reputable, creditworthy and reliable and on terms favourable to Abacus Storage King (which is similar to the approach taken by Abacus Property Group in respect of existing arrangements), there is no guarantee that these objectives will be achieved. If any partners become uncooperative or their objectives clash with those of Abacus Storage King or they are unwilling or unable to fulfil their obligations under the relevant agreements, this may result in additional expenses and a loss of revenue for Abacus Storage King, which may in turn adversely affect its financial position and performance.

In addition, these joint co-ownership arrangements may contain pre-emptive rights which restrict Abacus Storage King's dealings in respect of its interest in any co-owned trusts or co-owned properties (subject to limited exceptions). This could prevent Abacus Storage King from being able to dispose of its interest at a market competitive rate, which may adversely affect the profit it makes from any sale and therefore its financial position and performance.

14.1.13 Responsible entity and management

Following De-stapling Implementation, Abacus Storage King (which consists of ASPT, ASOL and entities they control) will be externally managed by Abacus Group. This will involve, among other things, ASFML (a wholly-owned subsidiary of Abacus Group) remaining as the responsible entity of ASPT and ASFML also being the Manager of ASOL (see Section 8.3 for further details).

ASOL will be reliant on the management expertise, support, experience and strategy recommendations of the Manager and other third parties, which cannot be assured. If ASFML and other third parties do not perform as service providers this could have an adverse impact on ASOL and the management and performance of Abacus Storage King and therefore on distributions and the Abacus Storage King Securities price. The past performance of Abacus Property Group is not a guarantee of the future performance of Abacus Storage King.

ASFML will be reliant on the functions performed by and/or the resources provided by AFML under the Investment Management Agreement to enable it to perform its role as the responsible entity of ASPT and the Manager of ASOL. If AFML does not perform these functions and/or provide these resources, this could have an adverse impact on ASFML's ability to perform as the ASPT Responsible Entity and the Manager and therefore on the management and performance of Abacus Storage King and therefore on distributions and the Abacus Storage King Securities price.

ASOL and ASPT will be reliant on the development management services and property management services provided by the Development Manager and the Property Manager under the Development Management Agreement and the Property Management Agreement respectively. If the Development Manager and the Property Manager do not perform as service providers, this could have an adverse impact on the management and performance of Abacus Storage King and therefore on distributions and the Abacus Storage King Securities price.

The ability of the ASPT Responsible Entity, the Manager, the Development Manager, the Property Manager and AFML as investment manager to ASFML to discharge their responsibilities in terms of managing or providing services to assist with managing Abacus Storage King's business depends to a significant extent, on the experience, knowledge and performance of its key personnel; in particular the senior management of Abacus Group as disclosed in Section 8.2.2. The loss of these key personnel, a sustained underperformance by these key personnel or any delay in the appointment of their suitable replacements may therefore materially adversely affect the services provided by them and in turn the financial performance of Abacus Storage King and distributions.

In addition, if ASFML is replaced as responsible entity of ASPT by an entity that is not a related body corporate of Abacus Group, there is potential for adverse effects to be experienced by Abacus Storage King due to the loss of:

- the expertise and resources of Abacus Group;
- the responsible entity services of ASFML as the ASPT Responsible Entity;
- the services of the Manager, the Development Manager and the Property Manager and the performance of functions and/or provision of resources of AFML on behalf of ASFML (as the Management Services Agreement, Development Management Agreement, Property Management Agreement and Investment Management Agreement will automatically terminate and the Trade Mark Licence Deed may be terminated at the election of Abacus Group in these circumstances (see Section 16.3 for further details)); and
- the storage asset acquisition and leasing opportunities (including the offer of certain first rights for acquiring or leasing storage assets to Abacus Storage King in priority to other Abacus Group Members or other entities that Abacus Group manages) that may be allocated to Abacus Storage King by Abacus Group in accordance with the Conflicts of Interest and Related Party Transactions Policy (see Section 8.6.5.6 for further details).

14.1.14 Relationship with Abacus Group

Although the Abacus Storage King Board believes that Abacus Storage King's close association with Abacus Group following De-stapling Implementation will have many benefits, there are also certain risks that are inherent in the relationship.

At Completion, Abacus Group will have a 19.9% collective interest in Abacus Storage King.

In Abacus Group performing its role as responsible entity of ASPT, Manager of ASOL, Development Manager, Property Manager and provider of corporate and other services, the interests of Abacus Group and Abacus Storage King may not be aligned. Many aspects of the relationship will be governed by the detailed agreements summarised in Section 16.3, which were negotiated between Abacus Property Group (on behalf of Abacus Group) and the Abacus Storage King Independent Board Committee (other than the 99 Walker Street Lease and SKB Lease summarised in Section 16.3.5 which were already in place).

After De-stapling Implementation, to the extent not constrained by those agreements, it should be assumed that Abacus Group will pursue its own interests. Because of its dependence on Abacus Group and the limited termination rights in those agreements, it may be difficult for Abacus Storage King to negotiate amendments to those agreements, and it would be difficult for Abacus Storage King to remove Abacus Group from any of the roles it will perform in respect of Abacus Storage King.

The only way for Abacus Storage King Securityholders to eliminate these risks is to vote to remove ASFML as the responsible entity of ASPT (noting that Abacus Group may have a substantial interest in Abacus Storage King and may be able to vote on such a resolution – see also Section 8.3 for details on the interest and influence that Calculator Australia and its associates (which will, on Completion, include Abacus Group) may have in relation to a resolution to remove the ASFML as the responsible entity of ASPT). Such an action would have the consequences under the agreements between Abacus Group and Abacus Storage King mentioned in the risk set out in Section 14.1.13.

In recognition of the potential conflicts of interest arising from storage asset acquisition and leasing opportunities and the role of Abacus Group Entities in managing Abacus Storage King, each of Abacus Group, ASFML and Abacus Storage King have agreed to certain processes for allocation of storage asset acquisition and leasing opportunities (for further details, see the Conflicts of Interest and Related Party Transactions Policy in Section 8.6.5.6, which comes into effect from De-stapling Implementation). This policy ceases to have effect (and each of the parties to it will cease to be bound by its terms) on and from the date on which Abacus Storage King ceases to be managed by Abacus Group.

14 RISKS CONTINUED

14.1.15 Forecasts

Section 10 contains ASK Forecast Financial Information for Abacus Storage King and Section 9.6 contains the Pro Forma Forecast Distributions for Abacus Storage King. The forward-looking statements, opinions and estimates provided in this Transaction Booklet, including the ASK Forecast Financial Information and the Pro Forma Forecast Distributions for Abacus Storage King, rely on various factors, many of which are outside the control of Abacus Property Group and Abacus Storage King. There can be no guarantee that the assumptions on which the forward-looking statements, opinions and estimates are based, will ultimately prove to be valid or accurate.

Abacus Property Group and Abacus Storage King can give no assurance that Abacus Storage King's actual results will not differ materially from those presented in the ASK Forecast Financial Information. Any material adverse difference may adversely affect the value of Abacus Storage King Securities.

14.1.16 No guarantee of distributions or capital returns

Abacus Storage King does not give a guarantee as to the amount of any income or capital return from the Abacus Storage King Securities or the performance of Abacus Storage King as its ability to pay distributions is subject to many variables. It also does not give any guarantee that any distributions will be paid or capital returns made.

Even if Abacus Storage King is able to pay a distribution or make a capital return, its ability to maintain and/or increase distributions and capital returns over time cannot be guaranteed as its ability to do so is dependent on a number of factors including but not limited to demand for storage, competitor supply and pricing, operating costs and cost of debt.

Furthermore, there may be restrictions on Abacus Storage King's ability to pay distributions to Abacus Storage King Securityholders during the term of the Abacus Storage King Debt Facilities. As a general matter, Abacus Storage King is permitted to pay distributions as it sees fit, other than where an event of default, potential event of default or a review event under the Abacus Storage King Debt Facilities is continuing or will result from the payment.

For further details on Abacus Storage King's distribution policy see Section 5.8.

14.1.17 Intellectual property

Abacus Storage King will trade under the name "Abacus Storage King" and use the Abacus Group brand ("ABACUS" and "A" logo). Abacus Storage King will, on the De-stapling Implementation Date, enter into a Trade Mark Licence Deed with Abacus Group, which sets out the basis on which Abacus Storage King may use the Abacus Group brand (see Section 16.3.4 for further details). The use of this Abacus Group branding as well as its own branding (e.g. Storage King brand) is an important aspect of Abacus Storage King's marketing strategy as it differentiates its properties from those of its competitors and attracts customers to its trading stores.

If a third party accuses Abacus Storage King of infringing its intellectual property rights or if a third party commences litigation against Abacus Storage King for the infringement of a trade mark or other intellectual property rights, Abacus Storage King may incur significant costs in defending such action, whether or not it ultimately prevails. In addition, parties making claims against Abacus Storage King may be able to obtain injunctive or other equitable relief that could limit or prevent Abacus Storage King from operating its business or commercialising its Self Storage Properties, especially the use of the trade marks "Abacus Storage King", "ABACUS", the "A" logo and "Storage King".

In the event of a successful claim of infringement against Abacus Storage King, it may be required to pay damages. Defence of any litigation could impact on Abacus Storage King's ability to conduct its business and could cause it to incur substantial expenditure.

If ASFML is replaced as responsible entity of ASPT by an entity that is not a related body corporate of Abacus Group, AGHL (part of Abacus Group) may determine to terminate the Trade Mark Licence Deed. If this were to occur, there is potential for adverse effects to be experienced by Abacus Storage King as it would not be able to use the Abacus Group brand, would need to incur significant costs to re-brand, may lose the goodwill associated with the brand and may not be readily recognised by customers, all of which may have an adverse impact on its revenue and therefore its financial position and performance.

If Abacus Storage King does not have the intellectual property rights for, or have license arrangements in place to use, the intellectual property it relies on, this may prevent it from using that intellectual property in the future and cause it to need to undertake, among other things, re-branding. This may in turn lead to a loss of goodwill associated with the brand and a decrease in customer recognition, which may in turn have an adverse impact on its operations and revenue and therefore its financial position and performance.

14.1.18 Typically monthly storage agreements with an agreed term upfront

Storage units are typically rented on a month to month basis with an agreed term upfront before transitioning to contracting on a rolling month to month basis. After the initially agreed term, it is not possible to anticipate how long customers will rent out storage units. There is no guarantee that existing storage customers will renew their storage agreements or, where they do not, that other storage customers will be found. If there is a drop in demand for storage space (e.g. as a result of the factors set out in Section 14.1.1 and other factors identified in this Section 14 that are outside the control of Abacus Storage King), this will have a materially adverse impact on Abacus Storage King's revenue and therefore its financial position and performance.

14.1.19 Availability of insurance products for customers

Abacus Property Group currently distributes, and post-De-stapling Implementation Abacus Storage King may distribute, customer goods insurance to participating customers on behalf of third party providers. These sorts of distribution arrangements have been the subject of changes in law and increased regulatory scrutiny over the past couple of years. There is no guarantee that the third party providers will continue to offer these types of insurance or that if they do, that the relevant insurance will not become more expensive. There is also no guarantee that Abacus Storage King will decide to keep arranging customer goods insurance for participating customers on behalf of third party providers which could have an adverse impact on Abacus Storage King revenue from product distribution. The availability or cost of insurance may be a factor that customers take into account when deciding whether to become or continue to be customers, which could result in a decline in the number of customers, which may in turn have an adverse impact on the financial position and performance of Abacus Storage King.

14.2 Abacus Group specific risks (post Completion of the Proposal)

This Section 14.2 summarises the key risks associated with holding a separate investment in Abacus Group Securities as a result of the Proposal being implemented.

Returns from an investment in Abacus Group will depend largely upon the amount of rental income generated from the properties and the expenses incurred in the operations, including the management and maintenance of the properties as well as changes in the market value of the properties and cost of loan interest. In addition, returns from Abacus Group's investment in commercial properties could be affected by its property development, capital investment and asset management activities.

Some risks below may adversely affect Abacus Group's revenues and operating income, particularly the rental income of Abacus Group's properties or expected income from its investment activities. Other risks may adversely affect Abacus Group's business, without necessarily affecting its revenues and operating income, including impacts on its operating costs.

14.2.1 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 factors include:

- Fluctuations in economic conditions including consumer confidence and macroeconomic growth;
- Demand for office space and changes to working patterns (for example, shifts in the approach to working from home); and
- Changing requirements of office fit outs/rental terms.

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

14.2.2 Competition

Abacus Property Group operates (and Abacus Group will operate from De-stapling Implementation) in a competitive industry and faces (and Abacus Group will face from De-stapling Implementation) competition from other existing or new commercial property groups. Such competition 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 De-stapling Implementation) 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. For example, Abacus Group's competitors may be more adequately resourced than Abacus Group, may introduce new technology or may offer more competitive leasing and therefore may be able to operate more efficiently and at a lower cost. If Abacus Group cannot adapt to a more competitive environment, its operating and financial performance may be adversely affected.

14 RISKS CONTINUED

14.2.3 Valuations

The value of the 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 the assets and the new supply creating competition. Recently, there has been a softening in capitalisation rates (the ratio of net operating income to property asset value) in the Australian and New Zealand markets, which has caused downward pressure on valuations. If this were to continue, this may cause further downward pressure on valuations, including on the Commercial Portfolio, which in turn (following De-stapling Implementation) may adversely impact on the financial position and performance of Abacus Group.

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

The valuations contained in Annexure C reflect the relevant Independent Valuer's assessment of the value of the relevant property as at 30 April 2023. 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 Group's statement of profit and loss, any decreases in value would have a corresponding effect on the statement of profit and loss and Abacus Group's financial position and performance, and on distributions.

The table below sets out sensitivity analyses showing different gearing scenarios for valuation changes. It is intended to provide a guide only and variation in actual performance could exceed the ranges shown.

Table 14.2.3.1: Commercial portfolio Adjusted Gearing sensitivity

	CURRENT		
Valuation movement	**-%**	**(5.0%)**	**(10.0%)**
Implied cap rate movement (%)	**-%**	**0.3%**	**0.6%**
Implied valuation ($m)[1]	2,138	2,031	1,924
Valuation movement ($m)	–	(107)	(214)
Adjusted Gearing (%)[2]	27.0%	28.0%	29.1%

Notes:

1. Pro forma historical investment properties as at 31 December 2022 adjusted for the impact of certain post balance date events (including the impact of revaluation update at 30 April 2023).
2. Adjusted Gearing calculated as bank debt minus cash and cash equivalents divided by total assets minus cash and cash equivalents; which includes pro forma adjustments and the impact of certain post balance date events as if they had occurred as at 31 December 2022.

14.2.4 Financial covenants

On and from De-stapling Implementation, Abacus Group will have various covenants in relation to its Existing Facilities, including interest cover, gearing, property interest cover and loan to value ratio requirements and other debt covenants. As at the Transaction Booklet Date, Abacus Property Group was in compliance with all covenants under its Existing Facilities and is expected to be compliant under the relevant debt facilities at Completion.

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 (all of which may be exacerbated by the rapid rise that is occurring with respect to interest rates), 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 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.

14.2.5 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. As part of Abacus Property Group, the Commercial business that will form Abacus Group has been regularly evaluating mergers and acquisitions, property investments and other opportunities that it believes are consistent with its strategy and will continue to do so following De-stapling Implementation. Whilst it is Abacus Property Group's policy (and will post-De-stapling Implementation 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 as set out in Section 9 or expected synergies not being achieved (see the risk in this Section 14.2.6 for further details).
- Capital expenditure required in any of the acquisition or business opportunities being greater than expected.
- A breakdown in relationship with joint venture partners or issues with neighbouring properties.
- A downturn in the relevant local market conditions.
- Due diligence not identifying unforeseen issues with acquisitions or unforeseen liabilities arising, including unexpected outcomes not being picked up in due diligence that may affect cost or operating performance (see the risk in this Section 14.2.6 for further details).

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.

14.2.6 Acquisitions

Post-De-stapling Implementation Abacus Group will continue to identify new investment opportunities for potential acquisitions and will endeavour to conduct all reasonable and appropriate due diligence on potential investment opportunities.

Although the Commercial business has endeavoured (as part of Abacus Property Group), and will endeavour as Abacus Group (following De-stapling Implementation), to do all reasonable and appropriate due diligence on acquisitions, it has not and will not verify the accuracy and completeness of all information provided to it. To the extent that any of this information was or is incomplete, inaccurate or misleading, or there are unexpected outcomes that were not picked up in due diligence, there is a risk that costs and operating performance may be adversely affected, and that the financial performance of Abacus Group may differ from its expectations, potentially adversely.

There is also risk that potential issues are uncovered subsequent to due diligence and that these risks cannot be fully mitigated by the warranties and indemnities in the sale agreements, or related insurance arrangements, for those acquisitions. If an unforeseen liability arises in respect of which the purchaser is unable to be indemnified, this may adversely impact the financial performance of Abacus Group and distributions. Also, there can be no guarantee as to the financial capacity of vendors. In these circumstances, if a warranty or other claim was made under a sale agreement, there is a risk that funds from the vendor may not be available to meet that claim. Any inability to recover amounts claimed from vendors could adversely affect Abacus Group's financial performance.

There is a risk that acquisitions may not perform as expected and there may be difficulty integrating acquired properties into the business. If acquisitions do not perform as expected, or if there are difficulties in integrating properties or expected synergies are not achieved (or not achieved within the expected timeframes) this may have an adverse impact on Abacus Group's financial position and performance. There is also a risk that Abacus Group will be unable to identify suitable investment opportunities that meet Abacus Group's investment objectives. Even if such opportunities are identified, they may not be able to be secured on appropriate terms. These factors may restrict Abacus Group's ability to add investments to its portfolio and this may adversely impact growth and returns to Abacus Group's Securityholders.

14 RISKS CONTINUED

14.2.7 Development

As part of Abacus Property Group, the Commercial business has been involved in the development of Office and Retail Commercial real estate and is expected to continue to do so post-De-stapling Implementation. While it is current policy to retain oversight of developments through a project control group (and it is expected to be Abacus Group's policy post-De-stapling Implementation), exposure to assets under development and to individual contractors, property development projects have a number of risks, including:

- Planning consents and regulatory approvals not being obtained or, if obtained, being received later than expected, or being adverse to Abacus Group's interests, or not being properly adhered to.
- Escalation of development costs beyond those originally expected.
- Unforeseeable project delays beyond the control of Abacus Group.
- Non-performance/breach of contract by a contractor or sub-contractor or joint venture partners.
- A slower build up of income than originally expected following completion of a development.

The expansion or refurbishment of commercial space involve similar risks to the above, but additionally may also cause disruption to existing tenants.

The occurrence of these risks may adversely affect Abacus Group's financial condition, credit rating, net tangible assets and/or operational results.

14.2.8 Co-ownership risk

As part of Abacus Property Group, the Commercial part of the business currently holds, and post-De-stapling Implementation Abacus Group will hold, some of its interests in its portfolios with its partners through joint co-ownership arrangements. The co-operation among the partners of such entities on existing and future business decisions is an important factor for the sound operation and financial success of such businesses. The partners in these investments may have objectives different from those of Abacus Group, or be unable or unwilling to fulfil their obligations under the relevant joint co-ownership agreement. While Abacus Group is expected to seek to enter into joint co-ownership arrangements with partners whom Abacus Group considers to be reputable, creditworthy and reliable and on terms favourable to Abacus Group (which is similar to the approach taken by Abacus Property Group in respect of existing arrangements), there is no guarantee that these objectives will be achieved. If any partners become uncooperative or their objectives clash with those of Abacus Group or they are unwilling or unable to fulfil their obligations under the relevant agreements, this may result in additional expenses and a loss of revenue for Abacus Group, which may in turn adversely affect its financial position and performance.

In addition, these joint co-ownership arrangements may contain pre-emptive rights which restrict Abacus Group's dealings in respect of its interest in the co-owned trusts or the co-owned properties (subject to limited exceptions). This could prevent Abacus Group from being able to dispose of its interest at a market competitive rate, which may adversely affect the profit it makes from any sale and therefore its financial position and performance.

14.2.9 Management of Commercial property assets

Abacus Property Group relies, and post-De-stapling Implementation Abacus Group will rely, on external property agents to manage the Commercial property assets on behalf of its tenants. If any of these external property agents do not meet Abacus Group's expectations regarding performance, become uncooperative or their objectives clash with that of Abacus Group, or they are unwilling or unable to fulfil their obligations under the relevant arrangements, this may result in unsatisfied tenants, additional expenses, a loss of revenue and reputational damage for Abacus Group, which may in turn adversely affect is financial position and performance.

14.2.10 Forecasts

Section 9.6 contains the Pro Forma Forecast Distributions for Abacus Group. The forward-looking statements, opinions and estimates provided in this Transaction Booklet, including the Pro Forma Forecast Distributions, rely on various factors, many of which are outside the control of Abacus Property Group and Abacus Group. There can be no guarantee that the assumptions on which the forward-looking statements, opinions and estimates are based, will ultimately prove to be valid or accurate.

Abacus Property Group and Abacus Group can give no assurance that Abacus Group's actual results will not differ materially from those presented in the Pro Forma Forecast Distributions. Any material adverse difference may adversely affect the value of Abacus Group Securities.

14.2.11 No guarantee of distributions or capital returns

Abacus Group does not give a guarantee as to the amount of any income or capital return from the Abacus Group Securities or the performance of Abacus Group as its ability to pay distributions is subject to many variables. It also does not give any guarantee that any distributions will be paid or capital returns made.

Even if Abacus Group is able to pay a distribution or make a capital return, its ability to maintain and/or increase distributions and capital returns over time cannot be guaranteed as its ability to do so is dependent on a number of factors including but not limited to demand for commercial property, market rents and tenant incentives, operating costs and cost of debt.

Furthermore, there may be restrictions on Abacus Group's ability to pay distributions to Abacus Group Securityholders during the term of the Existing Facilities. As a general matter, Abacus Group is permitted to pay distributions as it sees fit, other than where an event of default, potential event of default or a review event under the Existing Facilities is subsisting or will result from the payment.

For further details on Abacus Group's distribution policy see Section 4.4.

14.2.12 Re-leasing and vacancy risk

In the longer term, Abacus Group's leases to its tenants will come up for renewal on a periodic basis. There is a risk that Abacus Group may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, replace outgoing tenants with new tenants, or may experience a period of vacancy before finding a new tenant, particularly in the current market. Any of these may result in a reduction in Abacus Group's financial performance and distributions and a reduction in the value of the assets of Abacus Group.

14.2.13 Commercial sector concentration risk

Following De-stapling Implementation, Abacus Group will provide a new sector specific opportunity to invest in the commercial sector. As a result of this exposure, Abacus Group's performance depends, in part, on the performance of the Australian commercial sector and demand for office space. Fluctuations in economic conditions may adversely affect the demand for commercial space and result in negative impacts on Abacus Group's financial position and performance and returns to Abacus Group Securityholders.

14.2.14 Intellectual property

The use of the Abacus Group branding is an important aspect of Abacus Group's marketing strategy as it differentiates its assets from those of its competitors and attracts tenants and other customers.

If a third party accuses Abacus Group of infringing its intellectual property rights or if a third party commences litigation against Abacus Group for the infringement of a trade mark or other intellectual property rights, Abacus Group may incur significant costs in defending such action, whether or not it ultimately prevails. In addition, parties making claims against Abacus Group may be able to obtain injunctive or other equitable relief that could limit or prevent Abacus Group from operating its business or commercialising its assets.

In the event of a successful claim of infringement against Abacus Group, it may be required to pay damages. Defence of any litigation could impact on Abacus Group's ability to conduct its business and could cause it to incur substantial expenditure.

If Abacus Group does not have the intellectual property rights for, or have license arrangements in place to use, the intellectual property it relies on, this may prevent it from using that intellectual property in the future and cause it to need to undertake, among other things, re-branding. This may in turn lead to a loss of goodwill associated with the brand and a decrease in customer recognition, which may in turn have an adverse impact on its operations and revenue and therefore its financial position and performance.

14 RISKS CONTINUED

14.2.15 Relationship with Abacus Storage King risk

Although the Abacus Group Board believes that Abacus Group's close association with Abacus Storage King following De-stapling Implementation will have many benefits, there are also certain risks that are inherent in the relationship.

Abacus Group will hold a 19.9% interest in Abacus Storage King on Completion and therefore the performance of Abacus Group will in part be dependent on the success and financial performance of Abacus Storage King.

Abacus Group will earn a Management Fee[219] equal to 0.4% per annum of GAV (plus GST) plus property and development management fees. If the value of Abacus Storage King's assets decrease or if the level of acquisition and/or development activity decreases from prior financial periods, the fee income earned by Abacus Group will reduce and have an adverse impact on Abacus Group's income, financial position and performance and ability to pay distributions.

14.3 Risks that apply to both Abacus Group and Abacus Storage King

The following common risks and general risks apply to Abacus Property Group and following De-Stapling Implementation will apply to both Abacus Group and Abacus Storage King.

14.3.1 Interest rate risk

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 (see Sections 14.1.4 and 14.2.3 for further details). 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.

The higher the cost of interest on borrowings, the greater the risk that the financial covenants set by the lenders to Abacus Group or Abacus Storage King (as applicable) could be breached (see Section 14.1.5 and 14.2.4 for further details).

If interest rates continue to increase, the value of the Commercial Portfolio (for Abacus Group) and the value of the portfolio of Self Storage Properties (for Abacus Storage King) may experience downward pressure, at the same time as the interest on their respective borrowings increase, which may cause the relevant financial covenants to be breached. To the extent any of this occurs, this may have an adverse impact on the financial position and performance of the relevant group.

14.3.2 Impact of COVID-19 and future outbreaks of other communicable diseases or pandemics

Despite the global rollout of vaccine programs, there remains considerable uncertainty as to the further impact of COVID-19, any of its variants or any other potential pandemic. This includes whether there will be any future government, regulatory or health authority actions, rental rebate mandates, employment schemes, work stoppages, lockdowns, quarantines and travel restrictions, all of which may impact on the performance of Abacus Group and Abacus Storage King, and their respective tenants, customers and suppliers, the Australian share market and the broader economic environment if implemented. In particular, the extent to which COVID-19 or other pandemics related factors will have an impact on Abacus Group or Abacus Storage King will, in large part, depend on the extent to which tenants or customers of their respective properties are themselves adversely affected and able to pay rent to Abacus Group or Abacus Storage King (as applicable).

The impact of some or all of these factors could cause significant disruption to Abacus Group's and Abacus Storage King's respective operations, revenue and financial performance.

The events relating to COVID-19 have also previously resulted in significant market falls and volatility, including the prices of securities trading on ASX, and the volatility of supply and demand. This could affect the trading price of Abacus Group Securities and/or Abacus Storage King Securities.

219. The Management Fee is payable to the ASPT Responsible Entity (being ASFML) under the ASPT Constitution and ASFML as Manager under the Management Services Agreement. The Management Fee may be paid by either ASOL or out of ASPT from time to time, on the basis that the Management Fee payable by ASOL or out of ASPT is reduced to the extent of any Management Fee paid by the other in respect of the relevant period.

14.3.3 Capital expenditure

Abacus Group and Abacus Storage King may be exposed to unforeseen capital expenditure requirements which may be required to maintain the quality of its assets and/or tenants and customers (as applicable). This may adversely affect financial condition and operational results of Abacus Group or Abacus Storage King as applicable.

14.3.4 Capital management (including macro-economic factors)

Adverse changes in the economy (including the rising interest rates environment and developments in the United States and global credit markets) may impact on Abacus Group's or Abacus Storage King's ability to raise funds (equity and debt) or refinance its debt obligations, which may result in Abacus Group or Abacus Storage King (as applicable) being unable to maintain sufficient liquidity. In such circumstances, Abacus Group or Abacus Storage King may not be able to execute its strategy (as set out in Sections 4.2 and 5.3 respectively) or meet its respective debt maturity obligations (as set out in Sections 4.12 and 5.7.3 respectively), which could mean that Abacus Group or Abacus Storage King (as applicable) experiences limited growth prospects or results in Abacus Group's or Abacus Storage King's (as applicable) inability to operate as a going concern.

The use of debt may enhance returns and increase the number of assets that can be acquired, but it may also substantially increase the risk of loss. There is a risk that any further increases in interest rates (to the extent that they are not hedged) may impact on Abacus Group's or Abacus Storage King's (as applicable) forecasted interest costs. An increase in interest payable on Abacus Group's or Abacus Storage King's (as applicable) debt obligations may lead to a detrimental impact on investment performance through lower returns to its respective Securityholders and may also affect its respective financial condition and/or operating results and may impact on distributions.

14.3.5 Counterparty/Credit risk

Abacus Group and Abacus Storage King may be exposed to the risk that third parties, such as franchisees, tenants, developers, customers and other contract counterparties may not be willing or able to perform their obligations owed to Abacus Group or Abacus Storage King as applicable. The failure of third parties to discharge their agreed responsibilities may adversely affect the financial condition and operational results of Abacus Group or Abacus Storage King as applicable.

14.3.6 People and culture

Abacus Property Group is currently reliant on, and post-De-stapling Implementation Abacus Group and Abacus Storage King will be reliant on, attracting, retaining and developing talented employees and providing an inclusive workplace. The inability to attract, retain and develop such employees together with maintaining an inclusive workplace which maintains a high performing, ethical and values based workplace (including complying with internal policies), may result in the following impacts on Abacus Group and Abacus Storage King (as applicable):

- Failure to provide an environment that enables employees to excel.
- Failure to provide a safe working environment free of harassment, bullying and discrimination.
- Limits the ability to achieve business objectives in line with values of Abacus Group or Abacus Storage King as applicable.

Additionally, Abacus Property Group is currently reliant on, and post-De-stapling Implementation of the Proposal Abacus Group and Abacus Storage King will be reliant on, the expertise, experience, and strategies of their respective executive directors and management (including for Abacus Storage King through the external management arrangements described in Section 8.1). As a result, the loss or unavailability of key personnel could have an adverse impact on the management and financial performance of Abacus Group or Abacus Storage King as applicable and therefore returns to the relevant securityholders.

14.3.7 Industrial practices

Failure by an employer to comply with relevant employment laws, awards or enterprise agreements can lead to potential regulatory investigations or enforcement actions or other civil or criminal fines or penalties. While Abacus Property Group has in place, and post-De-Stapling Implementation Abacus Group and Abacus Storage King will have in place, processes to ensure compliance with applicable labour laws, the overlap of workplace agreements, awards and industrial relations rules can give rise to risks of breaches having occurred in the jurisdictions in which they operate. Any breaches (including historical breaches) that are identified may have an adverse impact on Abacus Group's or Abacus Storage King's financial performance and position, may result in regulatory action and may have adverse reputational impacts.

14 RISKS CONTINUED

14.3.8 Environmental and social sustainability

Environmental laws impose penalties for environmental damage and contamination, as well as performance reporting obligations, which may be material. While the nature of Abacus Property Group's operations, and each of Abacus Group's and Abacus Storage King's operations post-De-stapling Implementation, are such that the risks should be minimal, should a person be exposed to a hazardous substance at a property within their respective portfolios, they may make a personal injury claim against the relevant listed group. Such a claim could be material. An environmental issue may also result in interruptions to the operations of a property or additional expense in having to attend to any contamination issues. Any lost income caused by such an interruption to operations may not be recoverable. Any resulting fines could be material and may have an adverse impact on financial position and performance, as well as reputation.

Each of Abacus Property Group and its tenants and customers, and post-De-stapling Implementation each of Abacus Group and its tenants, and Abacus Storage King and its customers, are subject to government environmental legislation. New or more stringent environmental laws or regulations could be introduced in the future, for example in relation to climate change, which may require Abacus Group and/or Abacus Storage King to incur additional material expenditure to ensure that the required compliance is maintained. While environmental issues are continually monitored, there is no assurance that Abacus Group's operations or those of a tenant, or Abacus Storage King's operations or those of a customer, will not be affected by an environmental incident or subject to environmental liabilities, which could impact the reputation and financial performance of Abacus Group or Abacus Storage King (as applicable).

Abacus Group and Abacus Storage King may also be exposed to a range of other environmental or social sustainability risks, including operating in a manner that adversely impacts on the health of ecosystems, community well-being or supply chain integrity or does not meet accepted social norms. A failure to mitigate these risks may result in the following impacts:

- Additional expenditure and/or project delays.
- Negative impacts to communities, the environment and ecosystems in which Abacus Group or Abacus Storage King operate.
- Limitations on Abacus Group's or Abacus Storage King's ability to deliver the business objectives and strategy.
- Criminal or civil proceedings which may result in fines and penalties or other liabilities.
- Reputational damage arising as a result of any such proceedings.
- Any or all of these may adversely impact Abacus Group's or Abacus Storage King's financial condition and operational results (as applicable).

14.3.9 Climate change and natural disasters

Climate change presents a potentially material risk to Abacus Property Group, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King. The increasing severity of acute weather events (such as heatwaves, cyclones and storms), natural disasters (such as earthquakes, landslides, drought, wildfires and floors) and chronic climate impacts may affect one or more of the properties in their respective portfolios (and associated communities) through physical damage, operating costs, ability to trade, consumer visitation and customer engagement. These acute weather events, natural disasters and climate impacts may be sudden and acute or more gradual in nature. For example, a property may be damaged by storms or flooding which requires extensive repairs and may impact tenant or customer use (as applicable) of those properties. The cost of these works may not be fully covered by insurance reimbursement. Alternatively, tenants or customers (as applicable) may be impacted by disruptions to sales or their supply chains. Abacus Property Group has undertaken, and post-De-stapling Implementation Abacus Group and Abacus Storage King will undertake, assessments of physical risks in order to identify and mitigate those risks.

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. These may require either or both of Abacus Group and Abacus Storage King to incur costs to address these changes, which could adversely impact on its expenses and therefore its financial position and performance.

14.3.10 Fixed nature of costs

Abacus Property Group incurs, and post-De-stapling Implementation both Abacus Group and Abacus Storage King will incur, costs associated with the ownership and management of property assets which are fixed in nature. These include maintenance costs, employee costs and taxes. The value of an asset owned (wholly or in part) by Abacus Group or Abacus Storage King may be adversely affected if the income from the asset declines while other related expenses remain unchanged or increase. This may adversely affect Abacus Group's or Abacus Storage King's financial condition and operational results (as applicable).

14.3.11 Information security or data breach including from cyberattacks

Abacus Property Group is required, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King will be required, to collect, handle and store confidential or tenant and customer personal information (as applicable) and commercially sensitive data in the course of their respective business operations.

When possessing personal information and commercially sensitive data, there is a risk that these, or services that Abacus Property Group, Abacus Group or Abacus Storage King uses or is dependent upon, might fail, including because of incidents involving unauthorised access, disclosure or loss resulting in serious harm to individuals. In addition, a significant proportion of the daily operations of Abacus Property Group, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King, involve computer-based and information systems applications and technology which are essential to maintaining effective operations. Threats to information systems applications and technology are continuously evolving and cyber threats and the risk of attacks and disruption are increasing and therefore Abacus Property Group has, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King will have, systems in place to test and monitor technology systems to increase the probability any new threats are identified, emerging risks are mitigated, policies and procedures are updated and good practice is maintained.

However, they may not be able to anticipate all attacks as they may be dynamic in nature nor may they be able to implement effective measures to prevent or minimise disruptions that may be caused by all cyber threats because the techniques used can be highly sophisticated and those perpetuating the attacks may be well resourced. Furthermore, these risks may be further exacerbated by geopolitical risks and a significant number of high-profile cyber security incidents involving other persons or entities receiving a significant amount of media coverage and political commentary.

As there can be no guarantee that any steps taken to manage these risks will be fully effective, Abacus Property Group, and post-De-stapling Implementation, each of Abacus Group and Abacus Storage King, may be exposed to the risk of loss of data, disruption to services, breach of confidentiality, regulatory breaches (in respect of privacy) and/or reputational impacts including as a result from a cyber-attack or loss of system availability. The impact of the occurrence of this risk may include the following:

- Limitations to Abacus Property Group's, or post-De-stapling Implementation, Abacus Group's or Abacus Storage King's, ability to deliver its respective business objectives and strategy.
- Criminal or civil proceedings which may result in fines and penalties or other liabilities.
- Other legal proceedings, including class actions by affected parties.
- Reputational damage arising as a result of any such proceedings.
- Operational impacts stemming from remediation and post incident activities.

Any or all of these risks may result in adverse effects on Abacus Property Group's, and post-De-stapling Implementation, Abacus Group's or Abacus Storage King's, financial condition, operational results and reputation (as applicable).

14.3.12 Inflation and construction costs

Higher than expected inflation rates generally, or specific to the property development industry in particular, could be expected to increase operating and development costs, and potentially reduce the value of development land. This may adversely affect Abacus Group's or Abacus Storage King's financial condition and operational results (as applicable).

14 RISKS CONTINUED

14.3.13 Realisation of assets

Property assets are by their nature relatively illiquid investments. Following De-stapling Implementation, this may make it difficult to alter the balance of Abacus Group's or Abacus Storage King's income sources in the short term in response to changes in economic or other conditions. If property assets are required to be disposed in order to raise liquidity, it may not be possible to dispose of assets in a timely manner or at an optimal price. Any protracted sale process, inability to sell a property or sale at a price that is less than Abacus Group's or Abacus Storage King's valuation of the relevant property may adversely affect its financial performance and distributions. It may also adversely affect Abacus Group's or Abacus Storage King's financial condition and operational results, and the market value of Abacus Group Securities and Abacus Storage King Securities as applicable.

In particular, Abacus Group is progressing its non-core disposal program. The disposal of non-core assets at levels above or below their book values may lead to short term one-off gains or losses that may cause volatility in expected earnings.

14.3.14 Litigation and disputes

Abacus Property Group, and post-De-stapling Implementation, each of Abacus Group and Abacus Storage King, may be exposed to litigation, class actions (including consumer/customer class actions, securities/shareholder class actions and employee class actions), prosecutions, regulatory investigations and other proceedings, claims and disputes in the course of their respective businesses, including employment disputes, worker's compensation claims, contractual disputes, indemnity claims, consumer actions, claims for infringement against the relevant group of the intellectual property rights of others, occupational and personal claims, taxation related regulatory enquiries or enforcement actions and other regulatory investigations or enforcement actions. Any such dispute(s) (including the cost of settling claims) may adversely impact Abacus Group's or Abacus Storage King's financial condition and operational results, may take up significant management time and may also cause reputational damage.

14.3.15 Health, safety and environment

Incidents may arise that cause injury to tenants, visitors to properties, employees and/or contractors. The impact of this risk on Abacus Property Group, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King (as applicable), includes:

- Harm to tenants, visitors to Abacus Group's or Abacus Storage King's properties, employees and/or contractors;
- Criminal or civil proceedings against Abacus Group or Abacus Storage King that may result in fines, penalties, compensation and/or imprisonment. See also Section 14.3.14 regarding litigation and disputes;
- Additional costs in remediating hazards identified; and
- Reputational damage arising as a result of any such proceedings.

Any or all of these risks may result in an adverse impact on Abacus Group's or Abacus Storage King's financial condition and operational results.

14.3.16 Insurance

Abacus Property Group holds and purchases, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King will hold and purchase, insurance customarily carried by property owners, managers, developers and construction entities that provides a degree of protection for its assets, liabilities and people. Such policies include material damage of assets, contract works, business interruption, general and professional liability and workers compensation. There are however certain risks that are uninsurable (e.g. war or terrorism) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake, flood). Abacus Group and Abacus Storage King will also face risk associated with the financial strength of their insurers to meet indemnity obligations when called upon which could have an adverse effect on earnings. Further, insurance may be materially detrimentally affected by economic conditions so that insurance becomes more expensive or in some cases, unavailable.

If Abacus Group's or Abacus Storage King's third party insurance providers fail to perform their obligations and/or its third-party insurance cover (including directors and officers insurance and public liability insurance) is insufficient for a particular matter or group of related matters, or if the insurance obtained does not cover a particular incident or event, the net loss to Abacus Group or Abacus Storage King (as applicable) could adversely impact its financial performance, financial position, capital resources and prospects.

If Abacus Group or Abacus Storage King needs to make significant claims against its insurance policies, this may have an adverse impact on its ability to renew insurances, the cost of insurance premiums and expenses going forward, which in turn may have an adverse impact on its financial performance and position.

14.3.17 Failure of risk management and internal control strategies

Abacus Property Group currently has in place, and post De-stapling Implementation each of Abacus Group and Abacus Storage King will have in place, risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject. This includes risks related to liquidity, interest rates, counterparties, compliance, market conduct, bribery and corruption, anti-money laundering and counter terrorism funding compliance, insurance and operational and building compliance, all of which are important to their respective reputations and business operations.

However, there are inherent limitations with any risk management and internal control framework as there may exist, or emerge in the future, risks that Abacus Property Group, or post-De-stapling Implementation Abacus Group or Abacus Storage King, have not adequately anticipated or identified. If any of their respective risk management and internal control processes and procedures prove ineffective or inadequate, or are otherwise not appropriately implemented, their respective financial performance and distributions could be adversely impacted.

14.3.18 Insolvency

In the event of any insolvency or winding up of Abacus Group or Abacus Storage King, the claims of their respective creditors will rank ahead of those of their respective securityholders. Under those circumstances, the relevant group will first repay or discharge all claims of its creditors. Any surplus assets will then be distributed to its respective securityholders. All of the relevant securityholders will rank equally in their claim and will be entitled to an equal share per stapled security they hold.

14.3.19 Changes in accounting policy

There may be changes in accounting standards issued by AASB which are outside of the control of Abacus Group and Abacus Storage King and their respective directors. Changes in accounting standards issued by AASB or changes to the commonly held views on the application of those standards may have an adverse impact on the financial performance and position reported in Abacus Group's and/or Abacus Storage King's respective financial statements.

14.3.20 Regulatory issues and changes in law

Abacus Property Group is, and post-De-stapling Implementation Abacus Group and Abacus Storage King will be, subject to a range of laws in both Australia and New Zealand, accounting standards, other legal, legislative and administrative regimes, and government policies (including government fiscal, monetary and regulatory policies), including to the extent a particular entity holds an Australian financial services licence (**Rules**). Under the Corporations Act, certain entities in Abacus Group are Australian financial services licensees which have an obligation to report certain breaches of law to ASIC (including in the case of ASFML in its capacity as responsible entity of ASPT).

A variation in any of the Rules or a failure to interpret any of the Rules correctly or to abide by them may affect Abacus Group or Abacus Storage King and the business environment in which they respectively operate. In particular, privacy, anti-money laundering, anti-bribery and corruption, counter-terrorism financing and sanctions, underpayments and taxation laws compliance have been the subject of significant regulatory change and enforcement in recent years.

Abacus Group and Abacus Storage King may be exposed to a risk that failure to comply with, and changes in, the Rules may result in a loss of an Australian financial services licence, fines, penalties or convictions and may have an adverse effect on the assets, operations, business model, reputation and, ultimately, the financial position and performance of Abacus Group and Abacus Storage King respectively and the market price of Abacus Group Securities and Abacus Storage King Securities respectively. The failure to provision or the failure to provision enough for any of these potential financial impacts may also have similar adverse effects on Abacus Group and Abacus Storage King (as applicable).

14 RISKS CONTINUED

14.3.21 Taxation Issues

Abacus Property Group has applied to the ATO for a binding class ruling for the benefit of Abacus Property Group Securityholders which seeks to provide confirmation in respect of the tax implications of the Proposal. Abacus Property Group expects to be issued with a draft class ruling shortly after the Transaction Booklet Date and to be finalised following Completion of the Proposal. When the final class ruling is released, it is expected to be available on the ATO website at www.ato.gov.au, and will also be made available on the Abacus Group website at www.abacusgroup.com.au.

Abacus Group and Abacus Storage King intend to seek relief for certain stamp duty liabilities that prima facie arise from the implementation of the Proposal. In certain jurisdictions, these relief applications cannot be applied for or granted until after the Completion of the Proposal has occurred. Although Abacus Property Group expects this relief should be available, and it is its expectation that they will be granted, the interpretation or application of the law by taxation authorities in Australia is not certain and as such the taxation authorities may not grant one or more of the reliefs. If the reliefs are not available, then the expected additional transaction costs may be up to $8.0 million which may have an adverse impact on the financial position and performance of Abacus Group and Abacus Storage King respectively.

See also Sections 14.3.14 and 14.3.20 regarding the impact of any failure to interpret any taxation-related Rules correctly or to abide by them.

14.3.22 Changes to taxation laws

Future changes in Australian or New Zealand taxation law, changes in interpretation or application of the law by the courts or taxation authorities in Australia or New Zealand, or different view of the courts or taxation authorities in Australia or New Zealand in interpretation or application of the law in Australia or New Zealand as applicable, may affect the taxation treatment of an investment in Abacus Group Securities or Abacus Storage King Securities, or the holding and disposal of those securities. Further, changes in taxation law (including land tax, goods and services taxes and stamp duty), or changes in the way taxation law is expected to be interpreted in the various jurisdictions in which Abacus Group or Abacus Storage King operates may impact the future taxation liabilities of Abacus Group or Abacus Storage King and the trusts, companies and joint ventures in which it respectively holds an interest.

Under current income tax legislation, Abacus Group's trusts and Abacus Storage King's trusts are generally treated as "flow-through" and so are not liable for Australian income tax, including capital gains tax. Should the actions or activities of one of Abacus Group's or Abacus Storage King's "flow-through" trusts (or their controlled entities) cause the relevant trust to fall within the operative provisions of Division 6C of Part III of the *Income Tax Assessment Act 1936* (Cth), the relevant trust may be taxed on its (taxable) income at a rate which is currently equivalent to the corporate income tax rate, which is currently 30%.

An investment in Abacus Group Securities or Abacus Storage King Securities involves tax considerations which differ for each applicable Securityholder. Investors are encouraged to seek professional tax advice in connection with any investment in Abacus Group Securities or Abacus Storage King Securities.

14.3.23 General economic risks

Abacus Property Group's financial condition and operational results are, and post-De-stapling Implementation Abacus Group's and Abacus Storage King's financial condition and operational results will be, influenced by a variety of general economic and business conditions in Australia and New Zealand and offshore, including the level of inflation, interest rates, exchange rates, unemployment rate, commodity prices, ability to access funding, oversupply and demand conditions and government, fiscal, monetary and regulatory policies (all of which may be exacerbated by, among other things, the economic effects of COVID-19, the Russia-Ukraine conflict and other geopolitical matters). Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on Abacus Group's and Abacus Storage King's respective financial condition and operational results.

There are risks associated with any stock market investment. These include, but are not limited to:

- **Dilution risk:** As Abacus Group or Abacus Storage King issues securities to new investors, their respective existing securityholders' proportional beneficial ownership in the underlying assets may be reduced. For example, if an existing securityholder does not participate in a current or future equity raising or chooses not to reinvest their distributions pursuant to any future distribution reinvestment plan, then their beneficial ownership in Abacus Group or Abacus Storage King (as applicable) may be diluted.
- **Pricing risk:** The Effective Date is expected to be the last day of trading in Abacus Property Group Securities. On and from the Listing Date, it is expected that the Abacus Storage King Securities and the Abacus Group Securities will trade separately. There is no certainty as to the price at which these securities will trade. Abacus Storage King Securities may trade on ASX at, above or below the Offer Price per Abacus Storage King Security. Abacus Group Securities may trade on ASX at a different price to what may be anticipated. The price of Abacus Group Securities and Abacus Storage King Securities can fall as well as rise. The price at which Abacus Group Securities and Abacus Storage King Securities trade on ASX may be affected by a range of factors including: movements and volatility in international and local share markets; general economic conditions in Australia and offshore, including inflation, interest rates and exchange rates; recommendations by brokers; changes in government, fiscal, monetary and regulatory policies; changes to laws (particularly taxation laws); inclusion or removal from market indices; and changes in the supply and demand of REITs. Changes in the stock market rating of Abacus Group Securities and Abacus Storage King Securities relative to other listed securities, especially other REITs, may also affect prices at which the Abacus Group Securities and Abacus Storage King Securities trade respectively.
- **Liquidity risk:** There can be no assurance of an active trading market for Abacus Group Securities or Abacus Storage King Securities. Liquidity of the Abacus Group Securities and Abacus Storage King Securities will be dependent on the relative volume of the buyers and sellers in the market at any given time. Changes in liquidity may affect the price at which securityholders are able to sell their Abacus Group Securities or Abacus Storage King Securities (as applicable).

14.4 Offer risks

14.4.1 Offer risk

There is a risk that the amount of proceeds that may be raised by Abacus Storage King under the Offer may be adversely impacted by one or more events which may or may not be within the control of Abacus Storage King including the Joint Lead Managers terminating the Underwriting Agreement in accordance with its terms (see the summary of the Underwriting Agreement set out in Section 16.11).

The occurrence of any of these may have a material adverse impact on the total amount of proceeds that could be raised by Abacus Storage King, which in turn would have a material adverse impact on Abacus Storage King's financial position, gearing and liquidity. It is a Condition Precedent of the Proposal that the Underwriting Agreement has not been terminated or becoming incapable of being completed as at 10.00am on the Effective Date and it is expected that Abacus Property Group would not proceed with the implementation of the Proposal and the Abacus Storage King Entities would not proceed with the Offer if the Underwriting Agreement was terminated.

14.4.2 Dilution risk

Entitlements under the Offer are non-renounceable, which means they are personal and cannot be traded on ASX or any other exchange or privately transferred, sold or otherwise disposed of.

If Abacus Property Group Securityholders do not participate in the Offer, then they will not be exposed to future increases or decreases in Abacus Storage King's security price in respect of those new Abacus Storage King Securities that would have been issued to them had they participated in the Offer. They may also be diluted – see Section 17.8 for further details.

Abacus Storage King may issue new Securities in the future (for example, to finance acquisitions or pay down any debt) which may, under certain circumstances, dilute the value of an investor's interest. See also 'Dilution risk' in Section 14.3.23.



15

FEES AND OTHER COSTS

15 FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission (**ASIC**) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

15.1 Fees and other costs

This Section 15.1 shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of Abacus Storage King as a whole.

Taxes are set out in Annexure D.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Table 15.1.1: Fees and Costs Summary

Abacus Storage King[220]

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
ONGOING ANNUAL FEES AND COSTS		
Management fees and costs The fees and costs for managing your investment.	Management fees and costs are estimated to be 0.69% of NAV, comprising: A Management Fee calculated as 0.40% per annum of GAV (plus GST).[221] A Property Management Fee, only on Commercial tenancies,[222] calculated as 3.0% of Gross Property Income.[223] Expenses which are estimated to be 0.09% per annum of NAV.	To be paid from the income or assets of Abacus Storage King[224] monthly in arrears or, for expenses, as incurred.

220. The fees and costs shown in this Section 15 include the aggregate management fees and costs of both ASPT and ASOL.
221. Equal to 0.59% p.a. of NAV. This percentage has been estimated based on Abacus Storage King's expected NAV at Completion of $2.1 billion and applies the full Management Fee of 0.40% per annum of GAV. This is an estimate only and it is likely that the Abacus Storage King's GAV, and therefore the amount of the Management Fee payable to the Manager will change over time.
222. Commercial tenancies represent a small portion of Abacus Storage King Self Storage Properties. Property Management Fee plus recovery of facilities management costs estimated to be $260,000 per annum.
223. Equal to 0.01% of NAV.
224. The Management Fee is payable to the ASPT Responsible Entity (being ASFML) under the ASPT Constitution and ASFML as Manager under the Management Services Agreement. The Management Fee may be paid by either ASOL or out of ASPT from time to time, on the basis that the Management Fee payable by ASOL or out of ASPT is reduced to the extent of any Management Fee paid by the other in respect of the relevant period.

15 FEES AND OTHER COSTS CONTINUED

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Performance fee Amounts deducted from your investment in relation to the performance of the product.	Nil	Not applicable
Development/Expansion Project Management Fee The fees and costs for managing Development/Expansion Projects.	5.0% of TDC up to a total of $2.5 million and 3.0% of TDC above $2.5 million.[225]	Paid from the assets of Abacus Storage King as incurred.
Transaction costs The costs incurred by the fund when buying or selling assets.	Nil costs payable to ASFML (no acquisition or disposal costs). Estimated stamp duty incurred in the first year of operation of Abacus Storage King amount to 0.01% of NAV.[226]	Paid from the assets of Abacus Storage King as incurred.
Fees and costs of the Proposal (including the Offer)[227]	The costs of the Proposal will be incurred in the first year of operation of Abacus Storage King and amount to 0.52% of NAV.	Paid from the assets of Abacus Storage King.
MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND)		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the fund.	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Exit fee The fee to close your investment.	Nil	Not applicable
Switching fee The fee for changing investment options.	Nil	Not applicable

225. A further fixed fee of $100,000 (plus GST) for the planning work up to each development application lodgement. The development fees for the next year are estimated to be 0.13% p.a. of NAV.
226. As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated in Q2 and Q3 of 2023. Stamp duty for 3 of the 4 assets has been paid leaving $0.2 million (0.01% of NAV) to be incurred in FY24 for Abacus Storage King. No additional acquisitions have been included in the pro forma forecast for the year ending 30 June 2024.
227. Abacus Storage King's portion of the transaction costs of the Proposal (including the Offer) is expected to be $15.5 million, of which $10.8 million will be incurred in FY24 for Abacus Storage King, amounting to 0.52% of NAV. See Section 15.3.2 for further details.

15.2 Example of annual fees and costs

The following table gives an example of how the fees and costs of Abacus Storage King can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products. All amounts are exclusive of GST.

Table 15.2.1: Example of annual fees and costs

TYPE OF FEE OR COST		BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING YEAR
Contribution Fees	Nil	For every additional $5,000 you have in Abacus Storage King you will be charged $0.
PLUS Management fees and costs	0.69% per annum of NAV	**And**, for every $50,000 you have in Abacus Storage King, you will be charged $346.[228]
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Development fees	0.13% per annum of NAV	**And**, you will be charged or have deducted from your investment $65 in development fees each year.
PLUS Transaction costs	0.01% per annum of NAV	**And**, you will be charged or have deducted from your investment $5 in transaction costs.
PLUS fees and costs of the Proposal (including the Offer)	0.52% per annum of NAV	**And**, you will be charged or have deducted from your investment $258 in fees and costs of the Proposal (including the Offer).
EQUALS costs of fund	If you had an investment of $50,000 at the beginning of the year and you invested an additional $5,000 at the beginning of the year, you would be charged fees and costs of $674 for that year.	

The costs of the Fund are expected to be substantially lower in the second year after completion of the Offer, because the fees and costs of the Proposal incurred in FY24 for Abacus Storage King (estimated to be 0.52% per annum of NAV) would not apply for that period.

15.3 Additional explanations of fees and costs

15.3.1 Stamp duty costs

There should be no stamp duty arising on the Abacus Storage King Securities acquired under the Offer. This is provided that Abacus Storage King is admitted to ASX and all of the Abacus Storage King Securities are quoted on ASX and at all relevant times and provided that no person, either alone or with associated persons, acquires a 90% or greater interest in the Abacus Storage King Securities.

Stamp duty is payable on the acquisition of new assets. As at 30 April 2023, Abacus Property Group has exchanged or settled contracts for the acquisition of 4 Self Storage assets (2 development sites and 2 stores) for a total of c.$46 million inclusive of transaction costs. Settlement is anticipated in Q2 and Q3 of 2023. Stamp duty for 3 of the 4 assets has been paid leaving $0.2 million (0.01% of NAV) to be incurred in FY24 for Abacus Storage King. No additional acquisitions have been included in the pro forma forecast for the year ending 30 June 2024.

228. This percentage on NAV has been estimated based on Abacus Storage Kings expected NAV at Completion of $2.1 billion and applies the full Management Fee of 0.40% per annum of GAV. This is an estimate only and it is likely that Abacus Storage King's GAV, and therefore the amount of the Management Fee payable to the Manager will change over time.

15 FEES AND OTHER COSTS CONTINUED

15.3.2 Underwriting, advisory and consultant fees, regulatory fees and other transaction costs

The table below sets out certain fees and costs incurred by Abacus Storage King in connection with the Proposal (including the Offer). These costs are one-off in nature and estimated to be approximately $15.5 million, of which $10.8 million will be incurred in FY24 for Abacus Storage King, amounting to 0.52% of NAV. This includes stamp duty relating to Abacus Storage King's acquisition of the ART units and separate acquisition of the Castle Hill asset from Abacus Property Group, underwriting, advisory and consultant fees, regulatory fees and ASX listing costs. These costs will be paid by Abacus Storage King from the proceeds of the Offer.

Table 15.3.2.1: Fees and costs in connection with the Proposal

TYPE OF FEE OR COST	$M
Stamp duty on acquisition of the ART units and the Castle Hill asset	3.6
Underwriting, advisory and consultant fees	10.8
Regulatory fees and ASX listing costs	1.2
Total	**15.5**

15.3.3 Operating expenses

To the extent permitted by the Corporations Act, ASFML as the ASPT Responsible Entity is entitled to recover all costs and expenses incurred in the proper performance of its duties as responsible entity of ASPT, and ASFML as the Manager is entitled to recover costs and expenses from ASOL, including in relation to:

- ASFML's external advisers, such as auditors, accounting and tax advisers and legal advisers;
- ongoing fees payable to ASX and ASIC or other regulatory and government authorities;
- fees payable to the Registry;
- fees payable to valuers and other consulting service providers;
- fees payable to the Custodian (refer to Section 16.5 for a description of the fees payable to the Custodian);
- remuneration and reasonable out-of-pocket expenses payable to Non-Executive Directors on the Abacus Storage King Board; and
- expenses (including travel), costs (excluding salaries) and disbursements incurred by Abacus Group personnel in relation to the management and administration of Abacus Storage King and the Investment Portfolio.

ASOL may pay costs and expenses incurred in the administration of its affairs, including the costs and expenses set out above, from its funds.

15.4 Fees to related parties under other arrangements

Certain fees and expenses will be paid from assets of Abacus Storage King to related parties of Abacus Storage King, including pursuant to documents summarised in Section 16.3. See below for further detail on the fees payable under those documents. Certain of these amounts, which are summarised below, are not included in the above tables as "management costs", as they are of a kind that would typically be incurred if investors acquired the relevant properties directly and not through Abacus Storage King.

Abacus Group may also earn additional fees in relation to services which Abacus Storage King engages it to undertake on an arm's length basis.

15.4.1 ASPT Responsible Entity Constitution and Management Services Agreement

ASFML is entitled to a Management Fee of 0.40% per annum of GAV[229] (plus GST) payable monthly in arrears, calculated on a pro-rata basis for any part period.

The Management Fee is payable to the ASPT Responsible Entity under the ASPT Constitution (being ASFML) and ASFML as Manager under the Management Services Agreement. The Management Fee payable to each of the ASPT Responsible Entity and the Manager is reduced to the extent of any Management Fee paid to the other in respect of the relevant period.

The ASPT Responsible Entity is also entitled to be reimbursed for all expenses incurred (including those in connection with the establishment, promotion and operation of the Abacus Storage King) in properly performing its duties and ASFML as Manager is entitled to recover costs and expenses from ASOL as set out in Section 15.3.3.

15.4.2 Development Management Agreement and Property Management Agreement

Under the Development Management Agreement and Property Management Agreement, the managers under the Development Management Agreement and Property Management Agreement are entitled to:

- Development/Expansion Project Management Fee: 5.0% of TDC up to a total of $2.5 million and 3.0% of TDC above $2.5 million. A further fixed fee of $100,000 (plus GST) for the planning work up to each development application lodgement.
- Property Management Fee and leasing fees: 3.0% of the aggregate of Gross Property Income received in a month plus recovery of facilities management costs for property management on Commercial tenancies. Leasing fees are payable at 15% of face rent for the first year of a newly negotiated lease and 7.5% of face rent for the first year of renewal of an existing lease. See Section 16.3.3 for further details.

The managers under the Development Management Agreement and Property Management Agreement are also entitled to be paid or reimbursed for all reasonable expenses properly incurred in the performance of the services.

15.5 Fee changes

The ASPT Responsible Entity may not increase the fees payable to it as set out in the ASPT Constitution without a special resolution of Abacus Storage King Securityholders first having varied the ASPT Constitution. A special resolution requires 75% of the votes cast by those Securityholders entitled to vote on the resolution (by value).

Any increase in the Manager's fees under the Management Services Agreement is likely to need approval of Abacus Storage King Securityholders by ordinary resolution. ASFML would, in any event, give at least 30 days' notice of the change via the ASX platform.

15.6 Taxes

Unless stated otherwise, all fees in this Section 15 are inclusive of non-recoverable GST and less a full input tax credit or reduced input tax credit. For additional information in relation to the taxation implications of an investment in the Abacus Storage King, please see Annexure D.

229. Equal to 0.59% of NAV. This percentage on NAV has been estimated based on Abacus Storage King's expected NAV at Completion of $2.1 billion and applies the full Management Fee of 0.40% per annum of GAV. This is an estimate only and it is likely that Abacus Storage King's GAV, and therefore the amount of the Management Fee payable to the Manager will change over time.



16

SUMMARY OF IMPORTANT DOCUMENTS

16 SUMMARY OF IMPORTANT DOCUMENTS

Set out below is a summary of certain documents relating to Abacus Storage King that an investor would reasonably regard as material and that investors and their professional advisers would reasonably expect to find described in the Prospectus and PDS that form part of this Transaction Booklet for the purpose of making an informed assessment of an investment in Abacus Storage King under the Offer.

This Section 16 contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Transaction Booklet. Summaries are included for information only, do not purport to be complete and are qualified by the text of the contracts themselves.

16.1 Summary of the ASPT Constitution and ASOL Constitution

General

This summary reflects the terms of the ASPT Constitution and the ASOL Constitution if all of the Resolutions (including the applicable Constitution Amendment Resolutions) are approved by Abacus Property Group Securityholders and all of the Conditions Precedent are all satisfied or waived in accordance with the Implementation Deed. A summary of the proposed amendments to the ASPT Constitution and the ASOL Constitution in connection with the Proposal is set out in Section 11.2.

The ASPT Constitution and the ASOL Constitution are designed to provide for the operation of stapled entities, and permit and facilitate the stapling of the ASOL Shares to the ASPT Units. A general summary of the rights attaching to those Stapled Securities and other key provisions of the ASPT Constitution and ASOL Constitution are set out below.

This summary is not intended to be exhaustive and is qualified by those Constitutions and the Corporations Act, exemptions and declarations by ASIC, the Listing Rules, waivers by ASX and the general law.

Stapling Provisions

The stapling provisions in the ASPT Constitution and ASOL Constitution (**Stapling Provisions**) are generally consistent.

The intention of the Stapling Provisions is to provide that to the maximum extent by law, each component of a Stapled Security (being an ASOL Share and an ASPT Unit) is treated as one single security and that a Stapled Securityholder may only deal in a Stapled Security and not individually in the ASOL Share or ASPT Unit.

Under the Stapling Provisions:

- (**Stapling**) each component of a Stapled Security must be stapled to each other component of the Stapled Security until such time they are "unstapled" in accordance with the ASPT Constitution and ASOL Constitution (see details below with respect to unstapling);
- (**No issue**) a Stapled Entity must not offer or issue a component of a Stapled Security, or any option without a corresponding and simultaneous offer or issue being made in respect of each other component of the Stapled Security;
- (**No transfer**) a Stapled Entity is not required to, and must not, register any transfer of a component of a Stapled Security without a corresponding and simultaneous transfer of each other component of the Stapled Security;
- (**Corporate action**) a Stapled Entity must not cancel, consolidate, split, sub-divide, buy-back, redeem or otherwise reorganise any component of a Stapled Security without a corresponding and simultaneous corporate action being made in respect of each other component of the Stapled Security;
- (**Stapled Security Register**) the securities which comprise the Stapled Securities must be registered in the register of holders of Stapled Securities;
- (**Joint Security**) a Stapled Entity must use reasonable endeavours to procure that the Stapled Securities are and continue to be officially quoted as one joint security on ASX;
- (**Unstapling**) a component of the Stapled Securities may be unstapled if:
  - subject to the constituent documents of each Stapled Entity, the Corporations Act and the Listing Rules (if the Stapled Securities are Officially Quoted), approval has been granted by special resolution of the members of each Stapled Entity; or
  - a Stapled Entity has been wound up.

  On and from the date of unstapling, the relevant components of the Stapled Securities cease to be stapled. If the determination is made to unstaple the Stapled Securities, the Stapling Provisions will cease to apply in respect of each Stapled Security which is to be unstapled; and

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

- (**Powers of Attorney**) each member of ASPT and ASOL irrevocably appoints the Stapled Entity as its agent and attorney to execute all documents and do all things which it reasonably considers are necessary or desirable to be executed or done on behalf of the member to give effect to a stapling proposal and/or the Stapling Provisions or any transactions contemplated by them or with respect to certain other stapling matters (such as capital re-allocations between the Stapled Entities).

16.1.1 ASPT Constitution

ASPT is a managed investment scheme and the main rules governing its operation are set out in the ASPT Constitution. The Corporations Act, exemptions and declarations given by ASIC, the Listing Rules (subject to waivers) and the general law of trusts are also relevant to the rights and obligations of ASFML (as responsible entity of ASPT) and the Stapled Securityholders (as ASPT members).

Set out below is a summary of some of the provisions of the ASPT Constitution that deal with the respective rights and obligations of Stapled Securityholders. As stated above, this summary is not intended to be exhaustive and is qualified by the ASPT Constitution and the Corporations Act, exemptions and declarations by ASIC, the Listing Rules, waivers by ASX and the general law.

- (**Terms of ASPT Units**) The beneficial interest in ASPT is divided into ASPT Units. Subject to the terms of issue, every ASPT Unit confers an equal interest in ASPT but not an interest in any particular part of ASPT.
- (**Issue of ASPT Units**) The responsible entity can issue new ASPT Units at the price and on the terms determined in accordance with the ASPT Constitution. The ASPT Constitution requires the responsible entity to comply with certain requirements in relation to any pro rata rights issues and any placements or security purchase plans. The responsible entity has the power to issue options (including performance rights) to acquire the ASPT Units subject to certain requirements set out in the ASPT Constitution.
- (**Income and distribution to Stapled Securityholders**) Subject to the terms of issue of particular ASPT Units, ASPT members are generally entitled to share in income and capital distribution in proportion to the number of ASPT Units they hold.

  Distributable income, if any, will be paid as the responsible entity determines in its discretion provided that the distributable income for a distribution period can be no less than the net income of ASPT for that period.

  The responsible entity may at any time adopt and implement a number of plans, on terms it determines, by which ASPT members may choose to elect to receive ASPT Units rather than income or capital.
- (**Transfer of ASPT Units**) Subject to the Corporations Act and the Listing Rules, while the Stapled Securities are quoted for trading on ASX, they may be transferred by any method permitted by the operating rules of ASX's clearing and settlement facility, the Corporations Act, ASX or ASIC.
- (**Withdrawal**) Subject to the ASPT Constitution, the responsible entity is not obliged to redeem or buy-back any ASPT Units. ASPT Units may not be redeemed while ASPT is Listed, except by way of a buy-back or withdrawal offer. While ASPT Units are Officially Quoted, subject to the Corporations Act and the Listing Rules, the responsible entity may make a withdrawal offer to holder of ASPT Units.
- (**Buy-back of ASPT Units**) While ASPT is Listed, the responsible entity may, subject to the Corporations Act and the Listing Rules, buy-back ASPT Units and cause such purchased units to be cancelled, provided that any Attached Securities are also the subject of a contemporaneous buy-back and cancellation. No redemption price is payable on cancellation of the ASPT Units.
- (**Powers and delegation**) The responsible entity has powers in respect of ASPT as if it were the absolute owner of the assets of ASPT, including:
  - to invest, deal or borrow money;
  - to enter into any form of contract and incur all types of obligations and liabilities;
  - grant all types of security, guarantee liabilities, make loans, and fetter future discretion;
  - to engage agents and appoint delegates in the exercise of its powers; and
  - subject to the Corporations Act and the terms of any ASIC relief instrument, to appoint one or more custodians to hold title to some or all of the assets of ASPT.
- (**Meetings**) While ASPT is a registered managed investment scheme, Stapled Securityholders' rights to requisition, attend and vote at meetings are as prescribed by the Corporations Act. Subject to the Corporations Act and the ASPT Constitution, the responsible entity shall conduct meetings in its discretion.

- (**Rights and limitation of liability of the responsible entity**) The responsible entity may hold ASPT Units and deal with itself in relation to the assets of ASPT in different capacities. Subject to the Corporations Act, the conditions of any relief and the terms of the ASPT Constitution, the responsible entity may do any act, matter or thing contemplated by the Stapling Provisions even if it has an interest in the outcome of such exercise.

  Subject to the Corporations Act, except in the case of its own fraud, negligence, breach of duty or breach of trust, the responsible entity will not be liable to ASPT members to any greater extent than the extent to which it is entitled to be and is in fact indemnified for such liability out of the assets of ASPT.

- (**responsible entity's indemnities**) The responsible entity is entitled to be indemnified out of the assets of ASPT for any liability incurred by it in properly performing its duties in relation to ASPT.

  This indemnity continues after the responsible entity retires or is removed as responsible entity of ASPT.

- (**Stapled Securityholders' liability**) Subject to the ASPT Constitution and in the absence of a separate agreement with the responsible entity, no ASPT member will be personally liable to the responsible entity or any creditor of ASPT.

- (**Fees and expenses**) The ASPT Constitution entitles the responsible entity to a management fee payable from the assets of ASPT equal to 0.40% per annum of GAV (plus GST). This fee is calculated and accrued daily and payable within 21 days of the end of each month (or such later time as the responsible entity determines). For so long as the ASPT Units are stapled to the ASOL Shares and the Management Services Agreement remains in place, this management fee is reduced to the extent of any management fee paid by ASOL to the Manager under the Management Services Agreement in respect of the relevant period.

  All expenses incurred by or on behalf of the responsible entity in the proper performance of its duties may be reimbursed out of the assets of ASPT on a full indemnity basis. The responsible entity may waive the fee it is entitled to or decide not to seek reimbursement for expenses at its absolute discretion.

- (**GST**) The responsible entity may increase the consideration for any taxable supply in connection with its rights and obligations under the ASPT Constitution by the amount of any GST payable on that supply. The responsible entity is entitled to be paid or reimbursed that GST out of the assets of ASPT.

- (**Small holdings**) If the responsible entity determines that an ASPT member is a holder of ASPT Units the aggregate of which at the relevant date is less than a marketable parcel (as that term is defined in the Listing Rules) (**Relevant Units**), then the responsible entity may give a notice to that ASPT member stating that unless the ASPT member gives notice to the responsible entity by a date not less than 45 days after the date of the responsible entity's notice, then the Relevant Units are liable to be sold or disposed of.

  Where the responsible entity proposes to divest any Relevant Units following that notice, the responsible entity must publish in a newspaper (circulating generally in the area in which that ASPT member has its address) the intention to divest the Relevant Units of that ASPT member and the responsible entity must also give a second notice of intention to divest the Relevant Units to that ASPT member that the Relevant Units are liable to be divested on a day which is not less than 25 days after the date of giving of that second notice.

  The responsible entity may following that period divest of the Relevant Units on the terms and in the manner and at the time the responsible entity determines. The proceeds of the divesture are to be held on trust by the responsible entity for that ASPT member and the responsible entity must deal with those proceeds as instructed by that ASPT member provided that the ASPT member accompanies that instruction with the certificate for the Relevant Units (or a certificate that it has been lost or destroyed if such a certificate was issued).

- (**Amendment**) Subject to the Corporations Act, the responsible entity may amend the ASPT Constitution, whether with prospective or retrospective effect. Where the ASPT Constitution is amended by a resolution of ASPT members, the responsible entity may execute a supplementary deed incorporating those amendments.

  The consent of each other Stapled Entity must be obtained to any amendment to the ASPT Constitution which:

  — directly affects the terms on which ASPT Units are stapled; or

  — removes any restriction on the transfer of a Stapled Security if that restriction also exists for all other stapled Attached Securities unless that restriction is simultaneously removed for all other stapled Attached Securities.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

16.1.2 ASOL Constitution

The ASOL Constitution sets out the terms of the ASOL Shares which bind ASOL and the ASOL members. A general summary of the some of the important features and rights attaching to the ASOL Shares and other key provisions of the ASOL Constitution are set out below. As stated above, this summary is not intended to be exhaustive and is qualified by the ASOL Constitution and the Corporations Act, exemptions and declarations by ASIC, the Listing Rules, waivers by ASX and the general law.

- (**General**) ASOL is incorporated in Australia and is governed by the laws of Australia, in particular, the Corporations Act.
- (**Stapling**) The ASOL Constitution provides that the Stapling Provisions take effect if determined by the ASOL board and on and from the date so determined.
- (**Meeting of members**)
  - Annual general meetings of ASOL members are to be held in accordance with the Corporations Act. The ASOL board may convene and arrange to hold a general meeting whenever they think fit and must do so if required to do so under the Corporations Act.
  - Each ASOL member will receive notice of general meetings and be entitled to attend, speak and vote at any general meetings in accordance with the Corporations Act. Currently, under the Corporations Act, a notice of a general meeting must be provided to members at least 28 days before the meeting.
  - A meeting of ASOL members may be convened and held either at a physical location, by the means of technology or other communication facilities permitted by the Corporations Act or by a combination of those methods.
- (**Voting**) Subject to the Corporations Act, any rights or restrictions attached to any class or classes of ASOL Shares and to the ASOL Constitution:
  - a vote taken at a meeting of ASOL members must be taken on a poll and not on a show of hands (unless the chairperson of the meeting determines that such a vote must be by way of show of hands);
  - on a show of hands, each individual who is entitled to vote has only one vote regardless of how many members the individual represents; and
  - on a poll, each fully paid share carries one vote, whether held by the individual or held by members for whom the individual is the recognised proxy, attorney or corporate representative.
- (**Issue of Shares and Options**) Subject to the ASOL Constitution, the Corporations Act, the Listing Rules and any special rights conferred on the holders of any Stapled Securities or ASOL Shares, the ASOL board may:
  - allot, grant options over, or otherwise dispose of ASOL Shares as the ASOL board thinks fit;
  - grant options over unissued ASOL Shares; and
  - settle the manner in which fractions of a ASOL Share are to be dealt with.
- (**Small holdings**) If the ASOL board determines that an ASOL member is a holder of ASOL Shares the aggregate of which at the relevant date is less than a marketable parcel (as that term is defined in the Listing Rules) (**Relevant Shares**), then the ASOL board may give a notice to that ASOL member stating that unless the ASOL member gives notice to the ASOL board by a date not less than 45 days after the date of the ASOL board's notice), then the Relevant Shares are liable to be sold or disposed of.

  Where the ASOL board proposes to divest any Relevant Shares following that notice, the ASOL board must publish in a newspaper (circulating generally in the area in which that ASOL member has its address) the intention to divest the Relevant Shares of that ASOL member and the ASOL board must also give a second notice of intention to divest the Relevant Shares to that ASOL member that the Relevant Shares are liable to be divested on a day which is not less than 25 days after the date of giving of that second notice.

  The ASOL board may following that period divest of the Relevant Shares on the terms and in the manner and at the time the ASOL board determines. The proceeds of the divesture are to be held on trust by ASOL for that ASOL member and the ASOL board must deal with those proceeds as instructed by that ASOL member provided that the ASOL member accompanies that instruction with the certificate for the Relevant Shares (or a certificate that it has been lost or destroyed if such a certificate was issued).
- (**Transfer of Shares**) Subject to the ASOL Constitution and the Listing Rules, the ASOL Shares are transferable in any manner method of transfer which is required or permitted by the Corporations Act and ASX.

- (**Board**) The management and control of ASOL and of the business and affairs of ASOL is vested in the ASOL board who may exercise all such powers of ASOL and do all such acts or things as are not by the ASOL Constitution or by the Corporations Act expressly required to be exercised or done by a meeting of members.

  The number of directors on the board is not to be more than 12 and not less than 3. There is no share qualification for directors.

  To the extent permitted under the Listing Rules (including pursuant to a waiver, confirmation or exemption by ASX), no director (except the continuing managing director) may retain office without submitting himself or herself for re-election for more than 3 years (or until the conclusion of the third annual general meeting following his or her last election, whichever is the longer).

  To the extent that the Listing Rules require an election of directors to be held and no director would otherwise be required to submit for election or re-election, the director to retire and stand for re-election is any director who wishes to retire and stand for re-election, otherwise it is the director who has been longest in office since their last election or appointment (excluding the continuing managing director). As between 2 or more directors who have been in office an equal length of time without re-election, the director or directors to retire must, in default of agreement between them, be decided by the secretary by lot. Such agreement or decision, when confirmed in writing by the secretary to the directors concerned, may not be varied or revoked unless all the directors concerned agree. A retiring director is eligible for re-election.

  Subject to the Listing Rules and to the extent permitted by applicable law, a meeting of ASOL members may, by ordinary resolution, approve a fixed sum that may be paid in each financial year of ASOL as group directors' fees. The sum determined at that meeting does not include: (i) remuneration in the form of share, option or other equity plans approved separately by members; or (ii) or certain other payments such as expenses of directors incurred in connection with the business of ASOL and additional remuneration for extra services performed by a director.

  Subject to the provisions of any agreement entered into in a particular case, the remuneration of a managing director or other director appointed to an executive office, may at any time be fixed by the directors. Such remuneration may be by way of fixed salary, participation in profits of ASOL or of any other company in which ASOL is interested, or by any or all of those modes but, while ASOL is Listed, must not be by way of commission on, or percentage of, the operating revenue of ASOL.

  Questions arising at an ASOL board meeting will be decided by a majority vote. The chairman of the meeting has a casting vote, unless only two directors present are entitled to vote on the particular question.

- (**Officers' Indemnities**) The ASOL Constitution provides for the indemnification of any current or former officers of ASOL or its related bodies corporate (including subsidiaries). That indemnity applies (amongst other things) against any liability incurred by that person in that capacity.

- (**Dividends**) Subject to the Corporations Act, the ASOL Constitution and the terms of issue or rights of any ASOL Shares with special rights to dividends, the ASOL board may at any time:

  — determine or declare a dividend is payable;

  — fix the amount, record date and time and date for payment; and

  — authorise the payment or crediting by ASOL at the direction of each ASOL member entitled to that divided.

  The ASOL board may rescind or alter any such determination or declaration at any time before payment is made.

  The ASOL board may deduct from any dividend payable to a Stapled Securityholder any sums presently payable by that Stapled Securityholder to ASOL on account of calls or otherwise in relation to ASOL Shares.

  When resolving to pay a dividend, the ASOL board may:

  — direct such payment from any available source permitted by law;

  — resolve that the dividend be satisfied either wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend, including shares, debentures, debenture stock, units or other securities of ASOL or any other entity;

  — direct that the dividend payable in respect of any particular ASOL Shares be satisfied either wholly or partly by distribution of specific assets, and that the dividend payable in respect of other ASOL Shares be paid in cash; and

  — subject to the Listing Rules, direct payment to particular ASOL members wholly or partly out of any particular fund or reserve or out of profits derived from any particular source, and to the other ASOL members wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

16.2 Implementation Deed

AGHL, AGPL, AFML as responsible entity of AIT and AT, ASOL and the ASPT Responsible Entity have entered into the Implementation Deed. The Implementation Deed sets out the procedures to be followed to implement the Proposal and other related matters.

Agreement to implement the Proposal

The parties agree to take all steps reasonably necessary to implement the Proposal, subject to their constitutions, the Implementation Deed, and applicable laws. This includes using reasonable endeavours to ensure satisfaction of the Conditions Precedent.

Conditions Precedent

The implementation of the Proposal is subject to the satisfaction (or, in some cases, waiver) of the following Conditions Precedent:

- (**Regulatory approvals**) ASIC, ASX, the FIRB and any other regulatory authority providing such consents or approvals (either unconditionally or on conditions reasonably satisfactory to the Abacus Property Group Board) or having done such other acts which the parties agree are reasonably necessary or desirable to implement the Proposal, and such consents or approvals are not revoked, before 10.00am on the Effective Date;
- (**Abacus Property Group Securityholder approval**) Abacus Property Group Securityholders approve each Resolution at the Meeting by the requisite majorities;
- (**ASX Listing approval**) ASX approves the ASX Listing of Abacus Storage King (subject to any conditions acceptable to the parties) by 10.00am on the Effective Date;
- (**Offer**) the Offer not having been withdrawn by the Abacus Storage King Entities, and the Underwriting Agreement not having been terminated or any condition precedent in the Underwriting Agreement not having become incapable of satisfaction, as at 10.00am on the Effective Date; and
- (**No restraint**) no restraint or prohibition issued or imposed by a court or other regulatory authority being in effect as at 10.00am on the Effective Date that prohibits, materially restricts, makes illegal or restrains implementation of the Proposal.

The FIRB approval and Abacus Property Group Securityholder approval Conditions Precedent cannot be waived. The other Conditions Precedent can only be waived (in whole or in part) by written agreement between the parties to the Implementation Deed.

Termination

A party may terminate the Implementation Deed by notice in writing to the other parties prior to 10.00am on the Effective Date if:

- the Proposal has not completed on or before 31 October 2023 or such later date agreed by the parties (**End Date**) and the parties cannot reach agreement on extension of the relevant date for satisfaction of the Condition Precedent or the End Date (as applicable) within 5 business days;
- a Condition Precedent is not satisfied or becomes incapable of satisfaction and, where applicable, has not already been waived, and the parties cannot reach agreement on extension of the relevant date for satisfaction of the Condition Precedent or the End Date within 5 business days; or
- another party is in material breach of its obligations under the Implementation Deed which is not remedied within 10 business days (or such shorter period ending at 10.00am on the Effective Date) of receiving notice of the breach.

The Implementation Deed may also be terminated by written agreement of the parties at any time before all of the Conditions Precedent are satisfied or, where applicable, waived in accordance with the Implementation Deed.

Separation Principle

The separation principle underlying the Proposal is that, as between the parties, on and from De-stapling Implementation:

- Abacus Storage King will have the entire economic benefit and risk and liabilities of the Self Storage Assets and Business (and any similar former business) as if it had owned and operated those businesses at all times, and none of the economic benefit or risk or liabilities of the Commercial Assets and Business (or any similar former business); and
- the Abacus Group will have the entire economic benefit and risk and liabilities of the Commercial Assets and Business (and any similar former business)as if it had owned and operated those businesses at all times, and none of the economic benefit or risk or liabilities of the Self Storage Assets and Business (or any similar former business), except:

- in respect of any Abacus Group Member acting in its capacity as responsible entity or trustee of an Abacus Storage King Group Member (including ASFML as responsible entity of ASPT); or
- under, or in connection with, any written agreement between an Abacus Group Member and an Abacus Storage King Group Member that is operative at, or entered into on or after, De-stapling Implementation (including the Management Services Agreement, Development Management Agreement, Property Management Agreement and Investment Management Agreement).

Separation indemnity

Subject to the regimes for responsibility for the Offer and information in the disclosure documents (described below), each of the Abacus Storage King Entities and each of the Abacus Group Entities gives certain indemnities to the other (and its respective group members, officers and employees) required to give effect to the separation principle.

On and from De-stapling Implementation:

- each Abacus Storage King Entity indemnifies the Abacus Group (except any Abacus Group Member acting in its capacity as responsible entity or trustee of an Abacus Storage King Group Member) and its officers and employees for any liabilities incurred by it (whether arising before, on or after De-stapling Implementation) in connection with the ownership and/or conduct of the Self Storage Assets and Business (and any similar former business) prior to De-stapling Implementation or any guarantees, indemnities or other forms of financial support given by, or requested to be given by, an Abacus Group Member to third parties or an Abacus Storage King Group Member, to the extent they relate to those businesses; and
- each Abacus Group Entity (except to the extent it is acting in its capacity as responsible entity or trustee of an Abacus Storage King Group Member) indemnifies Abacus Storage King and its officers and employees for any liabilities incurred by it (whether arising before, on or after De-stapling Implementation) in connection with the ownership and/or conduct of the Commercial Assets and Business (and any similar former business) prior to De-stapling Implementation or any guarantees, indemnities or other forms of financial support given by, or requested to be given by, an Abacus Storage King Group Member to third parties or an Abacus Group Member, to the extent they relate to those businesses.

Mutual Releases

Consistent with the separation principle, on and from De-stapling Implementation, neither Abacus Storage King nor Abacus Group will have any right to make any claim against the other, and releases the other from any liability arising directly or indirectly, in relation to:

- the Proposal;
- any dealings between Abacus Storage King and Abacus Group prior to De-stapling Implementation; or
- the ownership and/or conduct of the Self Storage Assets and Business or any similar former business (in the case of Abacus Storage King) or the Commercial Assets and Business or any similar former business (in the case of Abacus Group) prior to De-stapling Implementation,

unless provided for in, or in connection with breach of, a Transaction Document, a document entered into in connection with Completion of the Proposal or a written agreement between an Abacus Group Member and an Abacus Storage King Group Member that is operative at, or entered into on or after, De-stapling Implementation.

The above releases are subject to, and exclude, the regimes for responsibility for the Offer and information in the disclosure documents (described below).

Responsibility for the Offer

The parties acknowledge and agree that, as between the Abacus Group Entities and the Abacus Storage King Entities, the Abacus Storage King Entities are solely responsible for the Offer. To give effect to this principle:

- each Abacus Storage King Entity indemnifies the Abacus Group (except any Abacus Group Member acting in its capacity as responsible entity or trustee of an Abacus Storage King Group Member) and its officers and employees in respect of any claims against, or any liabilities incurred by, it in connection with the Offer, the Underwriting Agreement and the Mandate Letter (to the extent it relates to the Offer), except to the extent caused or contributed to by a breach of such documents or the Implementation Deed by, or any fraud, negligence or wilful misconduct of, an Abacus Group Member or its officers and employees; and
- each Abacus Group Entity indemnifies Abacus Storage King and its officers and employees in respect of any claims against, or any liabilities incurred by, it in connection with any breach of the Underwriting Agreement or the Mandate Letter (to the extent it relates to the Offer) by an Abacus Group Member or its officers and employees, except to the extent caused or contributed to by a breach of such documents or the Implementation Deed by, or any fraud, negligence or wilful misconduct of, an Abacus Storage King Group Member or its officers and employees.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

Transaction Booklet

The parties agree that any liability that arises from an Information Claim in relation to the Transaction Booklet or another disclosure document (other than reports issued by, or information attributable to, third parties) will be borne:

- jointly in respect of information for which the parties agree they are jointly responsible (being information that is both ABG Information and ASK Information);
- by the Abacus Storage King Entities only to the extent the Information Claim relates to information for which the parties have agreed the Abacus Storage King Entities will be solely responsible (which, for this Transaction Booklet, is as set out in the Responsibility Statement and, for other disclosure documents in connection with the Proposal, in accordance with similar principles as set out in the Responsibility Statement); and
- by the Abacus Group Entities only to the extent the Information Claim relates to information for which the parties have agreed the Abacus Group Entities will be solely responsible (which, for this Transaction Booklet, is as set out in the Responsibility Statement and, for other disclosure documents in connection with the Proposal, in accordance with similar principles as set out in the Responsibility Statement).

The parties agree to indemnify each other (and their respective group members, officers and employees) against any liabilities arising from or in connection with an Information Claim in accordance with the regime for allocation of liability set out above, except to the extent the Information Claim arises from or in connection with the wilful misconduct or fraud of, or act of bad faith by, the other relevant Group or its officers or employees.

Without limiting the above, the Abacus Group Entities provide an additional indemnity in favour of each Abacus Storage King Independent Director against any liabilities arising from or in connection with an Information Claim in relation to information in a disclosure document issued in connection with the Proposal which relates solely to the Commercial Assets and Business (or any similar former business) or any Abacus Group Member and any information in relation to Abacus Property Group that is derived from such information (to the extent it is so derived).

Post Completion alignment of ASFML and ASOL Boards

On and from the Abacus Storage King Board being reconstituted on or as soon as practicable after the De-stapling Implementation Date, and for so long as the ASPT Units and ASOL Shares are stapled to each other and the ASPT Responsible Entity is the responsible entity of ASPT, each of ASOL and ASFML (and, for so long as the ASPT Responsible Entity is a wholly-owned subsidiary of Abacus Group, the Abacus Group Entities) will use reasonable endeavours to maintain the same directors on the board of directors of each of ASOL and the ASPT Responsible Entity. However, where there is a change in any director on the board of directors of ASOL and the ASPT Responsible Entity, it will be reasonable for the parties to comply with this obligation within 3 months of the relevant change (during which time there must be at least a majority of common directors).

If another wholly owned subsidiary of an Abacus Group Entity replaces the ASPT Responsible Entity as responsible entity of ASPT, ASOL and the Abacus Group Entities must ensure that ASOL and the incoming responsible entity agree to be bound by obligations on substantially the same terms with respect to the incoming responsible entity.

Insurance

Each party agrees to maintain insurance in respect of the Abacus Property Group until De-stapling Implementation. The Implementation Deed sets out obligations of each party following De-stapling Implementation in relation to maintenance of insurance cover for directors and officers insurance and public liability insurance and processes for managing certain insurance claims. Refer to Section 16.3.6 for further details regarding these insurance arrangements.

Incentive plan arrangements

The parties have agreed to certain arrangements which give effect to the proposed treatment of the Abacus Property Group Incentive Awards described in Section 4.9.2.

Trustee limitation of liability

The liability of each of AFML and the ASPT Responsible Entity arising under or in connection with the Implementation Deed is limited to the extent it can be satisfied out of the assets of the relevant trust for which it is acting as responsible entity and for which it is actually indemnified for the liability, except to the extent there is a reduction in the extent of its indemnification out of the assets of the trust under the constitution or by operation of law (including as a result of AFML or the ASPT Responsible Entity's fraud, negligence, breach of duty or breach of trust).

Proposal costs

Each of Abacus Group and Abacus Storage King is responsible for paying the Proposal costs allocated to it in the Proposal budget and indemnifies the other in respect of Proposal costs for which they are responsible.

16.3 Related Party Arrangements

The implementation of the Proposal and the ongoing management and operation of Abacus Storage King necessarily involve a number of related party arrangements. Section 8.3.1 provides an overview of these arrangements. Summaries of the key terms of these arrangements are set out below.

16.3.1 Management Services Agreement

ASFML (**Manager**), ASOL and Storage King will enter into the Management Services Agreement on De-stapling Implementation to appoint ASFML as the manager to provide certain services to ASOL under the Management Services Agreement.

To enable the Manager to perform its obligations under the Management Services Agreement, the Manager has appointed Storage King to provide certain services to the Manager. The Manager's role under the Management Services Agreement is limited to providing the manager services and, where relevant, is conditional on Storage King providing to the Manager the information and operational functions required by the Manager to provide the manager services. Due to the internal capability of ASOL and its subsidiaries (including Storage King), which undertake a range of operational functions such as store performance management, marketing and general site maintenance, ASOL and its subsidiaries undertake these functions autonomously and do not require the Manager's assistance in doing so (beyond those manager services agreed in accordance with the Management Services Agreement).

Services

The Manager is responsible for providing various services to ASOL and its subsidiaries (**Manager Services**), including but not limited to:

- (**corporate strategy**) formulating ASOL's strategy (including budgets and business plan) for approval by the ASOL board and strategic recommendations to ASOL;
- (**advisors**) engaging relevant advisers on behalf of ASOL or its subsidiaries, as it relates to the Manager's provision of the manager services from time to time;
- (**operational decisions**) formulating operational policies and standards and implementing material operating decisions with respect to ASOL and its subsidiaries (which will include the seeking of ASOL board approval where required);
- (**investments**) identifying investment opportunities for ASOL and its subsidiaries (including potential acquisitions by the Storage King business);
- (**capital expenditure**) preparing and delivering capital expenditure plans;
- (**divestments**) identifying exit and divestment opportunities for ASOL and its Subsidiaries' assets;
- (**risk management and compliance plan**) oversight of the compliance over policies and procedures, corporate governance issues and the risk management framework;
- (**insurance**) arranging for an insurance broker to procure that ASOL's and its Subsidiaries' assets (including the Storage King business) are insured in accordance with customary market practice and standards, having regard to terms available from insurers and cost factors (noting that the Manager will not perform any insurance claims handling service);
- (**valuations**) arranging for valuations of ASOL's and its Subsidiaries' assets to occur as required by any applicable law, the Listing Rules and as otherwise requested by ASOL;
- (**finance, accounting and tax services**) providing finance, accounting and tax services including, monthly management accounts with supporting documentation, arranging for audit or review of annual and half year financial statements, and providing treasury management services and tax compliance services;
- (**ASOL and committee records**) maintaining corporate and governance records for ASOL and its Subsidiaries;
- (**board and committee meetings**) preparing and issuing on a quarterly basis notices of meetings, agendas, minutes, resolutions and other relevant documents;
- (**investor relations and marketing**) preparing investor communications and marketing material;

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

- (**capital raisings**) providing all services in connection with the raising of capital including the selection of advisers and the preparation of disclosure documents; and
- (**other services**) enabling ASOL to fulfil its tax obligations under the Implementation Deed.

Services to be provided by Storage King to the Manager include assisting the Manager on a variety of matters, including provision of source data for reporting, preparing a business plan for Storage King, providing customer engagement and store performance management, marketing and other tasks (including, but not limited to, operational activities in respect of human resources, culture, remuneration and so on).

Management fees and other consideration

The Manager is entitled to receive a management fee of 0.40% per annum of GAV (plus GST), calculated and accrued daily in consideration of the Manager providing the Manager Services (**Management Fee**). This management fee is reduced to the extent of any management fee paid to the ASPT Responsible Entity (being ASFML) under the ASPT Constitution in respect of the relevant period. The management fee is payable within 21 days of the end of each calendar month (or as otherwise agreed by ASOL and the Manager).

The Management Fee is in addition to any of the fees in the Development Management Agreement or the Property Management Agreement.

Storage King is not entitled to any fees under the Management Services Agreement, and the Manager is not entitled to any form of termination fee as a result of termination of the Management Services Agreement.

Costs and expenses

ASOL must pay, or reimburse, the Manager for all tax, costs, charges and expenses reasonably incurred by or on behalf of the Manager (including by any Supervised Persons (defined below)) in the course of its performance of its functions and duties under the Management Services Agreement (but excluding internal management costs and any sub-management fee payable under the Investment Management Agreement).

Term and termination

The Management Services Agreement commences on the date on the De-stapling Implementation Date and continues until terminated in one of the circumstances referred to below.

The Management Services Agreement automatically terminates upon the Manager ceasing to be the responsible entity of ASPT (including as a result of being removed pursuant to a resolution by ASPT unitholders) where the replacement responsible entity is not an Abacus Group Member.

The Manager can terminate the Management Services Agreement:

- on 10 business days' notice to ASOL and Storage King if ASOL or Storage King disposes of all or substantially all its business; or
- with immediate effect by notice to ASOL and Storage King if an event of default (i.e. a material breach (or a series of breaches in any 12 month period which, when viewed together, are material) which is not remediable or not remedied within the prescribed period) occurs in respect of ASOL or Storage King or ASOL or Storage King becomes insolvent.

ASOL can terminate the Management Services Agreement:

- on 10 business days' notice to the Manager if ASOL disposes of all or substantially all of its business; or
- with immediate effect by notice to the Manager if an event of default (i.e. material breach (or a series of breaches in any 12 month period which, when viewed together, are material) which is not remediable or not remedied within the prescribed period) occurs or the Manager becomes insolvent.

On termination or expiry of the Management Services Agreement, the Manager must for up to 6 months after termination or expiry (or such other period as the parties agree):

- co-operate with ASOL and any successor service provider appointed by ASOL, as is reasonably necessary to ensure a smooth transition of the Manager Services from the Manager to ASOL (or to the successor service provider) and reasonable continuity of the Manager Services; and
- give ASOL all data held by it, and access to all records in its possession which relate to the Manager Services, and are the property of ASOL.

Amendment

The Management Services Agreement may only be amended, in writing signed by all of the parties. If ASX considers an amendment to be material, it will require the approval of Abacus Storage King Securityholders by way of an ordinary resolution.

Powers and discretions

The Manager may provide recommendations to ASOL in accordance with the terms of the MSA, including in relation to:

- investment and divestment opportunities for ASOL and its subsidiaries;
- human resources, culture, remuneration, work health and safety, risk, legal, compliance, finance and treasury, information technology, sustainability and operational matters (including marketing, customer and franchisee management and centre maintenance/facilities management/capital expenditure);
- the appointment of senior staff (executive and key management on the senior management team) and their remuneration (noting that the remuneration of non-senior staff employed within the Storage King business will be determined by Storage King); and
- compliance and corporate governance issues, including any likely or identified breaches of, or departures from various policies and procedures; and advising and making recommendations on the working capital of ASOL and its subsidiaries and processing capital expenditure payments.

The Manager may delegate and/or subcontract any portion of the Manager Services to any Abacus Group Member which has the appropriate qualifications, skills and experience and holds appropriate insurance (each such delegate and/or sub-contractor being a **Supervised Person**). The Manager remains responsible for carrying out all of the Manager Services.

Any fees payable by the Manager to a Supervised Person (including, where applicable, AFML under the Investment Management Agreement) must be paid by the Manager in its personal capacity and is not recoverable from ASOL.

Management of potential conflicts

In providing the Manager Services, and performing its functions and duties under the Management Services Agreement, the Manager must comply with any relevant Constitution, the stapling deed between ASOL and ASPT and any relevant policies adopted by ASOL as notified to the Manager from time to time, including the Abacus Storage King Conflicts of Interest and Related Party Transactions Policy (the **Abacus Storage King Governing Documents**).

ASOL may not vary the Abacus Storage King Governing Documents without the written consent of the Manager, if doing so would impose materially greater obligations on the Manager. Such consent is not to be unreasonably withheld.

Indemnities

The following indemnities are present in the Management Services Agreement:

- each of ASOL and Storage King indemnify the Manager against all loss that the Manager and/or its Supervised Persons suffers or incurs from, or in connection with, the Manager Services and provision of related functions under, and in accordance with the Management Services Agreement, except for loss caused by any breach of the Management Services Agreement by, or fraud, negligence, breach of duty of the Manager and/or its Supervised Persons;
- Storage King indemnifies ASOL against all loss that ASOL suffers or incurs from, or in connection with, the Manager Services and provision of related functions under the Management Services Agreement, except for loss caused by any breach of the Management Services Agreement by, or fraud, negligence or, breach of duty of ASOL (and ASOL is not indemnified by the Manager against such loss); and
- the Manager indemnifies each of ASOL and Storage King against all loss that ASOL or Storage King (as applicable) suffers or incurs from, or in connection with, the Management Services Agreement to the extent the loss is caused by fraud, negligence or breach of duty of the Manager or a Supervised Person.

The Manager is not liable to ASOL or Storage King for any loss except for loss suffered or reasonably incurred by ASOL or Storage King caused by fraud, negligence, breach of duty or a breach of the Management Services Agreement (involving fraud, negligence, breach of duty) by the Manager or a Supervised Person.

Each party must notify the other as soon as practicable after becoming aware of any event that would allow it to make an indemnity claim. The parties must take reasonable steps to mitigate or avoid any loss for which it may make a claim.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

16.3.2 Development Management Agreement

AFML (the **Development Manager**), ASFML as the ASPT Responsible Entity and ASOL (together the **Principal**) will enter into the Development Management Agreement (**Development Management Agreement**) on De-stapling Implementation to appoint the Development Manager to provide certain development management and project management services to ASPT and ASOL in relation to the development or expansion of properties owned by Abacus Storage King.

If the Principal intends to carry out additional developments/expansions in respect of properties or projects that were not originally listed in the Development Management Agreement at the commencement date, the Principal agrees to appoint the Development Manager to provide the development management and project management services in respect of those additional projects and the properties.

Services

The Development Manager is responsible for providing development management services and project management services to ASFML and ASOL, including but not limited to:

- (**preparation of a design brief**) assisting with preparation of the design briefs and conceptual designs;
- (**structuring and commercial feasibility**) providing recommendations, preparing feasibilities and providing transaction structuring advice;
- (**development program**) preparing and updating development programs;
- (**government agency approvals and project procurement**) overseeing government agency approvals and design and construction procurement requirements;
- (**tender and construction process**) coordinating and managing tender and construction process up until the end of the builder's defect liability period;
- (**project supervision and administration**) providing project supervision and administration services;
- (**regular reports**) preparing regular reports on all aspects of the projects;
- (**maintenance of records and accounting**) keeping and maintaining all records, registers, accounting and other records in connection with the projects and notifying the Principal of any events causing delay or matters potentially affecting consultant performance;
- (**project budget reports**) preparing reports for the project budget including cashflow analysis and forecasts monitoring project progress against budgeted estimates;
- (**financial administration of the project**) keeping accounts and records and preparing financial reports;
- (**financial management**) preparing project budgets (to be approved by the Principal) and liaising with financiers;
- (**information**) managing, producing and providing information including cashflow projections;
- (**insurance**) placing and maintaining insurances;
- (**completion of reports in respect of disputes**) completing reports regarding industrial negotiations, disputes or disturbances;
- (**management**) assisting with matter management including providing contract administration;
- (**during works**) monitoring the issuing of certificates and notices, contractual administration, surveying and certifying as well as the performance of contractors and consultants;
- (**post completion works**) liaising with the superintendent regarding defects and arranging rectifications; and
- (**other services**) other services required by the Principal from time to time as agreed by the Development Manager in writing.

The Development Manager has the power to incur development costs as set out in the project budget or approved by the Principal, appoint service providers to provide services requested by the Principal but which fall outside the scope of the Development Manager's services and, with approval from the Principal, subcontract any proportion of the required services under the DMA, provided that the Development Manager remains responsible for carrying out all of the services.

Management Fees and other considerations

The Development Manager is entitled to receive:

- a fixed fee of $100,000 (plus GST) for the planning work up to lodgement of the development application (**Fixed Fee**); and
- in respect of a development or an expansion project, fees equal to 5.0% of TDC up to $2.5 million and 3.0% of the TDC above $2.5 million for the works commencing from lodgement of the development application (**Development/Expansion Project Management Fees**) (plus GST).

The Fixed Fee is payable within 14 days of lodgement of the development application for the relevant project.

The Development/Expansion Project Management Fees are payable in stages, with the relevant stage amounts being payable within 14 days of certain milestone dates. Each of the fee stage payments will be calculated based on the estimated development costs included in the project budget. The final stage payment will be calculated based on the actual total development costs at completion of the project less the sum of the amounts paid to the Development Manager in respect of the previous milestones.

The fees payable in respect of any other additional services provided by the Development Manager that are not set out in the Development Management Agreement, are subject to the approval of the Principal.

Costs and Expenses

The Development Manager is entitled to be indemnified and reimbursed for all reasonable and documented out-of-pocket third-party costs as outlined in the project budget or as otherwise approved in writing by the Principal. These costs must be reasonably incurred in the course of the Development Manager's performance of its services and duties under the Development Management Agreement.

Terms and Termination

The Development Management Agreement commences on the date on which Abacus Group Members and Abacus Storage King Group Members cease to be part of the same stapled group and continues until the earlier of:

- the expiry date, which is the date that is 10 years after the commencement of the Development Management Agreement;
- the date on which Abacus Storage Funds Management Limited ceases to be the responsible entity of ASPT and the replacement entity is not an Abacus Group Member;
- the date on which all of the properties cease to be owned by the Principal or an ASK Group Member or there ceases to be any properties or projects under the Development Management Agreement; and
- the date on which the Development Management Agreement is terminated in accordance with its terms.

The Development Manager may terminate the Development Management Agreement:

- immediately if ASFML or ASOL suffers an Insolvency Event, as defined in the Development Management Agreement;
- on 6 months' notice to the Principal;
- on 7 days' notice to the Principal if either Owner is in material breach of the performance of their obligations under the Development Management Agreement, and the breach is not capable of remedy; or
- at any time by giving written notice to the Principal if either ASFML or ASOL is in material breach of the performance of its obligations under the Development Management Agreement (where the breach is reasonably capable of remedy) and the breach has not been remedied within 60 days (or such longer period as agreed by the Development Manager) of notice in writing from the Development Manager,

in each case provided that the relevant event or circumstance has occurred solely by reason of an act or omission of the Principal and not as a result of any act or omission of the Development Manager or any Service Provider, as defined in the Development Management Agreement.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

The Principal may terminate the Development Management Agreement immediately by written notice to the Development Manager (within 45 days of becoming aware of the relevant event) if:

- the Development Manager suffers an Insolvency Event, as defined in the Development Management Agreement;
- a licence, permit or authorisation held by the Development Manager is materially breached, suspended, revoked or placed under conditions inhibiting the performance of obligations or functions under the Development Management Agreement, and the Development Manager does not remedy the breach, suspension, revocation or comply with the conditions within 60 days upon receiving notice from the Principal;
- any warranty given by the Development Manager ceases to be true and correct in any material respect;
- the Development Manager acts or fails to act to prevent a material breach or event of default under a financing document entered into by ASFML or ASOL;
- a "Cause" event occurs, such as the Development Manager committing material breach of the Development Management Agreement; or
- the Property Manager ceases to be an Abacus Group Member without the prior approval of ASFML and ASOL.

Upon termination of the Development Management Agreement, the Development Manager is, entitled to all fees (including the next Fixed Fee or milestone payment, as the case may be) and recoverable expenses accrued up to the termination (payable within 14 days of providing a tax invoice).

Upon termination of the Development Management Agreement, the Principal may direct the Development Manager to:

- deal with any aspect of the ownership or control of each property or a project;
- assign all agreements, guarantees and warranties relating to the project in the Development Manager's name to the Principal; and/or
- carry out other tasks that are reasonably necessary to end the Development Manager's appointment and appointing a successor.

The Development Manager must also deliver information to the Principal, including accounts, records, registers, correspondence, documents and assets relating to the Principal and the properties.

Additionally, upon termination of the Development Management Agreement, the Development Manager must at the cost of the Principal, co-operate with, and provide all reasonable assistance requested to enable a smooth transition of the performance of the services from the Development Manager to the nominated successor and continuity of Services.

The Development Manager must, unless of insolvency, continue to provide services requested by the Principal until the earlier of 2 months following the termination of the Development Management Agreement or until the completion of the transition of the services from the Development Manager to the nominated successor.

Amendment

The Development Management Agreement can only be amended in writing and signed by or on behalf of each party to the Development Management Agreement.

Indemnities

The following indemnities are present in the Development Management Agreement:

- the Development Manager indemnifies ASFML and ASOL against certain losses that ASFML and/or ASOL suffers or incurs from, or in connection with, the provision of the Services arising out of any negligence, fraud, wilful misconduct or breach of the Development Management Agreement on the part of the Development Manager, except to the extent the Loss is caused by any negligence, fraud, wilful misconduct or breach of the Development Management Agreement by ASFML or ASOL;
- ASFML and ASOL indemnify the Development Manager against certain losses that the Development Manager suffers or incurs from, or in connection with, the provision of the Services arising out of any negligence, fraud, wilful misconduct or breach of the Development Management Agreement on the part of ASFML and/or ASOL, except to the extent the Loss is caused by any negligence, fraud, wilful misconduct or breach of the Development Management Agreement by the Development Manager.

The indemnities above are subject to the parties' obligation to mitigate loss.

16.3.3 Property Management Agreement

APS (the **Property Manager**), ASFML as the ASPT Responsible Entity and ASOL (together, the **Principal**) will enter into the Property Management Agreement on De-stapling Implementation to appoint the Property Manager to manage certain Commercial tenancies within the Self Storage Properties owned by Abacus Storage King (**Property Management Agreement**). There are currently 19 commercial tenancies for which property management services will be provided under the Property Management Agreement.

Services

The Property Manager is responsible for providing various services to ASFML and ASOL (the **Property Manager Services**), including but not limited to:

- (**management**) managing, reviewing and monitoring each property for ASFML and ASOL.
- (**financial management**) preparing budgets, complying to financial reporting requirements and, by all reasonable endeavours, manage its responsibilities under the Property Management Agreement within the approved budgets.
- (**lease management**) liaising with prospective and existing tenants to negotiate leases and monitor compliance with the terms under these agreements, including collecting rent, accounting for outgoings, maintaining critical dates, monitoring tenants' obligations, inspecting each property and seeking ASFML's and ASOL's approval where required.
- (**services management**) managing and monitoring the performance of service contractors and, when necessary, managing the tendering process for new service contractors.
- (**property maintenance**) maintaining each properties in a good state of maintenance and repair.
- (**insurance**) ensuring that ASFML and ASOL and their respective Subsidiaries' assets are insured in accordance with law or customary market practice and, in the event of insurance claims, inform ASFML and ASOL and act in accordance their instructions.
- (**compliance**) complying, as reasonably practicable, and ensuring all directors, officers, workers, delegates, agents, subcontractors and consultants comply in a like manner, with all required laws and policies.

The Property Manager may, with the Principal's prior written approval, negotiate, enter into or surrender agreements to lease, leases or contracts pertaining to each property which are consistent with the Property Budget.

Management Fees and Other Considerations

In respect of each property, the Property Manager is entitled to receive a property management fee of 3.0% of the aggregate of Gross Property Income calculated monthly and payable in arrears in consideration of the Property Manager providing the Property Manager Services (the **Property Management Fee**) (plus GST), plus recovery of facilities management costs for property management on Commercial tenancies.[230] The Property Management Fee is payable within 14 days after the end of the month.

If the Property Manager negotiates a new lease, the Property Manager is entitled to 15% of face rent for the first year, and if an existing lease is renewed, the Property Manager is entitled to 7.5% of face rent for the first year (the **Property Management Leasing Fee**) (plus GST). The Property Management Leasing Fee is payable within 10 business days of receipt of an invoice from the Property Manager which may be provided within 30 days after the later of the date when the tenant occupies the premises, signs the lease in an approved form or, if applicable, provides the security (in the form of a security deposit or bank guarantee) required under the lease.

The provision of any services by the Property Manager in addition to the Property Manager Services set out in the Property Management Agreement, and any fees payable to the Property Manager in respect of such additional services, will be subject to the approval of ASFML and ASOL.

Costs and Expenses

The Property Manager is entitled to be indemnified and reimbursed for all reasonable and documented out-of-pocket third-party costs outlined in the budgets or approved in writing by ASFML and ASOL. These costs must be reasonably incurred in the course of the Property Manager's performance of its services and duties under the Property Management Agreement.

230. Commercial tenancies represent a small portion of Abacus Storage King Self Storage Properties. Property Management Fee plus recovery of facilities management costs estimated to be c.$260 thousand per annum.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

Term and termination

The Property Management Agreement commences on the date on which Abacus Group Members and Abacus Storage King Group Members cease to be part of the same stapled group and continues until the earlier of:

- the date on which the Property Management Agreement is terminated in accordance with its terms;
- the date on which Abacus Storage Funds Management Limited ceases to be the responsible entity of ASPT and the replacement responsible entity is not an Abacus Group Member;
- the date on which all of the properties cease to be owned by ASFML, ASOL or an Abacus Storage King Group Member or there ceases to be any properties managed under the Property Management Agreement; and
- the expiry date, which is 12 months after the commencement of the Property Management Agreement, subject to ASFML and ASOL's extension rights, under which ASFML and ASOL may extend the term of the Property Management Agreement by 12 months more than once.

The Property Manager may terminate the Property Management Agreement:

- immediately if ASFML or ASOL suffers from an "Insolvency Event", as defined in the Property Management Agreement;
- on 7 days' notice to ASFML and ASOL if there is a material breach of the performance of the obligations under the Property Management Agreement, and the breach is not capable of remedy; and
- at any time by giving written notice to ASFML and ASOL if a material breach (where the breach is reasonably capable of remedy) is not remedied within 60 days (or a longer period as agreed by the Property Manager) of receiving notice in writing from the Property Manager specifying the details of the breach.

The Principal may terminate the Property Management Agreement immediately (within 45 days of becoming aware of the relevant event) if:

- the Property Manager suffers from an Insolvency Event, as defined in the Property Management Agreement;
- a licence, permit or authorisation held by the Property Manager is materially breached, suspended, revoked or placed under conditions inhibiting the performance of obligations or functions under the Property Management Agreement, and the Property Manager does not remedy the breach, suspension, revocation or comply with the conditions within 60 days upon receiving notice from ASFML and ASOL;
- any warranty given by the Property Manager ceases to be true and correct in any material respect;
- the Property Manager acts or fails to act to prevent a material breach or event of default under a financing document entered into by ASFML or ASOL (or one of its subsidiaries);
- a "Cause" event occurs, such as the Property Manager committing a material breach of the Property Management Agreement; or
- the Property Manager ceases to be an Abacus Group Member without the prior approval of ASFML and ASOL.

ASFML and ASOL may also terminate the Property Manager's appointment in respect of a specific property or the Property Management Agreement with 2 months' notice.

Upon termination of the Property Management Agreement, ASFML and ASOL may direct the Property Manager to:

- deal with any aspect of the ownership or control of the properties;
- assign all agreements, guarantees and warranties pertaining to each property which are in the Property Manager's name to ASFML and ASOL; and
- carry out other tasks that are reasonably necessary to end the Property Manager's appointment which may include appointing a successor.

Upon termination of the Property Management Agreement, the Property Manager must:

- promptly surrender and deliver, as soon as reasonably practicable or at the direction of ASFML and ASOL, all contracts, documents, papers, leases, keys and access cards in connection with each property and provide all information to effect an orderly and systematic termination of the Property Manager's appointment and the appointment of any substitute manager; and
- at the cost of ASFML and ASOL, co-operate with, and provide all reasonable assistance requested to enable a smooth transition of the performance of the Property Manager Services from the Property Manager to the nominated successor and continuity of Services.

The Property Manager must, unless of insolvency, continue to provide services requested by the ASFML and ASOL until the earlier of 2 months following the termination of the Property Management Agreement or until the completion of the transition of the services from the Property Manager to the nominated successor.

Amendment

The Property Management Agreement can only be varied in writing and signed by or on behalf of each party to the Property Management Agreement.

Indemnities

The following indemnities are present in the Property Management Agreement:

- the Property Manager indemnifies ASFML and ASOL against all Loss (as defined in the Property Management Agreement) that ASFML and/or ASOL suffers or incurs from, or in connection with, the provision of the Services arising out of any negligence, fraud, wilful misconduct or breach of the Property Management Agreement on the part of the Property Manager, except to the extent the Loss is caused by any negligence, fraud, wilful misconduct or breach of the Property Management Agreement by ASFML or ASOL; and
- ASFML and ASOL indemnify the Property Manager against all Loss that the Property Manager suffers or incurs from, or in connection with, the provision of the Services arising out of any negligence, fraud, wilful misconduct or breach of the Property Management Agreement on the part of ASFML and/or ASOL, except to the extent the Loss is caused by any negligence, fraud, wilful misconduct or breach of the Property Management Agreement by the Property Manager.

The indemnities above are subject to the parties' obligation to mitigate loss.

16.3.4 Trade Mark Licence Deed

AGHL, the ASPT Responsible Entity, and ASOL (ASOL, together with the ASPT Responsible Entity, each a **Licensee** and together the **Licensees**) propose to enter into on De-stapling Implementation the Trade Mark Licence Deed. The Trade Mark Licence Deed documents the basis on which Abacus Storage King may use the Trade Marks (defined below).

Under the Trade Mark Licence Deed, AGHL is the owner of the Trade Marks and grants each Licensee the royalty-free right to use the Trade Marks in Australia and any other jurisdictions in which the Trade Marks is registered in respect of the Self Storage Assets and Business during the Term and in accordance with the terms of the Trade Mark Licence Deed.

AGHL also grants each Licensee the royalty-free right to use in Australia and any other jurisdictions in which the Trade Marks are registered during the Term, any company name, business name, entity name, social media account name, business networking account name and domain name that incorporates any Trade Mark registered to a Licensee or its subsidiary.

Use of the Trade Marks

The Trade Marks are:

- the trade mark ABACUS and the 'A' logo;
- any other mark, as agreed by the parties in writing; and
- any copyright in the above trade marks.

The Licensees may use the Trade Marks in Australia and any other jurisdictions in which a Trade Mark is registered.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

A Licensee is not prevented from using a Trade Mark:

- in the corporate promotion of Abacus Storage King as the owner of the Self Storage Assets and Business in communications with investors, potential investors and other debt and equity market participants outside Australia and any other jurisdictions in which the Trade Marks are registered; or
- as part of email addresses, as part of social media account names, as part of business networking account names, as part of domain names, on websites (including social media and business networking account pages), and in promotional materials or investor materials, notwithstanding that these items may be accessed or viewed by an audience which includes persons who are resident outside Australia and any other jurisdictions in which the Trade Marks are registered.

If a Licensee uses a Trade Mark outside Australia or any jurisdiction in which a Trade Mark is registered, it is that Licensee's responsibility to ensure the use will not infringe on the intellectual property rights of any third party in the relevant jurisdictions.

Term

The Trade Mark Licence Deed commences on and from De-stapling Implementation and continues until terminated, in the following instances.

AGHL may terminate Trade Mark Licence Deed immediately by written notice:

- with respect to a Licensee, if the Licensee commits a breach of Trade Mark Licence Deed and the breach:
  - is not capable of being remedied; or
  - is capable of being remedied and the defaulting party does not remedy it within 30 days of being notified to do so;
- with respect to ASPT, if ASFML ceases to be the responsible entity of ASPT and is not replaced by a wholly owned Abacus Group Member; or
- with respect to ASOL, if the Management Services Agreement is terminated in accordance with its terms.

Exclusivity

The rights granted to each Licensee under the Trade Mark Licence Deed are non-exclusive and AGHL may use or permit any other person to use any of the Trade Marks in relation to any goods or services.

A Licensee may not sub-licence some or all of its rights granted under the Trade Mark Licence Deed to any other person without the prior written consent of AGHL, except in limited circumstances where a person was already so licensed or sub-licensed immediately prior to commencement of the Trade Mark Licence Deed.

Where AGHL consents to a Licensee sub-licensing some or all of its rights under the Trade Mark Licence Deed, the sub-licence must include and be consistent with all relevant terms of the Trade Mark Licence Deed and must:

- not permit further sub-licensing by the sub-licensee; and
- automatically terminate on termination of the Trade Mark Licence Deed.

Each Licensee is responsible and liable for all acts and omissions of its sub-licensees as if they were acts and omissions of the Licensee.

Liability/Indemnity

Each Licensee indemnifies each Abacus Group Member against all liability, costs (including legal costs on a full indemnity basis), expenses, loss and damage suffered or incurred (or agreed to be paid by way of settlement or compromise) (**Liability**) by it as a result of any claim against the Abacus Group Member arising out of or in connection with the use of the Trade Mark by a Licensee or its sub-licensee to the extent that such claim arises out of a breach by the Licensee of its obligations under the Trade Mark Licence Deed, except to the extent that the claim results from:

- a defect in AGHL's title to the Trade Mark or its right to grant the licence to the Trade Mark pursuant to the Trade Mark Licence Deed; or
- a breach by AGHL of its obligations under the Trade Mark Licence Deed.

AGHL provides customary representations and warranties and indemnifies each ASK Group Member against any Liability arising from:

- any warranties being or becoming untrue, incorrect or inaccurate in any way; or
- a material breach by AGHL of its obligations under the Trade Mark Licence Deed.

16.3.5 Related Party Leases

Abacus Storage King will, following Completion, continue to lease a premises from Abacus Group, who is a related party (**99 Walker Street Lease**). Details of the lease arrangements, which are already in place as at the Transaction Booklet Date, are provided below:

LOCATION	PARTIES TO LEASE	USE	SPACE	TERMS AND RENEWAL	RENT[231]
Level 17, 99 Walker Street, North Sydney, NSW 2060	**Landlord:** Perpetual Trustee Company Limited as custodian of the Abacus Trust **Tenant:** Storage King Services Pty Ltd **Guarantor:** Abacus Storage Operations Limited	Head office of Abacus Storage King	801 square metres	Initial term of 5 years which commenced on 1 March 2023, with no option to renew	Initial annual rent of $688,774, increased annually by 3.75% Car parking licence fee: $725.00 per car space (x15) per month Storage fee: $5,000 per annum Signage fee: $150,000 per annum

Abacus Storage King will, following Completion, continue to lease a premises to Abacus Group, who is a related party (**SKB Lease**). Details of the lease arrangements, which are already in place as at the Transaction Booklet Date, are provided below:

LOCATION	PARTIES TO LEASE	USE	UNITS	TERMS AND RENEWAL	RENT[232]
100 Beattie Street, Balmain, NSW 2041	**Facility owner:** Abacus Storage Operations Limited **Storer:** Abacus Funds Management Limited	Archiving for Abacus Group	45 storage units of various sizes	The Storer has been leasing an increasing number of storage units since 2009. It currently leases 45 storage units Fixed storage period is for one calendar month from the original agreement date and extended automatically until 14 days' notice is given by either party	Monthly rental of $8,760 per month, being an aggregate annual rent of $105,120

Both of these leases with the respective tenants have been entered into on arm's length terms and reflect customary provisions commonly found in commercial leases of a similar nature.

16.3.6 Insurance Arrangements

Director and officer insurance arrangements

AGHL has effected directors and officers run-off liability insurance for Abacus Group, which includes cover for current and past directors and officers of ASOL and its Subsidiaries. Member approval was not required for the payment of the premium for such insurance under the Corporations Act.

AGHL has agreed under the Implementation Deed to use commercially reasonable endeavours to maintain directors and officers liability insurance cover for claims against directors and officers of each of the Abacus Storage King Group Members, for at least seven years following De-stapling Implementation, arising from acts or omissions of such directors and officers (and in their role as such) whilst the relevant Abacus Storage King Group Member was a member of the Abacus Property Group. ASOL has agreed to reimburse AGHL for 5% of the annual premium paid by or on behalf of AGHL for the Abacus Group directors and officers liability insurance or the costs of any separate policy (if obtained).

231. Excluding GST.
232. See footnote 231.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

Public liability insurance arrangements

AGHL has effected public liability insurance for Abacus Group, which will be maintained until its expiry on 30 September 2023. From 1 October 2023, Abacus Group and Abacus Storage King will effect separate public liability insurances.

AGHL has agreed under the Implementation Deed to use commercially reasonable endeavours to ensure that each of the Abacus Storage King Group Members will continue to be insured under the Abacus Group public liability insurance cover for an insurable loss which is covered under the Abacus Group public liability insurance cover as at De-stapling Implementation in relation to facts, matters or circumstances arising at or before 30 September 2023. The relevant Abacus Storage King Group Members have been allocated and have borne its proportion of the costs of this cover.

16.4 Compliance Plan

The compliance plan of ASPT (**Compliance Plan**) describes the processes and procedures that the ASPT Responsible Entity will use to seek to ensure compliance with the ASPT Constitution and the Corporations Act.

Under the Compliance Plan, the ASPT Responsible Entity must have, in addition to the Audit and Risk Committee, compliance personnel who review compliance on an ongoing basis, and a Risk and Compliance Manager who report on compliance matters to the Audit and Risk Committee and the Board of the ASPT Responsible Entity.

16.5 Custody Deed

The Custody Deed was entered into between the ASPT Responsible Entity and the Custodian. The Custodian is an agent of the ASPT Responsible Entity and has no liability or responsibility to members of ASPT.

Custodian obligations

Under the Custody Deed, the Custodian will:

- provide custody of the assets of ASPT;
- hold the assets in its own name, but as property of ASPT;
- act in accordance with the directions of the ASPT Responsible Entity;
- establish and maintain business continuity arrangements required as custodian and compliance controls in accordance with applicable ASIC regulatory guides;
- keep records and provides reports to the ASPT Responsible Entity; and
- maintain adequate insurance covering fidelity insurance and professional indemnity insurance.

Responsible Entity obligation

The ASPT Responsible Entity must ensure that:

- all proper instructions provided by it to the Custodian are in accordance with the ASPT Constitution, the Custody Deed and law;
- it does not provide a proper instruction which would expose the Custodian to a liability greater than that the ASPT Responsible Entity is actually indemnified for; and
- ensure that the Custodian is provided with such legal or other advice or assistance as the Custodian reasonably requires to comply with its obligations, at no cost to the Custodian.

Sub-custodian

The Custodian may appoint a sub-custodian (or a nominee, agent, broker or adviser) where considered necessary or expedient following consultation with and consent of the ASPT Responsible Entity (and must provide notice to the ASPT Responsible Entity of such appointment).

Indemnification

The Custodian indemnifies the ASPT Responsible Entity for any claim, damage, expense, loss or liability suffered or incurred by the ASPT Responsible Entity and arising in any way out of or in connection with the Custody Deed to the extent that it directly results from the fraud, wilful default or negligence of the Custodian or sub-custodian.

The ASPT Responsible Entity indemnifies the Custodian (and its officers, employees, agents and representatives) against all proceedings, claims, demands, damages, actions reasonable amounts paid in settlement, reasonable costs and expenses, losses and liabilities of whatever nature (actual or contingent) suffered or incurred by or sustained or threatened against, the Custodian (including interest and legal fees and expenses on a full indemnity basis) arising out of, or in connection with the Custody Deed (including the holding of assets by the Custodian and the Custodian acting in accordance with proper instructions provided by the ASPT Responsible Entity) except to the extent the loss to the Custodian results from or is caused by a breach by the Custodian or its fraud, wilful default or negligence of the Custodian or any of its agents.

Termination

Either party may terminate the Custody Deed at any time by giving at least 60 days' (or such other period as the parties agree) notice to the other in writing.

In addition, either party may terminate the Custody Deed immediately in certain circumstances, including where the other party has breached the Custody Deed and that breach has not been remedied within 60 days of notice of that breach.

Fees

The Custodian is entitled to an annual custody fee being the greater of (excluding GST):

- the amount equal to 0.015% of the gross value of the assets of ASPT; and
- $15,000 (adjusted by CPI).

The above fees are reviewed annually.

The above fees are also separate from, and in addition to the, reimbursement of the Custodian's costs and expenses (properly paid or incurred by the Custodian in accordance with the Custody Deed).

16.6 Abacus Storage King Stapling Deed

On De-stapling Implementation, the ASPT Responsible Entity and ASOL will enter into the Abacus Storage King Stapling Deed, which sets out the terms of the relationship between them in respect of Abacus Storage King Securities following De-stapling Implementation.

The Abacus Storage King Stapling Deed is on largely similar terms to the Abacus Group Stapling Deed, except as set out in Section 17.9.

The key terms of the Stapling Deeds include:

Stapling

Abacus Storage King Securities and Abacus Group Securities will each remain Stapled unless, in accordance with the Constitutions, a special resolution of the relevant stapled securityholders approves unstapling of one or more components of the Stapled Securities, or all of the components of the Stapled Securities, or any of the respective stapled entities are wound up.

Co-operation and consultation

The parties to the relevant Stapling Deeds agree to share accounting and other information, and to co-operate and consult with each other in operating their respective stapled groups, including in relation to providing information to investors, valuing assets, preparing accounts, holding meetings, issuing securities, acquiring investments, undertaking reorganisations and making dividends and distributions.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

Financial benefits

Each party to a Stapling Deed agrees, if called upon by another party to the Stapling Deed, to give (or procure that its controlled entities give) financial benefits to the other stapled entities and wholly-owned entities in their respective stapled group, including by transferring assets, supplying services, entering into any agreements or arrangements, lending money and providing guarantees and financial accommodation. Any such benefits must only be given if they are in the interests of the securityholders of the relevant stapled group as a whole. Furthermore, a party will not be required to give such benefits if it would result in breach of third party contractual obligations entered into with the consent of the parties or the party cannot reasonably comply with the request to provide the relevant benefits.

Dealings in Stapled Securities

The relevant components of the Abacus Storage King Securities and Abacus Group Securities may only be issued, transferred or otherwise dealt with as part of Stapled Securities. Each of the parties to the relevant Stapling Deeds must not consolidate, sub-divide, cancel, buy-back, redeem or otherwise reorganise shares or units, unless at the same time there is corresponding consolidation, subdivision, cancellation, buy-back, redemption or reorganisation of the shares or units of each other entity in the stapled group.

Acquisitions, disposals and borrowings

Unless otherwise agreed, the parties to the relevant Stapling Deeds agree to give each other written notice of any intention to acquire or dispose of substantial assets and consult with each other before making such acquisitions or disposals.

The parties to the relevant Stapling Deeds also agree to consult with each other if they intend to borrow or raise money. Unless the parties agree otherwise, if any loan or financial accommodation is jointly undertaken by two or more stapled entities, the stapled entities that receive the loan amounts or financial accommodation must repay the loan or financial accommodation and all fees, interest, expenses and other amounts, and indemnifies each other joint borrower in respect of any amounts paid by them.

Registers

Each of the parties to the relevant Stapling Deeds may maintain or procure the maintenance of a register of Stapled Securities. This includes the appointment of a common registrar. All details of Stapled Securities and dealings in those securities must be entered in the register. Although separate registers may be kept, the registers must be kept entirely consistent with one another.

Duties

When exercising any power or discretion, each of the parties to the relevant Stapling Deeds may consider the interests of holders of the relevant Stapled Securities as a whole, not only the interests of members of each stapled entity separately.

Dispute resolution

If there are disagreements arising from a Stapling Deed, a party to the relevant Stapling Deed may give the other parties a notice describing the nature of the disputed matter, following which senior representatives of each party must meet and negotiate in good faith a resolution of the disputed matter.

If the senior representatives agree a resolution of the disputed matter, such agreement is binding on the parties (in the absence of manifest error). If the senior representatives are unable to agree a resolution of a disputed matter within 20 business days of the disputed matter notice, either party may refer the disputed matter to an expert agreed by the parties, or failing agreement, appointed by a specified third party.

Allocation of price for issue, redemption, cancellation or buy-back

Each of the parties to the relevant Stapling Deeds must agree from time to time what part of the amount payable for the issue, redemption, cancellation or buy-back of a Stapled Security is to represent the price of shares or units in each of the entities forming part of the relevant stapled group. Unless the parties agree otherwise, the allocation for an issue, cancellation or buy-back of a Stapled Security is based on the ratio that the net tangible assets of the relevant stapled entities (adjusted for the net market value of its investments) at the end of the relevant period immediately prior to the issue, cancellation or buy-back of the Stapled Security, bears to the amount of the aggregate net tangible assets of those stapled entities (adjusted for the net market value of their investments) at the end of the relevant period.

16.7 Abacus Storage King Self Storage standard customer terms

All storage agreements signed by ASOL, Abacus Storage NZ Operations Pty Ltd or a licensee (as the facility owner) with storers are standardised licence agreements which generally apply the following terms:

- to the extent permitted by law, goods are stored at the sole risk and responsibility of the storer;
- once the initial fixed period of storage has ended (noting most agreements are on a monthly basis), either party may terminate the agreement by giving the other party notice of the termination date in accordance with the agreed notice period;
- in the event any activities on the part of the storer are reasonably considered by the facility operator to be illegal or environmentally harmful, antisocial, threatening or offensive, the facility operator may terminate the agreement without notice;
- notwithstanding these termination rights, if any moneys owing are not paid in full within a specified period of the due date, the facility owner may keep and retain the deposit, enter the space, take possession and either sell or dispose of any goods in the space. However, before the facility owner can take any of these actions, it is required to give the storer further notice advising the storer that it is in default and give it reasonable time to rectify the default; and
- where loss, damage or injury is caused by the storer, or liability arises from the storer's actions or the storer's goods, the storer agrees to indemnify and keep indemnified the facility owner.

16.8 Abacus Storage King arrangements with Self Storage Licensees

The arrangements with Self Storage Licensees are standardised and therefore generally on the same terms.

16.8.1 Template Licence Agreement

The template licence agreement (**TLA**) between SK Licensing Pty Limited (**SKL**), the Self Storage Licensee, registered proprietor, and where applicable, a guarantor of the licensee, grants the licensee the right to establish and operate a Self Storage facility at the agreed upon premises as a Storage King Self Storage facility, using the relevant Storage King intellectual property and business name.

The initial term is 5 years and the licensee may exercise options for a total of 4 further 5 year terms after the initial term (on the same terms and conditions). Despite the right to seek these further terms, SKL may terminate the agreement on the expiry of any of the initial term or subsequent 5 year terms (granted by way of option). SKL also has other customary termination rights, including the right to terminate if the licensee breaches the corresponding SMSSA (defined below) and fails to remedy the breach within the timeframe required under the SMSSA.

The licensee may immediately terminate the agreement if SKL commits a material breach of the agreement and fails to remedy the breach within the relevant period of time.

The licensee must pay SKL an initial non-refundable sign on fee and a further licence fee (on a monthly basis).

The licensee and guarantor jointly and severally indemnify SKL against all claims arising from a breach of an obligation of the licensee or the guarantor under the TLA or any agreement with a customer of the licensee, or in certain other circumstances where the cause is attributable to the licensee.

In the majority of cases, SKL has a right of refusal (also known as a pre-emptive right) if at any time during the term of the TLA, the licensee or registered proprietor proposes to transfer its interest in the premises, business or facility, in a manner which is not otherwise permitted under the TLA. If SKL chooses to exercise this right, it may acquire the premises and business on the same terms that the licensee or registered proprietor (as applicable) is prepared to accept from a third party.

16.8.2 Template Specialist Management and Support Services Agreement

The template specialist management and support services agreement (**SMSSA**) between Storage King Store Management Pty Limited (**SKSM**), the operator (being the licensee) and where applicable, a guarantor of the operator, appoints SKSM exclusively to perform certain services in respect of the Self Storage business at the agreed upon premises for the operator. These services include promoting the Self Storage business, preparing monthly management accounts in relation to the income and trading expenses of the facility, and maintaining the facility in a good state of condition and repair, with repair and maintenance costs to be payable by the operator.

The initial term is 5 years and the operator may exercise options for a total of 4 further 5 year terms after the initial term (on the same term and conditions). Despite the right to seek these further terms, SKSM may terminate the agreement on the expiry of any of the initial term or subsequent 5 year terms (granted by way of option). SKSM also has other customary termination rights.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

Either party may terminate the SMSSA at any time by written notice to the other party if the other party commits or allows to be committed a breach of any provision of the SMSSA and fails to rectify the breach within 14 days after receipt of written notice.

The operator may terminate the SMSSA if:

- the actual gross receipts of the business for a 12 month period are less than a pre-agreed amount, and the failure is not attributable directly or indirectly to any acts or omissions of the operator; or
- on 12 months' written notice to SKSM in the event that the operator intends to redevelop the facility for a different use.

The SMSSA terminates if the corresponding TLA terminates for any reason.

The operator must pay SKSM a service fee (on a monthly basis) and SKSM's employee costs.

The operator and each guarantor indemnifies SKSM against all claims arising out of or in connection with operating the Storage King Self Storage facility, provided that the claim has not been caused or contributed to by SKSM in certain respects.

16.9 Abacus Storage King's Debt Facility Agreement

16.9.1 Debt facilities

Abacus Property Group's Existing Debt Facilities secured by its Self Storage assets will remain in place for Abacus Storage King on and from De-stapling Implementation with some contextual changes (being the Abacus Storage King Debt Facilities). These are senior secured syndicated facilities with total commitments of $1 billion.[233] See also Section 5.7 for further context regarding Abacus Storage King's financing arrangements.

These Abacus Storage King Debt Facilities may be used to fund refinancings, general corporate purposes, the acquisition of real property (subject to financier approval) and any other purposes approved by the financiers.

The key terms of the Abacus Storage King Debt Facilities are contained in a Syndicated Facility Agreement and Common Terms Deed Poll which are summarised below.

On and from De-Stapling Implementation, changes to the documentation of the Abacus Storage King Debt Facilities will occur to ensure these documents operate effectively going forward. These changes include:

- **Financial covenants:** the financial covenants will only reference Abacus Storage King rather than both Abacus Group and Abacus Storage King; and
- **Cross default:** the cross default provisions will no longer refer to the Abacus Property Group's Existing Facilities.

16.9.2 Maturities

There are 8 tranches available under the Abacus Storage King Debt Facilities, with maturity dates from 4 July 2024 to 2 July 2027.

16.9.3 Interest rates and fees

The interest rate for each tranche is the aggregate of a base rate and a margin.

The base rate for all tranches is BBSY Bid for Australian dollars and BKBM for New Zealand dollars.

Margins range from 1.10% to 1.65% per annum depending on the tranche.

A commitment fee of 50% of the applicable margin per annum is payable on the undrawn commitment of each tranche.

16.9.4 Financial covenants

The loan to value ratio is to be not less than 60%, subject to temporary increases to 65% to facilitate certain acquisitions, and the interest cover ratio not less than 2:1.

The loan to value ratio is the ratio of total principal outstanding under the Abacus Storage King Debt Facilities less the balance of certain accounts to the total value of the real property mortgaged by the Obligors to secure the Abacus Storage King Debt Facilities.

The Interest Cover Ratio is the ratio of EBITDA to interest expenses for the Abacus Storage King over a 12 month period.

233. As at 30 April 2023.

16.9.5 Security

The Abacus Storage King Group Members who are obligors (**Obligors**) under the Abacus Storage King Debt Facilities have granted first ranking security to secure the Abacus Storage King Debt Facilities and interest hedges relating to the Abacus Storage King Debt Facilities. This includes real property mortgages over the Investment Portfolio, general security deeds over the Obligors' present and after acquired assets and ancillary cross guarantees and security documents customary for a facility of this nature.

16.9.6 Representations, warranties and undertakings

Representations, warranties and undertakings made by the Obligors are usual for a facility of this nature.

16.9.7 Events of Default

The events of default applying to the Abacus Storage King Debt Facilities are customary for a facility of this nature and include the following:

- failure to pay;
- breach of a financial covenant;
- breach of an undertaking and, if capable of remedy, failing to remedy 10 business days;
- cross default;
- cross enforcement;
- insolvency event;
- AGHL ceases to control ASFML, unless as a consequence of the shares in ASFML being transferred to unitholders of a trust of which ASFML is trustee; and
- material adverse effect.

If an event of default occurs, the financiers have enforcement rights including the right to require amounts owing under the Abacus Storage King Debt Facilities immediately due and payable and the enforcement of security over the secured property.

16.9.8 Review Events

The review events are:

- the units or shares in Abacus Storage King that are listed on ASX cease to be listed or are suspended or withdrawn for trading for a continuous period of more than 15 business days;
- any person or persons acting together become the holding of voting power in Abacus Storage King of more than 49.9% or otherwise in a position to control its board of directors, except Calculator Australia (alone or together with certain specified related entities); and
- any of the shares or units of ASPT and ASOL cease to be stapled to one another.

If, after a consultation process of up to 30 days following a review event, financiers do not consent to the review event and Abacus Storage King does not take steps to prepay, any financier not prepaid can by notice to the borrowers require repayment of amounts owed to it under the Abacus Storage King Debt Facilities within 60 days.

16.10 Investment Management Agreement

AFML and ASFML in their personal capacities will enter into the Investment Management Agreement upon De-stapling Implementation, whereby ASFML will appoint AFML to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL[234] on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so (including under applicable laws, authorisations or its constituent documents), to provide sufficient resources to enable ASFML to perform these roles.

AFML will have no obligation, power or authority to bind ASFML, or make any decisions on behalf of ASFML, without its prior written consent (which may be provided specifically or generally, including under an agreed sub-management framework).

234. Including the functions which ASFML is required to perform under the agreed processes for the allocation of storage asset acquisition and leasing opportunities set out in the Conflicts of Interest and Related Party Transactions Policy (see Section 8.6.5.6 for further details).

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

To the extent AFML is unable to perform the functions of the ASPT Responsible Entity and the Manager of ASOL (**Functions**), AFML has agreed to provide ASFML with the following resources:

- (**staff**) staff employed or engaged as consultants to AFML (or its related bodies corporate) who are made available to ASFML (**Staff**), to enable ASFML to perform its Functions; and
- (**other resources**) premises, computer systems and other equipment, software, insurance coverage, know-how and other tangible and intangible property which ASFML requires in order to perform its Functions ("**Other Resources**"),

(collectively, the Staff and Other Resources are the "**Resources**"). AFML must take reasonable steps to ensure that all Staff act in accordance with any management delegations put in place by ASFML from time to time.

The provision of the Resources excludes the following:

- any resources to be provided by Storage King to ASFML under the Management Services Agreement;
- the appointment of ASFML as a corporate authorised representative of AFML; and
- the provision of individuals to act as independent directors.

Fees and expenses

AFML is entitled to receive a monthly sub-management fee equal to the lesser of $750,000 and the actual fee received by ASFML under the Management Services Agreement and the ASPT Constitution for the relevant month (less any working capital ASFML reasonably requires to retain) or such other amount agreed in writing by the parties.

AFML is not entitled to be reimbursed for costs and expenses incurred in providing the Resources. However, to the extent it performs any Functions on behalf of ASFML, it is entitled to be reimbursed for all costs and expenses reasonably incurred in the proper performance of the Functions (other than internal management costs).

These fees and expenses are payable between AFML and ASFML in their personal capacities as Abacus Group Members. No fees and expenses are payable out of Abacus Storage King under the Investment Management Agreement.

Term and termination

The Investment Management Agreement commences on De-stapling Implementation and continues until terminated in certain circumstances. In particular, the Investment Management Agreement automatically terminates in the following circumstances:

- upon ASFML ceasing to be the responsible entity of ASPT (including due to being removed pursuant to a resolution by ASPT unitholders the Corporations Act) where the replacement responsible entity is not an Abacus Group Member; or
- upon termination of the Management Services Agreement.

In addition, AFML or ASFML (as applicable) can terminate the Investment Management Agreement with immediate effect by notice to the other party if an event of default (i.e. a material breach (or a series of breaches in any 12 month period which, when viewed together, are material) which is not remediable or not remedied within the prescribed period) or insolvency event occurs in respect of the other party. ASFML may also terminate the Investment Management Agreement with immediate effect by notice to AFML if AFML commits fraud or ceases to hold necessary authorisations to carry out its obligations.

Each of AFML and ASFML give each other certain customary representations and warranties. In addition, each of ASFML and AFML give each other customary indemnities, subject to certain customary carveouts.

In performing its obligations under the Investment Management Agreement, AFML must comply with the Abacus Storage King Governing Documents (including the Abacus Storage King Conflicts of Interest and Related Party Transactions Policy).

ASFML may not vary the Abacus Storage King Governing Documents without the written consent of AFML, if doing so would impose materially greater obligations on AFML. Such consent is not to be unreasonably withheld.

16.11 Underwriting Agreement

16.11.1 Overview and term

Abacus Property Group and the Joint Lead Managers have entered into an underwriting agreement dated 15 June 2023 in respect of the Offer (**Underwriting Agreement**). Under the Underwriting Agreement, Barrenjoey and Morgan Stanley have been appointed on an exclusive basis as joint bookrunners, joint managers and joint underwriters in respect of the Offer being conducted by the Abacus Storage King Entities (the **Joint Lead Managers**).

Pursuant to the Underwriting Agreement, the Joint Lead Managers have agreed to underwrite the Offer (at an underwritten floor price of $1.41 per Abacus Storage King Security) other than the amount which is the subject of a binding pre-commitment from Calculator Australia (see Section 16.13 for further details). Once the Abacus Storage King Entities have confirmed to the Joint Lead Managers that the De-stapling Implementation steps due to occur on the De-stapling Implementation Date (other than settlement of the Offer) have occurred, the Joint Lead Managers will transfer their component of the settlement proceeds (minus Offer Fees and expenses) to the Abacus Storage King Entities.

If the De-stapling Implementation steps due to occur on the De-stapling Implementation Date (expected to be 3 August 2023) (other than the settlement of the Offer) have not occurred on or before 10 August 2023, the obligations of the parties under the Underwriting Agreement (including for the Joint Lead Managers to underwrite and settle the underwritten part of the Offer) will expire other than certain prescribed obligations (for example, the indemnity arrangements), which will continue to have effect.

16.11.2 Conditions precedent

Each Joint Lead Manager's obligations under the Underwriting Agreement, including to manage the Offer and underwrite the underwritten part of the Offer, are conditional on certain matters including, but not limited to, certain disclosure materials being released or lodged, and certain other diligence-related deliverables being provided to the Joint Lead Managers (each within the required timeframes), the receipt of required regulatory approvals and the Implementation Deed being executed and not withdrawn, rescinded, breached in any material respect, terminated, altered or amended (other than with the consent of the Joint Lead Managers, acting reasonably) or becoming void, voidable or otherwise non-binding. The final conditions precedent are due to be satisfied by 10.00am on the Effective Date.

16.11.3 Termination events

A Joint Lead Manager may terminate the Underwriting Agreement if certain events have occurred or occur at any time from the date of the Underwriting Agreement until before 10.00am on the Effective Date, subject to, in the case of some termination events only, satisfaction of specified materiality thresholds.

These materiality thresholds stipulate that a Joint Lead Manager may not terminate unless it has reasonable grounds to believe and does believe that the event has or could be reasonably expected to have a material adverse effect on the success, settlement or marketing of the Offer or on the ability of that Joint Lead Manager to market or promote or settle the Offer or will or is likely to give rise to a liability of a Joint Lead Manager under, or a contravention by that Joint Lead Manager or its affiliates of, or that Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law.

These termination events include (but are not limited to) the following:

- the Implementation Deed is terminated (or an event occurs which entitles a party to terminate the Implementation Deed) or rescinded, becomes void, illegal, invalid or unenforceable, is breached in any material respect, or is varied in any material respect without the prior consent of the Joint Lead Manager;
- the Resolutions are not passed by the Abacus Property Group Securityholders in the required majorities on the date specified in the timetable (as may be varied);
- at any time before the Offer Price and allocations for the Institutional Securityholder Offer and Institutional Shortfall Offer are determined, the S&P/ASX 200 Index or S&P/ASX 200 Real Estate Index falls to a level that is 87.5% or less of the level as at the close of trading on the business day immediately prior to the date of the Underwriting Agreement and is at or below that level at the closing of trading on that day;
- the disclosures in this Transaction Booklet or in other Offer-related disclosure materials or certain other public information are defective in certain respects;

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

- there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the terminating Joint Lead Manager for any statement or estimate in certain disclosure materials in relation to the Offer which relates to a future matter, or any such statement or estimate is in the reasonable opinion of the terminating Joint Lead Manager unlikely to be met in the projected timeframe (including in each case financial forecasts);
- certain information supplied by or on behalf of Abacus Property Group to the Joint Lead Managers in relation to Abacus Property Group, the Proposal (including the Offer) or certain other public information is, or becomes, misleading or deceptive, including by way of omission;
- Abacus Property Group issues or is required to issue a supplementary Transaction Booklet to comply with the Corporations Act, or Abacus Property Group lodges a supplementary Transaction Booklet with ASIC in a form that has not been approved by the Joint Lead Managers in certain circumstances;
- certain actions or events occur in relation to Abacus Property Group's debt facilities or the consents received in relation to them;
- certain regulatory actions are taken or legal proceedings occur;
- Abacus Property Group (or where applicable, the Abacus Storage King Entities) withdraws the Offer, the Target Market Determination (without immediate replacement), Proposal or any of the disclosure materials for the Offer (without immediate replacement);
- Abacus Property Group is or will be prevented from conducting or completing the Proposal or the Abacus Storage King Entities are or will be prevented from conducting or completing the Offer by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction or other government agency;
- Abacus Property Group does not provide certain confirmatory certificates as and when required to the Joint Lead Managers under the Underwriting Agreement or a statement in any such certificate is misleading, inaccurate or untrue or incorrect;
- approval is refused or not granted, or approval is granted subject to conditions other than customary conditions or other conditions acceptable to Abacus Storage King and the Joint Lead Managers, acting reasonably, to Abacus Storage King's admission to the Official List of ASX as a separately listed group within the required timeframe, or to the quotation of Abacus Storage King Securities or trading through CHESS (or if granted, is subsequently withdrawn (without immediate replacement), qualified (other than by customary conditions or other conditions acceptable to Abacus Storage King and the Joint Lead Managers, acting reasonably) or withheld;
- an event specified in the Timetable up to and including the Effective Date is delayed by more than a prescribed number of days, subject to certain exceptions;
- any material member of Abacus Property Group becomes insolvent, or there is an act or omission which is likely to result in a material member of the Abacus Group becoming insolvent;
- any of a director or proposed director of Abacus Property Group or certain members of senior management is charged with an indictable offence (in that capacity or related to it), material public action is taken (or an intention to do so is announced) by a government agency against a member of Abacus Property Group or any of its respective directors or proposed directors or certain members of senior management (in that capacity or related to it), or any of a director or proposed director of Abacus Property Group or any one of them or any of certain members of senior management is disqualified from managing a corporation under the Corporations Act;
- any member of Abacus Property Group or any of their respective directors, proposed directors or officers in that capacity engage, or have engaged since the date of the Underwriting Agreement in any fraudulent conduct or activity whether or not in connection with the Offer;
- certain changes in the composition of the Abacus Property Group Directors or certain members of senior management of Abacus Property Group is announced or occurs (except as disclosed in the Transaction Booklet);
- certain breaches of the Underwriting Agreement by a member of the Abacus Property Group;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- an adverse change occurs, or there is a development involving a prospective adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of Abacus Property Group (or Abacus Group or Abacus Storage King) from those respectively disclosed in certain disclosure material for the Offer or certain public information;
- certain changes in law or government policy are announced or occur;

- there is a disruption in financial markets, including:
  - a general moratorium on commercial banking activities in certain prescribed countries is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading in all securities quoted or listed on certain prescribed stock exchanges is suspended or limited for at least one day on which that exchange is open for trading; or
  - any other adverse change or disruption to the political or economic conditions or financial markets of certain prescribed countries or any change or development involving a prospective adverse change in national or international political, financial or economic conditions in any of those countries; or
- hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a major terrorist act is perpetrated, in each case involving certain prescribed countries.

If the Abacus Property Group Directors (acting reasonably and in good faith) form the view that it is in the best interests of Abacus Property Group Securityholders or otherwise necessary in accordance with their fiduciary duties to withdraw the Proposal at any time on or before 10.00am on the Effective Date, Abacus Property Group may (after first consulting with the Joint Lead Managers regarding that decision) withdraw the Proposal and this Transaction Booklet, and the Abacus Storage King Entities may withdraw the Offer, and if they do so, Abacus Property Group may terminate the Underwriting Agreement.

16.11.4 Representations, warranties and undertakings

Customary representations and warranties are given by Abacus Property Group (and where relevant, Abacus Group, Abacus Storage King and the relevant responsible entities) in favour of the Joint Lead Managers in relation to, among other things, power to enter into the Underwriting Agreement, compliance with law, business matters and quality of disclosure-related matters. Customary Offer-related representations and warranties are also given by Abacus Storage King in favour of the Joint Lead Managers.

Various customary undertakings are also given by Abacus Property Group (and where relevant, Abacus Group and Abacus Storage King) in favour of the Joint Lead Managers. As part of this, the Abacus Storage King Entities have agreed to not, without the prior written consent of the Joint Lead Managers, before the expiration of 90 days after the issue of the Abacus Storage King Securities under the Offer, allot (or agree to allot) or indicate in any way that they may or will allot (or agree to allot) any Abacus Storage King Securities or any other securities that are convertible or exchangeable into equity, or that represents the right to receive equity, of the Abacus Storage King Entities other than in certain prescribed circumstances.

16.11.5 Indemnity

Subject to certain exclusions, Abacus Property Group (and post-De-stapling Implementation Abacus Group and Abacus Storage King) indemnifies and holds harmless each Joint Lead Manager (and certain affiliated parties) against any loss related, directly or indirectly, to the Proposal (including the Offer).

16.11.6 Fees and expenses

Under the Underwriting Agreement, subject to certain requirements being met, Abacus Storage King must pay the Joint Lead Managers:

- an offer management fee of 0.44% of the aggregate of the proceeds of the Offer less the Commitment Amount (see Section 16.13 for further details), in consideration for arranging and managing the Offer; and
- an underwriting fee 1.76% of the aggregate of the Offer Proceeds less the Commitment Amount (see Section 16.13 for further details) in consideration for underwriting the Offer,

being in aggregate 2.2% (together, **Offer Fees**), as well as any applicable GST.

Any fees payable to any co-lead managers, co-managers and brokers appointed in relation to the Offer are payable by the Joint Lead Managers rather than Abacus Property Group. Abacus Storage King must pay, or reimburse the Joint Lead Managers for certain agree costs and expenses in relation to the Offer.

16.11.7 Potential effects on control

The underwriting arrangements are not expected to have an effect on the control of Abacus Storage King. See Section 17.8 for details regarding whether existing Abacus Property Group Securityholders will be diluted as a result of Completion of the Proposal.

16 SUMMARY OF IMPORTANT DOCUMENTS CONTINUED

16.12 Joint Lead Managers Mandate Letter

Abacus Property Group has entered into a mandate letter with Barrenjoey and Morgan Stanley Australia Limited (ABN 67 003 734 576) dated on or about 15 June 2023 (**Mandate Letter**). Under the Mandate Letter, Abacus Storage King appoints the Joint Lead Managers to act as joint lead managers and bookrunners in connection with the Offer and Abacus Property Group appoints Barrenjoey and Morgan Stanley Australia Limited as joint corporate advisers to the De-stapling (**Joint Corporate Advisers**).

16.12.1 Termination

The Mandate Letter may be terminated by:

- Abacus Property Group (with respect to either or both Joint Corporate Advisers) without cause by giving at least 10 days' notice in writing or with cause in certain circumstances immediately; or
- a Joint Corporate Adviser (with respect to itself only) without cause by giving 10 days' notice or with cause in certain circumstances immediately,

however the appointment of the Joint Lead Managers to the Offer may only be terminated in accordance with the terms of the Underwriting Agreement.

16.12.2 Fees and expenses

Under the terms of the Mandate Letter, Abacus Group and Abacus Storage King have each agreed to pay (on a 50:50 basis):

- Barrenjoey a fixed completion fee of $4 million; and
- Morgan Stanley Australia Limited a fixed completion fee of $2 million,

(as well as any applicable GST), payable on completion of the Proposal (**Completion Fee**).

The Joint Corporate Advisers will be entitled to their respective Completion Fees if the engagement is terminated other than where terminated for cause in certain prescribed circumstances, and the transaction (or one having a similar effect) is completed within six months from the date of termination of the engagement.

Abacus Storage King has also agreed to pay the Joint Lead Managers fees in relation to the Offer, as well as other expenses, as described in Section 16.11.

16.13 Calculator Australia Pre-commitment Deed

Abacus Property Group, the Joint Lead Managers and Calculator Australia have entered into a pre-commitment deed dated on or about 15 June 2023 (**Pre-commitment Letter**). Among other things, under the Pre-commitment Letter, Calculator Australia irrevocably undertakes and commits to the Abacus Storage King Entities to:

- apply for and subscribe for the number of Abacus Storage King Securities equivalent to 69.9% of its Institutional Entitlement, being 57,781,775 Abacus Storage King Securities, under the Offer (**Commitment Securities**) at the Offer Price per Abacus Storage King Security; and
- make payment for all of the Commitment Securities at the Offer Price per Abacus Storage King Security (the aggregate being the **Commitment Amount**) in cleared funds to the Registry by 5.00pm (AEST) on the Business Day before the Effective Date.

Under the Pre-commitment Letter, Calculator Australia also irrevocably undertakes to the Abacus Storage King Entities that neither it nor its associates will apply for, or subscribe for, more than its total number of Commitment Securities under the Offer (whether under the Pre-commitment Letter or otherwise).



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ADDITIONAL INFORMATION

17 ADDITIONAL INFORMATION

17.1 Trading in Abacus Property Group Securities

If each Resolution is approved by the Abacus Property Group Securityholders at the Meeting and all of the requirements on the Effective Date are met, being:

- as of 10.00am (AEST) on that date, all Conditions Precedent for the Proposal and conditions precedent under the Underwriting Agreement have been satisfied or, where relevant, waived;
- as of 10.00am (AEST) on that date, no further express termination rights under the Implementation Deed and the Underwriting Agreement exist; and
- Abacus Property Group has confirmed via an announcement to ASX that the above two items have been met and that that date will be the last day of trading for Abacus Property Group as a six stapled entity,

the Effective Date will be the last day of trading for Abacus Property Group Securities on a normal settlement basis.

On the next Business Day (the Listing Date), it is proposed that:

- Abacus Group will commence trading as a separately listed group from Abacus Storage King, on a deferred settlement and reconstructed basis as if the De-stapling occurred (the ASX code is likely to be ABPDA during this time) (see Section 17.2 for further details); and
- Abacus Storage King will be admitted to the Official List as a separately listed group, on a conditional and deferred settlement trading basis as if the De-stapling had occurred (see Section 12.17 for further details).

On the next Business Day after that (Last Registration Date), it is proposed that this will be the last date for transfers of Abacus Property Group Securities to be registered on the Register (by 7.00pm (AEST)) on a pre-De-stapling basis. It is proposed that all Abacus Property Group Securityholders who have holdings registered on the Register as at 7.00pm (AEST) on the Last Registration Date will have those holdings subject to De-stapling on the De-stapling Implementation Date.

The next Business Day after the Last Registration Date will be the De-stapling Implementation Date. Settlement under the Offer is expected to occur on this date. See also Section 17.3 for further details on the key implementation steps due to occur on this date.

The next Business Day after that will be the Allotment Date for the Offer. It is anticipated that this will be the last date for Abacus Group trading on a deferred settlement and reconstructed basis and for Abacus Storage King having conditional and deferred settlement trading.

It is expected that holding statements will be despatched, and normal settlement trading will commence for both Abacus Group and Abacus Storage King, on the next Business Day after the Allotment Date (being the Normal Trading Date).

See Section 17.3 for further details on the key implementation steps in relation to the Proposal. See the Section titled "Key Information for the Proposal" for further information on the timetable for the Proposal.

17.2 Trading of Abacus Group Securities on a deferred settlement and reconstructed basis and selling of Abacus Group Securities on market

It is expected that trading of the Abacus Group Securities on ASX on a deferred settlement and reconstructed basis will commence on the Listing Date.

Trading will continue on a deferred settlement and reconstructed basis until Abacus Storage King has advised ASX that the Conditions to its conditional and deferred settlement trading have been satisfied, which is expected to be on the Allotment Date. If that occurs, then the Allotment Date will be the last date of trading for Abacus Group Securities on a deferred settlement and reconstructed basis.

If the Conditions have not been satisfied by Abacus Storage King by the end of its conditional and deferred settlement trading period or if the Offer is withdrawn by the Abacus Storage King Entities, all trades conducted during Abacus Group's deferred settlement and reconstructed basis period will be invalid and will not settle.

Trading on ASX for Abacus Group is expected to commence on a normal settlement basis on the Business Day after the Allotment Date (being the Normal Trading Date). Following Completion, Abacus Group Securityholders will receive a holding statement setting out the number of Abacus Group Securities they hold. It is expected that holding statements will be dispatched by Priority Post on the Normal Trading Date.

It is the responsibility of each person who trades in Abacus Group Securities to confirm their own holding before trading in Abacus Group Securities. Investors will be able to confirm their holdings by telephoning the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays) during the Offer Period.

If an investor sells Abacus Group Securities before receiving a holding statement, they do so at their own risk. Abacus Property Group, Abacus Group, Abacus Storage King, the Registry, the Joint Lead Managers and the Co-Manager disclaim all liability, whether in fault, negligence or otherwise, if an investor sells Abacus Group Securities before receiving their holding statement, even if they obtained details of their holding from the Abacus Property Group Securityholder Information Line or confirmed their firm allocation through a Broker or online.

17.3 Key Implementation Steps

Abacus Property Group is currently a stapled group comprising six entities (being AGHL, AGPL, AIT, AT, ASOL and ASPT) and their controlled entities.

The securities in each Abacus Property Group Entity are currently stapled together in a 1:1:1:1:1:1 ratio pursuant to stapling provisions in the Constitution of each Abacus Property Group Entity and the Abacus Property Group Stapling Deed and cannot be dealt with separately from each other.

If each Resolution is approved by Abacus Property Group Securityholders and all other Conditions Precedent are satisfied or, where relevant, waived, the Constitution of each Abacus Property Group Entity will be amended to (amongst other things) facilitate implementation of the Proposal. Further details of the proposed amendments to each Constitution are set out in Section 11.2.

Whilst Abacus Property Group's Self Storage operating platform and Self Storage assets are principally held and conducted by ASPT and ASOL, a limited number of Self Storage assets will be transferred from Abacus Group Members to Abacus Storage King Group Members in preparation for implementation of the Proposal.

The Proposal will then be implemented in accordance with the key steps below:

1. **De-stapling of ASPT and ASOL:** On the De-stapling Implementation Date, the existing Abacus Property Group Stapling Deed is terminated and the ASPT Units and ASOL Shares are each de-stapled from the Abacus Group Securities and each other. Following this step, the component securities comprising the Abacus Group Securities (being the securities in AGHL, AGPL, AIT and AT) will remain Stapled to each other and each of the ASPT Units and ASOL Shares are able to be dealt with individually.
2. **Initial issue of ASPT Units and ASOL Shares to Abacus Group:** After the De-stapling on the De-stapling Implementation Date, the following steps will occur contemporaneously:
    (a) ASPT will issue 39.74 million ASPT Units (comprising approximately 4.26% of the ASPT Units on issue (on a fully diluted basis)) to the Abacus Group Acquirers in satisfaction of the consideration of $42.68 million for the acquisition of 100% of the units in ART, a holding trust that owns certain Self Storage assets, from the Abacus Group Acquirers; and
    (b) ASOL will issue 39.74 million ASOL Shares (comprising approximately 4.26% of the ASOL Shares on issue (on a fully diluted basis)) to the Abacus Group Acquirers at an issue price of A$0.42 per ASOL Share in partial repayment of certain intragroup loans owing from Abacus Storage King Group Members to Abacus Group Members.

On completion of this step, the Abacus Group will collectively hold approximately 4.26% of the ASPT Units and ASOL Shares and all of the Self Storage assets will be owned by Abacus Storage King.

3. **Re-stapling and creation of Abacus Storage King:** Following the issue of the ASPT Units and ASOL Shares to the Abacus Group Acquirers on the De-stapling Implementation Date, each ASPT Unit will be Stapled to an ASOL Share on a one-for-one basis to form an Abacus Storage King Security. Following the Re-stapling, the ASPT Units and the ASOL Shares cannot be dealt with separately from each other.
4. **Further issue of Abacus Storage King Securities to Abacus Group:** Following the Re-stapling on the De-stapling Implementation Date, the Abacus Storage King Entities will then issue a further 221.18 million Abacus Storage King Securities (comprising approximately 19.15% of the Abacus Storage King Securities on issue (on a fully diluted basis)) to one of the Abacus Group Acquirers, AFML as responsible entity for AT, at an issue price of A$1.60 per Abacus Storage King Security in partial repayment of certain intragroup loans owing from Abacus Storage King Group Members to Abacus Group Members.

On completion of this step, the Abacus Group will collectively hold approximately 22.6 % of the Abacus Storage King Securities.

17 ADDITIONAL INFORMATION CONTINUED

5. **Offer:** On the Allotment Date, Abacus Storage King Securities are issued to successful Applicants under the Offer at the Offer Price of A$1.41 per Abacus Storage King Security.

   On Completion of the Offer, the interest in Abacus Storage King Securities held by the Abacus Group will be diluted from approximately 22.6% to approximately 19.9%.

   The net proceeds of the Offer will be used for the purposes set out in Section 12.4 including, amongst other things, to fully repay the intragroup loans owing between the Abacus Storage King Group Members and Abacus Group Members on the Allotment Date.

Following De-stapling Implementation, Abacus Property Group Securityholders will each hold 1 Abacus Group Security (comprising securities in AGHL, AGPL, AIT and AT) and 1 Abacus Storage King Security (comprising securities in ASPT and ASOL) for each Abacus Property Group Security they held on the De-stapling Implementation Date.

The Management Services Agreement, Development Management Agreement, Property Management Agreement, Resources Agreement, Trade Mark Licence Deed, Abacus Group Stapling Deed and Abacus Storage King Stapling Deed will be entered into on De-stapling Implementation. Certain existing arrangements (described in Section 17.4) which are no longer required following De-stapling Implementation will also be terminated.

The issue price of the ASPT Units, ASOL Shares and Abacus Storage King Securities issued under the Implementation Steps has been agreed by the Abacus Group Directors and the Abacus Storage King Independent Directors based on the pro forma historical net tangible asset value of each relevant entity (and, in the case of Step 2(a), the pro forma historical net tangible asset value of ART) as at 31 December 2022 (in each case, adjusted for the impact of the Independent Valuations set out in Annexure C).

Each of the ASPT Units, ASOL Shares and Abacus Storage King Securities issued under the Implementation Steps will, from the time of issue, rank equally with all other ASPT Units, ASOL Shares and Abacus Storage King Securities (as applicable) at the time of issue.

17.4 Termination of existing arrangements of Abacus Property Group

If the Proposal proceeds, the following agreements will be terminated on the De-stapling Implementation Date:

- the existing stapling deed for Abacus Property Group;
- the existing management services agreement between ASFML, ASOL and Abacus Storage NZ Operations Pty Ltd;
- the existing management services agreement between ASFML, ASFML as the responsible entity of ASPT and Abacus Storage NZ Property Trust respectively; and
- the confidentiality deed between Abacus Group and Calculator Australia dated 1 November 2022.

These arrangements will no longer be necessary following De-stapling Implementation. Termination of these arrangements does not give rise to payment of any fees.

17.5 Calculator Australia confidentiality deeds

In connection with the De-stapling, Abacus Property Group will, on the De-stapling Implementation Date, enter into a termination deed (**Confidentiality Deed Termination Deed**) with Calculator Australia, an entity of Ki Corporation Limited, to terminate the confidentiality deed dated 1 November 2022 between the parties. In addition, on the De-Stapling Implementation Date, each of Abacus Group and Abacus Storage King will enter into a separate confidentiality deed with Calculator Australia (together, the **Confidentiality Deeds**). Each of the Confidentiality Termination Deed and Confidentiality Deeds will take effect on the De-stapling Implementation Date.

Pursuant to the Confidentiality Deeds, Calculator Australia (in its capacity as a securityholder holding (directly or indirectly) a significant percentage of the issued securities of Abacus Group or Abacus Storage King (as relevant)) may be provided certain confidential information for the purposes of assessment and development by Calculator Australia of strategic suggestions that Calculator Australia will provide to Abacus Group or Abacus Storage King (as relevant) in relation to, among other things, development activities relevant to Abacus Group's or Abacus Storage King's (as relevant) business.

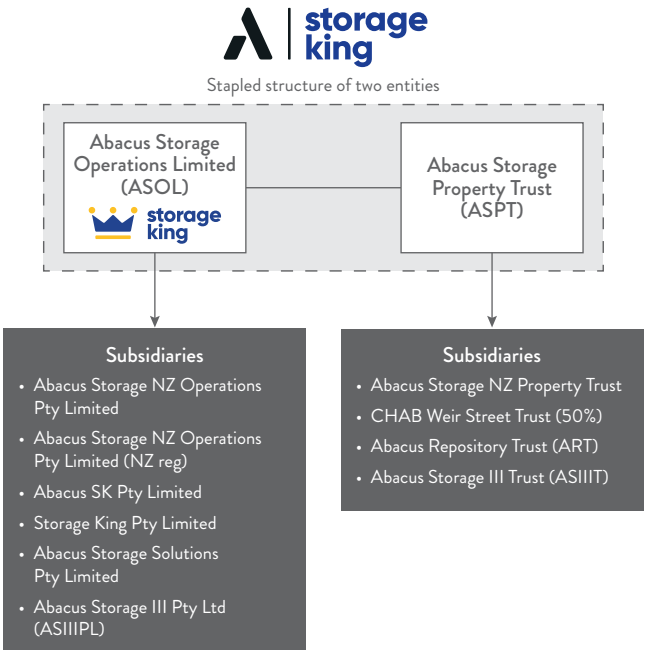
Neither Abacus Group nor Abacus Storage King are obliged to provide information to Calculator Australia and will do so only if it is in the best interests of the relevant entity.

The Confidentiality Deeds set out customary parameters on the use, protection and return of such confidential information.

17.6 Abacus Storage King structure

The following chart illustrates what Abacus Storage King's structure and material Subsidiaries will be at Completion. Unless otherwise stated, each Subsidiary will be wholly owned by Abacus Storage King.

Chart 17.6.1: Abacus Storage King's structure and material Subsidiaries at Completion



The following table sets out each Subsidiary of Abacus Storage King and, in each case, its place of incorporation, the nature of its business and Abacus Storage King's ownership interest on Completion.

Table 17.6.2: Abacus Storage King's Subsidiaries at Completion

SUBSIDIARIES	PLACE OF INCORPORATION[235]	NATURE OF SUBSIDIARY'S BUSINESS	ABACUS STORAGE KING'S DIRECT OR INDIRECT OWNERSHIP %
Abacus Storage NZ Operations Pty Limited ACN 115 399 794	Australia	Self storage operating company	100
Abacus Storage NZ Operations Pty Limited *(NZ reg: 1670821)*	New Zealand	Self storage operating company	100
Abacus SK Pty Limited	Australia	Holding company	100
Storage King Corporate Holdings Pty Limited ACN 625 434 335	Australia	Holding company	100
Storage King Services Pty Limited ACN 083 397 273	Australia	Business management services	100
SK Licensing Pty Limited ACN 168 478 644	Australia	Licensing business	100
SK (Licensees) Pty Limited ACN 083 056 544	Australia	Dormant company	100

235. These Subsidiaries' business activities mainly occur in their place of incorporation.

17 ADDITIONAL INFORMATION CONTINUED

SUBSIDIARIES	PLACE OF INCORPORATION[235]	NATURE OF SUBSIDIARY'S BUSINESS	ABACUS STORAGE KING'S DIRECT OR INDIRECT OWNERSHIP %
Storage King Management Pty Limited ACN 104 755 946	Australia	Self storage employee management services	100
Storage King Store Management Pty Limited ACN 169 671 390	Australia	Self storage management services	100
Storage King Management (NZ) Limited *(NZ co. 1541436)*	New Zealand	Self storage management and administration services	100
Storage King (Singapore) Pte Limited *(Singapore co)*	Singapore	Dormant holding company	100
Storage King International Limited *(HK co)*	Hong Kong	Dormant holding company	100
Storage King Pty Limited	Australia	Holds intellectual property related assets	100
Storage King (NZ) Limited *(NZ co. 1169264)*	New Zealand	Management and licensing business	100
A.A1 Storage King Pty Limited ACN 138 071 128	Australia	Dormant company	100
Abacus Storage Solutions Pty Limited	Australia	Self storage operating company	100
Abacus Storage Solutions (NZ) Pty Limited ACN 127 592 741	Australia	Self storage operating company	100
Abacus Storage Solutions NZ Pty Limited *(NZ reg: 2055066)*	New Zealand	Self storage operating company	100
Abacus U Stow It A1 Trust	Australia	Dormant trust	100
Abacus U Stow It B1 Trust	Australia	Dormant trust	100
Abacus USI C Trust	Australia	Dormant trust	100
U-Stow-It Holdings Pty Ltd ACN 050 207 933	Australia	Holding company	100
U-Stow-It Pty Limited ACN 008 573 304	Australia	Trustee company	100
U Stow It Unit Trust	Australia	Self storage operating trust	100
Abacus U Stow It A2 Trust	Australia	Dormant trust	100
Abacus U Stow It B2 Trust	Australia	Dormant trust	100
Abacus Storage NZ Property Trust	Australia	Self storage investment trust	100
CHAB Weir Street Trust	Australia	Property Investment trust	50
Abacus Storage III Trust	Australia	Self storage investment trust	100
Abacus Storage III Pty Limited	Australia	Self storage operating company	100
Abacus Repository Trust	Australia	Holding company	100

17.7 Rights and liabilities attaching to Abacus Storage King Securities

The rights and liabilities that will be attached to the Abacus Storage King Securities are set out in the Constitutions of ASOL and ASPT, which are summarised in Section 16.1,[236] and the Abacus Storage King Stapling Deed, which is summarised in Section 16.6.[237] A copy of these documents will be made available for inspection at the registered office of Abacus Storage King within normal trading hours.

17.8 Whether existing Abacus Property Group Securityholders will be diluted as a result of Completion of the Proposal

The implementation of the Proposal will have the following impact on existing Abacus Property Group Securityholders who hold the same number of Abacus Property Group Securities at each of 7.00pm (AEST) on the Offer Record Date and on the De-stapling Implementation Date:[238]

- **Abacus Group:** Completion of the Proposal will not change the direct interests of existing Abacus Property Group Securityholders in Abacus Group; and
- **Abacus Storage King:** the implementation of the Proposal (including the completion of the Offer) will have an impact on the interests of existing Abacus Property Group Securityholders in Abacus Storage King. Specifically:
  - **Impact of Proposal:** as part of the implementation of the Proposal, Abacus Group will be issued Abacus Storage King Securities under the ASK Stake Acquisition. This will give Abacus Group an approximately 22.6% direct interest in Abacus Storage King. As a result, existing Abacus Property Group Securityholders will:
    - obtain an indirect (look-through) interest in Abacus Storage King through Abacus Group's direct interest in Abacus Storage King; and
    - have their direct interest in Abacus Storage King diluted (**Post-Implementation Direct Interest Position**).

    As a result of these combined indirect (look-through) and direct interests, existing Abacus Property Group Securityholders will not have their interest in Abacus Storage King diluted prior to completion of the Offer; and
  - **Impact of the Offer:** under the Offer, additional Abacus Storage King Securities will be issued. This will dilute Abacus Group's direct interest in Abacus Storage King down to just under 19.9% on completion of the Offer. This in turn will dilute the indirect (look-through) interest of existing Abacus Property Group Securityholders in Abacus Storage King.

    If an existing Abacus Property Group Securityholder:
    - successfully participates in the Offer for their full Entitlement or more than their full Entitlement if they participate in the Institutional Shortfall Offer, the Retail Oversubscription Facility or otherwise successfully subscribes for Shortfall Securities, their direct interest in Abacus Storage King will stay the same or increase marginally as the case may be from their Post-Implementation Direct Interest Position;
    - successfully participates in the Offer for some but not all of their Entitlement, their direct interest in Abacus Storage King will decrease slightly from their Post-Implementation Direct Interest Position; or
    - does not successfully participate in the Offer for their Entitlement or is not otherwise entitled to participate in the Offer, their direct interest in Abacus Storage King will be diluted from their Post-Implementation Direct Interest Position,

    at completion of the Offer.

Although existing Abacus Property Group Securityholders may have their direct interest in Abacus Storage King diluted following completion of the Offer (in contrast to the holding they will have in Abacus Group), they will have acquired an indirect (look-through) interest in Abacus Storage King through Abacus Group's holding in Abacus Storage King. As a result of Abacus Group reducing its interest in Abacus Storage King following completion of the Offer, on a combined indirect (look-through) and direct interests, existing Abacus Property Group Securityholders will be diluted following completion of the Offer.

An Abacus Group Securityholder's indirect interest in the Abacus Storage King Securities held by Abacus Group may change if that Abacus Group Securityholder deals in its Abacus Group Securities.

236. This summary reflects what the terms of the ASPT Constitution and the ASOL Constitution will be if all of the Resolutions (including the applicable Constitution Amendment Resolutions) are approved by Abacus Property Group Securityholders and the Conditions Precedent are all satisfied or waived by 10.00am on the Effective Date.
237. This summary reflects what the terms of the Abacus Storage King Stapling Deed will be once that deed is entered into on the De-stapling Implementation Date.
238. The analysis may be different if an Abacus Property Group Securityholder deals in Abacus Property Group Securities after the Offer Record Date and up to and including the De-stapling Implementation Date.

17 ADDITIONAL INFORMATION CONTINUED

17.9 Abacus Group Stapling Deed

On De-stapling Implementation, AGHL, AGPL and AFML as responsible entity of AIT and AT will enter into the Abacus Group Stapling Deed, which sets out the terms of the relationship between them in respect of Abacus Group Securities following De-stapling Implementation.

The Abacus Group Stapling Deed is on largely similar terms to the Abacus Storage King Stapling Deed, except that the parties to the Abacus Group Stapling Deed also agree to use reasonable endeavours to maintain a majority of common directors on the board of directors of AGHL, AGPL and AFML (for so long as AFML is the responsible entity of AIT and AT) following De-stapling Implementation. This is consistent with the terms of the existing Abacus Property Group Stapling Deed.

The key terms of the Abacus Group Stapling Deed are summarised in this Section 17.9.

17.10 Labour standards and environmental, social and ethical considerations

The following considerations will be taken into account by ASFML as the ASPT Responsible Entity and the Manager of ASOL when selecting, retaining or realising an investment of Abacus Storage King.

Labour Standards

Abacus Storage King will operate under a human rights policy and modern slavery statement (both available on the Abacus Group website at www.abacusgroup.com.au) and in accordance with applicable employment laws. The key standards applied are:

- that properties which Abacus Storage King either owns or operates are to be maintained in a safe condition;
- that safety performance of its employees is tracked including induction training, site based operational checks and fire-warden training and tracking is reported on a monthly basis; and
- equal pay for equal work, non-discrimination, freedom of association and protection against unfair dismissal for its employees and contractors.

Abacus Property Group's modern slavery statement confirms its commitment to uphold honest, fair, and transparent business practices that allow us to endeavour to make a positive and meaningful difference in our community and industry and endeavour to ensure that modern slavery, in all its forms, has no place within our operations, supply chains, and business partnerships. Our approach is aligned with the United Nations Guiding Principles on Business and Human Rights.

Environmental Considerations

Environmental considerations, including that of climate change and its carbon footprint, have been identified as an important issue to Abacus Storage King which has a public net zero emissions target of 2050. The Abacus Storage King Board will consider whether it is feasible to bring this target forward to 2030 though there is no certainty this will occur.

Consideration is given to climate-related risks and opportunities across the life-cycle of investment decisions and measures are in place to record and reduce emissions including significant investment in solar panels and energy efficient LED lights at our Self Storage facilities.

Abacus Storage King operates under a sustainability and environmental policy (available on the Abacus Group website at www.abacusgroup.com.au) underpins this ongoing process. By way of example:

- significant investment is being made in order that data is collected on the usage of electricity, gas and water and that we are able to meet future ISSB reporting standards; and
- a satisfactory environmental report from a third party environmental consultant is a precondition to any acquisition of new store or development site.

Social and Ethical Considerations

When dealing with suppliers, Abacus Storage King seeks to operate in an honest, safe, responsible and equitable manner and in compliance with all applicable laws, regulations and standards. This is implemented and monitored through a supplier code of conduct (available on the Abacus Group website at www.abacusgroup.com.au). Abacus Storage King also expects its suppliers to ensure that participants in their own supply chains conduct business in accordance with the same expectations Abacus Storage King has for its suppliers. These requirements and modern slavery requirements are included in material supplier contracts.

17.11 ASIC Relief

ASIC has granted, or agreed in principle to grant, the following relief from the operation of various provisions of the Corporations Act as they apply to AGHL, AFML as responsible entity of AT, AGPL, AFML as responsible entity of AIT, ASOL and ASFML as responsible entity of ASPT in respect of the Proposal (including the Offer):

Disclosure related relief

- (**section 711(6) – expiry date**) An exemption from the requirement for this Transaction Booklet to specify an expiry date.
- (**section 1013B(1) – PDS title**) An exemption from the requirement to include the words "Product Disclosure Statement" or "PDS" on the cover of this Transaction Booklet.
- (**section 1051C – sending PDSs**) Modifications to permit the PDS that forms part of this Transaction Booklet to be sent to Abacus Property Group Securityholders using the addresses as shown on the Abacus Property Group Register or by some means nominated by the Abacus Property Group Securityholder for receipt of notices under sections 249J or 252G of the Corporations Act.
- (**section 712 – prospectus content**) Modifications to allow the Prospectus that forms part of this Transaction Booklet to incorporate by reference information contained in the aspects of the Transaction Booklet which do not comprise the prospectus but are technically lodged concurrently with ASIC.
- (**section 734(2) – advertising restrictions**) Exemption from the requirement to not advertise an offer of securities before the required disclosure document is lodged with ASIC.

Financial services guide and AFSL related relief

- (**Division 2 of Part 7.7 – financial services guide**) Exemption from the requirement for AFML and ASFML to give a financial services guide to Abacus Property Group Securityholders in respect of any financial product advice contained in this Transaction Booklet.
- (**Division 2 of Part 7.7 – AFSL**) Exemption from the requirement for AGHL, AGPL and ASOL to hold an AFSL to the extent this Transaction Booklet includes any financial product advice.

Approval for abridged lodgement

- (**section 218(2) – additional related party transaction lodgement requirements**) Exemption from the requirement to provide ASIC with an updated draft of the notice for convening a meeting for the purposes of related party approvals at least 14 days before its despatch to members.

Voting related relief

- (**section 601GC(1) – Trust Constitution Amendment Resolutions**) Modification to enable Calculator Australia to vote on the Trust Constitution Amendment Resolutions to the extent it would otherwise be entitled to vote but for section 253E of the Corporations Act.
- (**item 7, section 611 – Acquisition Resolutions**) Modification to enable Calculator Australia to vote on the Acquisition Resolutions to the extent it does not have an interest in the resolution other than as a member and would otherwise be entitled to vote in respect of all of its interests but for section 253E of the Corporations Act.
- (**section 224(1) – Stapling Deed Resolutions**) Declaration that certain related parties (including Calculator Australia and its controlled entities and the directors of each of AGHL, AGPL and ASOL (as applicable), Calculator Australia or its applicable upstream entities and any entities controlled by such entities or persons) are not prevented from voting on the Stapling Deed Resolutions.
- (**sections 224(1) and 601LC – Proposal Approval Resolutions**) For the purposes of the Proposal Approval Resolutions:
  - proposed by AGHL, AGPL and ASOL, declaration that certain related parties (including Calculator Australia and its controlled entities and the directors of each of AGHL, AGPL and ASOL (as applicable), Calculator Australia or its applicable upstream entities and any entities controlled by such entities or persons) are not prevented from voting on those Proposal Approval Resolutions; and
  - proposed in respect of AT, AIT and ASPT, modification to enable Calculator Australia to vote on those Proposal Approval Resolutions to the extent it does not have an interest in the Resolution other than as a member and would otherwise be entitled to vote but for section 253E of the Corporations Act.

17 ADDITIONAL INFORMATION CONTINUED

Customary ongoing stapling related relief for each of Abacus Group and Abacus Storage King

- (**section 601FC, 601FD and 601FE – interests of stapled securityholders as a whole**) Modifications to permit the responsible entities of each registered scheme and their officers to not only have regard to the interests of members of each registered scheme, but to the interests of holders of stapled securities in their respective stapled group as a whole.
- (**Part 5C.7 – financial benefits**) Modifications to permit the responsible entities of each registered scheme to give financial benefits out of the scheme property to each other stapled entity in the relevant stapled group or to their controlled entities.
- (**section 708(13) and 1012D – distribution reinvestment plan**) Modifications to permit offers of Abacus Group Securities or Abacus Storage King Securities under the respective Abacus Group or Abacus Storage King distribution reinvestment plan without having to issue an additional prospectus or PDS.
- (**section 1017E – single bank account**) Modification to permit use a single bank account for application money received for new Stapled Securities in Abacus Group or Abacus Storage King respectively.

Trading and Offer related relief

- (**section 1020B – short selling relief**) Exemption to permit the trading of Abacus Group Securities and existing Abacus Storage King Securities in the deferred settlement period without breaching the short selling restrictions.
- (**section 1017E(4) – offer period relief**) Modification to permit the issue of ASPT Units pursuant to the Offer more than one month after the Application Monies are received and before the end of 60 calendar days starting on the day on which Application Monies are first received pursuant to the Offer.

17.12 ASX Waivers and Confirmations

Abacus Property Group

In order to conduct the Proposal, Abacus Property Group has sought certain waivers and confirmations to the Listing Rules from ASX. ASX has confirmed its willingness to grant each of the below on an in-principle or final basis:

(i) a waiver from Listing Rule 6.23.4 to the extent necessary to permit Abacus Property Group to amend the existing rights to acquire securities in Abacus Property Group issued under the LTI, the STI and the executive incentive plan in order to reflect the impact of the Proposal, subject to Abacus Property Group's Securityholders approving the Proposal, certain disclosures being made and the changes to the rights not resulting in their holders receiving a benefit that they would not have received before the Proposal;

(ii) a waiver from Listing Rule 7.15 to the extent necessary to permit the Offer Record Date (conditional upon the Proposal being approved by Abacus Property Group Securityholders) not to be at least 4 Business Days after the date of the Meeting, subject to the timetable being acceptable to ASX and certain disclosures being made;

(iii) confirmation under Listing Rule 7.40 that the timetable for the Proposal is acceptable to ASX (and Abacus Property Group and ASK therefore do not have to comply with Appendix 7A of the Listing Rules);

(iv) confirmation from ASX to the extent any of the transactions undertaken in connection with the implementation of the Proposal comprise the acquisition or disposal of a substantial asset to a person in a position of influence under Listing Rule 10.1, additional Abacus Property Group Securityholder approval under Listing Rule 10.1 is not required;

(v) confirmation that ASX will not require additional Abacus Property Group Securityholder approval of the Proposal (or any part of it) for the purposes of Listing Rule 11; and

(vi) confirmation that the Proposal is fair in all the circumstances for the purposes of Listing Rule 11.4.1(a).

Abacus Group

In order to conduct the Proposal, Abacus Group has sought certain waivers and confirmations to the Listing Rules from ASX. ASX has confirmed its willingness to grant each of the below on an in-principle or final basis:

(i) confirmation that ASX will not require ABG to meet the requirements of Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the official list under Listing Rule 11.1.3;

(ii) confirmation that ASX has no objections to the amended constitution of each ABG Entity;

(iii) confirmation that the Abacus Group Securities will commence trading on deferred settlement and reconstructed basis; and

(iv) confirmation that the ASK directors will be treated in accordance with the note to Listing Rule 14.4 and that the director fee cap of $1.25m per annum may be applied separately to each of Abacus Storage King and Abacus Group subject to certain conditions.

Abacus Storage King

In order to conduct the Proposal, Abacus Storage King has sought certain waivers and confirmations to the Listing Rules from ASX. ASX has confirmed its willingness to grant each of the below on an in-principle or final basis:

(i) a waiver from Listing Rule 1.1 (Condition 8) in connection with the Proposal, to the extent necessary that there need not be the minimum number of holders of Abacus Storage King Securities with a value of at least $2,000 in each of ASPT and ASOL, on the condition that each ordinary fully paid unit in ASPT is stapled together with an ordinary share of ASOL to form stapled securities, and there is at least the minimum number of holders of stapled securities required by Listing Rule 1.1 (Condition 8), each holding a parcel of stapled securities with a value of at least $2,000;

(ii) a waiver from Listing Rule 1.1 (Condition 9) in connection with the Proposal, to the extent necessary not to require ASOL and ASPT to comply separately with Listing Rules 1.2 or 1.3, on the condition that each ordinary share of ASOL is stapled to a unit in ASPT and ASK as a stapled group meets the tests in Listing Rule 1.2 or 1.3 (as the case may be);

(iii) a waiver from Listing Rule 2.1 (Condition 2) in connection with the Proposal, to the extent necessary not to require the issue price of units in ASPT and shares in ASOL separately to be at least 20 cents, on the condition that each ordinary fully paid unit in ASPT and ordinary fully paid share in ASOL is stapled together to form the Abacus Storage King Securities, and each Abacus Storage King Security has an issue price of at least 20 cents;

(iv) confirmation in connection with the Proposal, that in the context of a stapled group, disclosure by one entity within Abacus Storage King on behalf of the other entity within Abacus Storage King will satisfy the requirements of Listing Rule 3.1;

(v) a waiver from Listing Rule 6.24 in respect of clause 1 of Appendix 6A in connection with the Proposal, to the extent necessary that the rate and amount of a dividend or distribution need not be advised to ASX when announcing a dividend or distribution record date, provided that an estimated dividend or distribution rate is advised to ASX at that time and the actual rate and amount is advised to ASX as soon as it becomes known;

(vi) a waiver from Listing Rule 8.10 in connection with the Proposal, to the extent necessary to permit Abacus Storage King to refuse to register a transfer of a unit in ASPT if it is not accompanied by a transfer of a share in ASOL, and vice versa;

(vii) confirmation that subject to meeting certain requirements ASX will declare a conditional market for the Abacus Storage King Securities under ASX Operating Rule 3330, such that the Abacus Storage King Securities can trade on a conditional and deferred settlement basis from the relevant date after the Meeting and the close of the Retail Securityholder Offer but prior to implementation of the Proposal;

(viii) confirmation that ASK's structure and operations are appropriate for a listed entity, including that any management agreements in respect of ASK are on terms consistent with ASX Guidance Note 26;

(ix) confirmation that the constitutions of each of ASOL and ASPT are consistent with the Listing Rules; and

(x) confirmation that the ASK directors will be treated in accordance with the note to Listing Rule 14.4 and that the director fee cap of $1.25 million per annum may be applied separately to each of Abacus Storage King and Abacus Group subject to certain conditions.

17 ADDITIONAL INFORMATION CONTINUED

17.13 Foreign securities restrictions

As at the Transaction Booklet Date, no action has been taken to register or qualify this Transaction Booklet or any aspect of the Proposal (including any aspect of the Offer) in any jurisdiction outside of Australia or New Zealand.

The distribution of this Transaction Booklet (including an electronic copy) outside of Australia or New Zealand may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Abacus Property Group, Abacus Group and Abacus Storage King and their respective Beneficiaries disclaim all liabilities (including for fault or negligence) to such persons to the maximum extent permitted by law. This Transaction Booklet does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The Abacus Storage King Securities may be offered in a jurisdiction outside Australia or New Zealand where such offer is made in accordance with the laws of that jurisdiction. The Offer is not extended to any persons outside Australia or New Zealand except to the extent permitted below. The Abacus Storage King Entities may also determine to extend the Offer to investors in other jurisdictions in its absolute discretion.

Each person who makes an Application will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 17.13 and to have represented and warranted that it is able to apply for and acquire the Abacus Storage King Securities in compliance with those restriction.

Abacus Property Group Securityholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. See also Section 12.8.2.

Canada (British Columbia and Ontario provinces)

This document constitutes an offering of Abacus Storage King Securities only in the Provinces of British Columbia and Ontario (the "Provinces"), only to persons to whom Abacus Storage King Securities may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Abacus Storage King Securities or the offering of the Abacus Storage King Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Abacus Storage King Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Abacus Storage King Securities in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Abacus Storage King Securities.

Abacus Storage King as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Abacus Storage King or its directors or officers. All or a substantial portion of the assets of Abacus Storage King and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Abacus Storage King or such persons in Canada or to enforce a judgment obtained in Canadian courts against Abacus Storage King or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Abacus Storage King Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Abacus Storage King Securities as there are Canadian tax implications for investors in the Provinces.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Abacus Storage King Securities be offered for sale, in Germany except in circumstances that do not require (i) a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation") or (ii) a notification under the European Union's Alternative Investment Fund Managers Directive, as implemented in Germany.

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Abacus Storage King Securities in Germany is limited to existing securityholders of Abacus Storage King who are "qualified investors" (as defined in Article 2I of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Abacus Storage King Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Abacus Storage King Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Abacus Storage King Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. Abacus Storage King is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the Abacus Storage King Securities are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Abacus Storage King Securities may not be circulated or distributed, nor may the Abacus Storage King Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Abacus Storage King Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Abacus Storage King Securities may not be distributed in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the Abacus Storage King Securities constitutes a prospectus or a similar notice (as such terms are understood under the Swiss Financial Services Act (FinSA)) or the listing rules of any stock exchange or regulated trading facility in Switzerland.

This document is personal to the recipient only and not for general circulation in Switzerland. Neither this document nor any other offering or marketing material relating to the Abacus Storage King Securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland. The Abacus Storage King Securities will only be offered to investors who qualify as "professional clients" under art. 4 para. 3 of the FinSA.

17 ADDITIONAL INFORMATION CONTINUED

Neither this document nor any other offering or marketing material relating to the offering or the Abacus Storage King Securities have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of Abacus Storage King Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). The offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). Accordingly, the investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Abacus Storage King Securities.

The United States

This Transaction Booklet and the documents accompanying it do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This Transaction Booklet and the documents accompanying it may not be distributed or released in the United States, unless it is attached to, or constitutes part of, the U.S. Private Placement Memorandum as part of the Institutional Securityholder Offer or Institutional Shortfall Offer in the United States. The securities referred to herein and therein have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, securities may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent that the person holds securities for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

17.14 Access to information

Abacus Property Group is, and post-De-stapling Implementation each of Abacus Group and Abacus Storage King will be, a disclosing entity that is subject to regular reporting and disclosure obligations.

Abacus Group and Abacus Storage King will provide regular communication to their respective securityholders, including publication of:

- their respective half yearly reports which provide an update on the investments held, their operation and performance for the period;
- their respective annual report including audited financial statements for each financial year ending 30 June;
- semi-annual distribution statements; and
- any continuous disclosure made by them.

Copies of documents lodged with ASIC in relation to Abacus Group or Abacus Storage King may be obtained from, or inspected at, an ASIC office (or may be available through the relevant group's website), and will also be lodged with ASX as required, and available through the ASX website. Please note ASIC may charge a fee in respect of such services.

Publicly disclosed information about all listed entities is available on the ASX website (www.asx.com.au).

Publicly disclosed information about Abacus Property Group is available at its website (www.abacusgroup.com.au) and post De-stapling Implementation publicly disclosed information about Abacus Group will be available at its website (www.abacusgroup.com.au).

Post De-stapling Implementation, publicly disclosed information about Abacus Storage King will be available at Abacus Group's website (www.abacusgroup.com.au).

You also have the right to obtain a copy of each annual report, half yearly report and any continuous disclosure notice from Abacus Group or Abacus Storage King as applicable free of charge.

As at the Transaction Booklet Date, neither Abacus Group nor Abacus Storage King has lodged with ASIC any annual report or half year report, and has not given any continuous disclosure notices to ASX, as a separate group.

17.15 Supplementary or replacement information

Abacus Property Group will issue a supplementary or replacement document to this Transaction Booklet if it becomes aware, between the date of lodgement of this Transaction Booklet with ASIC and Completion, that:

(a) a material statement in this Transaction Booklet is false or misleading in a material respect;

(b) there is a material omission of information required by the Corporations Act from this Transaction Booklet;

(c) a significant change affecting a matter included in this Transaction Booklet has occurred; or

(d) a significant new matter has arisen which would have been required to be included in this Transaction Booklet if it had arisen before the date of lodgement of this Transaction Booklet with ASIC.

However, if the change will not be materially adverse, a supplementary or replacement document may not be issued. Updated information that is not materially adverse may change from time to time, and will be made available to you on Abacus Property Group's website at www.abacusgroup.com.au or by calling the Abacus Property Group Securityholder Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday (excluding public holidays). A paper copy of any updated information is available free on request.

17.16 Exercise of pricing discretions

ASFML as the ASPT Responsible Entity has elected that ASIC Class Order CO 13/655 will apply to pricing of Abacus Storage King Securities in relation to any future equity raisings after Completion. The Offer Price of the Abacus Storage King Securities is a fixed price as determined in accordance with the ASPT Constitution and ASOL Constitution.

AFML as responsible entity of AT and AIT has elected that ASIC Class Order CO 13/655 will apply to pricing of Abacus Group Securities in relation to any equity raisings after Completion.

17.17 Interests of experts and advisers

Other than as set out in this Transaction Booklet, no person named in this Transaction Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Transaction Booklet, and no promoter of Abacus Property Group, Abacus Group and Abacus Storage King or financial services licensee named in this Transaction Booklet as a financial services licensee involved in the Proposal, holds at the Transaction Booklet Date, or has held in the two years prior to that date, an interest in:

(a) the formation or promotion of Abacus Property Group, Abacus Group or Abacus Storage King;

(b) any property acquired or proposed to be acquired by Abacus Property Group, Abacus Group or Abacus Storage King in connection with their formation or promotion or the Proposal;

(c) the Offer of Abacus Storage King Securities; or

(d) the Proposal,

nor has anyone paid or agreed to pay any amount, or given or agreed to give any benefit, to such persons for services provided in connection with the formation or promotion of Abacus Property Group, Abacus Group or Abacus Storage King, the Offer or the Proposal.

King & Wood Mallesons is entitled to be paid approximately $3.4 million (plus GST and disbursements) in fees and charges for legal services rendered up to the Transaction Booklet Date in connection with the Proposal. Further amounts may be paid in accordance with its normal time based charges.

17 ADDITIONAL INFORMATION CONTINUED

Ernst & Young is entitled to be paid approximately $660,000 (plus GST and disbursements) in fees and charges for financial due diligence services up to the Transaction Booklet Date in connection with the Proposal. Further amounts may be paid in accordance with its normal time based charges.

Ernst & Young Strategy and Transactions Limited is entitled to be paid $70,000 (plus GST and disbursements) in fees and charges for the preparation of its Independent Limited Assurance Report up to the Transaction Booklet Date in connection with the Proposal. Further amounts may be paid in accordance with its normal time based charges.

PricewaterhouseCoopers is entitled to be paid approximately A$545,754 and NZ$237,429 (plus GST and disbursements) in fees and charges for tax advice rendered to the Abacus Property Group up to the Transaction Booklet Date in connection with the Proposal. Further amounts may be paid in accordance with its normal time based charges.

Kroll Australia Pty Ltd is entitled to be paid approximately $350,000 in fees and charges for preparation of the Independent Expert's Report in connection with the Proposal.

CBRE, Colliers, Knight Frank, M3 Property, Savills and Cushman & Wakefield have acted as valuers in connection with the Proposal and are entitled to be paid approximately $675,350 in total (plus GST and disbursements) in fees and charges for preparation of their respective valuation reports on which the valuation summary in Annexure C of this Transaction Booklet is based.

Barrenjoey and Morgan Stanley have acted as Joint Lead Managers for the Offer and are entitled to receive the fees and commissions described in Section 16.11. In addition, Barrenjoey and Morgan Stanley Australia Limited are also acting as joint corporate advisers in connection with the Proposal. Barrenjoey and Morgan Stanley Australia Limited will be paid the fees described in Section 16.12.

Shaw and Partners has acted as Co-Manager for the Offer. The Joint Lead Managers will pay any fees payable to any co-lead managers, co-managers (including Shaw and Partners) and brokers appointed in relation to the Offer as described in Section 16.11.

Economic Interest

In connection with the Offer, one or more investors may elect to acquire an economic interest in the Abacus Storage King Securities (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those Abacus Storage King Securities. One or more of the Joint Lead Managers or the Co-Manager (or their respective affiliates) may, for their own account, write derivative transactions with those investors relating to the Abacus Storage King Securities to provide the Economic Interest, or otherwise acquire Abacus Storage King Securities in connection with the writing of such derivative transactions in the Offer and/or the secondary market. As a result of such transactions, one or more of the Joint Lead Managers or the Co-Manager (or their respective affiliates) may be allocated, subscribe for or acquire Abacus Storage King Securities in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such Abacus Storage King Securities.

These transactions may, together with other Abacus Storage King Securities acquired by one or more of the Joint Lead Managers, the Co-Manager or their respective affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in a Joint Lead Manager, a Co-Manager and/or their respective affiliates disclosing a substantial holding and earning fees.

The Joint Lead Managers, the Co-Manager and their respective related bodies corporate (as (defined in the Corporations Act) and affiliates, and any of their respective officers, directors, employees, partners, advisers or agents (the **Lead Manager Parties**) are involved in, or in the provision of, a wide range of financial services and businesses including (without limitation) securities trading and brokerage activities and providing retail, private banking, commercial and investment banking, investment management, corporate finance, securities issuing, credit and derivative, trading and research products and services, including (without limitation) to, or in connection with, persons directly or indirectly involved with the Offer or interests associated with such persons, out of which conflicting interests or duties may arise.

In the ordinary course of these activities, each of the Lead Manager Parties may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, including (without limitation) in debt or equity securities, loans, financing arrangements, or other financial accommodation, financial products or services, in connection with, or which rely on the performance of obligations by, members of the Abacus Storage King Board or other persons that may be involved in the Offer.

17.18 Consents

Each of the persons or parties listed in the table below has given and has not, before lodgement of this Transaction Booklet with ASIC withdrawn its written consent to:

- be named in this Transaction Booklet in the form and context in which it is named; and
- the inclusion of its respective statements or reports (where applicable) noted next to its name below, and the references to those statements or reports in the form and context in which they are included in this Transaction Booklet.

NAME OF PERSON OR PARTY	NAMED AS	REPORTS OR STATEMENTS
Barrenjoey	Joint Lead Manager and joint corporate advisor	N/A
Morgan Stanley	Joint Lead Manager	N/A
Morgan Stanley Australia Limited	Joint corporate advisor	N/A
Shaw and Partners	Co-Manager	N/A
Ernst & Young Strategy and Transactions Limited	Investigating Accountant	The Independent Limited Assurance Report in Annexure B
Ernst & Young	Provider of financial due diligence services Auditor of Abacus Property Group, and from De-Stapling Implementation, auditor of Abacus Group and Abacus Storage King	N/A
Kroll Australia Pty Ltd	Independent Expert	The Independent Expert's Report in Section 13
King & Wood Mallesons	Australian legal advisor	N/A
PricewaterhouseCoopers	Tax Advisor	Taxation implications in Annexure D
CBRE	Valuer	Summary of valuation report in Annexure C
Colliers	Valuer	Summary of valuation report in Annexure C
Cushman and Wakefield	Valuer	Summary of valuation report in Annexure C
M3 Property	Valuer	Summary of valuation report in Annexure C
Knight Frank	Valuer	Summary of valuation report in Annexure C
Savills	Valuer	Summary of valuation report in Annexure C
Perpetual Trustee Company Limited	Custodian	N/A
Boardroom Pty Limited	Registry	N/A
Calculator Australia	Abacus Property Group's majority securityholder	Intention to vote on the Resolutions and participate in the Offer
Ki Corporation Limited	Ultimate owner and controller of Calculator Australia	N/A

None of the persons or parties referred to above has made any statement that is included in this Transaction Booklet or any statement on which this Transaction Booklet is based, other than any statement or report included in this Transaction Booklet with the consent of that person or party as specified above.

17 ADDITIONAL INFORMATION CONTINUED

Each of the persons or parties referred to above:

(a) has not authorised or caused the issue of this Transaction Booklet, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this Transaction Booklet; and

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Transaction Booklet other than references to its name or a statement or report included in this Transaction Booklet with the consent of that person or party as specified above.

Each Abacus Property Group Director has given and has not, before lodgement of this Transaction Booklet with ASIC, withdrawn his or her consent to be named in this Transaction Booklet as a director in the form and context in which they are named and for the statements made by and on behalf of him or her to be included in this Transaction Booklet.

17.19 Legal proceedings

None of AGHL, AFML as responsible entity of AT, AGPL, AFML as responsible entity of AIT, ASOL and ASFML as responsible entity of ASPT is a party to any current litigation material to the financial standing of Abacus Group or Abacus Storage King (as applicable) and the Abacus Property Group Directors have no such knowledge of any such potential litigation.

17.20 Complaints

If you have a complaint about the Abacus Storage King Entities or ASFML as the ASPT Responsible Entity in connection with your investment in Abacus Storage King, you can write to the compliance manager of Abacus Storage King (Compliance Manager) at:

Level 13, 77 Castlereagh Street
Sydney NSW 2000

Email: enquiries@abacusproperty.com.au

The Compliance Manager will acknowledge your complaint, investigate it and report back to you as soon as practicable. A final response will be provided within 30 days.

If you are dissatisfied with the response or the complaint is not resolved within 30 days, you may raise the matter directly with the Australian Financial Complaints Authority (AFCA). The AFCA's contact details are:

Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001

Telephone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

If you are after investment advice you should contact your financial adviser.

17.21 Anti-Money Laundering/Counter-Terrorism Financing Act 2006

Abacus Storage King may be required to collect certain customer identification information and verify that information in compliance with the *Anti-Money Laundering/Counter-Terrorism Financing Act 2006* (Cth) (the **AML/CTF Act**) and Anti-Money Laundering and Counter-Terrorism Financing Rules before it can issue Abacus Storage King Securities to Applicants under the Offer.

Customer identification information may include detailed know your customer (**KYC**) information in relation to the Applicant such as, for an individual Applicant, name, address, and date of birth and for an Applicant that is a business entity, details of directors and beneficial owners, and where the Applicant is a trustee, details of the trust and beneficiaries. Abacus Storage King may require further KYC information such as information concerning business activities, structure and source of funds of Applicants and from time to time may require an Applicant to provide updated or additional information.

Abacus Storage King may refuse to accept an application or decline to issue Abacus Storage King Securities to an Applicant until it has satisfactorily concluded a customer identification procedure in relation to the Applicant.

Abacus Storage King may delay or refuse any request or transaction, including by suspending the issue of Abacus Storage King Securities if Abacus Storage King is concerned that the request or transaction may cause it to contravene the AML/CTF Act. Abacus Storage King will incur no liability to the Applicant if it does so.

17.22 Governing law

This Transaction Booklet and the contracts that arise from the acceptance of Applications and bids under this Transaction Booklet are governed by the law applicable in New South Wales and each Applicant under this Transaction Booklet submits to the exclusive jurisdiction of the courts of New South Wales.

17.23 Statement of Directors

Each Abacus Property Group Director as at the Transaction Booklet Date has consented to the lodgement of this Transaction Booklet with ASIC and ASX.

17.24 No other material information

At the time of lodging this Transaction Booklet, the Abacus Property Group Directors are not aware of any information about Abacus Property Group that is material to a decision by an Abacus Property Group Securityholder on how to vote in relation to the Resolutions, or material to a decision by an Eligible Abacus Property Group Securityholder to acquire Abacus Storage King Securities, and which:

(a) has not been available to the Independent Expert in the manner referred to above for the purpose of preparing the Independent Expert's Report;

(b) is not set out or referred to in this Transaction Booklet; or

(c) has not otherwise been made available publicly by Abacus Property Group.



18

GLOSSARY

18 GLOSSARY

TERM	DEFINITION
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
Abacus Group/ABG	The stapled group comprising the Abacus Group Entities and their respective Subsidiaries. If the Proposal proceeds, Abacus Group will trade on ASX, initially on a deferred settlement and reconstructed basis, using the ticker 'ASX:ABP' until shortly after the Normal Trading Date when it is expected to be changed to the new ticker 'ASX:ABG'.
Abacus Group Acquirer	Each of AGPL, AFML as responsible entity of AT and AFML as trustee for Abacus Ventures Trust.
Abacus Group Board	The board of directors of AGHL, AGPL and AFML as responsible entity of AT and AIT at the relevant time and, with respect to any recommendations and determinations as at the Transaction Booklet Date contained in this Transaction Booklet, the board of directors of such entities as at the Transaction Booklet Date (comprising Myra Salkinder, Steven Sewell, Trent Alston, Mark Haberlin, Sally Herman, Jingmin Qian and Mark Bloom).
Abacus Group Directors	The Directors on the Abacus Group Board.
Abacus Group DRP	Abacus Group's proposed dividend and distribution reinvestment plan, as described in Section 4.4.1.
Abacus Group Entity	Each of AGHL, AGPL, AIT (acting through its responsible entity AFML) and AT (acting through its responsible entity AFML).
Abacus Group Information	Information in this Transaction Booklet excluding, to the maximum extent permitted by law: • information to the extent it relates solely to Abacus Storage King, any Abacus Storage King Group Member or the Self Storage Assets and Business following De-stapling Implementation or any intentions, strategies, policies, opinions or beliefs of Abacus Storage King or the Abacus Storage King Directors relating to matters following De-stapling Implementation including, without limitation, information of this nature in the following Sections of this Transaction Booklet: — Section 5 – Overview of Abacus Storage King post Completion; — Section 8 – Key People, Corporate Governance and Benefits of Abacus Storage King; and — Section 10 – Abacus Storage King Financial Information; • information to the extent it relates solely to the Offer or the Abacus Storage King Securities offered and issued under the Offer including, without limitation, information of this nature in Section 12 – Details of the Offer; • any references in this Transaction Booklet to information referred to in the dot points above including, without limitation, in the Abacus Property Group – Chair Letter, the Abacus Storage King – Incoming Chair Letter and Section 1 – Questions and Answers; and • any report or letter issued by a third party.
Abacus Group Member(s)	Each member of Abacus Group.
Abacus Group Security	A Stapled Security in Abacus Group following De-stapling Implementation, comprising one fully paid ordinary share in each of AGHL and AGPL and one fully paid ordinary unit in each of AT and AIT.
Abacus Group Securityholder	A holder of an Abacus Group Security following De-stapling Implementation.

18 GLOSSARY CONTINUED

TERM	DEFINITION
Abacus Group Stapling Deed	The stapling deed to be entered into by each Abacus Group Entity on the De-stapling Implementation Date, which will govern the relationship between them in respect of Abacus Group Securities as described in Section 17.9.
Abacus Group Stapling Deed Resolutions	The Resolutions to approve the entry into, and provision of financial benefits by AGHL and AGPL (and their controlled entities) to related parties under, the Abacus Group Stapling Deed or any transactions contemplated by it, as described in Section 11.4 (being Resolutions 8 and 9 in the Notice of Meeting).
Abacus Property Group	The stapled group comprising the Abacus Property Group Entities and their respective Subsidiaries. Abacus Property Group currently trades on ASX with the ticker 'ASX:ABP'.
Abacus Property Group Board	The board of directors of AGHL, AGPL, ASOL, AFML as responsible entity of AT and AIT, and ASFML as responsible entity of ASPT as at the Transaction Booklet Date (comprising the Abacus Group Directors as at the Transaction Booklet Date and the Abacus Storage King Independent Directors).
Abacus Property Group Directors	The Directors on the Abacus Property Group Board.
Abacus Property Group DRP	Abacus Property Group's distribution reinvestment plan as at the Transaction Booklet Date.
Abacus Property Group Entity	Each of AGHL, AGPL, AIT (acting through its responsible entity, AFML) and AT (acting through its responsible entity, AFML), ASOL and ASPT (acting through its responsible entity, ASFML).
Abacus Property Group Security	A Stapled Security in Abacus Property Group, comprising one fully paid ordinary share in each of AGHL, AGPL and ASOL and one fully paid ordinary unit in each of AT, AIT and ASPT.
Abacus Property Group Securityholder	A holder of an Abacus Property Group Security.
Abacus Property Group Stapling Deed	The existing stapling deed between each Abacus Property Group Entity dated 6 March 2012.
Abacus Storage King/ASK	The stapled group comprising the Abacus Storage King Entities and their respective Subsidiaries. If the Proposal proceeds, Abacus Storage King will trade on ASX, initially on a conditional and deferred settlement basis, under the ticker 'ASX:ASK'.
Abacus Storage King Board	The board of directors of ASOL and the ASPT Responsible Entity at the relevant time and, with respect to any recommendations and determinations as at the Transaction Booklet Date contained in this Transaction Booklet, the board of directors of such entities as at the Transaction Booklet Date (comprising the Abacus Group Directors as at the Transaction Booklet Date and the Abacus Storage King Independent Directors).
Abacus Storage King Debt Facilities	Abacus Storage King Debt Facilities secured by its Investment Portfolio as described in Section 5.7.3 and 16.9.
Abacus Storage King Directors	The Directors on the Abacus Storage King Board.
Abacus Storage King DRP	Abacus Storage King's proposed dividend and distribution reinvestment plan, as set out in Section 5.8.1.
Abacus Storage King Entity	Each of ASOL and ASPT (acting through its responsible entity, ASFML).
Abacus Storage King Governing Documents	Has the meaning given in Section 16.3.1.

TERM	DEFINITION
Abacus Storage King Group Member	Each member of Abacus Storage King.
Abacus Storage King Independent Directors	Each member of the Independent Board Committee, being John O'Sullivan, Stephanie Lai and Karen Robbins.
Abacus Storage King Information	Information in this Transaction Booklet excluding, to the maximum extent permitted by law: • information to the extent it relates solely to Abacus Group, any Abacus Group Member or the Commercial Assets and Business following De-stapling Implementation or any intentions, strategies, policies, opinions or beliefs of Abacus Group or the Abacus Group Directors relating to matters following De-stapling Implementation including, without limitation, information of this nature in the following Sections of the Transaction Booklet: — Section 4 – Overview of Abacus Group post Completion; — Section 9 – Abacus Group (ABG) Financial Information; and — information contained in the rows titled "Rationale for the ASK Stake Acquisition" and "Future intentions of the Abacus Group Acquirers" of the table in Section 11.3 – Acquisition Resolutions; • any references in this Transaction Booklet to information referred to in the dot point above including, without limitation, in the Abacus Property Group Chair Letter and Section 1 – Questions and Answers; and • any report or letter issued by a third party.
Abacus Storage King Security	A Stapled Security in Abacus Storage King following De-stapling Implementation, comprising ASPT Unit and one ASOL Share.
Abacus Storage King Securityholder	A holder of an Abacus Storage King Security following De-stapling Implementation.
Abacus Storage King Stapling Deed	The stapling deed to be entered into by each Abacus Storage King Entity on the De-stapling Implementation Date, which will govern the relationship between them in respect of Abacus Storage King Securities, as described in Section 16.6.
Abacus Storage King Stapling Deed Resolution	The Resolution to approve the entry into, and provision of financial benefits by ASOL (and its controlled entities) to related parties under, the Abacus Storage King Stapling Deed or any transactions contemplated by it, as described in Section 11.4 (being Resolution 10 in the Notice of Meeting).
ABG Pro Forma Historical Statement of Financial Position/ ABG Financial Information	The pro forma historical consolidated statement of financial position of Abacus Group as at 31 December 2022, as set out in Section 9.3.
ABN	Australian Business Number.
Acquisition Portfolio	18 mature Self Storage stores acquired by Abacus Property Group post 1 July 2021, which will form part of Abacus Storage King's Self Storage Properties portfolio on Completion.
Acquisition Resolutions	The Resolutions to approve the ASK Stake Acquisition as described in Section 11.3 (being Resolution 7 in the Notice of Meeting).
Additional Abacus Storage King Securities	The Abacus Storage King Securities that may be applied for by Eligible Retail Abacus Property Group Securityholders in excess of their Retail Entitlement up to a cap of 25% of their Retail Entitlement (subject to scale back).

18 GLOSSARY CONTINUED

TERM	DEFINITION
Adjusted Gearing	Represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents; adjusted for pro forma adjustments and the impact of certain post-balance date events as if they had occurred as at 31 December 2022.
Adjusted NTA	Represents net tangible assets including pro forma adjustments and certain post balance date events as if they had occurred as at 31 December 2022.
AEST	Australian Eastern Standard Time.
AFML	Abacus Funds Management Limited (ABN 66 007 415 590).
AFSL	An Australian financial services licence issued by ASIC under section 913B of the Corporations Act.
AGHL	Abacus Group Holdings Limited (ABN 31 080 604 619).
AGHL Constitution	The Constitution of AGHL, as amended from time to time.
AGPL	Abacus Group Projects Limited (ABN 11 104 066 104).
AGPL Constitution	The Constitution of AGPL, as amended from time to time.
AIT	Abacus Income Trust (ARSN 104 934 287).
AIT Constitution	The Constitution of AIT, as amended from time to time.
Allotment	The allotment of Abacus Storage King Securities following acceptance of an Application.
Allotment Date	The date on which Allotment occurs, expected to be 4 August 2023.
Applicant	A person who submits a valid Application pursuant to this Transaction Booklet.
Application	An application to subscribe for Abacus Storage King Securities under the Prospectus and PDS that form part of this Transaction Booklet pursuant to the Offer.
Application Form	The application form that will be attached to or accompany this Transaction Booklet (including the electronic form provided at www.investorserve.com.au from the opening of the Retail Securityholder Offer) relating to participation in the Offer.
Application Monies	The amount of money accompanying an Application submitted by an Applicant.
APS	Abacus Property Services Pty Limited (ABN 20 050 739 001).
ARSN	Australian Registered Scheme Number.
ART	Abacus Repository Trust (ABN 69 921 016 532).
ASFML/ASPT Responsible Entity	Abacus Storage Funds Management Limited (ABN 41 109 324 834, AFSL 277357).
ASIC	The Australian Securities and Investments Commission.
ASIII	Abacus Storage III Trust (ABN 71 960 939 524).
ASK Financial Information	The ASK Pro Forma Historical Statement of Financial Position and the ASK Forecast Financial Information referred to together.
ASK Forecast Financial Information	The ASK Statutory Forecast Financial Information and the ASK Pro Forma Forecast Financial Information referred to together.

TERM	DEFINITION
ASK Pro Forma Forecast FFO/ Pro Forma Forecast FFO	The pro forma forecast consolidated funds from operations of Abacus Storage King for the year ending 30 June 2024 as set out in Section 10.3.
ASK Statutory Forecast Financial Information/ASK Statutory Forecast Statement of Profit and Loss	The statutory forecast consolidated statement of profit and loss of Abacus Storage King for the year ending 30 June 2024 as set out in Section 10.3.
ASK Pro Forma Forecast Financial Information	The ASK Pro Forma Forecast Statement of Profit and Loss and the ASK Pro Forma Forecast FFO referred to together.
ASK Pro Forma Forecast Statement of Profit and Loss	The pro forma forecast consolidated statement of profit and loss of Abacus Storage King for the year ending 30 June 2024 as set out in Section 10.3.
ASK Pro Forma Historical Statement of Financial Position	The pro forma historical consolidated statement of financial position of Abacus Storage King as at 31 December 2022 as set out in Section 10.4.
ASK Stake Acquisition	The acquisition by the Abacus Group Acquirers of a relevant interest in up to 22.6% of the securities in each Abacus Storage King Entity (or, following the Re-stapling, the Abacus Storage King Securities) under the Proposal, as described in Section 11.3.
ASK Statutory Forecast Financial Information/ASK Statutory Forecast Statement of Profit and Loss	The statutory forecast consolidated statement of profit and loss of Abacus Storage King for the year ending 30 June 2024 as set out in Section 10.3.
ASOL	Abacus Storage Operations Limited (ABN 37 112 457 075).
ASOL Constitution	The Constitution of ASOL, as amended from time to time.
ASOL Share	A fully paid ordinary share in ASOL.
ASPT	Abacus Storage Property Trust (ARSN 111 629 559).
ASPT Constitution	The Constitution of ASPT, as amended from time to time.
ASPT Unit	A fully paid ordinary unit in ASPT.
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
ASX Listing	The admission of Abacus Storage King to the Official List of ASX and the official quotation of all Abacus Storage King Securities on ASX on the Listing Date.
ASX Recommendations	ASX Corporate Governance Council Principles and Recommendations (4th Edition).
ASX Settlement Operating Rules	The settlement operating rules of ASX.
AT	Abacus Trust (ARSN 096 572 128).
AT Constitution	The Constitution of AT, as amended from time to time.
Attached Securities	Any security which is from time to time stapled together with other securities to form a Stapled Security, but does not include a security which is no longer stapled in accordance with a Constitution.
ATO	The Australian Taxation Office.

18 GLOSSARY CONTINUED

TERM	DEFINITION
Audit and Risk Committee	The committee established by the Abacus Storage King Board on or as soon as practicable after the De-stapling Implementation Date to assist it in carrying out its accounting, auditing and financial reporting responsibilities, as set out in Section 8.6.4. The Audit and Risk Committee will consist of four members: • Chair: Stephanie Lai • Members: John O'Sullivan, Karen Robbins and Mark Bloom
BBSY Bid	Australian Bank Bill Swap Reference Rate (Bid).
Beneficiaries	Abacus Property Group, Abacus Group, Abacus Storage King, the Joint Lead Managers, any of their respective related bodies corporate, affiliates or controlled entities, and any of their respective directors, officers, employees, partners, consultants, contractors, agents, representatives and advisers, as the context requires.
Barrenjoey	Barrenjoey Markets Pty Limited (ABN 66 636 976 059).
BKBM	Bank Bill Reference Rate.
Board Charter	A written charter adopted by the Abacus Storage King Board to provide a framework for the effective operation of the Abacus Storage King Board, which will come into effect from De-stapling Implementation as described in Section 8.6.3.
Broker	Any ASX or NZX participating organisation selected by the Joint Lead Managers, ASOL and the ASPT Responsible Entity to act as a broker for the Offer.
Business Day	A business day within the meaning given in the Listing Rules.
Calculator Australia	Calculator Australia Pty Ltd as trustee for Calculator Australia Trust.
CBRE	CBRE Valuations Pty Limited (ABN 15 008 912 641).
CHESS	Clearing House Electronic Subregister System, operated in accordance with the Corporations Act.
Closing Date	The date on which the Retail Securityholder Offer (including the Retail Oversubscription Facility) closes, being 5.00pm (AEST) on 27 July 2023.
Co-Manager	Shaw and Partners.
Colliers	CIVAS (NSW) Pty Limited (ABN 32 168 282 728) and CIVAS (QLD) Pty Limited (ABN 87 168 282 522).
Completion	Completion of the Proposal in accordance with the Implementation Deed, including De-stapling Implementation, the Allotment and issue of Abacus Storage King Securities under the Offer and other Implementation Steps due to be completed on the Allotment Date.
Commercial	The Office and Retail real estate sectors.
Commercial Assets and Business	Any and all assets held by and businesses operated by Abacus Group immediately following De-stapling Implementation other than the Self Storage Assets and Business, as further described in Section 4, including the entities owning such assets or operating such businesses.
Commercial Portfolio	$2.4 billion Office and Retail portfolio owned by Abacus Group as at 30 April 2023.
Company Constitution Amendment Resolutions	The Constitution Amendment Resolutions to amend the Constitutions of AGHL, AGPL and ASOL.

TERM	DEFINITION
Conditions Precedent	The conditions precedent to implementation of the Proposal, as described in Section 3.4 and 16.2.
Confidentiality Deeds	The confidentiality deeds described in Section 17.5.
Confidentiality Deed Termination Deed	The deed of termination to terminate the existing confidentiality deed between Abacus Property Group and Calculator Australia dated 11 November 2022, as described in Section 17.5.
Constitution	A constitution of an Abacus Property Group Entity, as the context requires.
Constitution Amendment Resolutions	The Resolutions to amend the Constitution of each Abacus Property Group Entity as described in Section 11.2 (being Resolutions 1 to 6 in the Notice of Meeting).
Controlling Entity	Has the meaning given in Section 11.4.
Corporations Act	*Corporations Act 2001* (Cth).
CPI	Consumer price index, an index used to measure changes in the price level of market basket of consumer goods and services purchased by households.
Cushman & Wakefield	Cushman & Wakefield (Valuations) Pty Ltd (ABN 18 090 139 076).
Custodian	Perpetual Trustee Company Limited (ABN 42 000 001 007).
Custody Deed	The custody deed between the Custodian and the ASPT Responsible Entity as described in Section 8.5.
De-stapling	The proposed de-stapling of the ASPT Units and the ASOL Shares from the Abacus Group Securities and each other, the ASK Stake Acquisition and the Re-stapling, as described in Section 17.3.
De-stapling Implementation	Completion of the De-stapling, the ASX Listing, the execution of certain Transaction Documents and the other Implementation Steps due to be completed on the De-Stapling Implementation Date.
De-stapling Implementation Date	The date on which De-stapling Implementation is expected to occur, being 3 August 2023 or such other date as may be agreed between the Abacus Property Group Entities in accordance with the Implementation Deed.
Despatch Date	The date on which this Transaction Booklet is expected to be despatched or made available to the Abacus Property Group Securityholders together with the personalised Application Form and Proxy Form, being 27 June 2023.
Development Manager	AFML, as the Development Manager under the Development Management Agreement.
Development Management Agreement	The development management agreement to be entered into by AFML, the ASPT Responsible Entity and ASOL on the De-Stapling Implementation Date, as described in Section 16.3.2.
Director	A member of the Abacus Property Group Board, Abacus Group Board or Abacus Storage King Board, as the context requires.
Distribution	Income entitlement of a Securityholder including dividends and distribution.
Distribution Per Security/DPS	The amount payable to Securityholders per Security in accordance with the distribution policy of Abacus Group or Abacus Storage King as relevant.

18 GLOSSARY CONTINUED

TERM	DEFINITION
Distribution Yield	The rate of return derived by dividing the Distribution per Security by the Offer Price.
EBITDA	For a relevant period, represents earnings (or losses) before net finance costs, income tax expense or benefit, depreciation and amortisation.
EBIT	For a relevant period, represents earnings (or losses) before net finance costs, income tax expense or benefit.
Effective Date	31 July 2023 or such other date as may be agreed between the Abacus Property Group Entities in accordance with the Implementation Deed.
Eligible Abacus Property Group Securityholder	An Eligible Institutional Abacus Property Group Securityholder or an Eligible Retail Abacus Property Group Securityholder.
Eligible Institutional Abacus Property Group Securityholder	A person who: • is registered as a holder of Abacus Property Group Securities at 7.00pm (AEST) on the Offer Record Date; • has a registered address in an Eligible Institutional Jurisdiction at 7.00pm (AEST) on the Offer Record Date; and • is determined by Abacus Storage King and the Joint Lead Managers in their absolute discretion to be an Institutional Investor and not otherwise ineligible to participate.
Eligible Institutional Investors	Eligible Institutional Abacus Property Group Securityholders and other Institutional Investors located in the Eligible Institutional Jurisdictions.
Eligible Institutional Jurisdictions	Australia, New Zealand, Canada (British Columbia and Ontario provinces only), Germany (existing Abacus Property Group Securityholders only), Hong Kong, Singapore, Switzerland and the United States. The Abacus Storage King Entities may also determine to extend the Offer to investors in other jurisdictions in their absolute discretion.
Eligible Jurisdictions	Eligible Institutional Jurisdictions and Eligible Retail Jurisdictions.
Eligible Retail Jurisdictions	Australia and New Zealand. The Abacus Storage King Entities may also determine to extend the Offer to investors in other jurisdictions in their absolute discretion.
Eligible Retail Abacus Property Group Securityholder	A person who: • is registered as a holder of Abacus Property Group Securities at 7.00pm (AEST) on the Record Date; • has a registered address in an Eligible Retail Jurisdiction (being Australia or New Zealand) at 7.00pm (AEST) on the Offer Record Date; • is not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds Abacus Property Group Securities for the account of benefit of such persons in the United States); and • is determined by Abacus Storage King and the Joint Lead Managers in their absolute discretion to not be an Institutional Investor or otherwise ineligible to participate.
Entitlement	The right to subscribe for 1 new Abacus Storage King Securities for every 5.6 existing Abacus Property Group Securities held by an Eligible Abacus Property Group Securityholder as at 7.00pm (AEST) on the Offer Record Date.

TERM	DEFINITION
Established Portfolio	76 mature Self Storage stores opened at 1 July 2021 which will form part of Abacus Storage King's Self Storage Properties portfolio on Completion.
Existing Facilities	The existing debt facilities of Abacus Property Group as described in Section 4.12 which Abacus Group will retain on and from De-Stapling Implementation.
Exposure Period	The seven-day period after the date of lodgement of this Transaction Booklet, unless extended by ASIC by up to a further seven days.
External Management	The external management team of Abacus Storage King which will comprise the Abacus Property Group executives, Steven Sewell, Gavin Lechem, Evan Goodridge and Nikki Lawson, as set out in Section 8.2.2.
FFO	Funds from operations.
FIRB	Foreign Investment Review Board.
FVTPL	Fair value through profit or loss.
FY	Financial year. Refers to the 12 months ended or ending 30 June.
GAV	The gross asset value of Abacus Storage King from time to time as determined in accordance with the Australian Accounting Standards.
GDP	Gross Domestic Product.
Gearing	Represents bank debt less cash and cash equivalents divided by total assets less cash and cash equivalents.
Gross Property Income	All rents, licence or other income or contributions towards or re-imbursement of Outgoings received or receivable by or on behalf of ASPT and ASOL in respect of each Property.
GST	Goods and Services Tax.
IFRS	International Financial Reporting Standards.
Implementation Deed	The implementation deed between the Abacus Property Group Entities, as described in Section 16.2.
Implementation Step(s)	Each step to complete the Proposal, to undertaken in accordance with the Implementation Deed and summarised in Section 17.3.
Independent Board Committee	The independent board committee established by the Abacus Storage King Board to consider the Proposal on behalf of the Abacus Storage King Entities, comprising the Abacus Storage King Independent Directors.
Independent Expert	Kroll Australia Pty Ltd (ABN 73 116 738 535).
Independent Expert's Report	The report of the Independent Expert, a copy of which is available at Section 13.
Independent Limited Assurance Report	The report of the Investigating Accountant, a copy of which is available at Annexure B.
Independent Valuation	The valuations by the Independent Valuers as set out in the Valuation Reports as summarised in Annexure C of this Transaction Booklet.

18 GLOSSARY CONTINUED

TERM	DEFINITION
Independent Valuer(s)	Individually and collectively as the context requires: • CBRE Valuations Pty Limited; • Knight Frank NSW Valuations and Advisory Pty Ltd; • Valuations Service (VIC) Pty Ltd trading under licence as Knight Frank Valuation and Advisory Victoria; • Savills Valuation Pty Ltd; • CIVAS (NSW) Pty Limited and CIVAS (QLD) Pty Limited; • M3 Property Australia Pty Ltd; and • Cushman & Wakefield (Valuations) Pty Ltd.
Industrial	The industrial property sector.
Ineligible Foreign Securityholder	Any Abacus Property Group Securityholder with a registered address outside of the Eligible Jurisdictions as at 7.00pm (AEST) on the Offer Record Date.
Ineligible Institutional Abacus Property Group Securityholder	An Abacus Property Group Securityholder who Abacus Storage King and the Joint Lead Managers have determined is an Institutional Investor as at 7.00pm (AEST) on the Offer Record Date with an address on the Register outside of the Eligible Institutional Jurisdictions or who otherwise does not fall within the definition of Eligible Institutional Abacus Property Group Securityholder.
Ineligible Retail Abacus Property Group Securityholder	An Abacus Property Group Securityholder who Abacus Storage King and the Joint Lead Managers have determined is a retail investor as at 7.00pm (AEST) on the Offer Record Date with an address on the Register outside of the Eligible Retail Jurisdictions or who otherwise does not fall within the definition of Eligible Retail Abacus Property Group Securityholder.
Information Claim	A written claim by a third party arising from, or in connection with, this Transaction Booklet, the investor presentation issued in connection with the Offer and certain other marketing materials and documents published or distributed by Abacus Property Group in relation to the Proposal: • being false, misleading or deceptive in any respect (whether by omission or otherwise); • failing to comply with any applicable law or rules of any relevant stock exchange or listing authority prescribing the form, content or standard of disclosure that the document must satisfy in any jurisdiction, including without limitation the Corporations Act, the *Corporations Regulations 2001* (Cth), the Listing Rules and all applicable ASIC Regulatory Guides; or • where applicable, breaching any warranty or undertaking which is required to be given to ASX in relation to the ASX Listing.
Institutional Entitlement	The right to subscribe for 1 new Abacus Storage King Securities for every 5.6 existing Abacus Property Group Securities held by an Eligible Institutional Abacus Property Group Securityholder as at 7.00pm (AEST) on the Offer Record Date.

TERM	DEFINITION
Institutional Investor	Persons to whom offers and issues of Abacus Storage King Securities may lawfully be made without the need for disclosure under Chapters 6D and 7 of the Corporations Act or any other lodgement (including, in Australia, wholesale clients (under Section 761G of the Corporations Act) who are also either professional investors or sophisticated investors within the meaning in the Corporations Act) or, to persons in New Zealand who are "wholesale investors" within the meaning of clause 3(2) of schedule 1 of the *Financial Markets Conduct Act 2013* of New Zealand) or, if that person is outside of Australia and New Zealand, an institutional or professional investor in Canada (British Columbia and Ontario provinces only), Germany (existing Abacus Property Group Securityholders only), Hong Kong, Singapore, Switzerland or the United States under the laws of that jurisdiction without need for any lodgement, registration, approval or filing with a government agency (or than any such lodgement, registration, approval or filing which Abacus Storage King is willing to comply with, in its absolute discretion); provided that if such person is in the United States, it is either a person that the Joint Lead Managers reasonably believe to be a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act or a dealer or other professional fiduciary organised or incorporated in the United States acting for a discretionary account or similar account (other than an estate or trust) held for the benefit or account of persons that are not U.S. persons (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act. The Abacus Storage King Entities may also determine to extend the Offer to investors in other jurisdictions in their absolute discretion.
Institutional Securityholder Offer	The accelerated pro-rata institutional securityholder offer under this Transaction Booklet or the U.S. Private Placement Memorandum, as applicable, to Eligible Institutional Abacus Property Group Securityholders of up to 135.8 million Securities on the basis of 1 Abacus Storage King Security for every 5.6 Abacus Property Group Securities held by Eligible Institutional Abacus Property Group Securityholders at 7.00pm (AEST) on the Offer Record Date, at the final price per Abacus Storage King Security as determined under the variable price bookbuild. See Section 12.10 for further details.
Institutional Shortfall Offer	An offer under this Transaction Booklet or the U.S. Private Placement Memorandum, as applicable, of Abacus Storage King Securities, in accordance with Section 12.10.2 and 12.10.3.
Investment Management Agreement	The Investment Management Agreement to be entered into by AFML and ASFML in their personal capacities on De-stapling Implementation, whereby ASFML will appoint AFML to perform certain functions of the ASPT Responsible Entity and the Manager of ASOL on its behalf and subject to its supervision and consent and, to the extent AFML is unable to do so (including under applicable laws, authorisations or its constituent documents), to provide certain resources to ASFML to enable ASFML to perform these roles. See Section 16.10 for further details.
Investigating Accountant	Ernst & Young Strategy and Transactions Limited (ABN 87 003 599 844).
Investment Portfolio	The Self Storage Properties and Other Investments.
Joint Lead Managers	Barrenjoey and Morgan Stanley.
Knight Frank	Valuations Services (Vic) Pty Ltd (ABN 74 098 875 211) trading under licence as Knight Frank Valuation & Advisory Victoria.
Kroll	Kroll Australia Pty Ltd (ABN 73 116 738 535).

18 GLOSSARY CONTINUED

TERM	DEFINITION
Listed	Admitted to and not removed from the Official List of ASX.
Listing Date	The date on which the ASX Listing of Abacus Storage King occurs and official quotation of Abacus Storage King Securities on ASX commences, initially on a conditional and deferred settlement basis, which is expected to be 1 August 2023.
Listing Rules	The official listing rules of ASX from time to time as modified by any express written confirmation, waiver or exemption given by ASX.
M3 Property	M3Property Australia Pty Ltd (ABN 60 153 395 405).
Mandate Letter	The Joint Lead Managers mandate letter as summarised in Section 16.12.
Management Fee	The management fee to be payable to the ASPT Responsible Entity (being ASFML) under the ASPT Constitution and ASFML as Manager under the Management Services Agreement, each of which is reduced to the extent of any fee paid under the other in respect of the relevant period.
Management Services Agreement	The management services agreement to be entered into by ASFML, ASOL and Storage King on De-stapling Implementation as described in Section 16.3.1.
Manager	ASFML as the manager of ASOL under the Management Services Agreement.
Manager Services	The services provided by the Manager to ASOL under the Management Services Agreement.
Meeting	The extraordinary general meetings of members of AGHL, AT, AIT, AGPL, ASPT and ASOL to be held concurrently to consider, and if thought fit, pass the Resolutions, and any adjournment of those meetings.
Morgan Stanley	Morgan Stanley Australia Securities Limited (ABN 55 078 652 276).
Mutual Recognition Regime	The mutual recognition regime established under subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* of New Zealand and Part 9 of the *Financial Markets Conduct Regulations 2014* of New Zealand.
NLA	Net lettable area.
NTA	Net tangible assets (being net assets less intangible assets and goodwill as presented on the face of the statement of financial position; less net deferred tax assets and liabilities).
Non-Executive Director	A non-executive Director.
Notice of Meeting	The notice of extraordinary general meetings for the Meeting, as set out at Annexure A.
NZX	NZX Limited or, as the context requires, the financial market known as the New Zealand Exchange operated by it.
Offer	The offer by the Abacus Storage King Entities of new Abacus Storage King Securities to Eligible Abacus Property Group Securityholders under the Prospectus and PDS that form part of this Transaction Booklet. The Offer comprises the: • Institutional Securityholder Offer; • Institutional Shortfall Offer; and • Retail Securityholder Offer (including the Retail Oversubscription Facility).

TERM	DEFINITION
Offer Period	The period from the Opening Date to the Closing Date of the Retail Securityholder Offer (including the Retail Oversubscription Facility).
Offer Price	$1.41 per Abacus Storage King Security, as determined following the conclusion of the variable price bookbuild.
Offer Ratio	1 Abacus Storage King Security for every 5.6 Abacus Property Group Securities held by an Eligible Abacus Property Group Securityholder as at 7.00pm (AEST) on the Offer Record Date.
Offer Record Date	The date for determining entitlement to Abacus Storage King Securities under the Offer, being 7.00pm (AEST) on 19 June 2023.
Office	The office property sector.
Official List	The official list of entities that ASX has admitted to and not removed from listing.
Officially Quoted	Admitted to quotation by ASX under the Listing Rules including, if quotation is suspended for a continuous period not exceeding 60 days, the period of suspension.
Opening Date	The date on which the Retail Securityholder Offer (including the Retail Oversubscription Facility) opens, being 27 June 2023.
Other Investments	Other assets owned by Abacus Storage King, excluding the Self Storage Properties. Other investment assets include $238 million or 7.1% interest in another ASX listed Self Storage REIT as at 30 April 2023.
PwC	PricewaterhouseCoopers (ABN 52 780 433 757).
PDS	A product disclosure statement for the purposes of Part 7.9 of the Corporations Act.
Pro Forma Adjustments	The pro forma adjustments for Abacus Group or Abacus Storage King as set out in Sections 9.2 and 10.2 respectively.
Pro Forma Forecast Distributions	The pro forma forecast distributions for the year ending 30 June 2024 for Abacus Group or Abacus Storage King as set out in Section 9.6.
Properties	The properties the subject of the valuations referred to in Annexure C.
Property Manager	APS, as the Property Manager under the Property Management Agreement.
Property Management Agreement	The property management agreement to be entered into by APS, ASFML as responsible entity of ASPT and ASOL on De-Stapling Implementation, as described in Section 16.3.3.
Proposal	The proposal to establish Abacus Storage King as a separate ASX listed stapled group to be implemented by way of the De-stapling, the ASX Listing, the Offer and each Implementation Step in accordance with the Implementation Deed, as summarised in Section 17.3.
Proposal Approval Resolutions	The Resolutions to approve certain related party elements of the Proposal as described in Section 11.5 (being Resolution 11 in the Notice of Meeting).
Prospectus	A prospectus for the purposes of Chapter 6D of the Corporations Act.
Proxy Form	The proxy form for the Meeting which will be provided with this Transaction Booklet on and from the Despatch Date.

18 GLOSSARY CONTINUED

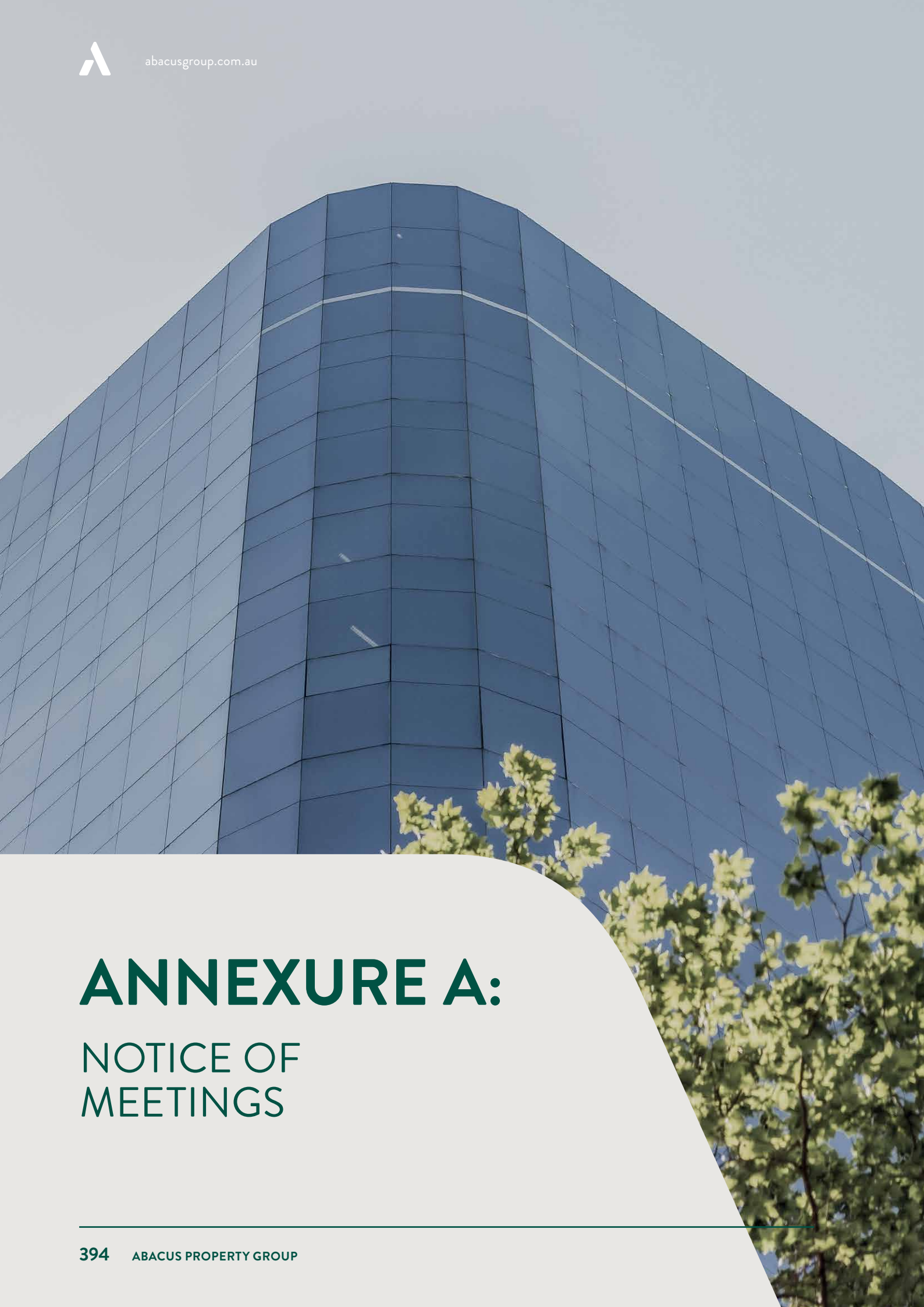
TERM	DEFINITION
Q2	The second calendar quarter of a year from 1 April to 30 June.
Q3	The third calendar quarter of a year from 1 July to 30 September.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
Register	The register of securityholders of Abacus Property Group.
Registry	Boardroom Pty Limited (ABN 14 003 209 836).
Registry's Investorserve Website	www.investorserve.com.au
REIT	Real estate investment trust.
Resolutions	The resolutions to be considered and voted on by Abacus Property Group Securityholders at the Meeting as described in Section 11 and set out in the Notice of Meeting, including the Constitution Amendment Resolutions, the Acquisition Resolutions, the Abacus Group Stapling Deed Resolutions, the Abacus Storage King Stapling Deed Resolution and the Proposal Approval Resolutions.
Responsibility Statement	The statement regarding responsibility for information contained in this Transaction Booklet as set out under the heading "Responsibility for information" in the Important Notices Section of this Transaction Booklet.
Re-stapling	The re-stapling of the ASPT Units and ASOL Shares to form Abacus Storage King Securities under the Proposal, as further described in Section 17.3.
Retail	The retail property sector.
Retail Entitlement	The right to subscribe for 1 new Abacus Storage King Securities for every 5.6 existing Abacus Property Group Securities held by an Eligible Retail Abacus Property Group Securityholder as at 7.00pm (AEST) on the Offer Record Date.
Retail Oversubscription Facility	The opportunity for Eligible Retail Abacus Property Group Securityholders who take up all of their Retail Entitlement to also apply for Additional Abacus Storage King Securities in excess of their Retail Entitlement, up to an additional 25% of their Retail Entitlement (subject to scale back).
Retail Securityholder Offer	The pro-rata offer to Eligible Retail Abacus Property Group Securityholders of up to approximately 23.8 million Securities on the basis of 1 Abacus Storage King Security for every 5.6 Abacus Property Group Securities held by Eligible Retail Abacus Property Group Securityholders at 7.00pm (AEST) on the Offer Record Date, at an issue price of $1.41 per Abacus Storage King Security to raise up to approximately $33.5 million (before expenses). It also includes the Retail Oversubscription Facility where the context requires.
RevPAM	Revenue per available metre.
Rules	Collectively the: laws, accounting standards, other legal, legislative and administrative regimes, and government policies (including government fiscal, monetary and regulatory policies), including to the extent a particular entity holds an Australian financial services licence.
Savills	Savills Valuations Pty Ltd (ABN 73 151 048 056).

TERM	DEFINITION
Securities	Any securities in any entity including any share, unit, note, debenture or any right or interest in a managed investment scheme.
Securityholder	The holder of Securities or Stapled Securities.
Securityholding	The holding of Securities or Stapled Securities.
Self Storage	Referring to Self Storage as a real estate asset class. Self Storage stores are designed to house individual units which are rented to retail and business customers. Refer to Section 7 for an industry overview.
Self Storage Assets and Business	Any and all assets held by, and businesses operated by, Abacus Storage King immediately following De-stapling Implementation, including the Self Storage assets and Other Investments and the "Storage King" self storage business operated by ASOL and its Subsidiaries, as further described in Sections 5 and 6, including the entities owning such assets or operating such businesses.
Self Storage Licensee	A licensee who is licensed by SKL under a licence agreement (following the form of the TLA) to establish and operate a Self Storage facility as a Storage King Self Storage facility, using the relevant Storage King intellectual property and business name. See Section 16.8.1 for the summary of the TLA.
Self Storage Properties	Abacus Storage King $2.6 billion Self Storage property assets as at 30 April 2023.
Shaw and Partners	Shaw and Partners Limited (ABN 24 003 221 583).
Shortfall Securities	Any Abacus Storage King Securities not taken up by Eligible Institutional Abacus Property Group Securityholders under the Institutional Securityholder Offer, as well as those which would otherwise have been offered to Ineligible Institutional Abacus Property Group Securityholders had they been eligible to participate.
SKB Lease	The lease under which the Abacus Storage King Entities currently provide, and will continue to provide, Abacus Group with storage space at Storage King Balmain for archiving.
SKL	SK Licensing Pty Limited.
SKSM	Storage King Store Management Pty Limited.
SMSSA	Specialist management and support services agreement described in Section 16.8.
Stabilising Portfolio	37 Self Storage stores, including 16 Self Storage stores that have not reached operational maturity and 21 Self Storage stores under developments, which will form part of Abacus Storage King's Self Storage Properties portfolio on Completion.
Stats NZ	Stats NZ Tatauranga Aotearoa.
Stapled Entity	Any corporation, trust or managed investment scheme whose securities are Stapled Securities.
Stapled Securities	A stapled security created by the stapling together of two or more Securities so that one may not be transferred or otherwise dealt with without the other.
Stapled Securityholder	A holder of any Stapled Security.
Stapling Deed Resolutions	The Abacus Group Stapling Deed Resolutions and the Abacus Storage King Stapling Deed Resolution.

18 GLOSSARY CONTINUED

TERM	DEFINITION
Stapling Deeds	Each of the Abacus Group Stapling Deed and Abacus Storage King Stapling Deed to be entered into on De-stapling Implementation.
Storage King	Storage King Corporate Holding Pty Limited (ABN 80 625 434 335), a wholly owned subsidiary of ASOL, or the storage king operating platform managed by Storage King Corporate Holdings Pty Ltd or the Storage King brand as the context requires.
Subsidiary	Has the meaning given to that term in the Corporations Act, but an entity will also be taken to be a Subsidiary of an entity (including a body corporate, partnership and trust) if it is controlled by that entity and, without limitation: (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share and the ability to control the appointment or removal of the trustee or responsible entity of the trust is considered to satisfy the test which relates to the ability to control the composition of a body corporate's board; and (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.
Summary of Valuation Reports	The summary letter of each of the valuation reports of CBRE, Colliers, Cushman & Wakefield, Knight Frank, M3 Property and Savills, a copy of which is available at Annexure C.
Supplemental Deeds	The supplemental deed polls for the purposes of amending the Constitutions of AIT, AT and ASPT, as described in Section 11.2.
Target Market Determination/TMD	The target market determination made by the ASPT Responsible Entity in connection with the Offer in accordance with the design and distribution obligations contained in Part 7.8A of the Corporations Act.
Taxation Report	The taxation report of PwC as the tax advisor of Abacus Property Group in connection with the Proposal, a copy of which is available at Annexure D.
TLA	The template licence agreement as described in Section 16.8.1.
Total Development Cost/TDC	Figure used to calculate Abacus Group's development fee which is based on the total development cost on a project by project basis.
Trade Mark	The trade mark as described in Section 16.3.4.
Trade Mark Licence Deed	The trade mark licence deed to be entered into by AGHL, the ASPT Responsible Entity and ASOL on the De-stapling Implementation Date, as described in Section 16.3.4.
Transaction Booklet	This document dated 19 June 2023 which comprises: • an explanatory memorandum and notice of meeting for Abacus Property Group Securityholders in relation to the Resolutions and the Proposal; • a Prospectus issued by ASOL for the issue of shares in ASOL; and • a PDS issued by the ASPT Responsible Entity for the issue of units in ASPT.
Transaction Booklet Date	19 June 2023, being the date of this Transaction Booklet and the date on which this Transaction Booklet is publicly lodged with ASIC and ASX.

TERM	DEFINITION
Transaction Documents	The transaction documents which include: • the Implementation Deed; • the Underwriting Agreement; • the Management Services Agreement; • the Investment Management Agreement; • the Property Management Agreement; • the Development Management Agreement; • the Supplemental Deeds; • the Abacus Group Stapling Deed; • the Abacus Storage King Stapling Deed; • the Trade Mark Licence Deed; • the termination deeds for the existing management services agreements for Abacus Property Group as referred to in Section 17.4; • termination deed for the existing stapling deed for Abacus Property Group as referred to in Section 17.4; • the Abacus Storage King Conflicts of Interest and Related Party Transaction Policy described in Section 8.6.5.6; and • any other document which each party agrees in writing to be a "Transaction Document" under the Implementation Deed.
Trust Constitution Amendment Resolutions	The Constitution Amendment Resolutions to amend the Constitutions of AT, AIT and ASPT.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
Underwriting Agreement	The Underwriting Agreement between the Abacus Property Group Entities, Barrenjoey and Morgan Stanley, as described in Section 16.11.
Unit	A fully paid ordinary unit in the relevant trust or scheme.
Valuation Report	Each valuation report prepared by the Independent Valuers and summarised in Annexure C.
Voting Exclusions	The voting exclusions set out in Section 11.6.2.
Voting Record Date	The date for determining entitlement to vote at the Meeting, being 7.00pm (AEST) on 25 July 2023.
WACR	Weighted average capitalisation rate.
WALE	Weighted average lease expiry.
99 Walker Street Lease	A commercial office lease at Abacus Group's 99 Walker Street asset that an Abacus Storage King Group Member currently uses, and will continue to use, for Storage King's head office.



ANNEXURE A:

NOTICE OF MEETINGS

ANNEXURE A: NOTICE OF MEETINGS

Notice is hereby given that extraordinary general meetings (together, the **Meeting**) of members of Abacus Group Holdings Limited (**AGHL**), Abacus Trust (**AT**), Abacus Income Trust (**AIT**), Abacus Group Projects Limited (**AGPL**), Abacus Storage Property Trust (**ASPT**) and Abacus Storage Operations Limited (**ASOL**) (together, the **Abacus Property Group**) will be held concurrently at the following time and place:

Time: 10.30am (AEST), with registration commencing at 10.00am (AEST)
Date: Thursday, 27 July 2023
Venue: Level 13, 77 Castlereagh Street, Sydney NSW 2000

Capitalised terms used in this notice of extraordinary general meetings (**Notice**) have the same meaning as set out in the Glossary of the Transaction Booklet of which this Notice forms part, unless indicated otherwise.

Business of the Meeting

The business to be considered at the Meeting is to consider and, if thought fit, pass the following resolutions of members of AGHL, AT, AIT, AGPL, ASPT and ASOL (as applicable) (each a **Resolution**):

1. Amendments to AGHL Constitution

To consider and, if thought fit, pass the following as a special resolution of AGHL:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed and all of the Conditions Precedent to the Proposal being satisfied or waived in accordance with the Implementation Deed, the constitution of Abacus Group Holdings Limited is amended as marked in the draft constitution tabled at the Meeting and initialled by the Chair for the purposes of identification, with effect on and from the time and date on which all of the Conditions Precedent to the Proposal are satisfied or waived in accordance with the Implementation Deed."

2. Amendments to AGPL Constitution

To consider and, if thought fit, pass the following as a special resolution of AGPL:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed and all of the Conditions Precedent to the Proposal being satisfied or waived in accordance with the Implementation Deed, the constitution of Abacus Group Projects Limited is amended as marked in the draft constitution tabled at the Meeting and initialled by the Chair for the purposes of identification, with effect on and from the time and date on which all of the Conditions Precedent to the Proposal are satisfied or waived in accordance with the Implementation Deed."

3. Amendments to ASOL Constitution

To consider and, if thought fit, pass the following as a special resolution of ASOL:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed and all of the Conditions Precedent to the Proposal being satisfied or waived in accordance with the Implementation Deed, the constitution of Abacus Storage Operations Limited is amended as marked in the draft constitution tabled at the Meeting and initialled by the Chair for the purposes of identification, with effect on and from the time and date on which all of the Conditions Precedent to the Proposal are satisfied or waived in accordance with the Implementation Deed."

4. Amendments to AT Constitution

To consider and, if thought fit, pass the following as a special resolution of AT:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed and all of the Conditions Precedent to the Proposal being satisfied or waived in accordance with the Implementation Deed:

*(a) the constitution of Abacus Trust be amended in accordance with the provisions of the supplemental deed in the form tabled at the Meeting and initialled by the Chair for the purposes of identification (**AT Supplemental Deed**); and*

(b) Abacus Funds Management Limited as responsible entity of Abacus Trust be authorised to execute, and lodge with the Australian Securities and Investments Commission, the AT Supplemental Deed."

ANNEXURE A: NOTICE OF MEETINGS CONTINUED

5. Amendments to AIT Constitution

To consider and, if thought fit, pass the following as a special resolution of AIT:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed and all of the Conditions Precedent to the Proposal being satisfied or waived in accordance with the Implementation Deed:

*(a) the constitution of Abacus Income Trust be amended in accordance with the provisions of the supplemental deed in the form tabled at the Meeting and initialled by the Chair for the purposes of identification (**AIT Supplemental Deed**); and*

(b) Abacus Funds Management Limited as responsible entity of Abacus Income Trust be authorised to execute, and lodge with the Australian Securities and Investments Commission, the AIT Supplemental Deed."

6. Amendments to ASPT Constitution

To consider and, if thought fit, pass the following as a special resolution of ASPT:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed and all of the Conditions Precedent to the Proposal being satisfied or waived in accordance with the Implementation Deed:

*(a) the constitution of Abacus Storage Property Trust be amended in accordance with the provisions of the supplemental deed in the form tabled at the Meeting and initialled by the Chair for the purposes of identification (**ASPT Supplemental Deed**); and*

(b) Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust be authorised to execute, and lodge with the Australian Securities and Investments Commission, the ASPT Supplemental Deed."

7. Acquisition Resolutions

To consider and, if thought fit, pass the following as ordinary resolutions of ASPT and ASOL:

*"That, subject to and conditional on all other Resolutions set out in this Notice being passed, for the purposes of item 7 of section 611 of the Corporations Act, approval is given for the acquisition of a relevant interest in up to 260,859,303 ASPT Units and 260,859,303 ASOL Shares (or, following the Re-stapling, 260,859,303 Abacus Storage King Securities) by Abacus Group Projects Limited, Abacus Funds Management Limited as responsible entity for Abacus Trust and Abacus Funds Management Limited as trustee for Abacus Ventures Trust (together, the **Abacus Group Acquirers**) on the terms and conditions set out in the Transaction Booklet, which will result in the voting power of the Abacus Group Acquirers and their associates in ASPT and ASOL (or, following the Re-stapling, Abacus Storage King) increasing to up to 62.69%."*

8. Abacus Group Stapling Deed Resolution – Abacus Group Holdings Limited

To consider and, if thought fit, pass the following as an ordinary resolution of AGHL:

*"That, subject to and conditional on all other Resolutions set out in this Notice being passed, Abacus Group Holdings Limited and any entity its controls be authorised and approved for the purposes of section 208 of the Corporations Act to enter into the Abacus Group Stapling Deed in substantially the form tabled at the Meeting and initialled by the Chair for the purposes of identification (**Abacus Group Stapling Deed**) and to give financial benefits under, or pursuant to any transaction contemplated by or entered into in accordance with, the Abacus Group Stapling Deed to any related party of it including, without limitation:*

(a) Abacus Group Projects Limited, the responsible entities of Abacus Income Trust and Abacus Trust and each wholly-owned entity of the Abacus Group; and

*(b) each entity that controls Abacus Group Holdings Limited (**AGHL Controlling Entity**), each director of Abacus Group Holdings Limited or an AGHL Controlling Entity, or any of their respective controlled entities, to the extent they receive consequential indirect financial benefits from holding Abacus Group Securities."*

9. Abacus Group Stapling Deed Resolution – Abacus Group Projects Limited

To consider and, if thought fit, pass the following as an ordinary resolution of AGPL:

*"That, subject to and conditional on all other Resolutions set out in this Notice being passed, Abacus Group Projects Limited and any entity its controls be authorised and approved for the purposes of section 208 of the Corporations Act to enter into the Abacus Group Stapling Deed in substantially the form tabled at the Meeting and initialled by the Chair for the purposes of identification (**Abacus Group Stapling Deed**) and to give financial benefits under, or pursuant to any transaction contemplated by or entered into in accordance with, the Abacus Group Stapling Deed to any related party of it including, without limitation:*

(a) Abacus Group Holdings Limited, the responsible entities of Abacus Income Trust and Abacus Trust and each wholly-owned entity of the Abacus Group; and

*(b) each entity that controls Abacus Group Projects Limited (**AGPL Controlling Entity**), each director of Abacus Group Projects Limited or an AGPL Controlling Entity, or any of their respective controlled entities, to the extent they receive consequential indirect financial benefits from holding Abacus Group Securities."*

10. Abacus Storage King Stapling Deed Resolution

To consider and, if thought fit, pass the following as an ordinary resolution of ASOL:

*"That, subject to and conditional on all other Resolutions set out in this Notice being passed, Abacus Storage Operations Limited and any entity its controls be authorised and approved for the purposes of section 208 of the Corporations Act to enter into the Abacus Storage King Stapling Deed in substantially the form tabled at the Meeting and initialled by the Chair for the purposes of identification (**Abacus Storage King Stapling Deed**) and to give financial benefits under, or pursuant to any transaction contemplated by or entered into in accordance with, the Abacus Storage King Stapling Deed to any related party of it including, without limitation:*

(a) the responsible entity of Abacus Storage Property Trust and each wholly-owned entity of Abacus Storage King; and

*(b) each entity that controls Abacus Storage Operations Limited (**ASOL Controlling Entity**), each director of Abacus Storage Operations Limited or an ASOL Controlling Entity, or any of their respective controlled entities, to the extent they receive consequential indirect financial benefits from holding Abacus Group Securities."*

11. Proposal Approval Resolutions

To consider and, if thought fit, pass the following as ordinary resolutions of AGHL, AT, AIT, AGPL, ASPT and ASOL:

"That, subject to and conditional on all other Resolutions set out in this Notice being passed, the Proposal described in the Transaction Booklet incorporating this Notice be authorised and approved for the purposes of section 208 of the Corporations Act (as modified for each of AT, AIT and ASPT by section 601LC of the Corporations Act)."

Procedural Notes

This Notice should be read in conjunction with the Transaction Booklet of which this Notice forms part.

The Transaction Booklet contains an explanation of the Resolutions and further information about the Proposal. The Transaction Booklet also sets out the main advantages, main disadvantages and potential risks of the Proposal as they relate to Abacus Property Group Securityholders to enable you to make an informed decision as to how to vote on the Resolutions.

Voting Entitlements

In accordance with Corporations Regulations 7.11.37, the Abacus Property Group Directors have determined that the Securityholding of each Abacus Property Group Securityholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the Register at 7.00pm (AEST) on Tuesday, 25 July 2023. Accordingly, security transfers registered after that time will be disregarded in determining entitlement to attend and vote at the Meeting.

ANNEXURE A: NOTICE OF MEETINGS CONTINUED

Voting Majorities

Each Constitution Amendment Resolution (being Resolutions 1 to 6 (inclusive)) will be passed as a special resolution only if it has been passed by at least 75% of the votes cast by Abacus Property Group Securityholders (in their capacity as a member of each relevant Abacus Property Group Entity) entitled to vote on the Resolution.

Each other Resolution (being Resolutions 7 to 11 (inclusive)) will be passed as ordinary resolutions only if they have been passed by more than 50% of the votes cast by Abacus Property Group Securityholders (in their capacity as a member of each relevant Abacus Property Group Entities) entitled to vote on the Resolution.

Voting Exclusion Statements

The following voting exclusions apply to the Resolutions. The Chair of the Meeting will determine whether an Abacus Property Group Securityholder is entitled to vote on a Resolution based on the circumstances known at the relevant time of the Meeting.

RESOLUTION(S)	VOTING EXCLUSIONS (IF ANY)
Company Constitution Amendment Resolutions (Resolutions 1 to 3)	No applicable voting exclusions.
Trust Constitution Amendment Resolutions (Resolutions 4 to 6)	In accordance with section 253E of the Corporations Act, AFML (in the case of the AT and AIT Trust Constitution Amendment Resolutions) and ASFML (in the case of the ASPT Trust Constitution Amendment Resolution) and their respective associates are not entitled to vote their interest on the relevant Resolution if they have an interest in the Resolution other than as a member of the relevant registered scheme. However, these persons may vote as a proxy for another Abacus Property Group Securityholder, provided their appointments specify the way they are to vote on the Resolution and they vote that way. ASIC has granted, or agreed in-principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on each Trust Constitution Amendment Resolution to the extent it would otherwise be entitled to vote but for section 253E of the Corporations Act.
Acquisition Resolutions (Resolution 7)	In accordance with item 7 of section 611 of the Corporations Act, the Abacus Group Acquirers and their associates must not cast any votes in favour of the Acquisition Resolutions. For the purposes of the Acquisition Resolution proposed in respect of ASPT, in accordance with section 253E of the Corporations Act, ASFML and its associates are not entitled to vote their interest on the Resolution if they have an interest in the Resolution other than as a member of ASPT (except where they vote as proxy in the manner described above). ASIC has granted, or agreed in-principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on the Acquisition Resolutions to the extent it does not have an interest in the resolution other than as a member and would otherwise be entitled to vote in respect of all of their interests but for section 253E of the Corporations Act.

RESOLUTION(S)	VOTING EXCLUSIONS (IF ANY)
Abacus Group Stapling Deed Resolutions and Abacus Storage King Stapling Deed Resolution (Resolutions 8 to 10)	Under Section 224(1) of the Corporations Act, related parties of AGHL or AGPL (in the case of the Abacus Group Stapling Deed Resolutions) or ASOL (in the case of the Abacus Storage King Stapling Deed Resolution), or associates of such related parties, must not cast votes on the relevant Stapling Deed Resolution if the Resolution permits the giving of financial benefits to those parties. However, these persons may vote as a proxy for another Abacus Property Group Securityholder that is not a related party or associate of the kind described above pursuant to a directed proxy appointment. ASIC has granted, or agreed in-principle to grant, relief to enable Calculator Australia and its controlled entities and the directors of each of AGHL, AGPL, ASOL, Calculator Australia or its applicable upstream entities and any entities controlled by such entities or persons to vote their interests in Abacus Property Group on the Stapling Deed Resolutions on the basis that they will only receive financial benefits on the same basis as other Abacus Property Group Securityholders.
Proposal Approval Resolutions (Resolution 11)	For the purposes of the Proposal Approval Resolutions proposed by AGHL, AGPL and ASOL (Company Proposal Approval Resolutions), in accordance with section 224(1) of the Corporations Act, related parties of AGHL, AGPL and ASOL, or associates of such related parties, must not cast votes on these Proposal Approval Resolutions if the Resolution permits the giving of financial benefits to those parties (except where they vote as proxy in the manner described above). ASIC has granted, or agreed in-principle to grant, relief to enable Calculator Australia and its controlled entities and the directors of each of AGHL, AGPL, ASOL, Calculator Australia or its applicable upstream entities and any entities controlled by such entities or persons to vote their interests in Abacus Property Group on the Company Proposal Approval Resolutions on the basis that they will only receive financial benefits on the same basis as other Abacus Property Group Securityholders. For the purposes of the Proposal Approval Resolutions proposed in respect of AT, AIT and ASPT (**Trust Proposal Approval Resolutions**), in accordance with section 253E of the Corporations Act, ASFML and its associates are not entitled to vote their interest on the Resolution if they have an interest in the Resolution other than as a member of ASPT (except where they vote as proxy in the manner described above). ASIC has granted, or agreed in-principle to grant, relief to enable Calculator Australia to vote its interests in Abacus Property Group on the Trust Proposal Approval Resolutions to the extent it does not have an interest in the resolution other than as a member and would otherwise be entitled to vote but for section 253E of the Corporations Act.

Voting by Poll

Each Resolution will be decided by way of a poll.

On a poll for resolutions of AGHL, AGPL and ASOL (each a **Company**), each Abacus Property Group Securityholder has one vote for each share held in the Company.

On a poll for resolutions of AT, AIT and ASPT (each a **Trust**), each Abacus Property Group Securityholder has one vote for each dollar of the value of the total interests they have in the relevant Trust.

The value of an Abacus Property Group Securityholder's total interest in a Trust will be calculated by reference to the last sale price of Abacus Property Group Securities on ASX on the trading day immediately prior to the date of the Meeting.

ANNEXURE A: NOTICE OF MEETINGS CONTINUED

How to Vote

Voting online

Abacus Property Group Securityholders can vote online at www.votingonline.com.au/abpegm2023 on and from the Despatch Date.

Abacus Property Group Securityholders must enter the Voting Access Code (VAC) which can be found on your Proxy Form and your Postcode OR Country of Residence (if outside Australia). **You must submit your vote by 10.30am (AEST) on Tuesday, 25 July 2023**.

Voting in person

If you wish to vote in person, you should attend the Meeting on Thursday, 27 July 2023 at Level 13, 77 Castlereagh Street, Sydney NSW 2000.

Registration commences at 10.00am (AEST), with the Meeting commencing at 10.30am (AEST).

Voting by proxy

If you are unable to attend the Meeting, you are encouraged to appoint a proxy to attend and vote on your behalf.

An Abacus Property Group Securityholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. A proxy need not be an Abacus Property Group Securityholder. An Abacus Property Group Securityholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or the number of votes each proxy is appointed to exercise. Where there is no such specification, each proxy may exercise half of the votes.

A Proxy Form will be made available on and from the Despatch Date. You can direct your proxy how to vote by following the instructions on the Proxy Form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable Voting Exclusions. All Abacus Property Group Securityholders who submit proxies are encouraged to direct their proxy on how to vote on each item of business.

If a Proxy Form is otherwise effective except that it does not specify the proxy or the person appointed on the Proxy Form is absent, the Chair of the Meeting is deemed to be validly appointed as the Abacus Property Group Securityholder's proxy. In addition, any directed proxies that are not voted on a poll at the Meeting by an Abacus Property Group Securityholder's appointed proxy will automatically default to the Chair of the Meeting, who is required to vote proxies as directed on a poll.

If you intend to appoint the Chair of the Meeting as your proxy (or if the Chair becomes your proxy by default), you can direct the Chair how to vote by marking one of the voting boxes for the relevant resolution on the Proxy Form (for example to vote 'for', 'against' or 'abstain' from voting). In accordance with the instructions on your Proxy Form, if you vote by proxy, the Chair is or becomes your proxy and you do not direct your proxy how to vote, you will be taken to have directed the Chair to vote as the Chair sees fit on all Resolutions. Please note that by submitting the Proxy Form without voting instructions, you will be giving the Chair of the Meeting your express authority to vote your proxy as he/she decides.

The Chair of the Meeting intends to vote all undirected proxies held by the Chair in favour of each Resolution.

Completion of a Proxy Form will not prevent individual Abacus Property Group Securityholders from attending the Meeting in person if they wish. Where an Abacus Property Group Securityholder completes and lodges a valid Proxy Form and then attends the Meeting in person, if the member votes on a resolution, their proxy is not entitled to vote, and must not vote, on that resolution.

To be valid, completed Proxy Forms must be received by the Registry at least 48 hours before the Meeting (that is, by no later than 10.30am (AEST) on Tuesday, 25 July 2023) using the reply paid envelope or:

ONLINE: www.votingonline.com.au/abpegm2023

BY MAIL: Registry – Boardroom Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX: + 61 2 9290 9655

BY HAND: Level 8, 210 George Street, Sydney NSW 2000 Australia

If an Abacus Property Group Securityholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with sections 250D and 253B of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative and the authority under which it is signed such that it is received by the Registry by the same time and date, and in the same manner, as outlined above for proxy forms.

Corporate securityholders should comply with the execution requirements set out on the Proxy Form or otherwise comply with the provisions of section 127 of the Corporations Act.

Voting by attorney

An Abacus Property Group Securityholder entitled to attend and vote at the Meeting may appoint an attorney to attend and vote on his or her behalf at the Meeting. An attorney need not be an Abacus Property Group Securityholder.

For the appointment to be valid, the original or a certified copy of the power of attorney and the authority under which it is signed must be received by the Registry by the same time and date, and in the same manner, as outlined above for proxy forms.

Voting by corporate representative

In order to attend and vote at the Meetings, an Abacus Property Group Securityholder that is a body corporate must appoint a corporate representative or proxy to attend and vote on its behalf at the Meeting.

The appointment of a corporate representative must comply with sections 250D and 253B of the Corporations Act. Written notice of appointment and the authority under which it is signed must be received by the Registry by the same time and date, and in the same manner, as outlined above for proxy forms.

Joint Holdings

If your Abacus Property Group Securities are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the Meeting, only the vote of the person who is named first in the register counts. In the case of joint holders, the Proxy Form may be completed by any one holder.

By order of the Boards



Belinda Cleminson

Company Secretary
Date: 19 June 2023



ANNEXURE B:

INDEPENDENT LIMITED ASSURANCE REPORT

ANNEXURE B: INDEPENDENT LIMITED ASSURANCE REPORT

Building a better working world

Ernst & Young Strategy and Transactions Limited
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GPO Box 2646 Sydney NSW 2001

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19 June 2023

The Board of Directors
Abacus Property Group
Level 13
77 Castlereagh Street
Sydney NSW 2000

The Board of Directors
Abacus Storage Funds Management Limited
as responsible entity of Abacus Storage Property Trust
Level 13
77 Castlereagh Street
Sydney NSW 2000

The Board of Directors
Abacus Storage Operations Limited
Level 13
77 Castlereagh Street
Sydney NSW 2000

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON ABG PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION, ASK PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION, ASK STATUTORY FORECAST FINANCIAL INFORMATION AND ASK PRO FORMA FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by Abacus Property Group ("Abacus Property Group") (a listed stapled group comprising Abacus Group Holdings Limited, Abacus Trust, Abacus Group Projects Limited, Abacus Income Trust, Abacus Storage Operations Limited ("ASOL") and Abacus Storage Property Trust ("ASPT")), ASOL and Abacus Storage Funds Management Limited as responsible entity of ASPT to report on the pro forma historical statement of financial position of Abacus Group and the pro forma historical statement of financial position, statutory forecast financial information and pro forma forecast financial information of Abacus Storage King ("Abacus Storage King" or "ASK") for inclusion in the combined disclosure document dated 19 June 2023 ("Transaction Booklet"). The Transaction Booklet is being issued by Abacus Property Group, ASOL and Abacus Storage Funds Management Limited as responsible entity of ASPT in respect of a proposed restructure under which Abacus Property Group's self-storage business will be demerged through the de-stapling of the securities of each of ASOL and ASPT from the remaining stapled group to form Abacus Group ("Abacus Group" or "ABG") (the "De-stapling") and a public float of a new listed stapled group, Abacus Storage King, which will comprise ASOL and ASPT, including a capital raising by ASOL and ASPT (the "Offer") through the new issue of fully paid ordinary shares in ASOL and fully paid units in ASPT to eligible Abacus Property Group's securityholders on a functionality pro rata basis to their existing interest in Abacus Property Group and to eligible institutional investors to the extent of any shortfall (together with certain other Implementation Steps forming the "Proposal").

Expressions and terms defined in the Transaction Booklet have the same meaning in this report.

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Ernst & Young Strategy and Transactions Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585
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ANNEXURE B:
INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED

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The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Strategy and Transactions Limited ("Ernst & Young Strategy and Transactions") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Trent Baxter and Gavin Sultana are Directors and Representatives of Ernst & Young Strategy and Transactions. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

ABG Pro Forma Historical Statement of Financial Position

You have requested Ernst & Young Strategy and Transactions to review the pro forma historical consolidated statement of financial position of Abacus Group as at 31 December 2022 as set out in Table 9.3.1 of Section 9.3 of the Transaction Booklet (the "ABG Pro Forma Historical Statement of Financial Position" or the "ABG Financial Information").

ASK Pro Forma Historical Statement of Financial Position

You have requested Ernst & Young Strategy and Transactions to review the pro forma historical consolidated statement of financial position of Abacus Storage King as at 31 December 2022 as set out in Table 10.4.2 of Section 10.4.2 of the Transaction Booklet ("ASK Pro Forma Historical Statement of Financial Position").

The ABG Pro Forma Historical Statement of Financial Position has been derived from the statutory historical consolidated statement of financial position of Abacus Property Group as at 31 December 2022 and adjusted for the effects of the pro forma adjustments described in Table 9.3.1 of Section 9.3 of the Transaction Booklet. The statutory historical consolidated statement of financial position of Abacus Property Group as at 31 December 2022 has been derived from its interim consolidated financial statements for the half year ended 31 December 2022. These interim consolidated financial statements were reviewed by Ernst & Young and an unqualified limited assurance conclusion was issued on them.

The ASK Pro Forma Historical Statement of Financial Position has been derived from combining each of the statutory historical consolidated statements of financial position of ASOL and ASPT as at 31 December 2022 and adjusted for relevant intercompany eliminations and the effects of the pro forma adjustments described in Table 10.4.2 of Section 10.4.2 of the Transaction Booklet. The statutory historical consolidated statements of financial position of ASOL and ASPT as at 31 December 2022 have been derived from the respective interim consolidated financial statements of ASOL and ASPT for the half year ended 31 December 2022. Each of these interim consolidated financial statements were reviewed by Ernst & Young and an unqualified limited assurance conclusion was issued on them.

The ABG Pro Forma Historical Statement of Financial Position and the ASK Pro Forma Historical Statement of Financial Position have been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS"), other than that they include certain adjustments that have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions and the Proposal (including the Offer in the ASK Pro Forma Historical Statement of Financial Position) as if they occurred as at 31 December 2022.

Due to its nature the ABG Pro Forma Historical Statement of Financial Position does not represent Abacus Group's actual or prospective financial position and the ASK Pro Forma Historical Statement of Financial Position does not represent Abacus Storage King's actual or prospective financial position.

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ASK Statutory Forecast Financial Information

You have requested Ernst & Young Strategy and Transactions to review the statutory forecast financial information of Abacus Storage King comprising its statutory forecast consolidated statement of profit and loss for the year ending 30 June 2024 as set out in Table 10.3.1 of Section 10.3 of the Transaction Booklet (the "ASK Statutory Forecast Statement of Profit and Loss" or the "ASK Statutory Forecast Financial Information").

The directors of Abacus Storage King (the "Abacus Storage King Directors") best-estimate assumptions underlying the ASK Statutory Forecast Financial Information are described in Sections 10.7.1 and 10.7.2 of the Transaction Booklet.

The stated basis of preparation used in the preparation of the ASK Statutory Forecast Financial Information is in accordance with the recognition and measurement principles of AAS issued by the AASB, which are consistent with International Financial Reporting Standards issued by the International Accounting Standards Board.

ASK Pro Forma Forecast Financial Information

You have requested Ernst & Young Strategy and Transactions to review the following pro forma forecast financial information of Abacus Storage King:

a) the pro forma forecast consolidated statement of profit and loss for the year ending 30 June 2024 as set out in Table 10.3.1 of Section 10.3 of the Transaction Booklet (the "ASK Pro Forma Forecast Statement of Profit and Loss"); and
b) the pro forma forecast consolidated funds from operations ("FFO") for the year ending 30 June 2024 as set out in Table 10.3.3 of Section 10.3 of the Transaction Booklet (the "ASK Pro Forma Forecast FFO").

(the "ASK Pro Forma Forecast Financial Information").

(the ASK Pro Forma Historical Statement of Financial Position, ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information is collectively referred to as the "ASK Financial Information").

The ASK Pro Forma Forecast Statement of Profit and Loss has been derived from the ASK Statutory Forecast Statement of Profit and Loss, after adjusting for the effects of the pro forma adjustments described in Table 10.3.2 of Section 10.3 of the Transaction Booklet.

The ASK Pro Forma Forecast FFO has been determined by adjusting the pro forma forecast consolidated net profit after tax of Abacus Storage King for the year ending 30 June 2024 for non-cash accounting adjustments and other non-recurring items in accordance with best practice guidelines published by the Property Council of Australia (PCA) and is calculated by adding back depreciation and amortisation and movement in lease liabilities.

The ASK Pro Forma Forecast Statement of Profit and Loss has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS, other than that it includes certain adjustments that have been prepared in a manner consistent with AAS, that reflect (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the exclusion of certain transactions that are forecast to occur in the relevant period, and (iii) the impact of certain transactions and the Proposal (including the Offer) as if they occurred on or after 1 July 2023.

The ASK Pro Forma Forecast FFO has been prepared in accordance with the stated basis of preparation, being the pro forma forecast consolidated net profit after tax adjusted for non-cash accounting adjustments and other non-recurring items determined in reference to the best practice guidelines published by the Property Council of Australia (PCA).

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ANNEXURE B:
INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED

Due to its nature, the ASK Pro Forma Forecast Financial Information does not represent Abacus Storage King's actual or prospective financial performance or funds from operations for the year ending 30 June 2024.

The ABG Financial Information and the ASK Financial Information is presented in the Transaction Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

ABG Pro Forma Historical Statement of Financial Position and ASK Pro Forma Historical Statement of Financial Position

The directors of Abacus Group are responsible for the preparation and presentation of the ABG Pro Forma Historical Statement of Financial Position, including the basis of preparation, selection and determination of pro forma adjustments made and included in the ABG Pro Forma Historical Statement of Financial Position. The Abacus Storage King Directors are responsible for the preparation and presentation of the ASK Pro Forma Historical Statement of Financial Position, including the basis of preparation, selection and determination of pro forma adjustments made and included in the ASK Pro Forma Historical Statement of Financial Position. This includes responsibility for such internal controls as the Abacus Group Directors and Abacus Storage King Directors determine are necessary to enable the preparation of ABG Pro Forma Historical Statement of Financial Position and the ASK Pro Forma Historical Statement of Financial Position respectively that are free from material misstatement, whether due to fraud or error.

ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information

The Abacus Storage King Directors are responsible for the preparation and presentation of the ASK Statutory Forecast Financial Information for the year ending 30 June 2024, including the basis of preparation and the best-estimate assumptions underlying the ASK Statutory Forecast Financial Information. They are also responsible for the preparation and presentation of the ASK Pro Forma Forecast Financial Information for the year ending 30 June 2024, including the basis of preparation, selection and determination of the pro forma adjustments made to the ASK Statutory Forecast Financial Information and included in the ASK Pro Forma Forecast Financial Information. This includes responsibility for such internal controls as the Abacus Storage King Directors determine are necessary to enable the preparation of ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information that is free from material misstatement, whether due to fraud or error.

4. Our Responsibility

ABG Pro Forma Historical Statement of Financial Position and ASK Pro Forma Historical Statement of Financial Position

Our responsibility is to express a limited assurance conclusion on the ABG Pro Forma Historical Statement of Financial Position and the ASK Pro Forma Historical Statement of Financial Position based on the procedures performed and the evidence we have obtained.

ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the ASK Statutory Forecast Financial Information and the ASK Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the ASK Statutory Forecast Financial Information and the ASK Pro Forma Forecast Financial Information, and the reasonableness of the ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information itself, based on our limited assurance engagement.

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We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

ABG Pro Forma Historical Statement of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the ABG Pro Forma Historical Statement of Financial Position being the pro forma historical consolidated statement of financial position of Abacus Group as at 31 December 2022, as set out in Table 9.3.1 of Section 9.3 of the Transaction Booklet, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 9.2 of the Transaction Booklet.

ASK Pro Forma Historical Statement of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the ASK Pro Forma Historical Statement of Financial Position being the pro forma historical consolidated statement of financial position of Abacus Storage King as at 31 December 2022, as set out in Table 10.4.2 of Section 10.4.2 of the Transaction Booklet, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 10.2.1 of the Transaction Booklet.

ASK Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

a) the Abacus Storage King Directors' best-estimate assumptions used in the preparation of the ASK Statutory Forecast Financial Information for the year ending 30 June 2024 do not provide reasonable grounds for the ASK Statutory Forecast Financial Information; and
b) in all material respects, the ASK Statutory Forecast Financial Information:
    i. is not prepared on the basis of the Abacus Storage King Directors' best estimate assumptions as described in Sections 10.7.1 and 10.7.2 of the Transaction Booklet; and
    ii. is not presented fairly in accordance with the stated basis of preparation, as described in Section 10.2.1 of the Transaction Booklet; and

c) the ASK Statutory Forecast Financial Information itself is unreasonable.

ASK Pro Forma Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

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ANNEXURE B:
INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED

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a) the Abacus Storage King Directors' best-estimate assumptions used in the preparation of the ASK Pro Forma Forecast Financial Information for the year ending 30 June 2024 do not provide reasonable grounds for the ASK Pro Forma Forecast Financial Information; and

b) in all material respects, the ASK Pro Forma Forecast Financial Information:
   i. is not prepared on the basis of the Abacus Storage King Directors' best estimate assumptions as described in Sections 10.7.1 and 10.7.2 of the Transaction Booklet; and
   ii. is not presented fairly in accordance with the stated basis of preparation, as described in Section 10.2.1 of the Transaction Booklet; and

c) the ASK Pro Forma Forecast Financial Information itself is unreasonable.

ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information

The ASK Statutory Forecast Financial Information and the ASK Pro Forma Forecast Financial Information has been prepared by management of Abacus Storage King and adopted by the Abacus Storage King Directors' in order to provide prospective investors with a guide to the potential financial performance and funds from operations of Abacus Storage King for the year ending 30 June 2024. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The Abacus Storage King Directors' best-estimate assumptions on which the ASK Statutory Forecast Financial Information and ASK King Pro Forma Forecast Financial Information is based relate to future events and/or transactions that management of Abacus Storage King expect to occur and actions that management of Abacus Storage King expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Abacus Storage King. Evidence may be available to support the Abacus Storage King Directors' best-estimate assumptions on which the ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Abacus Storage King Directors' best-estimate assumptions. The limited assurance conclusions expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Abacus Storage King, which are detailed in the Transaction Booklet and the inherent uncertainty relating to the ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 14 and Section 10.8 of the Transaction Booklet. The sensitivity analysis described in Section 10.8 of the Transaction Booklet demonstrates the impact on the ASK Pro Forma Forecast FFO of changes in key best-estimate assumptions. We express no opinion as to whether the statutory forecast or pro forma forecast of Abacus Storage King will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the ASK Statutory Forecast Financial Information and ASK Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on, representations from certain members of management of Abacus Property Group and Abacus Storage King, that all material information concerning the prospects and proposed operations of Abacus Storage King has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

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6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 9.2 and Section 10.2.1 of the Transaction Booklet, which describes the purpose of the ABG Financial Information and ASK Financial Information respectively. As a result, the ABG Financial Information and ASK Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Strategy and Transactions has consented to the inclusion of this limited assurance report in the Transaction Booklet in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Strategy and Transactions does not have any interests in the outcome of the Proposal including the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Strategy and Transactions Limited

Trent Baxter

Director and Representative

Gavin Sultana

Director and Representative

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19 June 2023

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Strategy and Transactions

Ernst & Young **Strategy and Transactions Limited** ("Ernst & Young Strategy and Transactions" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $77,000 (inclusive of GST).

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Ernst & Young Strategy and Transactions is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in the Transaction Booklet in Section 17.17, Ernst & Young Strategy and Transactions, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Strategy and Transactions and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Strategy and Transactions, if any, is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority Limited.

9. Compensation Arrangements

Ernst & Young and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Ernst & Young's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Ernst & Young satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Strategy and Transactions Limited	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Australian Financial Complaints Authority Limited GPO Box 3 Melbourne, VIC 3001 Telephone: 1800 931 678

This Financial Services Guide has been issued in accordance with ASIC Corporations (Financial Services Guides) Instrument 2015/541.

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ANNEXURE C:

SUMMARY OF VALUATION REPORTS

ANNEXURE C:
SUMMARY OF VALUATION REPORTS

CBRE VALUATION & ADVISORY SERVICES

CBRE

Portfolio Valuation Summary Letter

Proposed Abacus Storage King REIT (ASK)

Portfolio of 131 properties across ACT, NSW, QLD, SA, VIC, WA & NZ

Valuation Dates: 30 April 2023

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

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9 Liability Disclaimer 11

Valuation Dates: 30 April 2023

Ian Triganza
Abacus Property Group
Level 13, 77 Castlereagh Street
Sydney NSW 2000

Attention: The Directors of Abacus Storage Funds Management Limited (ASFML) as RE of Abacus Storage Property Trust (ASPT) and Abacus Storage Operations Limited (ASOL)

Dear Directors

Valuation Summary Letter
Proposed Abacus Storage King REIT (ASK)

1 Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 13 February 2023 to prepare a market Valuation for the interest in the portfolio named above. The Valuation is to be relied upon for First Mortgage Security and Financial Reporting purposes and is specifically addressed for use and reliance upon by the parties named in the full Valuation Report, including Abacus Property Group. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, having regard to ANZVGN 8 Valuations for use in Offer Documents.

This valuation summary letter has also been prepared for inclusion in the Transaction Booklet comprised of:

- Notice of Meeting and an Explanatory Memorandum for Abacus Group Securityholders;
- A Prospectus to be issued by Abacus Storage Operations Limited; and
- A Product Disclosure Statement to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

The instructions specifically request us to provide our opinion of the market value of the properties as at Valuation Dates: 30 April 2023 on the following bases:

Market Value	101 properties As Is – Freehold Going Concern
Market Value	10 properties As Is – Leasehold
Market Value	16 properties As Is – Freehold Vacant Possession
Market Value	4 properties As Is – Freehold Subject to Existing Lease / Leases

NB – Refer to Critical Assumptions of this letter

CBRE has been instructed to provide a full Valuation Report, in addition to this Summary Letter which is included in the Transaction Booklet document. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, General Assumptions, Disclaimers, Limitations, Qualifications and Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon this Summary Letter in isolation.

Instruction Summary:

Instructing Party	Abacus Storage Funds Management Limited (ASFML) as RE of Abacus Storage Property Trust (ASPT) and Abacus Storage Operations Limited (ASOL)
Date of Instruction	13 February 2023
Report Copy	We refer the reader to Abacus Property Group to obtain a copy of our Portfolio Valuation Report.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

2 Brief Description of the Portfolio and Financial Details

2.1 Portfolio Details

Brief Description

Our valuation consists of 131 properties (114 self-storage facilities and 17 development sites) located throughout Australia and New Zealand. Improvements are varied, built form generally comprises of either purpose built modern / older style self-storage facilities and / or converted self-storage facilities. 38.2% of the improvements were built post 2000 and therefore the portfolio is weighted towards the older style construction. Ancillary improvements to a number of assets include residential flats, telecommunication towers, advertising signboards, other commercial/retail tenancies while all improvements comprise signage, onsite car parking provisions, landscaped gardens and security fencing / gates. The subject properties comprise a combined land area of 1,102,899 sqm, with various land zonings.

Geographic Spread

We have dissected the portfolio by region as this breakdown provides a more detailed analysis on the geographical spread of the portfolio.

The resulting dissections is as follows:

Region	No.	% of Total Portfolio
Australian Capital Territory	6	4.6%
New South Wales	48	36.6%
Queensland	24	18.3%
South Australia	3	2.3%
Victoria	25	19.1%
Western Australia	10	7.6%
Total Australia	**116**	**88.5%**
Total New Zealand	**15**	**11.5%**
Total Portfolio	**131**	**100.0%**

Lettable Areas

From our measurements and calculations of each of the individual occupancy reports and plans provided for the trading self-storage properties, the approximate areas of the portfolio are broken down as follows:

Region	Total NSA (sqm)	% of Total NSA	Total No. of Units	Ave Unit Size (sqm)
Australian Capital Territory	50,888.7	8.3%	5,179	9.83
New South Wales	182,540.0	29.9%	19,198	9.51
Queensland	119,106.6	19.5%	12,496	9.53
South Australia	11,738.8	1.9%	1,209	9.71
Victoria	109,208.9	17.9%	11,521	9.48
Western Australia	59,037.6	9.7%	6,083	9.71
Total Australia	**532,520.6**	**87.3%**	**55,686**	**9.56**
Total New Zealand	**77,753.1**	**12.7%**	**10,173**	**7.64**
Total Portfolio	**610,273.7**	**100.0%**	**65,859**	**9.27**

The above total portfolio NSA includes three assets (Brendale, Currumbin and Granville) which are currently under development and are not yet trading and an additional two assets (Burwood and Windsor Gardens) being expanded where the expansion areas are also not yet trading. For the purpose of these valuations, the NSA of these five developments have been included within our valuation calculations having been assessed on an as-if complete basis. Additionally, many facilities offer additional tenancies which are not included in the above total albeit is minor when comparing to the total lettable area of the storage component.

Site Areas	The total land mass held within the portfolio equates to 1,102,899 sqm. The summary of the smallest, largest and average site area is detailed as follows:

	MIN (sqm)	MAX (sqm)	AVG (sqm)
Site Areas	841	74,860	8,419

2.2 Financial Details

Occupancy by Area

The portfolio currently accommodates 114 self-storage facilities and 17 development sites. Of the self-storage facilities 102 are mature, 9 are in build-up phase and 3 are under construction. Accordingly, the current occupancy as at February 2023 the 114 self-storage facility are as follows:

Region	No. of Sites	Occupancy by Area
Australian Capital Territory	6	86.5%
New South Wales	35	78.4%
Queensland	24	74.0%
South Australia	2	82.7%
Victoria	22	82.3%
Western Australia	10	91.2%
Total Australia	**99**	**80.5%**
Total New Zealand	**15**	**94.0%**
Total Self-Storage Properties	**114**	**82.2%**

Notably the above results are inclusive of a number of properties in a build-up phase. More specifically, New South Wales and Queensland both have recent constructions finished and therefore are displaying current occupancy levels below market expectations which is dragging down the overall portfolio occupancy level.

Average Rental Rates (ARR)

The total passing storage income divided by the occupied area expressed as a $rate/sqm (p.a) as at January 2023 on a region basis is as follows:

Region	ARR
Australian Capital Territory	$426/sqm
New South Wales	$399/sqm
Queensland	$333/sqm
South Australia	$269/sqm
Victoria	$321/sqm
Western Australia	$310/sqm
Total Australia ($AUD)	**$355/sqm**
Total New Zealand ($NZD)	**$365/sqm**

Notably, the portfolio has showcased year on year growth across the entire portfolio with the current levels sitting above FY22 results. Importantly, this is consistent with the broader market as a result of the general improvement in the storage sector across both Australia and New Zealand.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Maintainable Summary

The below table summarises the maintainable trading levels of the portfolio. Unless otherwise stated, all figures regarding the New Zealand properties are expressed in New Zealand Dollars (NZD) while the Australian properties are in Australian Dollars (AUD).

Region	Gross Revenue Adopted	Total Expenses Adopted	Net Operating Profit Adopted	NOP as a % of Gross Revenue
Australian Capital Territory	$19,973,700	($4,808,043)	$15,165,657	75.9%
New South Wales	$62,570,735	($20,247,270)	$42,325,385	67.6%
Queensland	$36,949,248	($12,210,860)	$24,742,854	67.0%
South Australia	$2,803,762	($974,061)	$1,821,862	65.0%
Victoria	$33,669,670	($10,924,901)	$22,744,770	67.6%
Western Australia	$16,563,606	($5,190,175)	$11,373,431	68.7%
Total Australia ($AUD)	**$172,530,720**	**($54,356,762)**	**$118,173,958**	**68.5%**
Total New Zealand ($NZD)	**$28,678,725**	**($8,880,253)**	**$19,798,472**	**69.0%**

Benchmark Analysis

The following benchmarks are based upon our analysis of over 150 self-storage businesses throughout Australia and New Zealand. This information provides a guide only with which to compare the subject portfolio averages in determining if the businesses are currently performing within market expectations.

Item as a % of Gross Revenue	Portfolio Average	Benchmark Range
Storage Income	92.5%	72.7% to 98.0%
Other Income	4.9%	2.0% to 14.8%
Expenses	31.4%	19.2% to 49.0%
Wages (inclusive of on costs)	8.3%	4.9% to 17.0%
NOP	68.6%	51.0% to 80.8%

The above results indicate that our estimated key performance metrics for the subject portfolio are within industry benchmarks.

3 Valuation Date & Market Movement

Valuation Date

As per our instructions, the Valuation Report has been issued in advance of the Valuation Date, so the client can meet Financial Reporting obligations. We specifically note:

- The date of valuation is as at 30 April 2023, while our inspections of the properties were undertaken from 13 February 2023 to 2 March 2023.
- Property income and value are relevant at the date of valuation for Financial Reporting purposes.
- We have made the critical assumption that the condition, financial performance and all attributes of the portfolio as described in this report remain unchanged between the dates of inspection and the date of valuation.
- We have also made the critical assumption that market conditions remain unchanged between the dates of inspection and the date of valuation.

If any Reliant Party is aware of or suspects that there may be changing circumstances which could result in a material change to the value between the inspection dates, date of issue and valuation dates, this report must not be relied upon and immediately returned to the valuer for review.

Changes In Value

The values assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in values.

4 Critical Assumptions and Reliance on Information Provided

A summary of select Critical Assumptions noted in the full Valuation Report include:

Information Provided	We assume all information provided by the Instructing Party is correct and current. Financial information provided including Profit and Loss statements is unaudited. We recommend the reliant parties undertake their own detailed analysis to satisfy themselves with trading performance in line with that adopted, particularly the operating expenses.
Information Available	Our valuation is based upon the most current information available at the time the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change may also have a corresponding change to the value.
Currency	Unless otherwise stated all figures regarding the New Zealand properties are expressed in New Zealand Dollars (NZD) while the Australian properties are in Australian Dollars (AUD).
Portfolio Value	In arriving at a value for this portfolio, we have undertaken a separate valuation for each of the 131 assets. For the sake of clarity, we advise that this is not a valuation of the portfolio in a holistic sense and does not take into consideration any impact of multiple properties being available at any one time, beneficial, detrimental or otherwise. Should the parties to whom reliance of this report is extended require a portfolio analysis, this request should be formally made to us at the appropriate time.
Going Concern Assessments	Our valuations as a 'going concern' are inclusive of all the fixtures, fittings and equipment (FF & E) necessary to operate as a business on a walk-in walk out basis. We have undertaken our analysis on the basis that the leases on any leased plant and equipment are paid out. The values determined herein have been predicated on the assumption that the business is unencumbered by any hire purchase/lease agreements as regards plant and equipment. In the event that any of the businesses are operated pursuant to any hire purchase/lease agreements as regards plant and equipment, the payout figure for such leased plant as at the date of valuation would have to be determined to calculate the unencumbered value of the going concern interest. We recommend that the status of leased plant be investigated by the reliant party prior to any decision making for reliance.
Crown Lease Agreements	6 sites forming part of the portfolio are located in the ACT. Land use control in the ACT is also a function of Lease Purpose Clauses that form part of the Crown lease for each property and that most properties are subject to a statutory right of renewal. In this regard the tenure is more akin to perpetual leasehold or freehold for the purpose of calculating value. ▪ We assume all Crown leases within the ACT are not concessional in whole or in part. ▪ We assume all Crown leases in the ACT may be extended for a further term subject to an application process and payment of a nominal administration fee. We assume all Crown leases in the ACT may be varied in accordance with the Planning and Development ACT, subject to usual planning approval and payment of a lease variation charge if required.
Leasehold Assessments (excluding ACT properties and Dunedin South)	In the case of income producing freehold property, the traditional capitalisation approach is usually considered the most appropriate methodology for assessment purposes. Such an approach may also be appropriate for leasehold interests of an extended term (generally in excess of 60 years term certain), and a review of historic sales evidence would tend to support this view. We note however, that the unexpired period of the relevant properties leasehold periods are less than 60 years, and it is considered that an alternate valuation methodology is required in the absence of current and comparable sales evidence. In assessing the market values for these properties subject to leasehold interests we have had regard to the available sales of freehold property and have considered the individual characteristics of each of the subject properties. Regard has been given to the leasehold nature of the property and to the remaining term of the lease and its short-term nature. We therefore consider the Dual Rate Methodology as an appropriate valuation approach to be employed in the assessment of market values. The Dual Rate approach provides for a desired rate of return (remunerative rate or return on investment) and allows for an amount to be set aside for investment as a sinking fund (accumulative rate or return of investment) so that by lease expiry the amount available in the fund will be equal to the original purchase price. The sinking fund therefore allows an investor a claim to the return of their initial capital outlay (purchase price) at the end of a fixed period, similar to a bond redemption, or sale of a freehold property at some future point in time.
Freehold Vacant Possession Assessments	In conducting our Freehold Vacant Possession, we have relied upon the following definition of vacant possession "the right to possession of land or built-up property in respect of which there is no current occupant". We have had regard to the highest and best use of these sites and determined these to be future development sites.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Freehold Subject to Lease Assessments	Notably, there are 4 assets which are subject to current lease(s) albeit generally short to medium terms remaining. Importantly, these assets have been acquired by the registered proprietor with the intent to develop them as self-storage facilities and the current lease agreements(s) providing holding income only. This is considered to be consistent with the highest and best use of these assets. Accordingly, we have disregarded these existing leases and assessed these assets as development sites.
Sites with Outstanding Construction / CAPEX	10 sites were undergoing outstanding construction / refurbishments during our respective inspection dates. We have been advised that these works will still be outstanding as at the date of valuation and as such have been advised of these development costs and accordingly, they have been factored within our valuation. We recommend the parties relying on these valuations verify that this is correct, and, in the event that these works are not satisfactorily completed in a tradesman like manner then these valuations should be returned for amendment to determine impact on value.
Unexecuted Leases	In some circumstances draft/unexecuted lease agreements and option periods have provided and therefore relied upon. On the basis that variations between the specific lease details noted within the Portfolio Valuation Report and the final registered documentation exists, these variations should be referred back to us for review and possible revision of this valuation advice.
Impending Rent Reviews	All rentals have been adopted as at valuation date incorporating any impending rental reviews.
Net Storage Areas (NSA)	Where possible, we have attempted to corroborate the NSA of each asset by undertaking our own measurements conducted on geospatial online mapping systems and reconciling the occupancy reports provided. We have not identified any reason to consider the information provided to us to be incorrect, however we are not expert surveyors. We do highlight that the NSA plays a critical part in the valuation and caution that any discrepancy has the ability to impact on our opinion of value and cashflow available for debt servicing.
Management	Management capability is critical to underpinning value. We strongly recommend the reliant party satisfy itself with the management capability of the operator and trading history and that transfers are obtainable for all leases, licences and permits (with all these being current). It is assumed that the business operations remain profitable under “good average management”. Any alternative position will impact value and saleability.
Licence Agreement & Management Agreement	Although requested we were not provided with the Licence Agreements and the Specialist Management & Support Services Agreements relevant to the properties. Our valuations assume performance to date has been achieved under industry standard terms. As this has the fundamental ability to impact on our valuation and risk profile, the reliant party mortgagee must review these agreements and consider the impact of any actual terms prior to relying on these valuations. Additionally, each reliant party should review each Agreement when available and compare it with our position adopted herein, which reflects typical industry terms. It is important to note that the owner (Abacus Property Group) also owns Storage King.
Related Parties Leases	Notably, some properties have a lease agreement registered upon Title to Abacus Storage Operations Limited. We have made inquiries with the Instructing Party as to this notation and have been advised that the lease is to a party related to the Registered Proprietor. Industry standards require owner occupied properties to be valued with vacant possession and our valuation is provided on this basis. The reliant party mortgagee must ensure vacant possession will be available if required.
Approved Use	Our valuations are made on the assumption that the income generated from the subject businesses is as a result of compliance with Council approvals. If any correspondence is produced to the contrary, then our valuation should be returned for comment as the value, cashflow and saleability may be affected. Therefore, it is critical that the reliant party confirm compliance.
Discounted Cash Flow	Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation. Market conditions will change over time influenced by internal and external factors against which a review of the assumptions may be warranted. Therefore, reliance upon these projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. The Discounted Cash Flow method of valuation referred to in the Portfolio Valuation Report has been undertaken for the purpose of assisting in the determination of the current market value of the interest in each of the properties and we make no guarantees or warranty as to the accuracy of future income stream projections, as these can be impacted by a combination of unforeseen circumstances.
Contamination	During our inspections, we were unable to verify the goods being stored within each of the facilities. Accordingly, our valuation assumes that there is no contamination existing resulting from the storage of any of the goods stored at any of the properties.
Owners Corporation	We have assumed that there are no outstanding Owners Corporation debts or major repair orders for those properties forming part of one.

Aluminium Composite Panels	Unless otherwise noted, we have assumed that the improvements are compliant with current BCA fire safety codes or regulations and do not pose significant fire compliance risk, nor require immediate remediation. We have no allowances for remediation works within our valuations. Our visual inspection is an inconclusive indicator of the actual presence of Aluminium Composite Panel materials within the property. We make no representation as to the actual status of the subject property. If any testing is undertaken and materials on site is found to be non-compliant, these valuations must not be relied upon before first consulting CBRE to reassess the valuations.
Estimated Selling Period	In the current market, it is our view that a 3-month marketing period may be required to affect a disposal of the interest in each asset assuming a professional marketing campaign on a standalone basis.
Changing Market	One of the most significant economic challenges both domestically and globally is rising inflation. Latest national inflation figures are at a 10-year high and many economists have varying opinions on underlying rates over the short-term. Whilst rental growth if often evident during inflationary cycles, the underlying threat is for increasing borrowing rates to temper current demand levels and bring an end to the bullish property cycle. Increases in interest rates and bond yields have led to sharp increases in the cost of capital which historically has a negative impact on some owners/investors ability to secure finance resulting in a softening of investment drivers, heightened volatility and the potential for negative price movements.
	Given the uncertainty regarding inflation and interest rates, it is recommended that any authorised Reliant Party review this valuation periodically. Lending or investment decisions should reflect this heightened level of volatility and caution is advised in this regard.

5 Report Content

Report Note	Our Portfolio Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions; Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; Building Improvements along with analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic and Self-Storage Market Overview, details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the values and marketability of the properties. We again refer the reader of this letter to our Portfolio Valuation Report for detail in respect of the above items.

6 Valuation Methodology

Methodology Note	In arriving at our opinion of each assets value, we have considered relevant general and economic factors and in particular have investigated recent sales of comparable properties. In assessing the market values of the subject property on an 'As Is' basis, we have undertaken both the income capitalisation approach and a DCF analysis as a supporting method for the trading self-storage facilities. While in assessing the market value of the development site properties, we utilised the direct comparison approach on either a rate per square metre of site are or potential GFA. A detailed explanation of each asset's investment credentials and the application of the Capitalisation approach, DCF methodology and Direct Comparison approach is provided in the full Valuation Report.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

7 Valuation Summary

In accordance with the instructions, we summarise our valuation conclusions for the Property as at Valuation Dates: 30 April 2023 as follows:

Market Value of Australia Properties	$2,305,350,000 (Two Billion, Three Hundred and Five Million, Three Hundred and Fifty Thousand Dollars), exclusive of GST (AUD)
	The table below and overleaf outline our valuation conclusions for the Australian properties as at 30 April 2023.

Region	No. of Sites	Adopted Market Value
Australian Capital Territory	6	$287,900,000
New South Wales	48	$958,600,000
Queensland	24	$419,050,000
South Australia	3	$31,050,000
Victoria	25	$425,050,000
Western Australia	10	$181,900,000
Total Australia ($AUD)	**116**	**$2,305,350,000**

Market Value of New Zealand Properties	$335,000,000 (Three Hundred and Thirty-Five Million Dollars), exclusive of GST (NZD)
	The table below and overleaf outline our valuation conclusions for the New Zealand properties as at 30 April 2023.

Region	No. of Sites	Adopted Market Value
Total New Zealand ($NZD)	**15**	**$335,000,000**

8 Consent

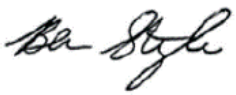
Consent (conditional)	CBRE provides its consent for the inclusion of this Summary Letter within the Transaction Booklet for Abacus Property Group subject to Abacus Property Group making recipients of the Transaction Booklet aware of the following liability disclaimer.

9 Liability Disclaimer

We do not provide financial advice	CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Abacus Property Group.
Transaction Booklet comment	CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Transaction Booklet, other than in respect to this Summary Letter and the full Valuation Report.
Limitations	The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Transaction Booklet. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
Information Relied Upon	CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties in including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
Qualified to full Valuation Report	References to the Property's value within this Summary Letter or the Transaction Booklet have been extracted from CBRE's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, general assumptions, disclaimers, limitations, qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Transaction Booklet must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 30 April 2023 issued 12 May 2025 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Abacus Property Group to obtain a copy of the Full Valuation Report.
No Responsibility	No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter and the Full Valuation Report.
Restricted	Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
Valuer's Interest	We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
Reliance & Liability	This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely
CBRE Valuations Pty Limited





Dylan Adams
National Director – Valuation & Advisory Services

Ben Styles
Senior Director – Quality & Risk Management

Liability limited by a scheme approved under Professional Standards Legislation.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

CUSHMAN & WAKEFIELD

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5 May 2023

Ian Triganza (Senior Associate Executive), and
Sophie Gillard (Valuer)
Abacus Property Group including Abacus Funds Management Limited (Abacus)

Via Email to: ITriganza@abacusgroup.com.au & sgillard@abacusgroup.com

Dear Ian and Sophie,

Re: Consent to be named in Transaction Booklet

We refer to instructions issued by Abacus Property Group including Abacus Funds Management Limited (dated 31 March 2023) requesting Cushman & Wakefield to prepare a market valuation of the of the four properties as described herein.

We provide this summary of our valuation for inclusion in the Transaction Booklet comprised of:

- Notice of Meeting and an Explanatory Memorandum for Abacus Group Securityholders;
- A Prospectus to be issued by Abacus Storage Operations Limited; and
- A Product Disclosure Statement to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

For further information, reference should also be made to our Valuation Reports dated 30 April 2023. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within that report. We note that this summary does not include all essential information relating to the property as detailed within the Valuation Report.

We note that the valuations are current as at the date of valuation only we can give no guarantee that the properties or valuations have not altered since the date of valuation.

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CUSHMAN & WAKEFIELD

Instruction Details	
Property Addresses:	1) 99 Walker Street, North Sydney NSW 2) 63 Ann Street, Surry Hills NSW 3) 452 Johnston Street, Abbotsford VIC 4) 710 Collins Street, Docklands VIC
Valuation Date:	30 April 2023
Instructing Party:	Abacus Property Group including Abacus Funds Management Limited
Interest Valued:	100% freehold interest* *710 Collins assessed on both a 100% and 50% freehold interest.
Basis of Valuation:	Market value "As Is" of the unencumbered freehold interest, subject to existing leases as detailed herein.
Relying Party/Parties and Purpose of Valuation:	Abacus Property Group and Abacus Funds Management Limited for financial reporting purposes. • Australia and New Zealand Banking Group Limited as Core Facility Agent; and • ANZ Fiduciary Services Pty Limited as security trustee for the Abacus Property Group Security Trust (as constituted under the Security Trust and Intercreditor Deed), for itself and for the benefit of its 'Beneficiaries' as defined in the Security Trust and Intercreditor Deed who at the date of valuation are: o ANZ Fiduciary Services Pty Limited; o Australia and New Zealand Banking Group Limited; o Commonwealth Bank of Australia; o The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch; o National Australia Bank Limited; o Westpac Banking Corporation; and o Sumitomo Mitsui Banking Corporation, Sydney Branch. Each in their combined and collective capacity as a first mortgagee.

Valuer Qualifications	Assets in State	Valuer / Co-signatory
	New South Wales	Lachlan Graham & Daniel Hiscox / Adam Elias
	Victoria	Niall Ashleigh / Tim Miles

Conflict of Interest

We confirm that the Valuers have no conflict of interest that could reasonably be regarded as being capable of affecting that persons ability to give an unbiased opinion of the value or that could conflict with The Valuations.

Basis of Valuation

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:

> *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein* the parties had each acted knowledgeably, prudently and without compulsion."

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

CUSHMAN & WAKEFIELD

Brief Description of the Property

Property Details – 99 Walker Street, North Sydney NSW	
Land Area:	2,263m² (as per Deposited Plan)
NLA (current configuration):	18,998.4m²
Zoning:	E2 – commercial Centre
Description:	A commercial building of upper B-grade quality completed in 1988 and since refurbished. It comprises five levels of basement parking for 229 cars, fitness studio on the lower ground level, a Coles/Liquorland supermarket & café, plus foyer & lift lobby on the ground level, together with 21 upper levels of office accommodation and roof top plant rooms.
Tenancy Overview:	84.6% (NLA) leased to 15 office tenants and three retail tenants reflecting a WALE of 3.73 years (income).
Property Details – 63 Ann Street, Surry Hills NSW	
Land Area:	929.5m² (as per Deposited Plan)
NLA (current configuration):	2,381.1m²
Zoning:	MU1 – Mixed Use
Description:	The property comprises a four-level brick commercial building with a loading dock to Little Riley Street and secure parking for 18 vehicles accessible from Little Albion Street. Originally a warehouse and factory built in the 1920s and previously known as the Lamson Paragon factory; converted in the 1990s into an office property with lower ground parking. Refurbished in 2020.
Tenancy Overview:	Fully leased (apart from 1 car space) to four tenants reflecting a WALE of 2.80 years (income).
Property Details – 452 Johnston Street, Abbotsford VIC	
Land Area:	16,920m².
NLA (current configuration):	15,410m²
Zoning:	Commercial 2 Zone
Description:	The property comprises two campus style office buildings (East and West) providing retail to the pedestrian entrance on Johnston Street and two levels of office across large floorplates and a rooftop terrace together with at-grade, multideck and basement car parking in the northern suburb of Abbotsford.
Tenancy Overview:	71.5% leased to three tenants, Computershare (45.7% of NLA); Spark NEL JV (25.1% of NLA) and a café tenancy (0.6%) of NLA. WALE of 5.5 years by income.
Property Details – 710 Collins Street, Docklands VIC	
Land Area:	7,795m²
NLA (current configuration):	11,355.1m²
Zoning:	Docklands Zone (DZ) under the Melbourne Planning Scheme.
Description:	The subject property comprises a heritage listed two level office building known as Goods Shed South. The property was formerly a good shed and has been converted into creative office accommodation. Access to the property is from both Collins and Bourke Streets with additional access from both Village Street and Aurora Lane. Accommodation provided presents to an A-Grade standard. We have been advised there is currently an endorsed planning permit for a proposed mixed-use development in delivering two new office towers across the Goods Shed North and Goods Shed South that plans to deliver circa 155,000 sqm of premium office space. This application was first lodged in March 2022.
Tenancy Overview:	97% leased with the largest tenants including the State Government (56.4% of NLA) and Victorian Building Authority (32.4% of NLA). WALE of 1.9 years by income.

CUSHMAN & WAKEFIELD

Valuation Methodology

The valuation has been determined via reconciliation between the capitalisation and discounted cash flow (10 year) methods of valuation, with support from direct comparison methodology.

Capitalisation

Under the capitalisation approach, the assessed net face market income as at the date of valuation is capitalised at an appropriate market yield to establish the property's market value fully leased. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.

Discounted Cashflow

The discounted cashflow approach incorporates the estimation of future annual cash flows over a 10 year investment horizon from the valuation date by reference to expected rental growth rates, ongoing capital expenditure, terminal sale value and acquisition and disposal costs. The present value of future cash flows is then determined by the application of an appropriate discount rate (target IRR) to derive a net present value for the property as at the valuation date.

Direct Comparison

This approach identifies comparable sales on a dollar rate per square metre of lettable area and compares the equivalent rates to the subject to establish the property's market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

Summary of Values

We have assessed the Market Value of the freehold interest for the four assets at the respective date of valuation being 30 April 2023. These assessments are listed below and are subject to the qualifications, assumptions and recommendations contained within The Valuations.

The properties have been inspected prior to the respective dates of valuation. Given potential changes to the market and the property, The Valuations represent our opinion as at the date of valuation only. We do not accept any liability for losses arising from such subsequent changes in value.

For the purpose of the Valuations, we have assumed that the property and the market have remained unchanged between our inspection dates and the dates of valuation.

The individual assessments are as follows:

	Property Address	Adopte Cap	Adopted Discount Rate	Adopted Value	Core Market Yield	IRR (10 year)	$/m² (NLA)
1)	99 Waker Street, North Sydney NSW	5.375%	6.50%	$297,000,000	5.41%	6.43%	$15,633
2)	63 Ann Street, Surry Hills NSW	4.875%	6.00%	$35,500,000	4.89%	6.09%	$14,909
3)	452 Johnston Street, Abbotsford VIC	5.50%	6.50%	$134,000,000	5.49%	6.55%	$8,696/m²
4)	710 Collins Street, Docklands VIC	5.375%	6.75%	$105,000,000*	5.36%	6.73%	$9,247/m²

**reflects a 100% interest value*

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

CUSHMAN & WAKEFIELD

Qualifications & Disclaimers

Cushman & Wakefield have prepared this summary which appears in this Transaction Booklet for Abacus Property Group including Abacus Funds Management Limited. Cushman & Wakefield were involved only in the preparation of this summary and the valuations referred to therein, and specifically disclaim liability to any party in the event of any omission from, or false or misleading statement included in, the Transaction Booklet or other document, other than in respect of our valuations and this letter.

Cushman & Wakefield has consented to this summary being included in this Transaction Booklet, but Cushman & Wakefield is not providing advice about a financial product, nor the suitability of the investment set out in this Transaction Booklet. Such an opinion can only be provided by a person that holds an Australian Financial Services Licence. Cushman & Wakefield does not hold such a licence and is not operating under any such licence in providing its opinions of value as detailed in this summary and our valuation reports.

In the case of information contained within the valuation which is of a projected nature, we must emphasise that specific assumptions have been made which appear reasonable based upon current market perceptions. It follows that any one of the assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted in this event and regular update valuations should be obtained to determine the effect on value associated with any movements in the market. Any forecasts, including but not limited to, financial cash flow projections or terminal value calculations noted within this report are a valuation tool only undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining the market value only and therefore should not be represented in any way as providing an indication of likely future profit or realisable cash flow.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Cushman & Wakefield has prepared this letter based upon information provided. We have no reason to believe that the information is not fair and reasonable or that material facts have been withheld and this valuation is conditional upon this information being correct.

This valuation does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, our valuation is conditional upon any detailed reports with respect to the structure and service installation of the improvements not revealing any defects or inadequacies requiring significant capital expenditure.

Cushman & Wakefield has received fees in connection with the preparation of our valuation and this summary. The fee is not in any way linked to nor has it influenced the opinion of value noted and Cushman & Wakefield does not have any pecuniary interest in Abacus Property Group including Abacus Funds Management Limited and has provided this report solely in its capacity as independent professional advisor.

Yours sincerely
Cushman & Wakefield



Matthew Russell
National Director / Head of Valuations

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Sydney NSW 2000

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CIVAS (NSW) Pty Limited I ABN 32 168 282 728

31 May 2023

Ms. Ian Triganza
Senior Associate Executive Capital Transactions
Abacus Funds Management Limited
Level 13, 77 Castlereagh Street
Sydney NSW 2000

Dear Sophie,

RE: Valuation of Abacus Commercial Properties:

- **Market Central, Lutwyche QLD**
- **'Kingsgate', 2 King Street, Bowen Hills QLD**
- **11 Bowden Street, Alexandria NSW**

Introduction

We refer to the instructions issued by Abacus Property Group, including Abacus Funds Management Limited requesting CIVAS (QLD) Pty Limited and CIVAS (NSW) Pty Limited ('CIVAS') assess the Market Value of the freehold interest in the below properties as at 30 April 2023 for Financial Reporting and First Mortgage Security purposes:

Address	Interest Valued	Inspection Date	Valuation Date	Our Reference
Market Central 543 Lutwyche Road, Lutwyche QLD	50% Freehold Interest	11 April 2023	30 April 2023	B8424
Kingsgate, 2 King Street, Bowen Hills QLD	50% Freehold Interest	13 April 2023	30 April 2023	C8871
11 Bowden Street, Alexandria NSW	100% Freehold Interest	12 April 2023	30 April 2023	N4567

The above-mentioned properties are collectively referred to as the 'Properties' in this letter.

We note that we have not made additional inquiries in this regard, nor have we re-inspected the Properties. Given potential changes to the market and the Properties since those dates, we caution that our valuations represent our opinion as at the date of valuation only. We do not accept any liability for losses arising from such subsequent changes in value.

These valuations have been prepared for reliance by:

- Abacus Property Group;
- Abacus Funds Management Limited;
- Australia and New Zealand Banking Group Limited as Core Facility Agent; &
- ANZ Fiduciary Services Pty Limited as security trustee for the Abacus Property Group Security Trust (as constituted under the Security Trust and Intercreditor Deed), for itself and for the benefit of its 'Beneficiaries' as defined in the Security Trust and Intercreditor Deed'.

Liability limited by a scheme approved under Professional Standards Legislation

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

We have subsequently been instructed to provide a short valuation Summary Letter ('Summary Letter') for the inclusion into the Transaction Booklet comprising of:

- Notices of Meeting and an Explanatory Memorandum for Abacus Property Group Securityholders.
- A prospectus to be issued by Abacus Storage Operations Limited.
- A Product Disclosure Statement (PDS) to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

This letter is the above-mentioned Summary Letter and outlines the considerations adopted in arriving at our opinion of Market Value, prepared for the above parties and purposes (detailed in our Full Valuation Reports).

Basis of Valuation

The valuations have been completed in accordance with the following definition of Market Value as defined by the International Valuation Standards Council (IVSC) and endorsed by the API:

Market Value	*"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion."*

We further note that the valuations have also been undertaken for financial reporting purposes and have been completed in accordance with International Financial Reporting Standards 13 (as defined in the International Valuation Standards Fair Value), Australian Accounting Standards Board AASB 13 – Fair Value Measurement and AASB 140 – Investment Property. The Fair Value definition is as follows:

AASB 13	*"…the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*
Highest & Best Use	The Fair Value of an asset is determined by reference to its highest and best use, that is, the use of the asset that is physically possible, legally permissible and financially feasible. We believe that the current use of the Properties is reflective of the highest and best use.

Material Assumptions

Each Valuation Report provides particulars on the information provided by the Instructing Party. Our valuations have been completed under the strict assumption that no material information to the valuation has been withheld in any instance.

In the preparation of each Valuation Report we have made a variety of key assumptions and important comments. In this regard we advise that each report, including appendices, must be read and understood in order that the various assumptions and comments are understood in the context of the adopted valuation.

This Summary Letter should be read in conjunction with the Full Valuation Reports, and we cannot fully summarise all matters discussed within this Summary Letter. That said, some of the primary matters that could affect the valuation of each asset are noted below and caution that such matters are not limited to the following:

All Assets	• Global markets have seen particular volatility since Q1 2020 which has affected each market and each property to a varying degree. Therefore, the Reliant Party(s) to whom this report is extended need to take particular care when relying on this valuation. In regard to the Investment market, we are now in a period of recalibration where investment returns appear to be expanding based upon various factors which include, but are not limited to increasing bond rates, increasing debt costs, subdued occupier market conditions and inflationary pressures on costs. We are seeing reduced investor demand in many sectors of the commercial property market, and this is having an impact on market values for many assets. Transaction volumes remain subdued, and this is anticipated to continue in the short to medium term (relative to historical levels). We are however witnessing several campaigns both 'on' and 'off' market sales campaigns that been subject to advanced negotiations. The terms remain strictly confidential, however have typically reflected softening in metrics relative to previous book values. These specific examples of current market activity have either been withdrawn or are still underway as at the time of writing. Assets outside of Core locations / precincts, or those carrying higher leasing risk, are being more materially impacted. Whilst these transactions are yet to be finalised, as negotiations progress, in all instances they are showing a clear and common theme, being a softening of metrics and resulting decreases in value. CIVAS recognises that both the local and global risk outlook, is extremely fluid. Accordingly, we highlight that our valuation provides a 'point in time' opinion only. For that reason, we recommend the situation be closely monitored and regular updates be initiated by the Reliant Party(s) to whom this report is extended. The commentary prepared herein is current as at the date of writing, however in light of the aforementioned market pressures and velocity of change experienced to date, it is likely that forecasts may continue to change, and that market activity may alter rapidly. • We reserve the right to review and in appropriate circumstances revise our valuation report should any of the key assumptions and comments set out in this report result in matters that will have a material impact on value.
Market Central, Lutwyche QLD	• The main site is situated within a flood designated area pursuant to the Brisbane City Council. We recommend that the reliant parties satisfy themselves as to the various risks associated with flooding and the associated impacts on both the subject Centre and Ancillary Properties and the surrounding catchment. • Given that the subject property's cash flow is yet to stabilise and the investment market continues to 'retreat', further erosion in capital value is likely. It is therefore recommended that the subject remain under frequent valuation review. • The subject Centre includes one ancillary property which is located to the east of the main Centre along Chalk Street which has been acquired for future development/expansion. The site was previously utilised as a childcare centre.
Kingsgate, 2 King Street Bowen Hills QLD	• The property is subject to an 'overland flow' flood risk overlay pursuant to Brisbane City Council flood mapping. • Expected vacancy in medium term with Lendlease vacating upon lease expiry in 2027 (and currently actively looking to sub-lease their accommodation).
11 Bowden Street, Alexandria NSW	• This Positive Covenant dated 9 May 2016 has been imposed by the City of Sydney and states that the Registered Proprietors will be at all times responsible for: ○ Giving notice of the former use and contamination of the land and existence of encapsulated cells containing contaminated material to the Principal Certifying Authority prior to the issue of an Occupation Certificate for the building erected on the land; & ○ Ongoing maintenance and any future rehabilitation works required for the encapsulated material including the prevention of discharge from the encapsulated material of any contaminants or for any works required by the EPA. We note this Covenant was registered prior to practical completion of the recent refurbishment works in the asset (~2017). As such, we have assumed that ongoing maintenance and condition of the encapsulated material is adequate to prevent any discharge of contaminants. We strongly recommend that the reliant party satisfy themselves in this regard prior to relying on this valuation. • Short term expiry risk with ~53% of tenants by NLA vacating during Year 1 of the cash flow.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Valuation Methodology

In determining the Market Value of the Properties, CIVAS has examined the available market evidence and applied this analysis to the Capitalisation of Net Income Approach and the Discounted Cash Flow (DCF) Approach. We have had regard to the Direct Comparison Approach on the basis of a rate per square metre of lettable area.

The Capitalisation of Net Income Approach has been undertaken by applying a yield to both the potential fully let passing net income (initial yield) and the potential reversionary net income (equated reversionary yield). To the value derived, adjustments have been made for any rental reversions, vacancies, leasing costs and capital expenditure required over the first two years.

The DCF has been undertaken over a 10-year time horizon discounting the net income over this period on a monthly basis together with the value of the property, net of selling expenses, in the 121st month. The net present value has been determined after allowing for capital expenditure and costs associated with the purchase of the property.

Our valuations have been undertaken on a GST exclusive basis.

Asset Summary

Below we highlight the individual asset types, lettable area and site area of each asset.

Address	Asset Type	Site Area (m²)	Lettable Area (m²)	Occupancy (%)	WALE (by income)
Market Central 543 Lutwyche Road, Lutwyche QLD	Retail	21,540 m²	21,944.0 m² GLAR	82.42%	4.44 years
Ancillary Property, 112 Chalk Street, Lutwyche QLD	*Child Care / Site*	*810 m²*	*495.0 m² NLA*	*-**	*-**
Kingsgate, 2 King Street, Bowen Hills QLD	Office	2,044 m²	16,246.0 m² NLA	91.20%	3.10 years
11 Bowden Street, Alexandria NSW	Office	2,627 m²	5,557.6 m² NLA	100.00%	1.94 years

** Highest & Best Use assessed as a development site*

The Full Valuation Reports contained a full discussion of location, improvement, trade area overview, market commentary, sales evidence, valuation calculations and detailed income analysis. The Full Valuation Reports also detail the strengths, weakness, opportunities and threats for each asset.

Summary of Values

We have assessed the Market Value of the Properties as follows:

Address	Suburb	State	Interest Assessed	Date of Valuation	Assessed Value (GST Exclusive)
Market Central 543 Lutwyche Road	Lutwyche	QLD	50% Freehold	30 April 2023	$60,000,000 (50% Interest)
Ancillary Property, 112 Chalk Street	*Lutwyche*	*QLD*	*100% Freehold*	*30 April 2023*	*$1,360,000 (100% Interest)*
Kingsgate, 2 King Street	Bowen Hills	QLD	50% Freehold	30 April 2023	$73,500,000 (50% Interest)
11 Bowden Street	Alexandria	NSW	100% Freehold	30 April 2023	$47,500,000 (100% Interest)

Attached to this Letter are the Executive Summaries extracted from each Valuation Report.

These values are subject to the qualifications and assumptions contained within each Valuation Report.

The primary valuer responsible for each Valuation Report is noted at the bottom of the enclosed Executive Summaries.

Qualifications and Warning

CIVAS has been engaged by the Manager to provide a valuation of the Properties.

The Manager wishes to include this letter in the PDS and has requested that CIVAS consent to the inclusion of this letter. CIVAS consents to the inclusion of this letter in the PDS and to being named in the PDS, subject to the comments, terms and assumptions contained within our full valuation reports, this Summary Letter and the further condition that the Manager includes and references this Qualification and Warning in the PDS.

(i) The valuations have been prepared for Abacus Property Group, including Abacus Funds Management Limited for Financial Reporting purposes and Australia and New Zealand Banking Group Limited as Core Facility Agent and ANZ Fiduciary Services Pty Limited as security trustee for the Abacus Property Group Security Trust (as constituted under the Security Trust and Intercreditor Deed), for itself and for the benefit of its 'Beneficiaries' as defined in the Security Trust and Intercreditor Deed' for First Mortgage Security purposes only as outlined in the respective reports and cannot be relied upon by third parties.

(ii) CIVAS does not extend reliance authority for the valuations to any party beyond the reliant parties listed in each report.

(iii) Whilst the Summary Letter is a summary of the valuations as at the date of valuation, it has not been prepared for the purpose of assessing the properties as an investment opportunity. Furthermore, we caution that we cannot fully summarise in this Summary Letter all matters discussed within the full valuation reports.

(iv) CIVAS has not been involved in the preparation of the PDS nor have the valuations had regard to the other material contained in the PDS. The valuations and report content do not take into account any matters concerning the investment opportunity contained in the PDS.

(v) Neither CIVAS nor any of its Directors makes any representation or recommendation in relation to the valuations, the investment opportunity contained in the PDS and the PDS itself nor accepts responsibility for any information or representation made in the PDS.

(vi) Recipients of this Summary Letter and PDS must seek their own advice in relation to the investment opportunity contained in the PDS.

(vii) CIVAS is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. CIVAS does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the properties detailed in the valuations.

(viii) The valuations are current as at the dates of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 90 days from the dates of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

In the case of advice provided in this letter and our full valuation reports which is of a projected nature, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.

Valuers Experience and Interest

- Andrew Johnston AAPI FRICS (Registered Real Estate Valuer No. 2565) has had in excess of twenty years continuous experience in the valuation of property of similar type and is authorised by law to practise as a Valuer in Queensland.
- Jonathan Petsalis AAPI MRICS (Registered Real Estate Valuer No. 5255) has had in excess of fifteen years continuous experience in the valuation of property of similar type and is authorised by law to practise as a Valuer in Queensland.
- Joe Bolster AAPI MRICS has had in excess of ten years continuous experience in the valuation of property of a similar type.
- Josh Swan AAPI (Registered Real Estate Valuer No. 5138) has had experience in the valuation of property of similar type and is authorised by law to practise as a Valuer in Queensland.

We confirm that the nominated Valuers do not have a pecuniary interest or other conflict of interest that would conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the value of the Properties, and we advise that this position will be maintained until 90 days from the Dates of Valuation.

Yours sincerely,

CIVAS (NSW) Pty Limited



Jonathan Petsalis
Head of Office I Valuation & Advisory Services

Encl. Executive Summaries

Summary Letter Verification: Andrew Collins – Head of Risk Management & Business Transformation **QA ID:** 7971614

This Summary Letter has undergone verification of the PDS Qualifications and Warnings as per the requirements in accordance with the Colliers International Quality Management System (QMS). This QMS has been independently and externally audited and certified in accordance with ISO9001:2015, which confirms the quality of the verification and Quality Assurance process.

Market Central Lutwyche & Ancillary Property, 543 Lutwyche Road, QLD, 4030

Executive Summary

Net Market Income: $8,832,831

GLA: 21,944 m²

WALE 5.19 yrs. (by Area) 4.44 yrs. (by Income)

Lutwyche, QLD

% Leased 82.42%

GOC Spec: 17.47%

Valuation Details

Instructing Party

Mr Ian Triganza
Senior Associate Executive
Abacus Group
Level 13, 77 Castlereagh Street
Sydney NSW 2000

Reliant Parties	Abacus Property Group, including Abacus Funds Management Limited; Australia and New Zealand Banking Group Limited as Core Facility Agent; and ANZ Fiduciary Services Pty Limited as security trustee for the Abacus Property Group Security Trust (as constituted under the Security Trust and Intercreditor Deed), for itself and for the benefit of its 'Beneficiaries' as defined in the Security Trust and Intercreditor Deed who at the date of valuation are: • ANZ Fiduciary Services Pty Limited; • Australia and New Zealand Banking Group Limited; • Commonwealth Bank of Australia; • The Hong Kong and Shanghai Banking Corporation Limited, Sydney Branch; • National Australia Bank Limited; • Westpac Banking Corporation; and • Sumitomo Mitsui Banking Corporation, Sydney Branch.
Registered Proprietors	Lutwyche City Shopping Centre Pty Limited (50% interest) ISPT Pty Ltd A.C.N. 064 041 283 (50% interest)
Purpose of Report	Financial Reporting and First Mortgage Security
Interest Valued	100% and 50% Freehold Interest subject to existing leases.
Date of Valuation	30 April 2023
Date of Inspection	11 April 2023

Property Overview

Market Central Lutwyche comprises a Sub-Regional Shopping Centre which extends to a Gross Lettable Area (GLA) of 21,944m². The Centre opened circa 1974 and has undergone subsequent refurbishments and extensions, with the latest being completed in 2019.

The subject Centre is anchored by a Woolworths Supermarket, Coles Supermarket and Aldi in addition to 1 mini-major, 31 specialties, 20 offices, 13 kiosks, 3 freestanding tenancies and 2 ATMs. Car parking is provided for approximately 820 vehicles across two basement levels.

The subject Centre also includes an ancillary property which is located to the east of the main Centre, which has been acquired for future development/expansion.

The subject Centre is situated upon an irregular shaped parcel of land which extends to a site area of 21,540m² and is zoned 'DC2 – District Centre (Corridor)'. The ancillary property extends to a site area of 810m² and is zoned 'DC2 – District Centre (Corridor)' pursuant to the Brisbane City Plan 2014.

The subject Centre and ancillary property are located approximately 5.6 kilometres (by road) north of the Brisbane General Post Office (GPO).



ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

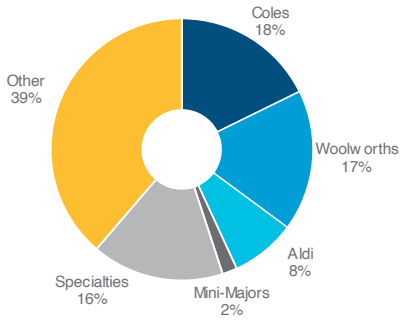
Market Central Lutwyche & Ancillary Property, 543 Lutwyche Road, QLD, 4030

Colliers

Tenancy Details

No of Tenants	**73**
No of Major Tenants	**3**
Total Majors	**9,463m²**
Mini-Majors	402m²
Specialties	3,580m²
Kiosks	344m²
ATMs	2m²
Freestanding	186m²
Office	7,967m²
Sub Total	12,481m²
Total Centre	**21,944m²**

Tenant Composition by GLA



Financial Details

Component Income	Passing Income	Market Income	Variance
Majors	$3,594,211	$3,594,211	-
Mini-Majors	$398,754	$351,750	($47,004)
Specialties	$2,523,254	$2,496,186	($27,068)
Kiosks	$550,126	$501,235	($48,891)
ATMs	$7,119	$5,000	($2,119)
Freestanding	$144,365	$144,365	-
Office	$2,926,796	$2,764,052	($162,744)
Sundry Income	$407,376	$407,376	-
Total Gross Income	**$10,552,001**	**$10,264,174**	**($287,827)**
Vacant Space Gross Rent	$2,329,300	$2,329,300	-
Fully Leased Gross Income	**$12,881,301**	**$12,593,474**	**($287,827)**
Less Adopted Outgoings ($157.67/m²)	$3,459,927	$3,459,927	-
Less Vacancy Factor (3.50%)	$310,790	$300,716	($10,074)
Fully Leased Net Income *	**$9,110,585**	**$8,832,831**	**($277,753)**

** Excludes other income of $111,251*

Market Central Lutwyche & Ancillary Property, 543 Lutwyche Road, QLD, 4030

Market Capitalisation Approach

Cap Rate	Vacancy Allowance	Net Market Income	PV of Rental Reversions	PV of Capital Expenditure	Total Cap Value Adjustments	Equivalent Market Yield
6.25%	3.50%	$8,832,831	$924,471	($8,438,553)	($21,386,331)	6.25%

DCF Approach (10 Year DCF)

10 Year CAGR		Applied Spec Renewal Assumptions		Total Capex		Metrics		Apportionment of Value	
Majors	Specs	Incentive	Downtime	Inflated	% of Value	Term Yield	Disc. Rate	% Term	% Cash Flow
1.43%	3.09%	9.17%	1.8 mths	$14,572,739	12.14%	6.50%	7.00%	66.09%	33.91%

Valuation

Adopted Value (100% Freehold Interest)	$120,000,000
Adopted Value (50% Freehold Interest)	$60,000,000
Initial Passing Yield	5.91%
Initial Passing Yield (Fully Leased)	7.85%
Equivalent Market Yield	6.25%
Internal Rate of Return (including capex)	6.80%
Rate ($/m²)	$5,468/m²

Valuation – Ancillary Properties

Adopted Value (100% Freehold Interest)	$1,360,000

Valuation completed by: Josh Swan, AAPI - Senior Valuer I Retail e: josh.swan@colliers.com m: 61 435 404 847
Andrew Johnston, AAPI MRICS - Head of Retail e: andrew.johnston@colliers.com m: 61 410 533 320

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

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ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Kingsgate, 2 King Street, Bowen Hills QLD 4006

Colliers

Executive Summary

$10,299,214 Net Passing Income | 16,246.00 m² NLA | 3.10 Years by Income | City Fringe – Urban Renewal | 91.20% Leased | 6 Star NABERS Energy & 5 Star NABERS Water

Valuation Details

Instructing Party
Mr. Ian Triganza
Senior Associate Executive
Abacus Group
Level 13, 77 Castlereagh Street
Sydney NSW 2000

Reliant Parties	Abacus Property Group, including Funds Management Limited; Australia and New Zealand Banking Group Limited as Core Facility Agent; & ANZ Fiduciary Services Pty Limited as security trustee for the Abacus Property Group Security Trust (as constituted under the Security Trust and Intercreditor Deed), for itself and for the benefit of its 'Beneficiaries' as defined in the Security Trust and Intercreditor Deed'.
Registered Proprietors	Perpetual Trustee Company Limited A.C.N. 000 001 007 as Trustee Under Instrument 718971682 (1/2 Interest); and Perpetual Corporate Trust Limited A.C.N. 000 341 533 as Trustee Under Instrument 718971682 (1/2 Interest) As Tenants In Common
Purpose of Report	Financial Reporting & First Mortgage Security
Interest Valued	100% & 50% Freehold interest subject to existing leases
Date of Valuation	30 April 2023
Date of Inspection	13 April 2023

Property Overview



2 King Street occupies a prominent corner position, situated on the north-western alignment of St Pauls Terrace and the south-western alignment of King Street approximately 2.8 kilometres north east of the Brisbane GPO.

The subject property comprises a circa 2015, contemporary designed, ten (10) level commercial office building. Accommodation comprises nine (9) levels of 'A Grade' office accommodation, positioned above ground floor retail and basement car parking. The property comprises 97 car parking bays over two levels of basement, 551 square metres of ground floor retail, and 15,695 square metres of office accommodation.

The ground floor retail accommodation is configured into five (5) tenancies ranging from 8 square metres to 173 square metres and is leased under a head lease to Lendlease until June 2030. It is also inclusive of licensed areas used for alfresco dining in relation to these tenancies.

The office floor plates range in size from 1,429 square metres up to 1,828 square metres and have been designed around a central service core. Levels 1 to 4, 6, and 9 are configured as whole floor tenancies, with the remainder of levels comprising office suites, ranging between 159 square metres and 915 square metres.

The property has a current NABERS Energy Rating of 6 Stars and a 6 Star Green Star Design and As Built rating.

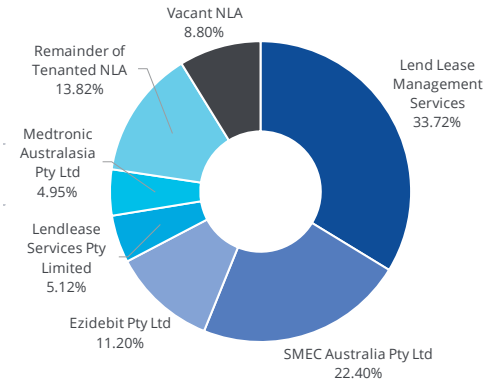
As at the date of valuation, the property's income is underpinned by leases to Lendlease Management Services (33.72% of NLA), SMEC Australia Pty Ltd (22.40% of NLA), Ezidebit Pty Ltd (11.20% of NLA), Lendlease Services Pty Limited (5.12% of NLA) and Medtronic Australasia Pty Ltd (4.95% of NLA) with an additional 13.82% of the total NLA being tenanted and 8.80% being vacant.

Kingsgate, 2 King Street, Bowen Hills QLD 4006

Tenancy Details

Major Tenants	
Lend Lease Management Services	5,478.00 m²
SMEC Australia Pty Ltd	3,639.00 m²
Ezidebit Pty Ltd	1,819.00 m²
Lendlease Services Pty Limited	831.00 m²
Medtronic Australasia Pty Ltd	804.00 m²
Remainder of Tenanted NLA	2,246.00 m²
Vacant NLA	1,429.00 m²
Total NLA	**16,246.00 m²**
Car Parking	**97 spaces** (1 space per 167 m² of NLA)
Weighted Average Lease Expiry (Area)	**2.99 years**
Weighted Average Lease Expiry (Income)	**3.10 years**

Tenant Composition by NLA



Financial Details

Component	Passing Income	Market Income
Office	$10,634,126	$10,467,025
Retail	$653,027	$606,100
Signage	$71,932	$71,932
Storage	$41,646	$41,646
Car Parking	$408,458	$462,036
Total Gross Income	**$11,809,189**	**$11,648,740**
Vacant Areas (Gross)	$1,005,650	
Potential Fully Leased Gross Income	**$12,814,839**	**$11,648,740**
Adopted Outgoings ($92.94 /m²)	($1,509,975)	($1,509,975)
Potential Fully Leased Net Income	**$11,304,864**	**$10,138,765**
Adjusted Potential Fully Leased Net Income	**$11,304,864**	**$10,138,765**
Net Passing Income	**$10,299,214**	

* Minor discrepancies may occur due to rounding

Component	Average Passing Rent	Average Market Rent
Office	$745 /m² Gross	$667 /m² Gross
Retail	$1,185 /m² Gross	$1,100 /m² Gross
Car Parking	$5,043 /Car Gross	$4,763 /Car Gross

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Kingsgate, 2 King Street, Bowen Hills QLD 4006

Colliers

Passing Capital Approach				Market Capitalisation Approach			
Adopted Cap Rate	Fully Leased Passing NOI	Total Adjustments	Cap Result	Adopted Cap Rate	Fully Leased Market NOI	Total Adjustments	Cap Results
6.75%	$11,304,864	($20,141,326)	$147,000,000	6.250%	$10,138,765	($16,562,929)	$146,000,000

DCF Approach (10 Year DCF)

CAGR (Gross Face)		Avg. Incentives (Gross)		Total Capex		DCF Metrics		DCF Result	DCF Ratios	
Office	Retail	Office	Retail	Inflated	% of Value	Term. Cap	Disc. Rate	Rounded	% Term.	% Cash Flow
3.22%	3.22%	35.3%	35.3%	$8,700,824	5.9%	6.50%	6.25%	$147,000,000	69.7%	30.3%

Valuation

Adopted Value (100% Freehold Interest)	$147,000,000 (GST Exclusive)
Adopted Value (50% Freehold Interest)	$73,500,000 (GST Exclusive)
Initial Passing Yield	7.01%
Equivalent Initial Yield	6.76%
Equivalent Reversionary Yield	6.20%
Internal Rate of Return (including Capex)	6.26%
Direct Comparison Rate	$9,048 /m² of NLA

Valuation completed by: Jonathan Petsalis, AAPI MRICS - Head of Office e: jonathan.petsalis@colliers.com ph: + 61 2 9257 0385

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

Liability Limited by a scheme approved under Professional Standards Legislation.

11 Bowden Street, Alexandria, NSW, 2015

Executive Summary

$3,560,062 Net Passing Income | 5,557.60 m² NLA | WALE 1.94 Years by Income | South Sydney | 100% Leased | 6 Star NABERS Energy & 4.5 Star NABERS Water

Valuation Details

Instructing Party
Mr Ian Triganza
Abacus Group
Level 13
77 Castlereagh Street
Sydney NSW 2000

Reliant Parties	Abacus Property Group, including Funds Management Limited; ANZ Fiduciary Services Pty Limited as security trustee for the Abacus Property Group Security Trust (as constituted under the Security Trust and Intercreditor Deed), for itself and for the benefit of its 'Beneficiaries' as defined in the Security Trust and Intercreditor Deed'.
Registered Proprietor	Perpetual Trustee Company Limited
Purpose of Report	Financial Reporting & First Mortgage Security
Interest Valued	100% Freehold interest
Date of Valuation	30 April 2023
Date of Inspection	12 April 2023

Property Overview

The subject property comprises a boutique four level A Grade office building situated within the South Sydney commercial office market of Alexandria. The asset features ground level quasi retail/ commercial office accommodation, office tenancies over Levels 1-3 in split and whole floor configurations and Ground Level End of Trip & car parking (stacker and single/ tandem spaces). The asset was extensively refurbished in 2017.

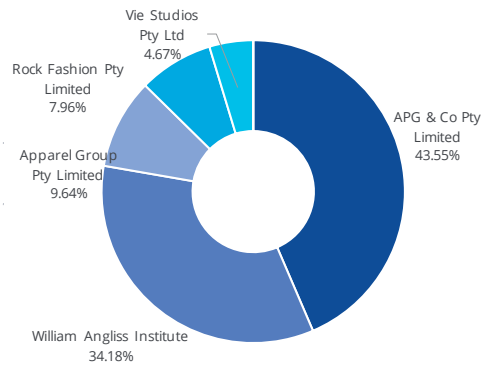
The 2,627 m² site is zoned B6 Enterprise Corridor pursuant to the Sydney Local Environmental Plan 2012 with a prescribed Floor Space Ratio (FSR) of 1.5:1.



Tenancy Details

Major Tenants	
APG & Co Pty Limited	2,420.60 m²
William Angliss Institute	1,899.60 m²
Apparel Group Pty Limited	535.70 m²
Rock Fashion Pty Limited	442.30 m²
Vie Studios Pty Ltd	259.40 m²
Total NLA	**5,557.60 m²**
Car Parking	**50 spaces** (1 space per 111 m² of NLA)
Weighted Average Lease Expiry (Area)	**2.09 years**
Weighted Average Lease Expiry (Income)	**1.94 years**

Tenant Composition by NLA



ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

11 Bowden Street, Alexandria, NSW, 2015

Financial Details

Component	Passing Income	Market Income
Office	$3,539,989	$2,797,150
Retail	$218,627	$230,829
Storage	$33,815	$33,815
Car Parking	$256,586	$241,800
Outgoings Recoveries	$314,556	$702,061
Total Gross Income	**$4,363,574**	**$4,005,654**
Vacant Areas (Gross)	-	
Potential Fully Leased Gross Income	**$4,363,574**	**$4,005,654**
Adopted Outgoings ($144.58 /m²)	($803,512)	($803,512)
Potential Fully Leased Net Income	**$3,560,062**	**$3,202,142**
Net Passing Income	**$3,560,062**	

* Minor discrepancies may occur due to rounding

Component	Average Passing Rent	Average Market Rent
Office	$668 /m² Net	$525 /m² Net
Retail	$515 /m² Net	$550 /m² Net

Passing Capital Approach

Adopted Cap Rate	Fully Leased Passing NOI	Total Adjustments	Cap Result
6.50%	$3,560,062	($8,280,788)	$46,500,000

Market Capitalisation Approach

Adopted Cap Rate	Fully Leased Market NOI	Total Adjustments	Cap Results
5.750%	$3,202,142	($8,074,143)	$47,500,000

DCF Approach (10 Year DCF)

CAGR (Net Face)		Avg. Incentives (Net)		Total Capex		DCF Metrics		DCF Result	DCF Ratios	
Office	Retail	Office	Retail	Inflated	% of Value	Term. Cap	Disc. Rate	Rounded	% Term.	% Cash Flow
3.72%	3.35%	27.0%	15.0%	$3,924,370	8.3%	6.00%	6.50%	$47,500,000	72.5%	27.5%

Valuation

Adopted Value (100% Freehold Interest)	$47,500,000 (GST Exclusive)
Initial Passing Yield	7.49%
Equivalent Initial Yield	6.38%
Equivalent Reversionary Yield	5.76%
Internal Rate of Return (including Capex)	6.44%
Direct Comparison Rate	$8,547 /m² of NLA

Valuation completed by: Joe Bolster, AAPI MRICS - National Director, Metropolitan Office e: joe.bolster@colliers.com ph: + 61 2 9004 5818
Susanna Guan, AAPI - Senior Valuer e: susanna.guan@colliers.com ph: + 61 2 9004 5821

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

Liability Limited by a scheme approved under Professional Standards Legislation.

4th May, 2023

Mr Ian Triganza
Senior Associate Executive Capital Transactions
Abacus Funds Management Limited
Level 13, 77 Castlereagh Street
SYDNEY NSW 2000

Dear Ian,

Re: Valuations as at 30th April, 2023 prepared for reliance by Abacus Property Group, including Abacus Funds Management Limited for financial reporting purposes

We refer to your request for a summary of the above valuations to be provided for the purpose of inclusion into the Transaction Booklet comprising of:

- Notice of Meeting and an Explanatory Memorandum for Abacus Property Group Security holders;
- A Prospectus to be issued by Abacus Storage Operations Limited; and
- A Product Disclosure Statement to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust,

Consent to be named in prospectus – section 716(2) *Corporations Act 2001* (Cth)

Knight Frank Valuation & Advisory consents to being named in the Transaction Booklet referred to above in a form and context that Knight Frank Valuation & Advisory must expressly approve. That form and context is set out below; albeit that Knight Frank Valuation & Advisory must ultimately approve the form of our representation in the Transaction Booklet.

Our advice was prepared on the basis that only the reliant party for financial reporting purposes named in the valuation reports (Abacus Property Group, including Abacus Funds Management Limited) was entitled to rely on it and only for financial reporting purposes. The valuations were not prepared for capital raising purposes. The liability of the Knight Frank entities who completed valuations and any valuer involved in the preparation of the reports, is subject to a retainer which limits their liability. The report is not intended to be relied on by any investor and no reliance is extended by the Knight Frank Valuation & Advisory entities to any actual or potential investor. Each such investor should seek their own professional advice in that regard.

Knight Frank Valuation & Advisory also takes no responsibility for any part of the Transaction Booklet and has not caused or authorised the issue of the Transaction Booklet.

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ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Abacus Property Group including Abacus Funds Management Limited

This information below is a summary of our valuation reports and cannot be read in isolation of those reports. All of the Important Notices, Qualifications and Disclaimers in our valuation reports apply to the information provided below. The provision of this summary letter and information below does not serve to extend reliance to any third party nor widen the purpose of valuation beyond the reliant party and purpose outlined in our valuation reports and outlined herein.

Industry Lanes – 459 Church Street, Richmond, Melbourne

Brief Description of Property	Industry Lanes comprises a 2022 completed state of the art A grade office complex entailing basement parking, a ground floor retail F & B offering, two separate office towers and a third 3 level child care centre at the rear. The retail component is in an establishment stage with tenants completing fitouts and 3 vacancies. The office component is predominantly let to a mix of private and corporate tenants and two vacancies. Two of the office floors are let to a Co – Working operation which is also in an establishment phase having commenced in early 2022 when the building was completed and the income from this tenant is largely performance based. It should be noted that the owner of the other 50% interest has an interest in Hub Church St, and that the Hub lease may be terminated if performance hurdles are not met. Church Street Richmond is one of Melbourne's most prime CBD fringe office locations and the subject is one of the superior office properties in this precinct.

The Abacus interest entails a two individual 50% interest titles (1 of 2 shares) in two adjoining 100% interest lots (being the two office towers on one lot and the child care centre building on the adjoining lot). We have primarily assessed the market value of the freehold 100% interest which assumes a sale in one line of all 4 titles; and then adopted the market value of the Abacus interest at 50% of the assessed 100% interest. We have not been provided with the co ownership agreement and our assessment of the Abacus interest is subject to our Partial Interest Disclaimer as outlined in our full Valuation Report (as well as the other Important Notices, Qualifications, and Disclaimers.

Major Tenants Summary

Major Tenants Summary

Tenant	*Expiry Date*	*GLA*	*% m²*	*Net Passing Rent (% Total)*	*Net Market Rent (% Total)*	*Variance*
Arroxtex	10-Apr-25	4,016	20.6%	$2,484,041 (27%)	$2,454,129 (19%)	1%
Endeavour Group	31-Jan-30	1,880	9.7%	$1,090,574 (12%)	$1,090,574 (8%)	-
Icon	31-Oct-27	1,372	7.0%	$902,302 (10%)	$902,302 (7%)	-
Hub Church St	30-Apr-34	2,923	15.0%	$893,400 (10%)	$2,266,682 (18%)	(61%)
M and C Saatchi	30-Nov-29	870	4.5%	$573,300 (6%)	$573,300 (4%)	-
Other tenants	-	5,041	25.9%	$3,337,160 (36%)	$3,442,919 (27%)	(3%)
Vacant	-	3,366	17.3%	-	$2,112,554 (16%)	-
Total		*19,469*	*100%*	*$9,280,777 (100%)*	*$12,842,461 (100%)*	*(28%)*

Market Income Analysis

Passing vs Market Comparison	Passing p.a.	Market p.a.	Variance
Occupied Space			
Office	$8,227,728	$9,571,098	16.3%
Retail	$706,537	$812,296	15.0%
Car Parking	$346,512	$346,512	-
Total Base Income	$9,280,777	$10,729,907	15.6%
Plus: Outgoings Recoveries	$2,230,261	$2,124,501	(4.7%)
Gross Income	$11,511,038	$12,854,408	11.7%
Plus: Market Income on Vacancies			
Vacant Tenant Areas (Gross)	$2,441,122	$2,441,122	-
Vacant Car Parking	$176,400	$176,400	-
Vacant Other	-	-	-
Gross Income (fully leased)	$14,128,560	$15,471,930	
Statutory Expenses	($1,997,443)	($1,997,443)	-
Operating Expenses	($1,544,860)	($1,544,860)	-
Ground Rent	-	-	-
Non-recoverable Expenses	($35,000)	($35,000)	-
Less: Outgoings	($3,577,303)	($3,577,303)	-
Net Income (fully leased)	$10,551,257	$11,894,627	12.7%

Market Comment

The CBD fringe leasing market remains steady however the leasing market is under pressure being impacted by rising vacancies in the Melbourne office market broadly and weak tenant demand impacted by WFH. Capital markets entered a correction phase in late 2022 which is continuing in the office property investment market at present despite inflation appearing to have peaked. Market yields in the office investment market have been softening since late 2022 and this trend appears to be continuing into 2023. Information on pending transactions is opaque as at the date of this letter and there is potential for transactions to surface in May and June that will lead to a further material softening in the market yields that drive the adopted market value herein.

Sales Table

Property	Sale Price	Sale Date	GLA (m²)	Initial Yield	Core Market Yield	IRR (10 yr)	Sale Rate ($/m²)	WALE (yrs)
50 Miller Street, North Sydney	$148,000,000	Nov-22	10,445	4.84%	5.50%	6.30%	$14,169	6.50
73 Miller Street, North Sydney	$400,000,000	Sep-22	19,114	4.70%	4.64%	6.05%	$20,928	7.00
88 Langridge St	$77,000,000	Aug-22	7,733	4.90%	5.30%	6.10%	$9,957	7.68
8 Nicholson St Melb	$213,700,000	Nov-22	23,549	6.10%	5.70%	6.34%	$9,075	5.60

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Abacus Property Group including Abacus Funds Management Limited

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Our valuation assessment is summarised as follows:

Area & Occupancy Summary		GLA (m^2)
Occupied	83%	16,102
Vacant	17.29%	3,366
Total		19,469

Valuation Summary	
Capitalisation Approach	$206,000,000
DCF Approach	$210,000,000
Adopted Market Value	$208,000,000

Key Valuation Inputs	
Adopted Capitalisation Rate	5.125%
Adopted Discount Rate	6.00%
Terminal Yield	5.38%
Capitalisation Horizon (Letting Up)	24 months
Capitalisation Horizon (Capex)	24 months
Capex $ pa (10 yrs, inflated)	$12,745,879
Capex $ m^2 (10 yrs, inflated)	$655

Key Result Metrics	
Initial Passing Yield	3.81%
Initial Passing Yield (Fully Leased)	5.07%
Core Market Yield	5.09%
IRR (10 Year)	6.09%
Capital Value $/$m^2$ - GLA	$10,684
WALE by Area (Years)	5.25
WALE by Income (Years)	4.74

Market Value of 100% interest	$208,000,000
Market Value of Abacus 50% interest @ 50% of market value of 100%	$104,000,000

77 Castlereagh Street, Sydney

Brief Description of Property	77 Castlereagh Street is an office building held under a long-term leasehold tenure (295.1 years remaining as at the date of valuation) that forms part of the 188 Pitt Street Precinct (as defined under the Building Management Statement) which comprises a 7-level retail podium (including basement car park) which is interconnected with the Westfield Sydney shopping centre, and three office towers above including the subject property (77 Castlereagh), 85 Castlereagh Street, and 100 Market Street. The subject property was originally constructed circa 1990 and refurbished in 2010 and comprises 11 levels of office accommodation (Level 6 to 16) plus storage and plant services located on Level 17. Typical floor plates are in the order of 1,220m^2 configured around a side services core set to the southern elevation and incorporating five (5) passenger lifts, with good natural light access facilitated via floor to ceiling height windows primarily to the east and west elevations. The subject property does not include any retail or car parking components.

Major Tenants Summary

Major Tenants Summary						
Tenant	Expiry Date	NLA	% m^2	Gross Passing Rent (% Total)	Gross Market Rent (% Total)	Variance
Dentons Lawyers	30-Jun-28	3,665.0	27.8%	$4,024,824 (32.4%)	$4,691,200 (28.8%)	(14.2%)
Bartier Perry	28-Jul-23	2,429.2	18.5%	$2,416,898 (19.5%)	$2,927,193 (18.%)	(17.4%)
Colombus Capital	14-Nov-24	1,221.5	9.3%	$1,661,721 (13.4%)	$1,526,875 (9.4%)	8.8%
Bomas Services	31-Jan-29	1,213.5	9.2%	$1,161,472 (9.4%)	$1,407,660 (8.7%)	(17.5%)
The Association of Superannuation (AFSA)	31-Oct-25	958.2	7.3%	$1,045,264 (8.4%)	$1,164,213 (7.2%)	(10.2%)
Other tenants	-	1,814.2	13.8%	$2,100,582 (16.9%)	$2,240,015 (13.8%)	(6.2%)
Vacant	-	1,859.9	14.1%	-	$2,311,579 (14.2%)	-
Total		*13,161.5*	*100%*	*$12,410,761 (100%)*	*$16,268,735 (100%)*	*(23.7%)*

Market Income Analysis

Passing vs Market Comparison	*Passing p.a.*	*Market p.a.*	*Variance*
Occupied Space			
Whole Floor Office	$9,264,915	$10,552,928	13.9%
Part Floor Office	$3,093,888	$3,352,271	8.4%
Storage	$51,957	$51,957	-
Total Base Income	$12,410,761	$13,957,156	12.5%
Plus: Outgoings Recoveries	-	-	-
Gross Income	$12,410,761	$13,957,156	12.5%
Plus: Market Income on Vacancies			
Vacant Tenant Areas (Gross)	$2,311,579	$2,311,579	-
Vacant Car Parking	-	-	-
Vacant Other	-	-	-
Gross Income (fully leased)	$14,722,340	$16,268,735	10.5%
Statutory Expenses	($1,042,798)	($1,042,798)	-
Operating Expenses	($1,917,539)	($1,917,539)	-
Non-recoverable Expenses	($45,713)	($45,713)	-
Less: Outgoings	($3,006,050)	($3,006,050)	-
Net Income (fully leased)	$11,716,290	$13,262,686	13.2%

Market Comment

The CBD leasing market remains steady however the leasing market is under pressure being impacted by rising vacancies in the Sydney office market broadly and weak tenant demand impacted by WFH. Capital markets entered a correction phase in late 2022 which is continuing in the office property investment market at present despite inflation appearing to have peaked. Market yields in the office investment market have been softening since late 2022 and this trend appears to be continuing into 2023. Information on pending transactions is opaque as at the date of this letter and there is potential for transactions to surface in May and June that will lead to a further material softening in the market yields that drive the adopted market value herein.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Abacus Property Group including Abacus Funds Management Limited

Knight Frank

Sales Table

Property	Sale Price	Sale Date	NLA (m²)	Initial Yield	Core Market Yield	IRR (10 yr)	Sale Rate ($/m²)	WALE (yrs)
139 Macquarie St, Sydney	$132,950,000	Feb-23	5,776	3.50%	4.20%	5.50%	$23,016	2.00
74 Castlereagh St, Sydney	$160,100,000	Sep-22	5,640	3.20%	4.20%	5.50%	$28,388	1.80
4-6 Bligh St, Sydney	$210,000,000	Apr-22	10,027	2.90%	4.40%	5.40%	$20,943	3.00
10 Barrack St, Sydney	$199,000,000	Dec-21	9,627	4.00%	4.73%	5.74%	$20,671	3.86
77 Castlereagh St, Sydney (Subject Property)	$250,000,000	Dec-21	13,162	3.80%	4.60%	5.88%	$18,995	4.22
309 - 321 Kent St, Sydney	$401,000,000	Dec-21	47,702	5.27%	5.10%	5.90%	$16,813	3.39
383 Kent St, Sydney	$385,000,000	Nov-21	17,928	5.32%	5.00%	6.00%	$21,475	2.98
60 Carrington St, Sydney (49.9%)	$150,199,000	Jun-21	14,631	4.44%	4.60%	5.71%	$20,572	4.06

Valuation Summary

Area & Occupancy Summary		NLA (m²)
Occupied	85.9%	11,301.6
Vacant	14.1%	1,859.9
Total		13,161.5

Key Valuation Inputs	
Adopted Capitalisation Rate	4.88%
Adopted Discount Rate	6.25%
Terminal Yield	5.25%
Capitalisation Horizon (Letting Up)	24 months
Capitalisation Horizon (Capex)	24 months
Capex$ pa (10 yrs, inflated)	$15,665,794
Capex$ m² (10 yrs, inflated)	$1,190

Valuation Summary	
Capitalisation Approach	$235,895,012
DCF Approach	$237,280,638
Adopted Market Value	$237,000,000

Key Result Metrics	
Initial Passing Yield	3.97%
Initial Passing Yield (Fully Leased)	4.94%
Core Market Yield	4.86%
IRR (10 Year)	6.26%
Capital Value $/m² - NLA	$18,007
WALE by Area (Years)	2.73
WALE by Income (Years)	2.68

181 James Ruse Drive, Camellia, NSW

Brief Description of Property	The subject property comprises an irregular shaped future development site that includes 36 total allotments and occupies a prominent location with frontage to James Ruse Drive to the west. More particularly, the site is bounded by the Parramatta River to the north, the Clyde-Carlingford Railway Line to the east and industrial properties to the south with access via an access handle that runs off Grand Avenue North. Under the Parramatta Local Environmental Plan 2023 the site is currently zoned E3 Productivity Support (formerly B5 Business Development) and offers a total site area of approximately 66,449 square metres. Planning controls include a maximum developable floor space ratio of 1.5:1 and a Height of Building limit of 9 metres. After making an allowance for portions of the site that are constrained, the net developable area of the land is estimated to be 56,108 square metres. The site was formerly occupied by James Hardie until 1993, and whilst now presenting as vacant land, there exists significant contamination on the site from asbestos, hydrocarbons and arsenic. The contamination is currently contained by a sealed cap over the land that prevents exposure of the contaminated materials, however we note that the site will require extensive remediation prior to any future redevelopment taking place.

Major Tenants Summary

Not Applicable

Market Income Analysis

Not Applicable

Highest and Best Use

The Market Value parameters applicable to the property on an "As Is" basis reflect the current zoning, position, location relative to surrounding varying development types and provision of local infrastructure which would assist in supporting an alternative use. The Highest and Best Use for the subject property, as at the date of this advice, is as a potential industrial type development site.

The valuation places significant reliance on the accuracy of the third party estimate for resolving contamination and the expert contamination reports. Should the remediation estimate or the contamination reports be inaccurate the valuation will vary in a corresponding fashion. Development sites are a fundamentally volatile asset class compared to income producing investment assets.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Abacus Property Group including Abacus Funds Management Limited

Knight Frank

Sales Table

Address	Sale Price	Sale Date	Land Area (m²)	Rate ($/m² site area)
286 Horsley Road, Milperra	$152,000,000	March 2022	77,000	$1,974
Augusta Street, Huntingwood East	$201,000,000	November 2021	215,600	$1,070
57-69 Tattersall Road, Kings Park	$68,000,000	November 2021	60,940	$1,116
149 Airds Road, Minto	$82,790,400	October 2021	76,900	$940*

* Effective price after adjustment for remaining lease income and cost of demolition of improvements

Market Comment

With capital growth having slowed and construction costs continuing to rise, land values have stabilised after a sustained run of strong growth over the past couple of years. Continued construction and material/labour supply issues may continue to cause delays for proposed developments. On top of this, financing costs are putting pressure on development feasibility and feeding in to pricing for both tenants and land values. Notwithstanding, desirable locations with good access to transport infrastructure remain in demand, but market performance is likely to be more dependent on local market factors now that the uniform surging in capital value growth has abated.

Valuation Summary

Comparison Approach			
Comparison Approach 1: Rate per square metre of overall site area			
Gross Site Area:	66,449 square metres @ $1,300/m²		$86,383,700
Comparison Approach 2: Rate per square metre of approximate net developable site area			
Estimated Net Developable Site Area	Approx. 56,108 square metres @ $1,550/m²		$86,967,400
Comparison Approach Reconciliation:			
Market Value Range (remediated site)			$86,383,700 - $86,967,400
		Say	$86,700,000
Less: Deferral and Remediation Cost Estimate			- $20,700,000
Adopted Value 'As Is'			$66,000,000

56 Prescot Parade, Milperra, NSW

Brief Description of Property	The subject property comprises an irregular shape slightly undulating holding which consists of a total of 28 allotments (including some in part only thereof), that, when combined, have a total area of 62.8716 hectares or 628,716 square metres. The land is bounded by the Georges River to the west and the M5 Motorway to the south with land to the north and east comprising a mixture of residential and former turf farming and sand mining lands. Primary access to the property is gained from Auld Avenue. The site is currently zoned part RE1 Public Recreation Zone and part RE2 Private Recreation. It is estimated that approximately 16.5 hectares of the land could have medium to long term potential for future residential development, whilst the residue 46.3716 hectares is considered to have limited if any future potential for development of an alternate use considering the numerous site constraints associated.

Major Tenants Summary

Not Applicable

Market Income Analysis

Not Applicable

Highest and Best Use

The Market Value parameters applicable to the property on an "As Is" basis reflect the current zoning, position, location relative to surrounding varying development types and provision of local infrastructure which would assist in supporting an alternative use. The Highest and Best Use for the subject property, as at the date of this advice, is as two components being:

(i) 16.5 hectares of Developable Land with underlying potential for future rezoning to allow low density residential development; and
(ii) 46.3716 hectares of Non-Developable Land with limited or no potential for future alternate uses.

Given the current zoning this should be regarded as a more volatile asset class compared to development ready zoned development sites. Development sites are a fundamentally volatile asset class compared to income producing investment assets.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Abacus Property Group including Abacus Funds Management Limited

Knight Frank

Sales Table

Property	Sale Date	Sale Price	Site Area (Ha)	Rate (/sqm)	Zoning
40 Boyd Street, Austral	Dec-22	$2,000,000	4.05	$49	RE1
101 Menangle Road, Menangle Park	Oct-22	$27,500,000	34.64	$79	RU2
335 Thirteenth Avenue, Austral	Jul-22	$730,000	2.023	$36	C2 & SP2
145 Ninth Avenue, Austral	Jul-21	$1,600,000	2.428	$66	RE1 & SP2
11 Woolgen Park Road, Leppington	Mar-21	$4,637,000	2.774	$167	RU4
156-160 Hollywood Drive, Lansvale	Feb-21	$1,191,000	1.93	$62	E3
20 Dowles Lane, Bickley Vale	Feb-21	$6,350,000	22.97	$28	RU1
Wilton Development Project, Wilton	Dec-20	$257,500,000	873.92	$46*	UD, E2 & SP2

* Effective price

Valuation Summary

Comparison Approach			
RE2 Zone Land with underlying potential for development			
Site Area:	16.5 hectares @ $85/m^2 - $90/m^2		$14,025,000 – $14,850,000
		Say	$14,400,000
Part RE1 & Part RE2 Zone Land without underlying potential for development			
Site Area:	146.3716 hectares @ $15/m^2 - $20/m^2		$6,955,740 – $9,274,320
		Say	$8,100,000
Total: Combined value of each site portion			$22,500,000
Adopted Value 'As Is'			$22,500,000

Please note that valuations have been completed by separate entities in each state. Each entity is separately owned and uses the name "Knight Frank" and/or "Knight Frank Valuation & Advisory" under licence. No entity is the owner or agent of any other business or entity that uses the Knight Frank name. Each entity has prepared a separate report and responsibility for that report rests solely with each entity. Nothing in this agreement creates or is intended to create a joint liability between each Knight Frank entity.

Abacus Property Group including Abacus Funds Management Limited

Liability limited by a scheme approved under Professional Standards Legislation.

We trust the foregoing meets with your requirements, and encourage you to contact the undersigned if you require further advice in this matter.

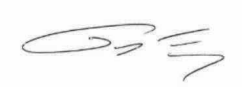
Yours faithfully,
Knight Frank Valuation & Advisory

Industry Lanes – 459 Church Street, Richmond, Melbourne



MICHAEL J. SCHUH AAPI
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LEIGH BRIDGES FAPI MRICS
Director
Certified Practising Valuer
Valuation & Advisory
API Reg No. 68994

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

CBRE | PDS Summary Letter

30 April 2023

Ian Triganza
Abacus Property Group
Level 13, 77 Castlereagh Street
Sydney NSW 2000

Attention: The Directors, Abacus Property Group

Dear Directors

PDS Summary Letter
Ashfield Mall, 260A Liverpool Road, Ashfield NSW 2131 & The Oasis, 75 Surf Parade, Broadbeach QLD 4218

1 Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 31 March 2023 to prepare a market Valuation for the interest in the properties noted above. The Valuations are to be relied upon for First Mortgage Security, Financial Reporting and Transaction Booklet purposes only and are specifically addressed for use and reliance upon by the parties named in the full Valuation Reports. The Valuations are prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, having regard to ANZVGN 8 Valuations for use in Offer Documents.

The Transaction Booklet is comprised of:

- Notice of Meeting and an Explanatory Memorandum for Abacus Property Group;
- A Prospectus to be issued by Abacus Storage Operations Limited; and
- A Product Disclosure Statement to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

The instructions specifically request us to provide our opinion of the market value of the properties as at 30 April 2023 on the following basis:

Market Value	As Is – Subject to existing occupancy arrangements

CBRE has been instructed to provide full Valuation Reports, in addition to this Summary Letter which is included in the Transaction Booklet document. In accordance with ANZVGN 8, our Valuation Reports draw attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, General Assumptions, Disclaimers, Limitations, Qualifications and Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Reports. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Reports. We accept no responsibility for reliance upon this Summary Letter.

Instruction Summary:

Instructing Party	Abacus Property Group, including Abacus Funds Management Limited (Abacus)
Date of Instruction	31 March 2023
Report Copy	We refer the reader to Abacus to obtain a copy of our Valuation Reports.

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2 Brief Description of the Properties and Tenancy Details

2.1 Brief Description

Ashfield Mall	Ashfield Mall is situated approximately 10 kilometres by road west of Sydney's CBD and comprises a predominantly two level sub-regional shopping centre which originally commenced trading in 1983 and has been periodically refurbished, with the most recent refurbishment occurring in 2018. The property is situated on a 21,740 square metre site and contains a total lettable area of 25,052 square metre. On site car parking is provided for 1,066 vehicles.
The Oasis	The Oasis comprises the retail component of a mixed use development which was originally constructed in 1989. The complex is situated in the heart of Broadbeach, having an extensive frontage to the Broadbeach Mall (Victoria Avenue). The centre features three main levels of retail/commercial accommodation arranged around two atrium areas and various internal malls, in addition to a small upper level of office accommodation. A variety of upgrades to the centre have been completed over the past five years including a comprehensive refurbishment and expansion of the dining precinct fronting the Broadbeach Mall, upgrades of both the Woolworths and Broadbeach Tavern major tenancies and various improvements and reconfigurations to the upper level accommodation. On site car parking is provided for approximately 998 vehicles, including both basement and upper level car parking areas. A further 100 parking bays are also utilised under a leasehold arrangement with the Gold Coast City Council.

2.2 Tenancy Details

Ashfield Mall	Ashfield Mall currently accommodates Coles, Aldi, Kmart, Woolworths, 1 mini-major and 84 specialty tenancies (including 3 ATMs). Of these tenancies, there are 18 tenancies currently occupied on monthly agreements and 15 tenancies currently vacant. Major tenants represent 60.6% of the total lettable area and 36.1% of the gross passing rental income derived from the complex. The centre has a total Weighted Average Lease Expiry (WALE) by income of 2.92 years with the specialty component having a WALE of 2.42 years by income.
The Oasis	The Oasis currently accommodates Woolworths, Broadbeach Tavern, 3 mini-majors and 90 specialty tenancies (including 1 ATM and 13 office tenancies). Of these tenancies, there are 6 tenancies currently occupied on monthly agreements and 11 tenancies currently vacant. Major tenants represent 20.4% of the total lettable area and 16.7% of the gross passing rental income derived from the complex. The centre has a total Weighted Average Lease Expiry (WALE) by income of 4.77 years with the specialty component having a WALE of 3.85 years by income.

3 Market Movement

Changes In Value	The valuation referred to above represents the value of the property as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

4 Critical Assumptions and Reliance on Information Provided

A summary of select Critical Assumptions noted in the full Valuation Reports include:

4.1 Ashfield Mall

Financial Reporting	There is no material change in the property market or the property between inspection and valuation dates.
Asbestos	Although the principal improvements were constructed before 2004 and therefore may contain asbestos based products, we have not been provided with a formal asbestos report and have assumed that the property is not adversely affected by asbestos containing materials because they were not observed during our inspection.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

	However, we are not experts and we reserve our right to review our valuation if the presence of Asbestos Containing Materials is confirmed. We therefore recommend that the Reliant Party obtain a Hazardous Materials Inspection Survey Report prepared by a suitably qualified professional to verify if the improvements contain any asbestos and, if found, that compliant policies and procedures are in place for the ongoing management of asbestos containing materials.
BCA Compliance Works	We have been provided with a summary of capital required to undertake essential BCA compliance works totalling $40,606,395. We have not been provided with QS costings to confirm the budgeted costings provided by the owner and our valuation assumes that the costs provided are sufficient to complete the proposed works. We recommend the reliant parties obtain advice from a suitably qualified consultant to confirm the budgeted capital is sufficient Should this prove to be incorrect, this valuation must be returned to CBRE for review and possible value adjustment.
Land Identification	The property has been identified by reference to the Deposited Plan and on-site inspection and based on our enquiries the improvements appear to be erected within the title boundaries of the site. We note however, we are not experts in this field and that actual identification of title boundaries, encroachments and confirmation that improvements are contained within those boundaries would necessitate a check survey be undertaken by a qualified land surveyor.
Capital Expenditure	We have adopted general capital expenditure totalling $49,375,620 over the cash flow horizon within the valuation.

4.2 The Oasis

New Leases & Renewals	We have included the commercial terms agreed for various new leases and renewals within the complex based on the terms supplied by Abacus. Our valuation assumes that these new leases and renewals will be executed at the valuation date in accordance with the supplied terms. The impact on value could be material should the leases not proceed.
Specialty Leases	For those leases which have not been sighted, we assumed them to be executed or executable, and that individual lease provisions are in accordance with tenancy information provided.
Financial Reporting	There is no material change in the property market or the property between inspection and valuation dates.

5 Report Content

Report Note	Our Valuation Reports, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions; Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; and Building Improvements along with analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market and Retail Market Overview and details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Reports for detail in respect of the above items.

6 Valuation Methodology

Methodology Note	In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In assessing the market value of the subject properties on an 'As Is' basis, we have undertaken both a capitalisation of net income approach and a DCF analysis as a supporting method of valuation. A detailed explanation of the assets investment credentials and the application of the Capitalisation approach and DCF methodology is provided in the full Valuation Reports.

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7 Valuation Summary

In accordance with the instructions, we summarise our valuation conclusions for the Properties as at 30 April 2023 as follows:

Market Value – Ashfield Mall	As Is – Subject to existing occupancy arrangements $156,900,000 (One Hundred and Fifty-Six Million, Nine Hundred Thousand Dollars), exclusive of GST
Market Value – The Oasis	As Is – Subject to existing occupancy arrangements $175,500,000 (One Hundred and Seventy-Five Million, Five Hundred Thousand Dollars), exclusive of GST

The tables below and overleaf outline our valuation conclusions for the subject properties and provide a summary of the tenancy profile and key investment parameters as at 30 April 2023.

VALUATION SUMMARY - Ashfield Mall

Gross Lettable Area	25,051.6 sqm	
Valuation Approach	Capitalisation, DCF	
Date of Valuation	**30-Apr-2023**	
Market Value	**156,900,000**	
Net Passing Income	10,813,525	
Net Income, Fully Leased	12,150,715	
Net Market Income, Fully Leased	12,012,927	
Outstanding Tenant Incentives	761,440	
Passing Initial Yield	6.89%	
Reversionary Yield	7.66%	
Capitalisation Rate	**5.75%**	
Equivalent (Market) Yield	5.82%	
Terminal Yield	6.00%	
10 Year IRR - Target | Indicated	**6.75%**	6.57%
DCF Apportionment - Cash Flow | Terminal Value	24.41%	75.59%
Capital Value $psm	$6,263	
	By Area	By Income
Vacancy Allowance - Specialties		2.00%
Current Vacancy - Specialties	10.49%	11.27%
Current Vacancy - Whole Centre	4.13%	7.57%

Note: Net income figures above are before deduction of vacancy/bad debts allowance.

RENTAL ANALYSIS

	Passing Rent		Market Rent	
Item	$pa	$psm	$pa	$psm
Tenant/Component				
Majors	5,941,706	391	5,941,706	391
Mini Majors	345,864	534	345,864	534
Specialties (incl Non-Retail)	10,183,823	1,244	10,046,034	1,227
Office	-	-	-	-
Pad Sites	-	-	-	-
Gross Rent (as occupied)	**16,471,392**	**686**	**16,333,604**	**680**
Other Income	578,038	23.07	578,038	23.07
Electricity Profit	-	-	-	-
Gross Income	**17,049,430**	**681**	**16,911,642**	**675**
Statutory Expenses	(1,702,338)	(68)	(1,702,338)	(68)
Operating Expenses	(4,240,350)	(169)	(4,240,350)	(169)
Non Recoverable Expenses	(293,217)	(12)	(293,217)	(12)
Net Income	**10,813,525**	**432**	**10,675,737**	**426**
Future Income from Vacancies	1,337,190	1,292	1,337,190	1,292
Net Income (Fully Leased)	**12,150,715**	**485**	**12,012,927**	**480**
Vacancy/Bad Debts Allowance	(237,338)	(9)	(237,338)	(9)
NET INCOME	**11,913,378**	**476**	**11,775,589**	**470**

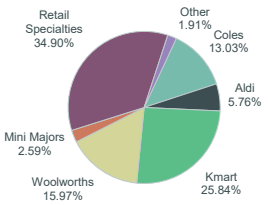
TENANCY PROFILE

Tenant/ Category	Area (sqm)	Gross Rent	Expiry / % G.Rent
Coles	3,265.0	1,706,343	Nov-26
Aldi	1,442.2	637,315	Aug-25
Kmart	6,473.4	2,251,349	Jun-28
Woolworths	4,000.0	1,346,700	Jun-26
Majors (4)	15,180.6	5,941,706	36.1%
Mini Major - Leased (0)		0	
Specialties - Leased (52)	5,599.6	7,585,261	46.1%
MM/Specialty - Monthly (18)	3,236.3	2,944,425	17.9%
MM/Specialty - Vacant (15)	1,035.1		
TOTAL (Fully Leased)	**25,051.6**	**16,471,392**	**100.0%**

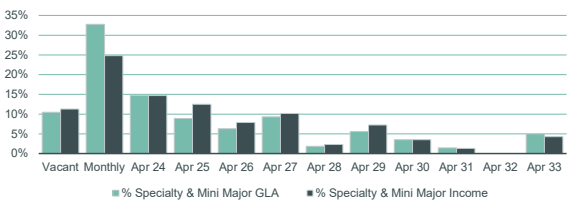
MOVING ANNUAL TURNOVER (GST inclusive as at Feb-2023)

Tenant/ Category	Last Year	This Year	% Var	Current % GOC	Rev % GOC
Coles	36,051,196	38,202,524	6.0%	4.5%	4.5%
Aldi	25,461,952	25,820,571	1.4%	2.5%	2.5%
Kmart	18,395,904	21,927,021	19.2%	10.3%	10.3%
Woolworths	60,050,732	60,853,748	1.3%	2.2%	2.2%
Total Majors	139,959,783	146,803,864	4.9%		
Mini Majors	2,307,494	2,298,710	-0.4%	15.0%	15.0%
Specialties	43,787,843	46,768,293	6.8%	15.8%	15.8%
Total Retail	186,055,121	195,870,867	5.3%	6.9%	15.8%
Other Reporting	-	-	-		
Other Specialties	-	-	-		
TOTAL	**186,055,121**	**195,870,867**	**5.3%**		

GLA Analysis



Specialty & Mini Major Expiry Analysis (year ending)



ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

CBRE | PDS Summary Letter

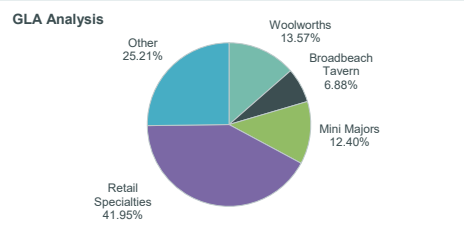
VALUATION SUMMARY - The Oasis		
Gross Lettable Area	25,181.5 sqm	
Valuation Approach	Capitalisation, DCF	
Date of Valuation	**30-Apr-2023**	
Market Value	**175,500,000**	
Net Passing Income	12,562,980	
Net Income, Fully Leased	13,873,000	
Net Market Income, Fully Leased	13,977,213	
Outstanding Tenant Incentives	1,947,663	
Passing Initial Yield	7.16%	
Reversionary Yield	7.76%	
Capitalisation Rate	**6.75%**	
Equivalent (Market) Yield	6.77%	
Terminal Yield	7.00%	
10 Year IRR - Target | Indicated	**7.75%**	7.71%
DCF Apportionment - Cash Flow | Terminal Value	38.42%	61.58%
Capital Value $psm	$6,969	
	By Area	By Income
Vacancy Allowance - Specialties		3.50%
Current Vacancy - Specialties	9.11%	8.53%
Current Vacancy - Whole Centre	7.25%	7.17%

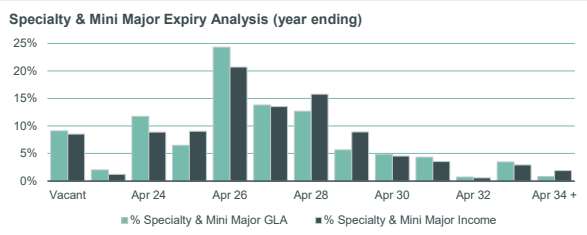
Note: Net income figures above are before deduction of vacancy/bad debts allowance.

RENTAL ANALYSIS	Passing Rent		Market Rent	
Item	$pa	$psm	$pa	$psm
Tenant/Component				
Majors	2,812,414	546	2,812,414	546
Mini Majors	1,197,427	384	1,197,427	384
Specialties (incl Non-Retail)	10,108,485	1,022	10,220,004	1,033
Office	2,738,832	528	2,731,525	526
Pad Sites	-	-	-	-
Gross Rent (as occupied)	**16,857,158**	**722**	**16,961,371**	**726**
Other Income	1,908,208	75.78	1,908,208	75.78
Electricity Profit	360,097	14	360,097	14
Gross Income	**19,125,464**	**760**	**19,229,676**	**764**
Statutory Expenses	(1,342,423)	(53)	(1,342,423)	(53)
Operating Expenses	(4,914,153)	(195)	(4,914,153)	(195)
Non Recoverable Expenses	(305,908)	(12)	(305,908)	(12)
Net Income	**12,562,980**	**499**	**12,667,193**	**503**
Future Income from Vacancies	1,310,020	718	1,310,020	718
Net Income (Fully Leased)	**13,873,000**	**551**	**13,977,213**	**555**
Vacancy/Bad Debts Allowance	(537,417)	(21)	(537,417)	(21)
NET INCOME	**13,335,584**	**530**	**13,439,796**	**534**

TENANCY PROFILE			
Tenant/ Category	Area (sqm)	Gross Rent	Expiry / % G.Rent
Woolworths	3,416.0	1,330,000	Jun-33
Broadbeach Tavern	1,733.0	1,482,414	May-33
Majors (2)	5,149.0	2,812,414	16.7%
Mini Majors - Leased (3)	3,121.5	1,197,427	7.1%
Specialties - Leased (73)	14,684.2	12,661,657	75.1%
MM/Specialty - Monthly (6)	401.8	185,660	1.1%
MM/Specialty - Vacant (11)	1,825.0		
TOTAL (Fully Leased)	**25,181.5**	**16,857,158**	**100.0%**

MOVING ANNUAL TURNOVER					(GST inclusive as at Feb-2023)
Tenant/ Category	Last Year	This Year	% Var	Current % GOC	Rev % GOC
Woolworths	46,887,198	54,565,446	16.4%	2.4%	2.4%
Broadbeach Tavern	18,146,703	21,115,294	16.4%	7.0%	7.0%
Total Majors	65,033,901	75,680,740	16.4%		
Mini Majors	2,667,506	2,930,435	9.9%	19.3%	19.3%
Specialties	58,611,734	79,663,786	35.9%	9.4%	9.6%
Total Retail	126,313,141	158,274,961	25.3%	6.9%	9.6%
Other Reporting	-	-	-		
Other Specialties	1,821,679	3,049,878	67.4%		
TOTAL	**128,134,820**	**161,324,838**	**25.9%**		





8 Consent

Consent (conditional)	CBRE provides its consent for the inclusion of this Summary Letter within the Transaction Booklet for Abacus Property Group, including Abacus Funds Management Limited subject to Abacus Property Group and Abacus Funds Management Limited making recipients of the Transaction Booklet aware of the following liability disclaimer.

9 Liability Disclaimer

We do not provide financial advice	CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Reports or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Abacus Property Group.

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CBRE | PDS Summary Letter

Transaction Booklet comment	CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Transaction Booklet, other than in respect to this Summary Letter and the full Valuation Reports.
Limitations	The Valuation Reports and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Transaction Booklet. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
Information Relied Upon	CBRE has prepared the full Valuation Reports and this Summary Letter relying on and referring to information provided by third parties in including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
Qualified to full Valuation Reports	References to the Property's value within this Summary Letter or the Transaction Booklet have been extracted from CBRE's Valuation Reports. The Valuation Reports draw attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, general assumptions, disclaimers, limitations, qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Transaction Booklet must be read and considered together with the Valuation Reports. This Summary Letter is to be read in conjunction with our full Valuation Reports dated 30 April 2023 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Abacus Property Group to obtain a copy of the Full Valuation Reports.
No Responsibility	No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter and the Full Valuation Reports.
Restricted	Neither this Summary Letter nor the full Valuation Reports may be reproduced in whole or in part without prior written approval of CBRE.
Report Fee	CBRE charges a professional fee for producing valuation reports, and the fee paid by Abacus Property Group for the Valuation Reports and this Summary Letter was $45,100 inclusive of GST.
Valuer's Interest	We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
Reliance & Liability	This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely
CBRE Valuations Pty Limited



Paul Satara
Senior Director – Valuation & Advisory Services



Tom Irving
Senior Director – Valuation & Advisory Services



David Clarke
Director – Quality & Risk Management

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ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

M3 PROPERTY

JM3:jm3
[J00011171]

4 May 2023

Mr Ian Triganza
Senior Associate Executive Capital Transactions
Abacus Group
Level 13, 77 Castlereagh Street
SYDNEY NSW 2000

Email: itriganza@abacusproperty.com.au

Dear Ian,

RE: VALUATION SUMMARY
51 ALLARA STREET, CIVIC, AUSTRALIAN CAPITAL TERRITORY, 2601, AUSTRALIA

We refer to your email instructing us to provide a valuation summary of the full market valuation completed on the above property as at 30 April 2023, on behalf of Abacus Property Group, including Abacus Funds Management Limited.

The valuer agrees to such publications or announcements in accepting this valuation instruction on the basis that the consent extends reliance to the parties referred to above and in the instructions provided, however, does not extend use of the report for any other purpose than that outlined herein. We note that our valuation has been undertaken in accordance with the ASIC Regulatory Guide 112.

Brief Description

The subject property comprises a seven-storey A-grade commercial office building consisting of ground floor office and childcare tenancies and six upper levels of office accommodation. Basement parking is provided for 169 vehicles, with additional bicycle storage and end of trip facilities. The building has been refurbished most recently in 2018 and presents well internally.

Tenancy Details

The subject property is currently leased to 3 tenants with an occupancy rate of 100%, and a WALE (by income) of 3.09 years. The leases provide the recovery of increases in statutory outgoings over respective base years for each office and childcare tenant. The office tenancies have negligible make good provision and fixed annual reviews between 3.50%.

The tenancy profile reflects 100% expiry in 2026 between May and June.

The building comprises 12,017.6m² (96.6% of NLA) of office and 422m² (3.4% of NLA) of childcare. The office component within the building is occupied by the Department of Foreign Affairs (3,996.6m² or 32.1% of NLA) and the Department of Climate Change, Energy, the Environment and Water (8,021m² or 64.5% of NLA). Balanced Investments comprises the remaining lettable area for a childcare centre.

Income Analysis

As at date of valuation, the assessed market net passing income for the property was $4,990,269 per annum (plus GST).

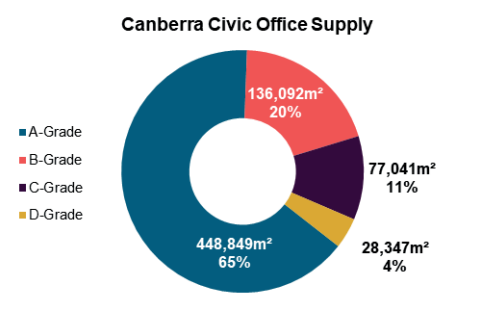
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M3 Property Australia Pty Ltd
ABN 60 153 395 405
S2, L 39 / 25 Martin Place
Sydney NSW 2000

Canberra Civic Market Overview

- According to the Property Council of Australia, the Canberra Civic market comprised 690,329 square metres of space as of January 2023.
- Vacancy in the Canberra Civic increased during 2022 to be 7.9% as of January 2023.
- There is circa 48,000 square metres of supply (including new developments and refurbishments) under construction and due for completion this year.
- Average prime gross face rents for the Canberra Civic ranged between $430 and $600 per square metre during the December 2022 quarter. Rents were stable over the year.
- Sales activity reached a record high across the Canberra Civic office market during 2021 with $800 million of office transactions recorded. Activity declined in 2022 with circa $370 million of sales recorded.
- Office yields have softened in the first half of 2023 and range from 5.00% to 7.00%, depending on tenancy profile, location, size and quality.



Source: Property Council of Australia OMR, M3 Property

Sales Evidence

The comparable sales evidence that we have considered in our valuation is shown below.

Address	Sale Price	Sale Date	NLA	WALE	Initial Yield	Market Yield	IRR	$/m²
9 George Street, Parramatta	$49,600,000	Dec-22	5,479	2.60	5.48%	6.03%	6.01%	$9,053
1A and 1C Homebush Bay Drive, Rhodes	$160,500,000	Nov-22	25,051	1.53	3.46%	6.90%	6.76%	$6,407
84 Crown Street, Wollongong	$53,000,000	Nov-22	9,070	5.51	5.56%	5.54%	5.01%	$5,843
15 Orion Street, Lane Cove West	$31,500,000	Jun-22	9,594	0.98	4.40%	7.59%	6.82%	$3,283
90 Crown Street, Wollongong	$65,100,000	Apr-22	9,172	3.25	6.36%	6.00%	5.75%	$7,098
33 Allara Street, Civic	$71,250,000	Feb-22	9,736	4.46	5.43%	5.69%	5.58%	$7,318
Scarborough House, 8 Atlantic Street, Phillip	$83,000,000	Jul-21	16,755	4.08	7.86%	6.61%	6.96%	$4,954
10 Hobart Place, Civic	$17,750,000	Jul-21	4,483	2.79	6.85%	7.01%	6.25%	$3,960

Address	Valuation	Val. Date	NLA	WALE	Initial Yield	Cap Rate	Discount Rate	$/m²
Subject Property	$62,000,000	Apr-23	12,440	3.09	8.95%	6.75%	7.00%	$4,984

The above sales evidence indicates a market yield range of 5.54% to 7.59%, an IRR range of 5.01% to 6.96% and value rate of $3,283 to $9,053 per square metre of NLA. Having regard to the above sales evidence and the particular attributes of the subject property we have adopted a capitalisation rate of 6.75% and a discount rate of 7.00%.

Valuation & Summary

Date of Valuation	30 April 2023
DCF Approach	$61,500,000 Exclusive of GST
Capitalisation Approach	$62,500,000 Exclusive of GST
Market Value	$62,000,000 Exclusive of GST
Initial Yield	8.95%
Initial Yield (Fully Leased)	9.17%
Equated Market Yield	6.78%
IRR	6.86%
Value Per Square Metre (NLA)	$4,984/m²

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Disclaimers

This valuation summary is for the private and confidential use only of Abacus Property Group, including Abacus Funds Management Limited and for the specific purpose for which it has been requested in each instance. No third party is entitled to use or rely upon this report in any way and neither the Valuer nor M3 Property shall have any liability to any third party who does.

M3 Property has consented to Abacus Property Group, including Abacus Funds Management Limited publishing details of this valuation summary. This will include, but is not limited to, the Transaction Booklet comprised of:

- Notice of Meeting and an Explanatory Memorandum for Abacus Group Security holders;
- A Prospectus to be issued by Abacus Storage Operations Limited; and
- A Product Disclosure Statement to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

The valuer agrees to such publications or announcements in accepting this valuation instruction on the basis that the consent extends reliance to the parties referred to above but does not extend use of the report for any other purpose than that outlined herein.

M3 Property does not hold an Australian Financial Services licence and confirms that M3 Property is not providing financial product advice. The report herein and our valuation are opinions of value only.

M3 Property were involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaims liability to any person in the event of any omission from, or false or misleading statement included in the pre-listing document other than in respect of the valuation and summary. M3 Property is not licensed to provide financial product advice under the Corporations Act 2001. M3 Property confirms it has been paid a fee of $15,000 excluding GST by Abacus Property Group, including Abacus Funds Management Limited for this summary and the valuation.

The purpose of this valuation summary is to:

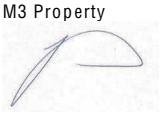
- be named in the Transaction Booklet (i.e. in their role as valuer of certain properties); and
- include in the Transaction Booklet their valuation report summary / valuation letter and any statements from, or summaries of, their valuation reports / valuation letter or deductions from those reports / letter, in the form and context in which they are used.

No liability is accepted for any loss or damage (including consequential or economic loss) suffered as a consequence of fluctuations in the property market subsequent to the date of valuation. M3 Property is not related to Abacus Property Group, including Abacus Funds Management Limited and is therefore independent of them. M3 Property have no interest in the subject properties and no personal interest with respect to the parties involved. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation (or summary) is relied upon after the expiration of three (3) months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on valuation. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

Neither the valuer nor M3 Property Australia Pty Ltd has any pecuniary (or other) interest giving rise to a conflict of interest in valuing the property.

We trust the foregoing meets with the requirements of your request. Should you wish to discuss the matter further, please do not hesitate to contact the undersigned.

Yours sincerely
M3 Property



Josh Marks AAPI
Certified Practising Valuer
Director



Andrew Duguid AAPI B.Bus Prop F.Fin
Certified Practising Valuer
Managing Director

M3

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31 May 2023

Our Ref: GW23046288

Mr Ian Triganza
Abacus Group
Level 13, 77 Castlereagh Street
Sydney NSW 2000

Via email: ITriganza@abacusgroup.com.au

Dear Ian

Re: **Valuation Summary Letter**
Properties: **Five Commercial and Retail Assets.**

We refer to instructions issued by Ms Sophie Gillard and Mr Ian Triganza dated 31 March 2023 to provide the Market Value of the five 'subject properties'. The subject properties are listed below:

No.	Address	Suburb	State	Class
1	201 Elizabeth Street	Sydney	NSW	Office
2	324 Queen Street	Brisbane	QLD	Office
3	91 King William Street	Adelaide	SA	Office
4	Myer Melbourne, Bourke Street	Melbourne	VIC	Retail
5	14 Martin Place	Sydney	NSW	Office

We have prepared full and comprehensive Valuation Reports for the five subject properties, in accordance with our instructions.

This valuation summary letter ("summary letter") has been prepared for inclusion into the Transaction Booklet comprising of:

- Notices of Meeting and an Explanatory Memorandum for Abacus Property Group Securityholders;
- A Prospectus to be issued by Abacus Storage Operations Limited;
- A Product Disclosure Statement (PDS) to be issued by Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

This summary letter should be read in conjunction with the individual Valuation Reports (prepared as at 30 April 2023) as we note this summary letter does not include all essential information and the assumptions which are detailed in our Valuation Reports. The Valuation Reports provide a detailed description of the properties; their current tenancy configuration and agreements; assumptions impacting value and local market characteristics.

Extracts from the valuation reports and a standard list of Critical Assumptions are annexed to this summary letter. Individual Critical Assumptions vary property by property and we therefore recommend they by reviewed individually.

We have assessed the valuations on the basis of 100% Freehold Title, subject to the existing leases and/or licences.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Our Ref: GW23046288

Market Value as defined by the International Valuation Standards Council (IVSC) and as adopted by the Australian Property Institute (API) is as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, and where the parties had each acted knowledgeably, prudently and without compulsion."

We have assessed the market value of the property in accordance with the Market Value definition referred to above. In the event that a sale was to occur in circumstances not reflecting that Market Value definition, the price realised may be at a substantial discount to the Market Value assessed.

We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.

Savills Valuations Pty Ltd ("Savills") charges a professional fee for producing valuation reports, and the fee paid for the Valuation Reports and this Summary Letter was $85,250 exclusive of GST.

Material Assumptions

Savills have annexed a standard list of Critical Assumptions for valuation reports as an attachment to the summary letter.

Our Ref: GW23046288

Valuation Summaries

1. 201 Elizabeth St, Sydney NSW 2000

Property Description	A prominent mixed A-Grade office building, situated within the Midtown precinct of the Sydney CBD. The property provides lower ground and ground retailing accommodation together with 38 upper levels of office accommodation, including 4 levels of plant. Basement car parking provides for 164 income producing spaces.
Car Parking	164 bays
Lettable Area	38,355m²
Site Area	3,901m²
Zoning	B8 - Metropolitan Centre
Occupancy Level	65.18%
Weighted Average Lease Expiry	2.25 years
Adopted Market Value (100% Interest)	**$707,000,000 excluding GST**
Passing Initial Yield	3.28%
Equated Market Yield	4.87%
Internal Rate of Return (10 years)	6.02%
Adopted Valuation Figure (psm)	$18,433
Net Passing Income (pa & psm)	$23,223,216 ($922/m²)
Adopted Outgoings (pa & psm)	$8,537,197 ($222.58/m²)
Gross Market Income (pa)	$51,077,054
Net Market Income (pa & psm)	$42,539,857 (1,073/m²)
Average Annual Market Rental Growth (pa)	3.91% (Net)
Capital Expenditure	$80,413,940 (2,097/m²) including Year 11

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Our Ref: GW23046288

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2. 324 Queen Street, Brisbane QLD

Property Description	324 Queen Street comprises a prominent corner CBD site and is improved with a 26 storey, commercial office tower which was constructed in 1975 and substantially expanded and refurbished during 2000/2001 and more recently upgraded in 2017 and 2020. Accommodation comprises two basement levels of car parking, ground floor foyer with retail tenancies, three podium office levels, two levels of plant and 20 upper levels of office accommodation. Levels 4 and 5 comprise plant. The building provides accommodation which appears consistent with 'B-Grade' guidelines as issued by the Property Council of Australia. 324 Queen Street is situated in the Financial Precinct.
Car Parking	86 bays
Lettable Area	19,297m²
Site Area	1,821m²
Zoning	Principal Centre (City) Zone
Occupancy Level	96.17%
Weighted Average Lease Expiry	3.21 years
Adopted Market Value (100% Interest)	**$171,000,000 excluding GST**
Passing Initial Yield	7.11%
Equated Market Yield	6.23%
Internal Rate of Return (10 years)	6.30%
Adopted Valuation Figure (psm)	$8,861
Net Passing Income (pa & psm)	$12,156,891 ($579/m²)
Adopted Outgoings (pa & psm)	$3,318,612 ($164.93/m²)
Gross Market Income (pa)	$15,526,022
Net Market Income (pa & psm)	$12,343,410 ($555/m²)
Average Annual Market Rental Growth (pa)	3.02% (gross)
Capital Expenditure	$14,580,836 ($756/m²) including Year 11

Our Ref: GW23046288

3. 91 King William Street, Adelaide SA

Property Description	The subject property comprises 91 King William Street, a 31 level plus basement 'A' Grade office building constructed circa 1989, together with 89 King William Street (formerly Perpetual House), a circa 1898 State heritage listed three level plus basement office building, 23 Currie Street which comprises a circa 1902 two storey heritage building with professional suite incorporated at Level 2, and Delmont House, a circa 1940 two level plus basement office / laboratory building. A covered central plaza with glazed roof, public seating and walkways are located between the various buildings. The buildings provide a combined net lettable area of 30,925m², and basement parking is provided for up to 54 vehicles. End of trip facilities are also provided at basement level. 91 King William Street presents as an older generation 'A Grade' building with a 4.5 star NABERS Energy and 3.0 star NABERS Water rating. The property is located in the core of the CBD approximately 200 metres north of the GPO, with frontages to King William Street and Currie Street.
Car Parking	54 bays
Lettable Area	30,924.5m²
Site Area	4,535m²
Zoning	Capital City Zone
Occupancy Level	88.77%
Weighted Average Lease Expiry	2.95 years
Adopted Market Value (100% Interest)	**$172,000,000 excluding GST**
Passing Initial Yield	7.62%
Equated Market Yield	6.93%
Internal Rate of Return (10 years)	6.77%
Adopted Valuation Figure (psm)	$5,562
Net Passing Income (pa & psm)	$13,102,174 ($477/m²)
Adopted Outgoings (pa & psm)	$4,466,503 ($144.43/m²)
Gross Market Income (pa)	$18,703,628
Net Market Income (pa & psm)	$14,237,125 ($453/m²)
Average Annual Market Rental Growth (pa)	2.93% (gross)
Capital Expenditure	$23,134,556 ($748/m²) including Year 11

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Our Ref: GW23046288

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4. Myer Melbourne, Bourke Street, Melbourne VIC

Property Description	The subject property provides a nine level retail building (including a basement level) currently fully leased to Myer Holdings Limited (ASX:MYR) trading as a Myer department store. The subject property is located to the northern side of the Bourke Street Mall, within the retail core of the Melbourne CBD.
Lettable Area	39,923.1m²
Site Area	5,904m²
Zoning	Capital City Zone – Schedule 2 (CCZ2)
Occupancy Level	100%
Weighted Average Lease Expiry	8.64 years
Adopted Market Value (100% Interest)	**$450,000,000 excluding GST**
Passing Initial Yield	6.08%
Equated Market Yield	5.64%
Internal Rate of Return (10 years)	6.57%
Adopted Valuation Figure (psm)	$11,272
Net Passing Income (pa & psm)	$27,364,214 ($685/m²)
Adopted Outgoings (pa & psm)	$3,363,453 ($84.25/m²)
Gross Market Income (pa)	$27,946,170
Net Market Income (pa & psm)	$24,582,717 ($616/m²)
Average Annual Market Rental Growth (pa)	2.74% (gross)
Capital Expenditure	$64,407,897 ($1,613/m²) including Year 11

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5. 14 Martin Place, Sydney NSW

Property Description	14 Martin Place is a 21 level secondary grade office building which incorporates the heritage listed façade of the circa 1892 Colonial Mutual Life Building. The office tower was completed in 1976 with accommodation comprising six retail tenancies on the ground and lower ground / basement level and 19 upper levels of office accommodation.
Car Parking	Nil
Lettable Area	13,150.3m²
Site Area	1,103m²
Zoning	B8 - Metropolitan Centre
Occupancy Level	88.62%
Weighted Average Lease Expiry	2.74 years
Adopted Market Value (100% Interest)	**$235,000,000 excluding GST**
Passing Initial Yield	5.35%
Equated Market Yield	4.90%
Internal Rate of Return (10 years)	5.93%
Adopted Valuation Figure (psm)	$17,870
Net Passing Income (pa & psm)	$12,576,977 ($1,040/m²)
Adopted Outgoings (pa & psm)	$3,109,346 ($236.45/m²)
Gross Market Income (pa)	$16,295,633
Net Market Income (pa & psm)	$13,186,287 ($961/m²)
Average Annual Market Rental Growth (pa)	3.91% (net)
Capital Expenditure	$20,493,316 ($1,558/m²) including Year 11

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Our Ref: GW23046288

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Valuation Methodology

We have assessed the valuations on the basis of 100% Freehold Title, subject to existing leases and/or licences.

The valuations are determined on the basis that the property(s), the Title thereto and its use is not affected by any matter other than that mentioned in the full valuation report. Furthermore, it has been assumed that reasonable resources are available in negotiating the sale and exposing the property(s) to the market.

Given the nature of the subject property(s), we have primarily relied upon the discounted cash flow approach and capitalisation approach as they best address the main criteria upon which investments of this magnitude are normally bought and sold. We have adopted the direct comparison approach as a secondary (check) method.

A discounted cash flow analysis has been prepared taking into account the ability of the property(s) to generate income over a 10-year period based on certain assumptions. Provision is made for leasing up periods upon the expiry of the various leases throughout the 10-year time horizon.

Each year's net operating income during the period is discounted to arrive at the present value of expected future cash flows. The property's anticipated sale value at the end of the period (i.e., its terminal or reversionary value) is also discounted to its present value and added to the discounted income stream to arrive at the total present market value of the property.

The DCF relates to the next period of 10 years during which time stable market conditions with an increasing rate of rental growth can be anticipated.

The capitalisation approach involves estimating the potential sustainable gross market income of a property from which annual outgoings are deducted to derive the net market income. This net market income is then capitalised at an appropriate rate derived from analysis of comparable sales evidence. Adjustments to the capitalised value are then made for items including profit rent/shortfall derived from passing rents which are above or below market, letting up allowance over vacant areas including foregone rental and outgoings over the assumed letting up period together with marketing expenses and leasing commissions, short term capital expenditure, outstanding lease incentives including rent free periods and committed Lessor contributions.

Reliance

The full valuation reports are for the reliance of Abacus Property Group, including Abacus Storage Funds Management Limited as responsible entity of Abacus Storage Property Trust.

Liability Disclaimer

Savills Valuations Pty Ltd (Savills) has prepared this summary letter for Abacus Property Group, including Abacus Storage Funds Management Limited to assist it in preparing a Transaction Booklet and has only been involved in the preparation of this summary letter and the valuations referred to therein. Savills specifically disclaim liability to any person in the event of any omission from, or false or misleading statements included in the PDS, other than with respect to this summary letter.

This Summary Letter is to be read in conjunction with our full Valuation Reports dated 30 April 2023 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Abacus Storage Funds Management Limited to obtain a copy of the individual Full Valuation Reports.

Our Ref: GW23046288

The Valuation Reports and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Offer Document. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.

Savills has prepared the full Valuation Reports and this Summary Letter relying on and referring to information provided by third parties including financial and market information ("Information"). Savills assumes that the Information is accurate, reliable and complete and it has not tested the Information in that respect.

Savills is not operating under an Australian Financial Services Licence when providing the full Valuation Reports or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Abacus Storage Funds Management Limited.

References to the Property's value within this Summary Letter or the Offer Document have been extracted from Savills Valuation Reports. The Valuation Reports draw attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, general assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, Savills recommends that this Summary Letter and any references to value within the Offer Document must be read and considered together with the Valuation Reports.

Savills Valuations Pty Ltd accepts no responsibility to third parties nor does it contemplate that the valuation reports will be relied upon by third parties (other than in relation to the market valuation referred to in this summary letter). We invite other parties who may come into possession of the valuation reports seek our written consent to them relying upon the valuation reports and we reserve our rights to review the contents in the event that our consent is sought.

These Valuations are current at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as a liability where the valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Savills consents to the Valuation Reports being made available for inspection at the registered address of Level 13, 77 Castlereagh Street, Sydney NSW 2000.

Liability limited by a scheme approved under Professional Standards Legislation.

Yours sincerely,

Joe Phegan
National Head – Valuations and Advisory
State Managing Director – VIC
Savills Australia and New Zealand

Annexure

- Critical Assumptions

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Our Ref: GW23046288

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Annexure

Critical Assumptions

Tenancies/Financial	■ That the information supplied to us by the Abacus Funds Management Limited is complete, current and accurate, including the tenancy schedule, budgets, outstanding incentives and capex. ■ Any advised Heads of Agreements provided at the date of preparing this valuation report being converted into executed and binding leases. This will have a material impact on valuation conclusions.
Physical	■ This valuation has been made on the assumption that there are no actual or potential contamination issues affecting the site or the building, including asbestos affectation. ■ We have carried out this valuation on the assumption that this property is free from flood affectation. ■ We have relied upon the supplied lettable areas for the purposes of this valuation, and should a building survey prove these areas to be incorrect we reserve the right to review this valuation. ■ We are not qualified to carry out nor have we sighted a structural survey/report of the building, accordingly we are not qualified to express an opinion as to the structural integrity of the building. We were also unable to inspect parts of the premises that were unexposed or inaccessible and therefore cannot say that such parts are free from defects. We recommend that a structural survey/report be commissioned by the nominated party to identify any building defects. We reserve the right to review this valuation if any such defects are identified. ■ The buildings on the properties (324 Queen Street, Brisbane and 201 Elizabeth Street, Sydney) appear to be partially 'clad'. The buildings on the properties (91 King William Street, Adelaide, Myer Melbourne, Bourke Street, Melbourne and 14 Martin Place, Sydney) do not appear to be 'clad'. The valuer does not hold itself out to be an expert in building materials and has been unable to identify from a visual inspection of the property whether the 'cladding' was constructed using compliant or non-compliant building products (i.e. combustible polyethylene core aluminium composite panels). A Certificate of Compliance and/or Certification of building materials for the property has not been sighted nor confirmed by the valuer. This valuation report has been prepared: (a) on the assumption that the building materials used, as well as the application and installation of those materials, comply with all approvals, regulatory requirements and codes; (b) without consideration to any diminution in value that may arise due to the identification of non-compliant building products within the property. Should this not be the case, we reserve the right to review our valuation. The valuer strongly advises the reader to investigate the nature of the existing building components and satisfy itself as to the potential risks and costs which could be incurred should the existing building component have to be remedied, replaced or adapted. ■ 14 Martin Place, Sydney has facade remediation work requirements and the valuation report has specific Critical Assumptions stated in the full valuation.

Our Ref: GW23046288

Critical Assumptions (cont.)

Legal/Planning	■ We have reviewed the various notifications on title and have assumed for the purpose of this valuation that these notifications do not have any adverse effect on the value of the property. ■ That all certificates and approvals are in place as required by the local authority. ■ That the property is occupied and managed in full compliance with the law, in particular relating to safety and fire regulations. ■ We have not sighted a Certificate of Classification/Occupancy to verify the town planning advice described in further detail at Section 5 of this valuation. ■ We are unaware of any current road widening or resumption requirements for the property, however we have not completed searches with resuming authorities to confirm this. Our valuation therefore assumes that the property is not the subject of any proposed resumptions.
GST	■ Our valuation of this property has been prepared on a GST exclusive basis with no provision included for the payment of GST by the supplier (vendor) on its sale. All sales and valuation calculations quoted in this report are exclusive of GST obligations. ■ In relation to any potential GST liability, we advise that we are not taxation or legal experts and we recommend competent and qualified advice be obtained. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation, we reserve the right to review and amend our valuation accordingly. ■ Our assumptions with respect to GST are current at the time of this report. Changes to the GST Act may impact the value of the subject land if and when these occur. ■ In analysing the sales evidence referred to in our report, it is noted that we have attempted to ascertain whether or not the sales pricing is inclusive or exclusive of the Goods and Services Tax (GST). In relation to sales evidence, we stress that the Land Titles Offices in Australia do not currently differentiate between, or record, whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify whether or not GST is included in the sale price, we have assumed that the Land Titles office record of sales is exclusive of GST. Should this not be the case for any particular sale transaction used as evidence, we reserve the right to reconsider our valuation.
General	■ The rental and sales information has been obtained from a number of sources including RP Data and registered government sales transfers. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. ■ The DCF exercise appended hereto has been undertaken for the sole purpose of assisting in the determination of the market value of the property and we make no guarantees or warranty as to the accuracy of the future rental income stream projections in so far as they relate to market rental movements. ■ This report has been countersigned to verify the report is issued by this Company. Any reliance upon this report is restricted to the nominated party(ies) and must be based upon the actual possession or sighting by them of an original document duly signed and countersigned in the before mentioned manner. ■ All information provided to us by the instructing party for the purpose of preparing this report is accurate and current as at the Date of Valuation. ■ Savills Valuations Pty Ltd accepts no responsibility to third parties nor does it contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying upon this report and we reserve our rights to review the contents in the event that our consent is sought.

ANNEXURE C: SUMMARY OF VALUATION REPORTS CONTINUED

Our Ref: GW23046288

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Critical Assumptions (cont.)

General (cont.)	■ This Valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. ■ This valuation is prepared on the assumption that the lender as referred to in the valuation report (and no other), may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risks for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that any such lender is providing mortgage financing at a conservative and prudent loan to value ratio. This clause (Prudent Lenders Clause) only applies if the lender is not a lender regulated by the Banking Act of 1959.



ANNEXURE D:

AUSTRALIAN TAXATION REPORT

ANNEXURE D:
AUSTRALIAN TAXATION REPORT

The Directors
Abacus Group Holdings Limited
Level 13, 77 Castlereagh Street
Sydney NSW 2000

The Directors
Abacus Funds Management Limited as responsible entity for Abacus Trust
Level 13, 77 Castlereagh Street
Sydney NSW 2000

The Directors
Abacus Group Projects Limited
Level 13, 77 Castlereagh Street
Sydney NSW 2000

The Directors
Abacus Funds Management Limited as responsible entity for Abacus Income Trust
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The Directors
Abacus Storage Operations Limited
Level 13, 77 Castlereagh Street
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The Directors
Abacus Storage Funds Management Limited as responsible entity for Abacus Storage Property Trust
Level 13, 77 Castlereagh Street
Sydney NSW 2000

19 June 2023

Dear Directors

Abacus Group and Abacus Storage King
Australian Taxation Report

We have been requested by Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Funds Management Limited as responsible entity for Abacus Trust, Abacus Funds Management Limited as responsible entity for Abacus Income Trust, Abacus Storage Operations Limited and Abacus Storage Funds Management Limited as responsible entity for Abacus Storage Property Trust to prepare a Taxation Report (the **Report**) to be included in the Explanatory Memorandum, Prospectus, and Product Disclosure Statement dated on or around 19 June 2023 (**Transaction Booklet**).

Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Funds Management Limited as responsible entity for Abacus Trust, Abacus Funds Management Limited as responsible entity for Abacus Income Trust, Abacus Storage Operations Limited and Abacus Storage Funds Management Limited as responsible entity for Abacus Storage Property Trust currently form the **Abacus Property Group**. The Proposal involves the de-stapling of the Abacus Property Group and the formation of two new stapled groups. Namely Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Funds Management Limited as responsible entity for Abacus Trust and Abacus Funds Management Limited as responsible entity for Abacus Income Trust (which will constitute the **Abacus Group**) and Abacus Storage Operations Limited and Abacus Storage Funds Management Limited as responsible entity for Abacus Storage Property Trust (which will constitute **Abacus Storage King**).

The taxation information provided below is intended only as a brief guide. It does not constitute tax advice and should not be relied upon as such. This Report outlines the general Australian taxation implications for Abacus Property Group Securityholders from the Proposal and for Securityholders who acquire Abacus Storage King Securities pursuant to the Offer.

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The information provided in this Report considers the Australian tax implications for Securityholders who are individuals, complying superannuation entities and companies who hold their investments on capital account. This Report does not address the Australian tax consequences for Securityholders who:

- hold their investments on revenue account or as trading stock; or
- are exempt from Australian income tax; or
- are subject to the Taxation of Financial Arrangements (**TOFA**) rules in Division 230 of the Australian Tax Act.

The information contained in this letter does not constitute "financial product advice" within the meaning of the *Corporations Act 2001 (Cth)* (**Corporations Act**). The PricewaterhouseCoopers Partnership, which is providing this Report, is not licensed to provide financial product advice under the Corporations Act. To the extent that this Report contains any information about a "financial product", within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product.

This summary has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient of the Transaction Booklet. Accordingly, any recipient should, before acting on this material, consider taking independent financial advice from a person who is licensed to provide financial product advice under the Corporations Act.

Terms used in this Report, unless stated otherwise, are defined in the same way as they are in section 18 of the Transaction Booklet.

The comments in this letter are based on the relevant taxation laws in the *Income Tax Assessment Act 1936 (**ITAA 1936**), the Income Tax Assessment Act 1997 (**ITAA 1997**), the Income Tax Rates Act 1986, A New Tax System (**Goods & Services Tax**) Act 1999, the Taxation Administration Act 1953* and relevant stamp duty legislation (referred to collectively herein as "**the Australian Tax Act**") as at the date of this Transaction Booklet and the associated administrative instruments, except where otherwise indicated.

The information below is based on existing tax law and established interpretations as at the date of this letter. The taxation of companies and unit trusts can be complex and may change over time. Accordingly, it is recommended Securityholders to seek professional taxation advice in relation to their own position.

1 Australian tax treatment of Stapled Securities

For Australian taxation purposes, each interest in an entity within a stapled group is a separate interest and the Australian tax consequences of dealings in those interests must be worked out separately for each component unit and share.

That is, Securityholders will receive, and separately deal with, distributions from each trust and dividends from each company, for tax purposes and when the Securities are disposed of, the Securityholders will have to separately consider the tax issues associated with the disposal of the units and shares.

ANNEXURE D: AUSTRALIAN TAXATION REPORT CONTINUED



2 Summary of the key tax consequences of the Proposal for Abacus Property Group Securityholders

The Proposal is detailed in section 3 of the Transaction Booklet.

For CGT purposes, each stapled Security consists of separate assets, being a share and unit in each component entity. In the case of the Abacus Property Group, this represents six separate CGT assets and following the Proposal, the Abacus Group and Abacus Storage King Securities will represent four and two separate CGT assets respectively. The tax consequences from ownership of the Securities must be worked out separately for each.

Neither the de-stapling of Abacus Property Group, nor the subsequent stapling to form the Abacus Group and Abacus Storage King groups constitute CGT events. As such, no capital gain or loss should arise for Abacus Property Group Securityholders.

Cost base

The CGT cost base and reduce cost base of the Abacus Property Group Securities and the combined cost base and reduced cost base of the Abacus Group and Abacus Storage Group Securities will be the same following the Proposal. The cost base and reduced cost base of each component unit and share also remain unchanged and will include the amount paid to acquire the Abacus Property Group Securities, together with any capital costs of acquisition or disposal, allocated to each component unit or share on a reasonable basis, less any non-taxable distributions made by the relevant component entity (with non-taxable distributions from a particular entity reducing the cost base of the security in that component entity).

Acquisition Date

As the Proposal does not involve any disposal or acquisition, the acquisition date of the Abacus Group and Abacus Storage King Securities will be unchanged and be the acquisition date of the Abacus Property Group Securities.

Class Ruling

Abacus Group has applied to the ATO for a binding Class Ruling for the benefit of Abacus Group Securityholders which seeks to provide confirmation in respect of the tax implications of the Proposal. Abacus Group expects to be issued with a draft class ruling shortly after the issue of the Transaction Booklet and to be finalised following completion of the Proposal. When the final Class Ruling is released, it is expected to be available on the ATO website at www.ato.gov.au, and will also be made available on the Abacus Group website.

3 Holding of Abacus Group Securities

Following implementation of the Proposal, Abacus Property Group Securityholders will continue to hold the Abacus Group Securities which will then consist of shares in AGHL and AGPL and units in AT and AIT (the **Abacus Group Stapled Securities**). The holders of Abacus Group Stapled Securities are referred to in this section of the Report as the **Abacus Group Securityholders**.



As noted above, the Abacus Group Securityholders will need to treat each component making up the Abacus Group Stapled Security separately for tax purposes. That is:

- Abacus Group Securityholders will receive, and separately deal with for tax purposes, distributions from AT and AIT and dividends from AGHL and AGPL; and
- when the Abacus Group Stapled Securities are disposed of, the Abacus Group Securityholders will have to separately consider the tax issues associated with the disposal of the AGHL and AGPL Shares and the AT and AIT Units.

3.1 Taxation of Abacus Group Entities

Tax treatment of AT and AIT

A trust may be liable for income tax in any year where the requirements to be classed as a public trading trust under Division 6C of the ITAA 1936 are satisfied for that year. Based on the information in this Transaction Booklet regarding the proposed activities of AT and AIT, and the intentions of the responsible entity of AT and AIT as expressed to us, each of AT and AIT should not be regarded as public trading trusts. We note that the requirements for a public trading trust are ongoing, and must be tested every year, such that the tax position of AT and AIT in any year will depend on the actual operations of the trust in that year.

On the basis that Division 6C does not apply, AT and AIT should be "flow through" entities for tax purposes. This means that, provided the Securityholders are presently entitled to all of the net income of the trusts for each year of income. the net (taxable) income of AT and AIT will be taxed in the hands of the Abacus Group Securityholders, and not at the level of AT and AIT.

Neither AT nor AIT are considered to be Managed Investment Trusts (and thus, cannot be Attribution Managed Investment Trusts).

Tax losses

Where a revenue loss or net capital loss is incurred by AT or AIT, the loss must be quarantined within the trust and cannot be passed to Abacus Group Securityholders for tax purposes. Instead, revenue tax losses will be carried forward and offset against assessable income derived by AT or AIT in future years subject to satisfying the relevant trust loss recoupment tests.

Any net capital losses will be carried forward and will be able to be offset against future capital gains derived by AT or AIT. The trust loss recoupment tests do not apply in respect of utilising carried forward net capital losses incurred by a trust.

Tax Treatment of AGHL and AGPL

Tax consolidated groups

AGHL and AGPL are each head entities of separate tax consolidated groups with their respective wholly owned subsidiaries. This will not change as result of the Proposal.

ANNEXURE D: AUSTRALIAN TAXATION REPORT CONTINUED

3.2 Taxation of Abacus Group Securityholders

Income Distributions from AT and AIT

Resident Abacus Group Securityholders

On the basis that Securityholders are made presently entitled to all of the distributable income of AT and AIT, Australian resident Securityholders must include in their assessable income their share of the taxable income of AT and AIT. This applies irrespective of whether distributions from AT and AIT in respect of that income are paid during the year or in a subsequent year.

Distributions from AT and AIT may include various components, the taxation treatment of which may differ. For example, a distribution may include an interest component, other income component, net capital gains and a tax deferred component. Tax deferred distributions are distributions in excess of the net taxable income of AT and AIT and are usually attributable to tax timing differences (e.g. depreciation).

Tax deferred distributions should not be assessable when received unless and until the total tax deferred amounts received by a Securityholder exceed their cost base in their units held in AT and AIT respectively. For CGT purposes, amounts of tax deferred distributions received reduce the cost base of units held and therefore affect a Securityholder's capital gain or loss on any future disposal of the units. A Securityholder will make an immediate capital gain to the extent tax deferred distributions received exceed the Securityholder's cost base of the units in AT or AIT (this capital gain can be discounted by the Securityholder's relevant capital gains discount percentage where the Securities have been held for at least 12 months as at the end of the income year to which the distribution relates, or the date of disposal of the Security – where the Security is disposed of during the year).

Distributions of capital gains to Securityholders

Where an asset that is owned by a trust for at least 12 months is disposed of (not including the dates of acquisition and disposal), the trust will receive a 50% discount on the capital gain realised. The CGT concession component of a distribution represents the CGT discount claimed by a trust in respect of asset sales. The CGT concession component is not assessable when received by Australian resident Securityholders. Where a trust distribution includes a CGT concession component, there will be no reduction to the cost base of the units held by the unitholder for that component.

The capital gain component of a distribution from AT or AIT must be included in the Securityholder's calculation of their own net capital gain. Where the distributed capital gain includes a discounted capital gain component, Securityholders are required to gross up that amount by the discount applied by AT or AIT (i.e. 50%). The capital gain (i.e. the whole amount of the gain prior to discounting) is then included in the calculation of the Securityholder's total capital gains for the income year. Securityholders may then offset any capital losses they have, and then may be entitled in their own right to a CGT discount as an individual, trust or superfund.

Non-resident Abacus Group Securityholders

On the basis that neither AT nor AIT are Managed Investment Trusts and Securityholders are made presently entitled to all of the distributable income of AT and AIT, non-resident Securityholders must include in their Australian assessable income their share of the taxable income of AT and AIT which is

distributed to them for the relevant income year. This applies irrespective of whether distributions from AT and AIT in respect of that income are paid during the year or in a subsequent year.

Non-resident Securityholders will be required to lodge an Australian tax return in respect of a trust distribution from AT and AIT. They will be required to include their share of the trusts' taxable income in their assessable income. They may also be entitled to claim deductions for losses or outgoings related to their investment in AT and AIT. The net taxable amount will then be subject to the relevant tax rate applicable to that type of entity and a credit should be available for the non-final withholding tax amount withheld by the Responsible Entity described below.

Distributions from AT and AIT may include various components, the taxation treatment of which may differ. For example, a distribution may include an interest component, other income component, net capital gains and a tax deferred component. Tax deferred distributions are distributions in excess of the net taxable income of AT and AIT and are usually attributable to tax timing differences (e.g. depreciation).

Tax deferred distributions should not be assessable when received unless and until the total tax deferred amounts received by a Securityholder exceed the cost base of units held in AT and AIT respectively. For CGT purposes, amounts of tax deferred distributions received reduce the cost base of units held and therefore affect a Securityholder's capital gain or loss on any future disposal of the units. A Securityholder will make an immediate capital gain to the extent tax deferred distributions received exceed the Securityholder's cost base of the units in AT or AIT. Such a capital gain should be disregarded for non-resident Securityholders where their interest in AT or AIT is less than 10% of relevant entity (both at the time of the CGT event and in any 12 month period in the 24 months prior to the CGT event). Where such capital gain is not disregarded, non-resident Securityholders are not entitled to apply any capital gains tax discount.

The responsible entity will be required to withhold a non-final withholding tax from distributions to non-resident Securityholders in respect of Australian-sourced income (other than dividends, royalties and interest) as follows:

- for Securityholders who are companies, the responsible entity will withhold tax at 30% from the taxable component of the distribution;
- for Securityholders who are individuals, the responsible entity will withhold at 45%, being the maximum tax rate applicable to non-resident individuals; and
- for Securityholders who are trustees of trusts, the responsible entity will withhold tax at 45% from the taxable component of the distribution.

To the extent that the distributions represent dividends, royalties or interest then a final withholding tax rate will apply. For interest, the rate will be 10%; for royalties and unfranked dividends, the rate will be 30%, unless a tax treaty applies to reduce that rate; for franked dividends, no withholding will apply.

ANNEXURE D: AUSTRALIAN TAXATION REPORT CONTINUED

Taxation of dividends from AGHL and AGPL

Resident Abacus Group Securityholders

Abacus Group Securityholders will include in their assessable income dividends paid by AGHL and AGPL.

Where dividends distributed by AGHL and AGPL to Abacus Group Securityholders are franked, then (subject to a number of measures that may affect the ability of an Abacus Group Securityholder to use franking credits distributed, including the 45 day holding period rule), the grossed-up amount (i.e., the dividend plus the attached franking credit) is included in the Abacus Group Securityholder's assessable income. The Abacus Group Securityholder is then generally allowed a franking offset equal to the franking credit. Where the Abacus Group Securityholder is an individual or a complying superannuation fund, the Abacus Group Securityholder may be entitled to a refund to the extent that the franking credits attached to the Abacus Group Securityholder's dividends exceeds the Abacus Group Securityholder's tax liability for the income year.

Where the Abacus Group Securityholder is a corporate shareholder, any franked dividends which the Abacus Group Securityholder received will generally give rise to a franking credit in the Abacus Group Securityholder's franking account.

Non-resident Abacus Group Securityholders

Franked dividends distributed by AGHL and AGPL to non-resident Abacus Group Securityholders should not be subject to dividend withholding tax.

Unfranked dividends should however be subject to dividend withholding tax at 30% unless a lower rate applies under a tax treaty.

Taxation on disposal of Abacus Group Stapled Securities

Resident Abacus Group Securityholders

For CGT purposes, the disposal of an Abacus Group Stapled Security involves the disposal of four separate assets, being an AT unit, an AIT Unit, an AGHL Share and an AGPL Share. Broadly, the Abacus Group Securityholder must include any realised capital gain or loss on the disposal of their Abacus Group Stapled Security in the calculation of their net capital gain or loss for the year. The tax consequences must be worked out separately for each component unit and share.

An Abacus Group Securityholder will derive a capital gain on the disposal of the component units and shares to the extent that the capital proceeds on disposal exceed the CGT cost base of the component units and shares. An Abacus Group Securityholder will incur a capital loss on the disposal of the component units and shares to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the component units and shares.

The capital proceeds received on the disposal of an Abacus Group Stapled Security must be apportioned between the component units and shares on a reasonable basis. The CGT cost base of each component unit and share will include the amount paid to acquire the Abacus Group Stapled Securities, together with

any capital costs of acquisition or disposal, allocated to each component unit or share on a reasonable basis. The cost base of each component unit will be reduced by any tax deferred and capital distributions.

For the purposes of allocating capital proceeds and CGT cost base to each component unit or share, one basis of apportionment is to use the relative net tangible assets of each component entity.

All capital gains and capital losses arising in a year, including distributions of capital gains, are added together to determine whether an Abacus Group Securityholder has derived a net capital gain or incurred a net capital loss in that year. If an Abacus Group Securityholder derives a net capital gain in a year, this amount is, subject to the comments below, included in the Abacus Group Securityholder's assessable income. If an Abacus Group Securityholder incurs a net capital loss in a year, this amount is carried forward and is available to offset capital gains derived in subsequent years.

If the Abacus Group Securityholder has held the Abacus Group Stapled Securities for 12 months or more at the time of disposal (ignoring the day of acquisition and the day of disposal) and there is a net capital gain, the Abacus Group Securityholder may be eligible to apply the CGT discount, which is 50% for individuals and trusts, and 33.33% for complying superannuation funds.

Non-resident Abacus Group Securityholders

Non-resident Abacus Group Securityholders would generally be subject to the CGT rules on disposal of the Abacus Group Stapled Securities (other than in respect of the AGHL and AGPL Shares, which should not be taxable Australian property). Non-resident investors cannot apply any capital gains tax discount. However, no Australian tax should be payable on capital gains made by non-resident Abacus Group Securityholders from the disposal of their Abacus Group Stapled Securities where their Abacus Group Stapled Securities holding (together with associates) is less than 10% of relevant entity (both at the time of the CGT event and in any 12 month period in the 24 months prior to the CGT event).

Under the foreign resident capital gains tax withholding rules, a purchaser of certain taxable Australian property from foreign residents must withhold 12.5% of the gross sale proceeds (as a non-final withholding tax) and remit this to the ATO. The obligation applies to a transaction involving, for example, the acquisition of an indirect Australian real property interest, such as a membership interest in a 'land-rich' company or trust. On-market transactions however are excluded from the withholding regime and therefore should not apply to the disposal of Securities by Securityholders via the Australian Securities Exchange.

4 Holding of Abacus Storage King Securities

The Australian tax implications for the entities forming Abacus Storage King and from the ownership of Securities in Abacus Storage King is consistent with those set out above in relation to the Abacus Group, save that the component parts of that Stapled Security will be a share in ASOL, and a unit in ASPT only.

5 Goods and Services Tax (GST)

No GST will be charged to Abacus Property Group Securityholders nor will any GST liability arise for Abacus Property Group Securityholders (whether resident or non-resident) on any of the steps in the Proposal.

ANNEXURE D: AUSTRALIAN TAXATION REPORT CONTINUED

The acquisition of Securities by Securityholders in Abacus Storage King pursuant to the Offer should not be subject to GST. GST registered Securityholders should seek advice in relation to their ability to recover any GST incurred on costs relating to the acquisition of the Securities.

6 Stamp Duty

No stamp duty should be payable by Abacus Property Group Securityholders in connection with the Proposal.

No stamp duty should be payable by Abacus Storage King Securityholders who acquire Securities in connection with the Offer.

Under the current stamp duty legislation, in the ordinary course no stamp duty should be payable on any subsequent trading of either the Abacus Group or Abacus Storage King Securities on the Australian Securities Exchange, provided the Securityholder does not acquire (whether alone or together with associates) 90% or more of the relevant Securities.

7 Other matters

An Australian tax resident Securityholder need not quote a Tax File Number (**TFN**) when applying for Securities in Abacus Storage King. However, if a TFN is not quoted, or no appropriate TFN exemption information is provided (e.g. where a Securityholder has lodged a TFN application and is awaiting confirmation), tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus the Medicare levy (currently 47 per cent). Securityholders that hold their Securities as part of their business may quote their Australian Business Number instead of their TFN. This affects Securityholders on an individual basis.

Securityholders may also be requested to provide further information to enable Abacus Property Group and Abacus Storage King to meet their obligations under the US Foreign Account Tax Compliance Act (**FATCA**) and OECD Common Reporting Standard (**CRS**) regimes. Broadly, these regimes require certain investment entities to obtain information from equity holders and pass that information on to the ATO, which may then share that information with the US Internal Revenue Service, and any other jurisdiction that has agreed to share information in respect of the CRS.

Yours faithfully,



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Daniel Sydes
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