

ASX RELEASE

7 JUNE 2023

Market Update and Commencement of Investor Engagement

Abacus Property Group (ASX:ABP) ('Abacus') today announces the commencement of an institutional investor engagement process in relation to the proposed de-stapling of its Self Storage assets, to create an ASX listed Self Storage REIT to be known as Abacus Storage King ('ASK')¹, and the proposed equity raising in ASK². An accompanying investor presentation has been provided to the ASX today outlining further detail in relation to the proposed de-stapling and equity raising.

Abacus also provides an update to its ongoing initiatives in relation to non-core Commercial asset disposals. As a result of these initiatives, there is a reduced requirement for capital to set appropriate gearing levels in Abacus and ASK relative to what Abacus had previously announced on the ASX on 18 May 2023. Subject to the conditions outlined below, ASK intends to raise approximately \$225 million of new equity if the proposal proceeds.

Asset sales

Abacus has exchanged contracts for the sale of three non-core Commercial assets for a total consideration of approximately \$97.9 million³. The assets include 33 Queen Street, Brisbane QLD, 247 Adelaide Street, Brisbane, QLD and 187 Todd Road, Port Melbourne VIC. The sales are expected to settle in June 2023. Abacus' Managing Director, Steven Sewell, commented "These asset sales reflect Abacus' ability to identify opportunities to optimise its investment portfolio and transact in a market environment challenged by relatively low transaction volumes in the Office sector."

General

Further information in relation to the proposed de-stapling and equity raising has been detailed in the investor presentation provided to the ASX today.

Subject to the conditions outlined below, Abacus reaffirms the timing previously announced in relation to the proposed de-stapling and equity raising. Abacus intends to provide securityholders with a Transaction Booklet⁴ ahead of an Extraordinary General Meeting ('EGM') to vote on the de-stapling proposal in July 2023⁵. Subject to the securityholder vote at the

¹ Abacus Storage Operations Limited (ACN 112 457 075) ('ASOL') and Abacus Storage Property Trust (ARSN 111 629 559) ('ASPT') are intended to be de-stapled from Abacus and stapled together to form ASK. Abacus will remain listed on ASX under a new ticker code, and be known as Abacus Group (ASX:ABG). ASK will be managed by Abacus Group.

² This will be an offer of stapled securities by ASOL and Abacus Storage Funds Management Limited (ACN 109 324 834, AFSL 277357) as the responsible entity of ASPT.

³ Total consideration excluding transaction costs and reflects a 4.3% discount to 31 December 2022 valuations on a net basis.

⁴ This will incorporate notices of meeting, an explanatory memorandum, prospectus and product disclosure statement.

⁵ Securityholders should consider the Transaction Booklet provided to them or otherwise made available to them before making a decision to vote in favour of the proposal or to apply for new ASK securities to be issued by ASOL and ASFML as responsible entity of ASPT as part of a proposed equity raising. Any investor who is eligible to participate and who wants to acquire additional ASK securities will need to follow instructions on the application form that will be included in or accompany the Transaction Booklet made available to Abacus securityholders (which will also be released on ASX). The Transaction Booklet will include details on how to access the target market determination for additional ASK securities.

EGM, and the satisfaction of regulatory and any required third party approvals, ASK is expected to be listed on ASX in August 2023.

Mr Sewell commented “Abacus is delighted to reach this important milestone and we are looking forward to engaging with investors ahead of the EGM planned for July.”

A decision to proceed with the proposed de-stapling and equity raising remains subject to market conditions, the approval of the Abacus Board, an Independent Expert opinion that the de-stapling is fair and reasonable to Abacus securityholders, a securityholder vote at the EGM, and the receipt of regulatory and any required third party approvals.

Abacus has appointed Barrenjoey Advisory Pty Limited and Morgan Stanley Australia Limited as financial advisors and King & Wood Mallesons as its legal advisor on the proposed transaction.

END

Investor & Media Enquiries

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



Important Notice

Forward-looking statements

This announcement contains certain "forward-looking statements". The words "expect", "should", "could", "may", "predict", "outlook", "foresee", "guidance", "plan", "estimate", "anticipate", "aim", "intend", "believe", "projection", "forecast", "target", "consider" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance and the outcome of the proposal or the equity raising are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, elements of subjective judgement and assumptions, contingencies and other factors, many of which are beyond the control of Abacus⁶ and its related bodies corporate and affiliates and each of its securityholders, directors, officers, employees, partners, agents and advisers ('Beneficiaries'), and may change without notice, and that may cause actual results or performance of Abacus to differ materially from those predicted or implied by any forward-looking statements. Such forward-looking statements speak only as of the date of this announcement. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements and to the maximum extent permitted by law Abacus (and its Beneficiaries) assume no obligation to update such information. Such forward-looking statements should be considered in light of these disclosures.

Investors are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic and the Ukraine conflict.

No representation, warranty or assurance (express or implied) is given or made by any person (including Abacus and its Beneficiaries) as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement.

Not an offer

This announcement is not a prospectus, product disclosure statement or other offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of any new securities in any jurisdiction outside Australia and New Zealand. This announcement is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any new securities in Abacus Group or ASK.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States as those terms are defined under the U.S. Securities Act of 1933, as amended (the 'U.S. Securities Act'). The ASK securities have not been, and will not be, registered under the U.S. Securities Act or under the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States, except in transactions

⁶ The references to 'Abacus' in this Important Notice also include references to the remaining Abacus Group and ASK with the necessary contextual amendments.



exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

General

No guarantee is given by Abacus or its Beneficiaries that any transaction will proceed or reach completion. The timeframes included in this announcement are indicative only and subject to change in the absolute discretion of Abacus. This announcement does not constitute or provide financial advice or financial product advice and has been prepared without taking into account any person's particular objectives, financial situations or needs. Any investor should seek independent advice from their professional adviser before making any investment decision

