Appendix 4D

Abacus Group

(comprising Abacus Group Holdings Limited and its controlled entities, Abacus Trust and its controlled entities, Abacus Income Trust and its controlled entities and Abacus Group Projects Limited and its controlled entities)

In August 2023, Abacus Group's Self Storage business has been de-stapled from the Commercial business to create two separately listed stapled groups of Abacus Storage King (ASX:ASK) and Abacus Group, respectively. Abacus Group has also changed its ASX code from ABP to ABG.

The Appendix 4D should be read in conjunction with the interim financial report and the most recent annual financial report.

ABN: 31 080 604 619

Interim Financial Report

For the half year ended 31 December 2023

Results for announcement to the market

(corresponding period half year ended 31 December 2022)

Total revenues and other income	Up	15.2%	to	$85.0m
Net profit after income tax expense attributable to members of the Group	Down	270.0%	to	($143.6m)
Funds from operations ("FFO") (1)	Down	50.7%	to	$40.1m
FFO from continuing operations	Up	4.0%	to	$38.9m

(1) FFO has been determined with reference to the Property Council of Australia's voluntary disclosure guidelines to help investors and analysts compare Australian real estate organisations. FFO is calculated by adding back tenant incentive amortisation, depreciation on owner occupied property, plant & equipment (PP&E), change in fair value of investment properties derecognised, capital costs, unrealised fair value gains / losses on investment properties, adjustments arising from the effect of revaluing assets / liabilities carried at fair value (such as derivatives, financial instruments and investments), other non-recurring adjustments deemed significant on account of their nature and non-FFO tax benefit/expense.

	31 Dec 2023	31 Dec 2022
Basic earnings per security (cents)	(16.06)	9.46
Basic FFO per security (cents)	4.49	9.11
Basic FFO from continuing operations per security (cents)	4.36	4.19
Distribution per security (cents)	4.25	9.00
Weighted average securities on issue (million)	893.7	893.3

Distribution	Per stapled security
December 2023 half year	4.25 cents
This distribution was declared on 14 December 2023 and will be paid on or about 29 February 2024.	
Record date for determining entitlement to the distributions	29 December 2023

Refer to the attached announcement for a detailed discussion of the Abacus Group's results and the above figures for the half year ended 31 December 2023.

Details of individual and total distribution payments to securityholders		Per stapled security	Total
Final June 2023 distribution	paid 31 August 2023	9.4 cents	$84.0m

The distributions were paid in full by Abacus Trust, Abacus Income Trust and Abacus Storage Property Trust which do not pay tax, hence there were no franking credits attached.

	31 December 2023	30 June 2023
Net tangible assets per security	$ 1.92	$3.70

The Group has lost control of Abacus Storage Operations Limited and its controlled entities, and Abacus Storage Property Trust and its controlled entities during the period.

Distribution Reinvestment Plan (DRP)

The Group's Distribution Reinvestment Plan (DRP) will not apply to the interim distribution. Information on the terms of the DRP is available from our website www.abacusgroup.com.au.

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INTERIM FINANCIAL REPORT

31 December 2023

ABACUS

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2023

Directory

Abacus Group Holdings Limited
ABN: 31 080 604 619

Abacus Group Projects Limited
ABN: 11 104 066 104

Abacus Funds Management Limited
ABN: 66 007 415 590

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Tel: (02) 9253 8600
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Website: www.abacusgroup.com.au

Company Secretary
Belinda Cleminson

Auditor (Financial and Compliance Plan):
Ernst & Young
200 George St
SYDNEY NSW 2000

Custodian:
Perpetual Trustee Company Limited
Level 12 Angel Place
123 Pitt Street
SYDNEY NSW 2000

Share Registry:
Boardroom Pty Ltd
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SYDNEY NSW 2000
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It is recommended that this Half-Year Financial Report should be read in conjunction with the Half-Year Financial Report of Abacus Trust, Abacus Group Projects Limited and Abacus Income Trust as at 31 December 2023 and Abacus Group's 30 June 2023 Annual Financial Report. It is also recommended that the report be considered together with any public announcements made by the Abacus Group in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

DIRECTORS' REPORT

31 DECEMBER 2023

The Directors present their report for the period ended 31 December 2023.

DIRECTORS

The Directors of Abacus Group Holdings Limited ("AGHL"), Abacus Funds Management Limited ("AFML") – the Responsible Entity of Abacus Trust ("AT") and Abacus Income Trust ("AIT"), and Abacus Group Projects Limited ("AGPL") in office during the half-year and until the date of this report are as follows:

Myra Salkinder	Chair (Non-executive)
Steven Sewell	Managing Director
Trent Alston	Non-executive Director
Mark Bloom	Non-executive Director (retired 3 August 2023)
Mark Haberlin	Non-executive Director (Lead Independent)
Sally Herman	Non-executive Director
Jingmin Qian	Non-executive Director

Directors were in office for this entire period unless otherwise stated.

STRUCTURE AND PRINCIPAL ACTIVITIES

Listed Structure / Entities

The listed Abacus Group is a diversified property group that operates predominantly in Australia. It comprises AGHL, AT, AIT and AGPL (collectively "Abacus" or "the Group") and its securities trade on the Australian Securities Exchange ("ASX") as ABG. Abacus was listed on the ASX in November 2002 and its market capitalisation was over $1.0 billion at 31 December 2023. Abacus is included in the S&P/ASX 200 A-REIT index (ASX:XPJ), a sub-index of the S&P/ASX 200 index that contains the listed vehicles classified as A-REITs. Abacus is also included in the FTSE EPRA NAREIT Global Real Estate Index Series.

In August 2023, Abacus Group's Self Storage business was de-stapled from the Commercial business to create two separately listed stapled groups of Abacus Storage King (ASX:ASK) and Abacus Group, respectively. Abacus Group also changed its ASX code from ABP to ABG.

Shares in AGHL, AGPL and units in AT, AIT have been stapled together so that none can be dealt with without the others and are traded together on the ASX as Abacus securities. An Abacus security consists of one share in AGHL, one unit in AT, one share in AGPL and one unit in AIT. A transfer, issue or reorganisation of a share or unit in any of the component parts requires, while they continue to be stapled, a corresponding transfer, issue or reorganisation of a share or unit in each of the other component parts.

AGHL and AGPL are companies that are incorporated and domiciled in Australia. AT and AIT are Australian registered managed investment schemes. AFML is the Responsible Entity of AT and AIT. AFML is incorporated and domiciled in Australia and is a wholly owned subsidiary of AGHL.

Abacus Group Consolidation

AGHL has been identified as the parent entity of the Group. The financial report of the Group for the half-year ended 31 December 2023 comprises the consolidated financial reports of AGHL and its controlled entities, AT and its controlled entities, AIT and its controlled entities, and AGPL and its controlled entities.

The principal activities of Abacus that contributed to its earnings during the course of the half-year ended 31 December 2023 were investment in commercial assets (office and other).

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DIRECTORS' REPORT

31 DECEMBER 2023

GROUP RESULTS SUMMARY

The Group incurred a statutory net loss after tax of $143.6 million for the half-year ended 31 December 2023 (December 2022: profit of $84.5 million). This profit has been calculated in accordance with Australian Accounting Standards. It includes certain significant items that are adjusted to enable securityholders to obtain an understanding of Abacus' funds from operations ("FFO") of $40.1 million (December 2022: $81.4 million).

FFO is derived from the statutory profit and presents the results of the ongoing business activities in a way that reflects our underlying performance. FFO is the basis on which distributions are determined.

FFO has been determined with reference to the Property Council of Australia's voluntary disclosure guidelines to help investors and analysts compare Australian real estate organisations. FFO is calculated by adding back tenant incentive amortisation, depreciation on owner occupied property, plant & equipment (PP&E), change in fair value of investment properties derecognised, capital costs, unrealised fair value gains / losses on investment properties, adjustments arising from the effect of revaluing assets / liabilities carried at fair value (such as derivatives, financial instruments and investments), other non-recurring adjustments deemed significant on account of their nature and non-FFO tax benefit/expense.

The reconciliation between the Group's statutory profit and FFO is as follows. This reconciliation has not been reviewed by the Group's auditor.

	31 Dec 2023[1] $'000	31 Dec 2022 $'000
Consolidated statutory net (loss)/profit after tax attributable to members of the Group	**(143,560)**	**84,464**
Net loss from discontinued operations	**(951)**	**(142,941)**
Adjust for:		
Net change in fair value of investment properties and property, plant and equipment derecognised	5	1
Net change in fair value of investment properties held at balance date	139,254	77,744
Net change in fair value of investments and financial instruments held at balance date	1,829	390
Net change in fair value of equity accounted investments	11,002	3,499
Net change in fair value from deconsolidation	5,614	-
Depreciation and amortisation	2,034	3,307
Net change in fair value of derivatives	13,152	5,169
Amortisation of rent abatement incentives	6,859	6,252
Finance costs and other	785	(594)
Straightline of rental income	(1,240)	(1,245)
Movement in lease liabilities	-	(510)
Net tax expense on non-FFO Items	4,159	1,895
Abacus funds from operations ("FFO") from continuing operations	**38,942**	**37,431**
Abacus funds from operations ("FFO") from discontinued operations	**1,191**	**43,970**
Total Abacus FFO	**40,133**	**81,401**

	31 Dec 2023	31 Dec 2022
Basic earnings per security (cents)	(16.06)	9.46
FFO per security (cents)	4.49	9.11
FFO from continuing operations per security (cents)	4.36	4.19
Distribution per security (cents)	4.25	9.00
Weighted average securities on issue (million)	893.7	893.3

1. During the period when ASPT and ASOL were stapled with ABG, the management fee charged and the interest on inter-company loan were eliminated.

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DIRECTORS' REPORT

31 DECEMBER 2023

GROUP RESULTS SUMMARY (continued)

During the period, Abacus remained focused on diversifying its income streams:

- As external manager of Abacus Storage King ("ASK"), Abacus now receives management and development management fees;
- Through its ownership of ASK, Abacus receives a proportionate share of ASK's profits; and
- The Group continued to earn rental income from its Commercial Office and Retail portfolio.

Abacus remained disciplined in its capital allocation strategy of retaining assets within the portfolio that, in Abacus' view, provided the best risk adjusted returns over the investment period. In HY24, Abacus exchanged unconditional contracts to dispose two assets (100% interest in 63 Ann Street, Surry Hills NSW and the remaining 50% interest in Ashfield Mall, Ashfield NSW) for a net consideration of approximately $107 million. Abacus also purchased 81-83 Walker St, North Sydney for $10.5 million; being a site adjacent to Abacus' current Commercial Office building at 99 Walker Street.

Valuations – Commercial Office and Retail assets

The Abacus investment property portfolio was revalued at period end which resulted in a loss of $139.3 million or 6.4% in the six months to 31 December 2023. The investment property portfolio's overall weighted average capitalisation rate softened 36 basis points from 5.71% to 6.07%. The investment portfolio (excluding equity accounted properties) is now valued at over $2.0 billion across 18 assets.

As part of the portfolio valuation process for the period ended 31 December 2023, 6 of the 18 investment properties (excluding equity accounted properties) or 33% by number were independently valued. The remaining properties were subject to internal valuation and, where appropriate, their values were adjusted.

The current economic environment is being driven by high inflation and rising interest rates. This may provide the Group opportunities to acquire core assets with medium to long term growth prospects.

Abacus believes that its current Commercial Office portfolio remains robust despite current conditions, given that the majority of the Group's investments:

- Are well located in CBD or suburban locations with low and often below market average rent levels;
- Have limited exposure to full floor or multi-floor tenants;
- Are leased by Small to Medium Enterprise ("SME") tenants.

As a result of these features, the Group's building tenants are typically strongly connected to the property's location, and so have a positive predisposition to remain.

As a result of current market conditions and a shift in future expectations in the office sector, Abacus has targeted assets that deliver long-term, sustainable outcomes through active investment, asset and development management with a strong focus on our customer requirements. This capital allocation strategy supports the Group's drive to improve FFO.

Capital Management

In December 2023, ABG successfully re-negotiated and agreed terms on its syndicated banking facility to increase the limit by $125 million, increasing its overall facility limits to $1,182.8 million and extending its facility tranches tenor on average by a further six months.

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DIRECTORS' REPORT

31 DECEMBER 2023

CHANGES IN THE STATE OF AFFAIRS

The contributed equity of the Group decreased by $419.0 million to $2,177.6 million compared to $2,596.6 million as at 30 June 2023 post de-stapling of the Self Storage business in August 2023.

Total equity decreased by $1,616.0 million to $1,745.7 million at 31 December 2023 compared to $3,361.7 million at 30 June 2023 due to the de-stapling of the Self Storage business.

DISTRIBUTIONS

An interim distribution of 4.25 cents per Abacus stapled security was declared on 14 December 2023 which will be paid on or about 29 February 2024. Distributions are paid on a semi-annual basis.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 8 February 2024, the Group completed the settlement of 63-73 Ann Street, Surry Hills at a sale price of $32.25m.

Other than as disclosed already in this report and to the knowledge of directors, there has been no matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may affect, the Group's operations in future financial periods, the results of those operations or the Group's state of affairs in future financial periods.

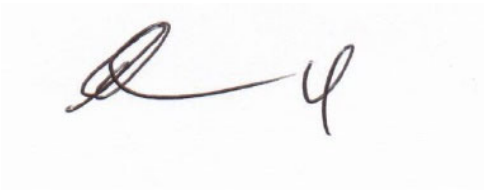
ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Group under ASIC Corporations Instrument 2016/191. The Group is an entity to which the instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is set out on page 6.

Signed in accordance with a resolution of the directors.
Abacus Group Holdings Limited (ABN 31 080 604 619)



Myra Salkinder
Chair
Sydney, 27 February 2024

Steven Sewell
Managing Director

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Building a better working world

Auditor's Independence Declaration to the Directors of Abacus Group Holdings Limited

As lead auditor for the review of the half-year financial report of Abacus Group Holdings Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b) No contraventions of any applicable code of professional conduct in relation to the review; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Abacus Group Holdings Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Anthony Ewan
Partner
27 February 2024

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CONSOLIDATED INCOME STATEMENT

HALF-YEAR ENDED 31 DECEMBER 2023

	Notes	31 Dec 2023 $'000	31 Dec 2022 $'000
REVENUE			
Rental income		71,730	71,462
Finance income		4,965	1,661
Fee income		8,305	657
Total Revenue		**85,000**	**73,780**
OTHER INCOME			
Other income		-	30
Total Revenue and Other Income		**85,000**	**73,810**
Share of (loss)/profit from equity accounted investments	4(a)	(444)	176
Net change in fair value of investment and financial instruments derecognised		(198)	141
Net change in fair value of investment properties derecognised		(5)	-
Net change in fair value of derivatives		(13,152)	(5,169)
Net change in fair value of investment properties held at balance date		(139,254)	(77,744)
Net change in fair value of investments held at balance date		(1,829)	(390)
Net change in fair value from deconsolidation		(5,614)	-
Property expenses and outgoings		(22,752)	(20,747)
Depreciation and amortisation expense		(2,034)	(3,307)
Finance costs		(20,071)	(4,440)
Administrative and other expenses		(19,852)	(16,615)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(140,205)**	**(54,285)**
Income tax expense		(4,306)	(4,192)
NET (LOSS)/PROFIT AFTER TAX FROM CONTINUING OPERATIONS		**(144,511)**	**(58,477)**
Discontinued Operations			
Net profit after tax from discontinued operations	10	951	142,941
NET (LOSS)/PROFIT AFTER TAX		**(143,560)**	**84,464**
PROFIT ATTRIBUTABLE TO:			
Equity holders of the parent entity (AGHL)		(21,393)	(31,814)
Equity holders of other stapled entities			
AT members		(104,917)	(14,784)
AGPL members		(208)	(639)
AIT members		(17,993)	(5,860)
ASPT members		(7,913)	84,250
ASOL members		8,864	53,311
NET (LOSS)/PROFIT		**(143,560)**	**84,464**
Basic and diluted earnings per stapled security (cents)	1	(16.06)	9.46

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 $'000	31 Dec 2022 $'000
NET (LOSS)/PROFIT AFTER TAX	(143,560)	84,464
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to the income statement		
Foreign exchange translation adjustments, net of tax associated with discontinued operations	1,145	3,900
Share of other comprehensive income of an associate	35	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(142,380)**	**88,364**
Total comprehensive income attributable to:		
Members of the Group	(142,380)	88,364
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(142,380)**	**88,364**
Total comprehensive income / (loss) attributable to members of the Group analysed by amounts attributable to:		
AGHL members	(21,393)	(31,814)
AT members	(104,887)	(14,784)
AGPL members	(203)	(639)
AIT members	(17,993)	(5,860)
ASPT members	(6,852)	87,962
ASOL members	8,948	53,499
TOTAL COMPREHENSIVE INCOME AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE GROUP	**(142,380)**	**88,364**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	31 Dec 2023 $'000	30 Jun 2023 $'000
CURRENT ASSETS			
Assets associated with discontinued operations		-	3,072,416
Investment properties held for sale	2	107,000	-
Cash and cash equivalents		33,677	71,900
Trade and other receivables		34,056	46,637
Derivatives at fair value		13,224	30,283
Other		3,244	4,056
TOTAL CURRENT ASSETS		**191,201**	**3,225,292**
NON-CURRENT ASSETS			
Investment properties	2	1,920,080	2,099,876
Property loans	3(a)	55,887	53,142
Equity accounted investments	4(b)	550,709	158,674
Deferred tax assets		7,489	11,641
Property, plant and equipment		357	458
Other financial assets	3(b)	3,758	3,987
Intangible assets and goodwill		32,443	32,463
Derivatives at fair value		7,247	14,541
Other		6,954	6,100
TOTAL NON-CURRENT ASSETS		**2,584,924**	**2,380,882**
TOTAL ASSETS		**2,776,125**	**5,606,174**
CURRENT LIABILITIES			
Liabilities asocated with discontinued operations		-	1,142,401
Trade and other payables		73,018	57,584
Derivatives at fair value		9,819	20,603
Other		1,876	5,476
TOTAL CURRENT LIABILITIES		**84,713**	**1,226,064**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	5(a)	934,175	1,006,508
Derivatives at fair value		443	859
Deferred tax liabilities		9,701	9,735
Other		1,351	1,319
TOTAL NON-CURRENT LIABILITIES		**945,670**	**1,018,421**
TOTAL LIABILITIES		**1,030,383**	**2,244,485**
NET ASSETS		**1,745,742**	**3,361,689**
TOTAL EQUITY		**1,745,742**	**3,361,689**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2023

	Notes	31 Dec 2023 $'000	30 Jun 2023 $'000
Equity attributable to members of AGHL:			
Contributed equity		568,862	568,862
Reserves		4,313	4,144
Retained earnings		42,291	63,684
Total equity attributable to members of AGHL:		**615,466**	**636,690**
Equity attributable to unitholders of AT:			
Contributed equity		1,373,217	1,373,217
Reserves		30	-
Accumulated losses		(382,032)	(321,050)
Total equity attributable to unitholders of AT:		**991,215**	**1,052,167**
Equity attributable to members of AGPL:			
Contributed equity		47,064	47,064
Reserves		5	-
Retained earnings		62,045	62,253
Total equity attributable to members of AGPL:		**109,114**	**109,317**
Equity attributable to unitholders of AIT:			
Contributed equity		188,472	188,472
Accumulated losses		(158,525)	(140,532)
Total equity attributable to unitholders of AIT:		**29,947**	**47,940**
Equity attributable to members of ASPT:			
Contributed equity		-	334,610
Reserves		-	259
Retained earnings		-	464,005
Total equity attributable to members of ASPT:		**-**	**798,874**
Equity attributable to members of ASOL:			
Contributed equity		-	84,424
Reserves		-	(31)
Retained earnings		-	632,308
Total equity attributable to members of ASOL:		**-**	**716,701**
TOTAL EQUITY		**1,745,742**	**3,361,689**
Contributed equity	7	2,177,615	2,596,649
Reserves		4,348	4,144
Retained earnings		(436,221)	760,668
Reserves of discontinued operations		-	228
TOTAL EQUITY		**1,745,742**	**3,361,689**

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CONSOLIDATED STATEMENT OF CASH FLOW

HALF-YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 $'000	31 Dec 2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Income receipts	107,870	180,568
Interest received	999	254
Distributions received	-	6,098
Income tax paid	(3,106)	(9,774)
Finance costs paid	(15,524)	(22,021)
Operating payments	(57,512)	(75,710)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**32,727**	**79,415**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investments and funds advanced	(99)	(17,113)
Proceeds from sale and settlement of investments and funds repaid	124,796	-
Purchase of property, plant and equipment	(20)	(4,158)
Disposal of property, plant and equipment	-	9
Payments for investment properties and capital expenditure	(62,990)	(252,591)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**61,687**	**(273,853)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of issue / finance costs	(1,049)	(279)
Repayment of borrowings	(247,696)	(3,277)
Repayment of principal portion of lease liabilities	(33)	(698)
Proceeds from borrowings	116,425	299,074
Distributions paid	(32,169)	(79,205)
NET CASH FLOWS USED IN/FROM FINANCING ACTIVITIES	**(164,522)**	**215,615**
Net decrease in cash and cash equivalents from continuing operations	(38,269)	(9,868)
Net decrease/increase in cash and cash equivalents from discontinuing operations	(31,839)	31,045
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(70,108)	21,177
Net foreign exchange differences	42	95
Cash and cash equivalents at beginning of period from continuing operations	71,900	176,505
Cash and cash equivalents at beginning of period from discontinuing operations	63,588	-
Less cash balance attributable to discontinued operations	(31,745)	(146,398)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**33,677**	**51,379**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2023

	Attributable to the stapled security holders				
CONSOLIDATED	Issued capital $'000	Foreign currency translation reserve $'000	Employee equity benefits $'000	Retained earnings/ (Accumulated Losses) $'000	Total equity $'000
At 1 July 2023	2,596,649	228	4,144	760,668	3,361,689
Other comprehensive income	-	1,180	-	-	1,180
Net loss for the period	-	-	-	(143,560)	(143,560)
Total comprehensive income for the period	-	1,180	-	(143,560)	(142,380)
Performance rights	-	-	169	-	169
Distribution to security holders		-		(38,045)	(38,045)
De-stapling of discontinued operations	(419,034)	(1,373)	-	(1,015,284)	(1,435,691)
At 31 December 2023	**2,177,615**	**35**	**4,313**	**(436,221)**	**1,745,742**

	Attributable to the stapled security holders				
CONSOLIDATED	Issued capital $'000	Foreign currency translation reserve $'000	Employee equity benefits $'000	Retained earnings $'000	Total equity $'000
At 1 July 2022	2,593,346	(1,697)	2,941	906,519	3,501,109
Other comprehensive income	-	3,900	-	-	3,900
Net income for the period	-	-	-	84,464	84,464
Total comprehensive income for the period	-	3,900	-	84,464	88,364
Issue costs	(30)	-	-	-	(30)
Distribution reinvestment plan	3,345	-	-	-	3,345
Performance rights	-	-	(714)	-	(714)
Distribution to security holders	-	-	-	(80,429)	(80,429)
At 31 December 2022	**2,596,661**	**2,203**	**2,227**	**910,554**	**3,511,645**

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NOTES TO THE FINANCIAL STATEMENTS – About this Report

31 DECEMBER 2023

Abacus Group ("ABG" or the "Group") is comprised of Abacus Group Holdings Limited ("AGHL") (the nominated parent entity), Abacus Trust ("AT"), Abacus Income Trust ("AIT") and Abacus Group Projects Limited ("AGPL"). Shares in AGHL and AGPL, units in AT and AIT have been stapled together so that neither can be dealt with without the other. The securities trade as one security on the Australian Securities Exchange (the "ASX") under the code ABG.

The financial report of the Group for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 27 February 2024.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Segment Information

The Group predominately operates in Australia. The Group's operating segments are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance.

The Group operates wholly within one business segment being the operation and management of Commercial assets in Australia. The operating results presented in the consolidated statement of profit or loss represent the same segment information as reported in internal management information.

The Group has no individual customer which represents greater than 10% of total revenue.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. EARNINGS PER STAPLED SECURITY

	31 Dec 2023	31 Dec 2022
Basic and diluted earnings per stapled security (cents)	(16.06)	9.46
Basic and diluted earnings per stapled security for continuing operations (cents)	(16.17)	(6.55)
Reconciliation of earnings used in calculating earnings per stapled security		
Basic and diluted earnings per stapled security		
Continuing operations	(144,511)	(58,477)
Discontinued operations	951	142,941
Net profit ($'000)	**(143,560)**	**84,464**
Weighted average number of securities:		
Weighted average number of stapled securities for basic earning per security ('000)	893,658	893,250

2. INVESTMENT PROPERTIES

	31 Dec 2023 $'000	30 Jun 2023 $'000
Investment properties held for sale		
Commercial ^	107,000	-
Total investment properties held for sale	**107,000**	**-**
Investment properties		
Commercial	1,920,080	2,099,876
Total investment properties	**1,920,080**	**2,099,876**
Total investment properties including held for sale	**2,027,080**	**2,099,876**

^ The investment properties held for sale are Ashfield Mall, Ashfield and 63 Ann St, Surry Hills.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. INVESTMENT PROPERTIES (continued)

Reconciliation

A reconciliation of the carrying amount of investment properties at the beginning and end of the period is as follows. All investment properties are classified as Level 3 in accordance with the fair value hierarchy outlined in Note 6:

	Held for sale		Non-current	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
Freehold investment properties	$'000	$'000	$'000	$'000
Carrying amount at beginning of the financial period	-	-	2,099,876	2,260,633
Additions	-	-	11,210	99,506
Capital expenditure	-	-	55,253	77,385
Net change in fair value as at balance date	-	-	(138,014)	(247,617)
Net change in fair value derecognised	-	-	(5)	(9,097)
Disposals	-	-	-	(83,061)
Properties transferred to / (from) held for sale	107,000	-	(107,000)	-
Straightlining[1]	-	-	(1,240)	2,127
Carrying amount at end of the period	**107,000**	**-**	**1,920,080**	**2,099,876**

1. Rental income from investment properties is accounted for on a straight-line basis over the lease term.

Investment properties are carried at the Directors' determination of fair value. The determination of fair value includes reference to the original acquisition cost together with capital expenditure since acquisition and either the latest independent valuation, or directors' valuation. Total acquisition costs include incidental costs of acquisition such as property taxes on acquisition, legal and professional fees and other acquisition related costs.

Sensitivity Information

Significant input	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Adopted capitalisation rate	Decrease	Increase
Rate per unit	Increase	Decrease
Optimal occupancy	Increase	Decrease
Adopted discount rate	Decrease	Increase

The adopted capitalisation rate forms part of the income capitalisation approach.

When calculating the income capitalisation approach, the net market rent has a strong interrelationship with the adopted capitalisation rate given the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. A directionally opposite change in the net market rent and the adopted capitalisation rate will magnify the impact to the fair value, all else being equal.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. INVESTMENT PROPERTIES (continued)

The adopted discount rate of a discounted cash flow has a strong interrelationship in deriving a fair value given the discount rate will determine the rate in which the terminal value is discounted to the present value.

External valuations are conducted by qualified independent valuers who are appointed by the Chief Investment Officer who is also responsible for the Group's internal valuation process. He is assisted by in-house certified professional valuers who are experienced in valuing the types of properties in the applicable locations.

Investment properties are independently valued on a staggered basis every two years unless the underlying financing requires a different valuation cycle.

The majority of the investment properties are used as security for secured bank debt outlined in Note 5.

The weighted average capitalisation rate for Abacus is 6.07% (30 June 2023: 5.71%).

The current occupancy rate for the principal portfolio excluding development assets is 93.2% (30 June 2023: 95.1%).

The property valuations have been prepared based on the information that is available at 31 December 2023.

In the event that there are any unanticipated material circumstances, this may impact the fair value of the Group's investment property portfolio, and the future price achieved if a property is divested. The potential effect of a decrease / increase in weighted average capitalisation rate of 25 bps on property valuation would have the effect of increasing the fair value by up to $87.1 million or decreasing the fair value by $80.2 million, respectively.

During the half-year ended 31 December 2023, 33% (31 December 2022: 27%) of the number of investment properties in the portfolio were subject to external valuations, the remaining 67% (31 December 2022: 73%) were subject to internal valuation.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. PROPERTY LOANS AND OTHER FINANCIAL ASSETS

	31 Dec 2023 $'000	30 Jun 2023 $'000
(a) Non-current property loans		
Secured loans - amortised cost	55,893	53,148
Provision for secured loans - amortised cost	(6)	(6)
	55,887	**53,142**
(b) Non-current other financial assets		
Other financial assets	-	-
Investment in securities and options - unlisted - fair value	3,758	3,987
	3,758	**3,987**

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Extract from joint ventures and associates' profit and loss statements

	Abacus Storage King*		Fordtrans Pty Ltd		Other Joint Ventures		Total	
	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000
Revenue	113,162	-	5,099	5,211	8,923	9,332	127,184	14,543
Expenses	(112,766)	-	(3,924)	(3,368)	(10,207)	(12,302)	(126,897)	(15,670)
Net profit / (loss) after tax	**396**	**-**	**1,175**	**1,843**	**(1,284)**	**(2,970)**	**287**	**(1,127)**
Share of net profit / (loss)^	**(360)**	**-**	**583**	**916**	**(667)**	**(1,640)**	**(444)**	**(724)**

^ Abacus Group's share of loss from ASK includes the elimination of related party transactions.

(b) Extract from joint ventures and associates' balance sheets

	Abacus Storage King*		Fordtrans Pty Ltd		Other Joint Ventures		Total	
	31 Dec 2023 $'000	30 Jun 2023 $'000	31 Dec 2023 $'000	30 Jun 2023 $'000	31 Dec 2023 $'000	30 Jun 2023 $'000	31 Dec 2023 $'000	30 Jun 2023 $'000
Current assets	107,329	-	2,680	2,732	4,699	85,075	114,708	87,807
Non-current assets	2,999,618	-	241,010	246,627	176,913	116,845	3,417,541	363,472
	3,106,947	-	243,690	249,359	181,612	201,920	3,532,249	451,279
Current liabilities	72,051	-	61,063	82,093	6,865	38,906	139,979	120,999
Non-current liabilities	1,010,980	-	15,025	-	42,067	13,223	1,068,072	13,223
Net assets	**2,023,916**	**-**	**167,602**	**167,266**	**132,680**	**149,791**	**2,324,198**	**317,057**
Share of net assets	**400,440**	**-**	**83,801**	**83,633**	**66,468**	**75,041**	**550,709**	**158,674**

There were no impairment losses or contingent liabilities relating to the investment in the joint ventures and associates.

* Upon de-stapling, ASK issued 260.8 million securities to Abacus Group for $415.1 million by settling a portion of an outstanding loans with Abacus Group and acquiring units in Abacus Repository Trust. The Group has received or is going to receive $7.5 million of management fee from Abacus Storage King for the management services provided during the period.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. INTEREST BEARING LOANS AND BORROWINGS

	31 Dec 2023 $'000	30 Jun 2023 $'000
(a) Non-current		
Bank loans - A$	899,250	972,757
Loan from related party - A$	35,041	34,222
Less: Unamortised borrowing costs	(116)	(471)
Total non-current	**934,175**	**1,006,508**

	31 Dec 2023 $'000	30 Jun 2023 $'000
(b) Maturity profile of non-current interest bearing loans		
Due between one and five years	809,175	789,008
Due after five years	125,000	217,500
	934,175	**1,006,508**

	31 Dec 2023 $'000	30 Jun 2023 $'000
Total facilities - bank loans	1,182,750	1,057,750
Facilities used at reporting date - bank loans	(899,250)	(972,750)
Total available facilities	**283,500**	**85,000**

Abacus maintains a range of interest-bearing loans and borrowings. The sources of funding are spread over a number of counterparties and the terms of the instruments are negotiated to achieve a balance between capital availability and cost of debt.

Bank loans are A$ denominated and are provided by several banks at interest rates which are set periodically on a fixed or floating basis. The loan facilities term to maturity varies from July 2025 to June 2029. The bank loans are secured by charges over the investment properties and certain property, plant and equipment.

Approximately 76.4% (30 June 2023: 100%) of bank debt drawn was subject to fixed rate hedges and the drawn bank debt had a weighted average term to maturity of 3.9 years (30 June 2023: 3.8 years). Hedge cover as a percentage of available facilities at 31 December 2023 is 58.1% (30 June 2023: 100%).

Abacus' weighted average interest rate as at 31 December 2023 was 4.12% (30 June 2023: 1.12%). The weighted average interest rate included line fees on undrawn facilities.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. INTEREST BEARING LOANS AND BORROWINGS (continued)

(c) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

	31 Dec 2023 $'000	30 Jun 2023 $'000
Current		
First mortgage		
Investment properties held for sale	107,000	-
Total current assets pledged as security	107,000	-
Non-current		
First mortgage		
Investment properties	1,617,880	2,099,876
Total non-current assets pledged as security	1,617,880	2,099,876
Total assets pledged as security	**1,724,880**	**2,099,876**

(d) Defaults and breaches

During the current and prior years, there were no defaults or breaches of any of the Group's loans.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS

Fair values

The fair value of the Group's financial assets and liabilities are approximately equal to that of their carrying values.

Details of the Group's fair value measurement, valuation technique and inputs are detailed below.

Class of assets / liabilities	Fair value hierarchy	Valuation technique	Inputs used to measure fair value
Investment properties	Level 3	Discounted Cash Flow (""DCF"") Direct comparison Income capitalisation method	Net operating income Adopted capitalisation rate Rate per square metre Optimal occupancy Adopted discount rate
Securities and options – unlisted	Level 3	Pricing models	Security price Underlying net asset Property valuations
Derivative – financial instruments	Level 2	DCF (adjusted for counterparty Credit worthiness)	Interest rates Consumer price index ("CPI") Volatility

Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data.

There were no transfers between Levels 1, 2 and 3 during the period.

Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure reversions.
Direct comparison	This method directly compares and analyses sales evidence on a rate per square metre.
Discounted cash flow method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Pricing models – unlisted securities	The fair value is determined by reference to the net assets which approximates fair value of the underlying entities.
Pricing models – options	The fair value is determined using generally accepted pricing models adjusted for specific features of the options including underlying net assets and property valuations.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (continued)

Fair values (continued)

The following table is a reconciliation of the movements in secured loans, unlisted securities and options classified as Level 3 for the period ended 31 December 2023.

	Unlisted securities / options $'000
Opening balance as at 30 June 2023	3,987
Fair value movement through the income statement	(229)
Additions	-
Closing balance as at 31 December 2023	**3,758**

	Unlisted securities / options $'000
Opening balance as at 30 June 2022	3,865
Fair value movement through the income statement	(390)
Additions	262
Closing balance as at 31 December 2022	**3,737**

Sensitivity of Level 3 - unlisted securities and options

The potential effect of using reasonable possible alternative assumptions based on a decrease / increase in the property valuations by 5% would have the effect of reducing the fair value by up to $0.1 million (30 June 2023: $0.1 million) or increase the fair value by $0.1 million (30 June 2023: $0.1 million) respectively.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. CONTRIBUTED EQUITY

(a) Issued stapled securities	31 Dec 2023 $'000	30 Jun 2023 $'000
Stapled securities	2,596,649	2,649,833
Issue costs	-	(53,184)
De-stapling of discontinued operations	(419,034)	-
Total contributed equity	**2,177,615**	**2,596,649**

(b) Movement in stapled securities on issue	Stapled securities Number 31 Dec 2023 '000	Number 30 Jun 2023 '000
At beginning of financial period	893,658	892,429
- distribution reinvestment plan	-	1,229
Securities on issue at end of financial period	**893,658**	**893,658**

8. DISTRIBUTIONS PAID AND PROPOSED

	31 Dec 2023 $'000	31 Dec 2022 $'000
(a) Distributions paid during the period		
June 2023 half: 9.40 cents per stapled security (2022: 9.25 cents)	84,004	82,550
(b) Distributions declared and recognised as a liability^		
December 2023 half: 4.25 cents per stapled security (2022: 9.00 cents)	37,980	80,429

Distributions were paid from Abacus Trust, Abacus Income Trust and Abacus Storage Property Trust (which did not pay tax provided they distribute all their taxable income) hence, there were no franking credits attached.

^ The interim distribution of 4.25 cents per stapled security of approximately $38.0 million will be paid on or about 29 February 2024.

9. COMMITMENTS AND CONTINGENCIES

At 31 December 2023 the Group had a $12.5 million bank guarantee facility which expires in July 2025 (30 June 2023: $12.5 million) and $10.0 million of bank guarantees had been issued from the facility (30 June 2023: $7.5 million).

Bank guarantees issued at reporting date but not recognised as liabilities are as follows:

	31 Dec 2023 $'000	30 Jun 2023 $'000
Bank guarantees		
- Australian Financial Service Licences	10,000	7,500
- redevelopment of investment properties	1,005	1,163
	11,005	**8,663**

There are no contingent assets or liabilities at 31 December 2023 other than as disclosed in this report.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. DISCONTINUED OPERATIONS

In August 2023, the Self Storage assets and business were de-stapled from the Group. Upon deconsolidation, ASK settled a portion of an outstanding loan to Abacus Group for $415.1 million, in exchange for 19.9% of the equity in ASK by Abacus Group. The investment in ASK is classified as an equity accounted investment by Abacus Group (note 4). The difference between the fair value of the equity accounted investment in ASK upon deconsolidation and consideration provided is recognised as a loss of $4.8m.

At the date when control of the Self Storage assets and business was lost, the balance sheet attributable to ASPT and ASOL was as follows, ultimately leading to the loss recognised on loss of control by Abacus Group as summarised below:

	3 August 2023 $'000
Assets	
Cash and cash equivalents	31,745
Investment Property	2,550,626
Property, Plant and equipment	25,803
Trade and receivables	24,808
Equity accounted Investments	16,046
Derivative financial instruments	28,863
Other financial assets	221,284
Other	6,183
Intangibles	72,451
Total assets	2,977,809
Liabilities	
Trade and other payables	95,310
Provisions	5,909
Derivative financial instruments	1,775
Deferred tax liabilities	47,480
Other liabilities	2,269
Interest-bearing liabilities	1,389,375
Total liabilities	1,542,118
Total net assets and reserves attributable to members of ASPT and ASOL derecognised	**1,435,691**
Valuation of loans attributable to Abacus Group	415,136
Investment equity accounted at fair value by Abacus Group	409,522
Loss recognised on loss of control	**(5,614)**

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. DISCONTINUED OPERATIONS (continued)

The financial performance of the discontinued operations for the period ended 31 December 2023 was as follows:

	31 Dec 2023 $'000	31 Dec 2022 $'000
Storage Income	16,427	93,175
Fee Income	1,289	8,295
Finance income	50	66
Total Revenue	**17,766**	**101,536**
OTHER INCOME		
Net change in fair value of investment properties held at balance date	-	83,487
Share of profit/(loss) from equity accounted investments	45	(900)
Net change in fair value of PPE, investments and financial instruments derecognised	-	-
Other income	-	6,180
Total Revenue and Other Income	**17,811**	**190,303**
Net change in fair value of investment properties derecognised	(1)	(29)
Net change in fair value of investment held at balance date	(2,861)	20,161
Net change in fair value of derivatives	(2,799)	-
Storage expenses	(4,016)	(21,048)
Depreciation and amortisation expenses	(314)	(1,373)
Finance costs	(2,950)	(19,010)
Administrative and other expenses	(3,919)	(21,354)
PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS	**951**	**147,650**
Income tax expense	-	(4,709)
NET PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	**951**	**142,941**

The net cash flow for the discontinued operations for the half-year ended 31 December 2023 were as follows:

	31 Dec 2023 $'000	31 Dec 2022 $'000
Operating	9,788	38,981
Investing	(29,494)	(161,012)
Financing	(12,133)	153,076
Net cash (outflow) / inflow	**(31,839)**	**31,045**

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the Annual Financial Report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Abacus Group for the year ended 30 June 2023. It is also recommended that the half-year financial report be considered together with any public announcements made by the Abacus Group during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023 except for the adoption of new standards and interpretations effective as of 1 July 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards and interpretations effective as of 1 July 2023.
There are several amendments and interpretations apply for the first time on 1 July 2023 as follows, but they do not have an impact on the consolidated financial statements of the Group.

- AASB 2021-2 Amendments to Disclosure of Accounting Policies, Definition of Accounting Estimates and Other Amendments (effective for annual reporting periods from 1 January 2023*)*

  The amending standard made amendments to the following standards:

  Making Materiality Judgements – Disclosure of Accounting Policies – Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practices Statement 2

  The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in the Australian Accounting Standards.

  The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information.

  Definition of Accounting Estimates – Amendments to AASB 108
  The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively.

  The new definition provides that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.' The amendments explain that a change in an input or a measurement technique used to develop an accounting estimate is considered a change in an accounting estimate unless it is correcting a prior period error.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

New accounting standards and interpretations (continued)

(ii) Accounting Standards and Interpretation issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2023. The significant new standards or amendments are outlined below:

- AASB 2020-1, AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current (effective for annual reporting periods from 1 January 2024)

  The amendments to paragraphs 69 to 76 of AASB 101 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require amendments.

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual reporting periods beginning on or after 1 January 2025)

  The amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments are applied prospectively and are not expected to have a material impact on the Group.

12. EVENTS AFTER BALANCE SHEET DATE

On 8 February 2024, the Group completed the settlement of 63-73 Ann Street, Surry Hills at a sale price of $32.25m.

Other than as disclosed in this report, there has been no other matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may affect, the Group's operations in future financial periods, the results of those operations or the Group's state of affairs in future financial periods.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Abacus Group Holdings Limited, we state that:

In the opinion of the directors:

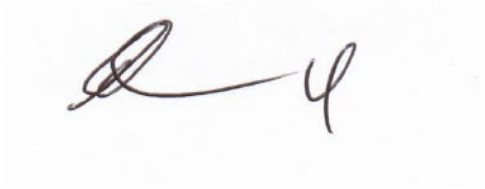
(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position as at 31 December 2023 and the performance for the half-year ended on that date for the consolidated entity; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Myra Salkinder
Chair
Sydney, 27 February 2024

Steven Sewell
Managing Director

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Independent auditor's review report to the members of Abacus Group Holdings Limited

Conclusion

We have reviewed the accompanying half-year financial report of Abacus Group Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

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Anthony Ewan
Partner
Sydney
27 February 2024

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