ABACUS

FY23 RESULTS PRESENTATION

18 AUGUST 2023

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ABACUS ACKNOWLEDGES
THE TRADITIONAL OWNERS
OF THE LAND ON WHICH OUR
BUSINESS OPERATES, AND WE
PAY OUR RESPECT TO ELDERS
PAST, PRESENT AND EMERGING

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ABACUS GROUP[1] FY23 RESULTS

Agenda

01	Overview and successful de-stapling	Steven Sewell, Managing Director
02	Key financial metrics	Evan Goodridge, CFO
03	Operating performance Self Storage	Nikki Lawson, GGM Self Storage Fund Manager ASK
04	Operating performance Commercial	Steven Sewell, Managing Director
05	Outlook and guidance	Steven Sewell, Managing Director

1. Abacus Group (formerly Abacus Property Group trading as ASX:ABP) at balance date comprised of a Commercial portfolio (continuing operations) and a Self Storage portfolio (discontinuing operations). Post balance date, the Self Storage portfolio is now trading as a separate standalone entity, referred to as Abacus Storage King trading as ASX:ASK. Abacus Group is now trading as ASX:ABG.

FY23 PLATFORM METRICS

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	STATUTORY PROFIT	FFO	FFO PER SECURITY	DPS
ABP (Statutory)	$25.5m ↓ 95.1% on FY22	$175.0m ↑ 8.8% on FY22	19.6cps ↑ 3.0% on FY22	18.4cps ↑ 2.2% on FY22

	TOTAL ASSETS	WACR[3]	GEARING	NET TANGIBLE ASSETS
ABG (Pro forma)[1]	$2.9bn	5.71%	28.3%	$2.11ps
ASK (Pro forma)[2]	$3.1bn	5.57%	26.2%	$1.56ps

1. Refer to slide 41 for ABG pro forma metrics.
2. Refer to slide 42 for ASK pro forma metrics.
3. Cap rate applied to ABG investment properties of $2,169 million and ASK investment properties of $2,432 million.

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FY23 HIGHLIGHTS

Self Storage

111[1] assets delivered 19% growth on FY22 in Self Storage net property rental income contribution to FFO to $147.5 million[2]

- Successful de-stapling of ASK, creating a new self storage specific vehicle
- ASK Rights issue of ~$225m well supported by a combination of existing and new eligible institutional investors

- 4 new stores and 2 expansions delivered from our development pipeline. Remain on track to deliver 18 new stores[3]
- Established portfolio RevPAM[4] growth of 9.2% and occupancy[4] of 91.3%

Transformational year positions Commercial, Abacus Group (**ABG**) and Self Storage, Abacus Storage King (**ASK**) for future growth

Commercial

19[1] assets delivered 13% growth on FY22 in Commercial net property rental income contribution to FFO to $114.9 million[2]

- Income growth supported by resilient Commercial occupancy of 95.1%
- Acquired remaining 50% interest in 324 Queen Street Brisbane, QLD and disposed of three non-core investments

- Over 44,000sqm of Office leasing completed with positive spreads
- Stabilisation of Commercial developments ahead of expectations

99 Walker Street, North Sydney NSW

1. Excludes development sites.
2. Excludes equity accounted investments (refer to slide 13).
3. New store target over the short to medium term including assets exchanged but not yet settled.
4. Average over financial year (by area) of all established assets excluding one store due to mixed site use composition.

FY23 BALANCE SHEET ALLOCATION

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30 June 2023

$5.6bn Total Assets

55% SELF STORAGE $3.1bn	
Established[2]	$1,667m
Acquisitions[3]	$378m
Stabilising[4]	$608m
Other[5,6]	$419m

45% COMMERCIAL $2.5bn	
Office	$1,703m
Retail	$466m
Other[6]	$365m

30 June 2022

$5.4bn Total Assets[1]

51% SELF STORAGE $2.6bn	
Established[2]	$1,509m
Acquisitions[3]	$316m
Stabilising[4]	$435m
Other[5]	$332m

49% COMMERCIAL $2.5bn	
Office	$1,903m
Retail	$490m
Other	$124m

1. Includes $298m of investments in cash and other non-property assets not pictured above in FY22.
2. Established portfolio: 76 mature stores open at 1 July 2021.
3. Acquisitions portfolio: 19 mature stores acquired post 1 July 2021. (FY22: 16 stores).
4. Stabilising portfolio: 36 stores (FY22: 27 stores). Includes 20 development sites.
5. Includes Storage King and other Self Storage investments.
6. Includes cash and other non-property assets in FY23.

FY23 ESG FOCUS

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	Environmental	Social	Governance
Progress to date	4.7 star Office NABERS energy rating 4.5 star Office NABERS water rating 34% reduction in Scope 1 &2 GHG Emissions Intensity compared to FY19 baseline 62.5% of Self Storage stores have behind the meter solar to offset consumption Board approved Net Zero Target of 2030 for Scope 1 & 2 emissions[1]	Engagement score from employee survey - 83% Abacus Group - 82% Storage King Abacus employees volunteered for over 400 hours supporting: The Infants Home and Good 360 Storage King community initiatives raised c.$100k for charities including: McGrath Foundation, STEPTEMBER and Good360 46% of Abacus Group employees are female	Introduced a Modern Slavery questionnaire as a pre-qualification before engaging contractors Abacus has implemented a program of work to strengthen cyber security in line with industry best practice Implemented governance framework for ASK, with a majority independent Board Reinforcing zero tolerance to Sexual Harassment in the workplace by updating a standalone policy
Current focus	**Reducing our emissions** • Scope 1 - capital expenditure upgrades • Scope 2 - Greenpower contracts • Battery testing to capture solar generated electricity **Climate Active Carbon Neutral Certification** • Strategy to pursue for identified assets by 2030	**Supporting our people** • Employee benefits focusing on health and wellbeing • Enhancing Storage King leave and benefits programs to support gender equality • Establishment of Abacus Gender Equality, Diversity, and Inclusion (GEDI) committee **Developing our People** • Enhancing our learning and development framework	**Risk Management** • Assess and manage existing and emerging risks • Framework aligned to Board risk appetite • Employee education and training **Climate related financial disclosures** • Business preparedness for reporting

1. Office assets owned and managed by Abacus.

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SUSTAINABILITY: TRACKING OUR PROGRESS

		FY19	FY20	FY21	FY22	FY23
ENERGY	↓34% From FY19 Scope 1 & 2 GHG emissions intensity[1]	Scope 1 & 2 GHG emissions intensity (t/sqm)	0.080	0.069	0.061	0.059	0.053
NABERS ENERGY	↑0.6★ From FY19 NABERS Energy[2]	NABERS Energy (including Green Power)	4.1	4.3	4.6	4.7	4.7
WATER	↓12% From FY19 Water intensity[1]	Water intensity (kL/sqm)	0.82	0.78	0.64	0.63	0.72
NABERS WATER	↑1.3★ From FY19 NABERS Water[2]	NABERS Water	3.2	3.3	4.1	4.5	4.5
WASTE	↑14% From FY19 Diversion from landfill[1]	Diversion from landfill (%)	36%	28%	29%	35%	41%
EMISSIONS	Net zero On track to achieve net zero emissions by 2030 (Scope 1 & 2)[3]						2030

1. Commercial portfolio.
2. Office portfolio.
3. Office assets owned and managed by Abacus.

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SUCCESSFUL DE-STAPLING

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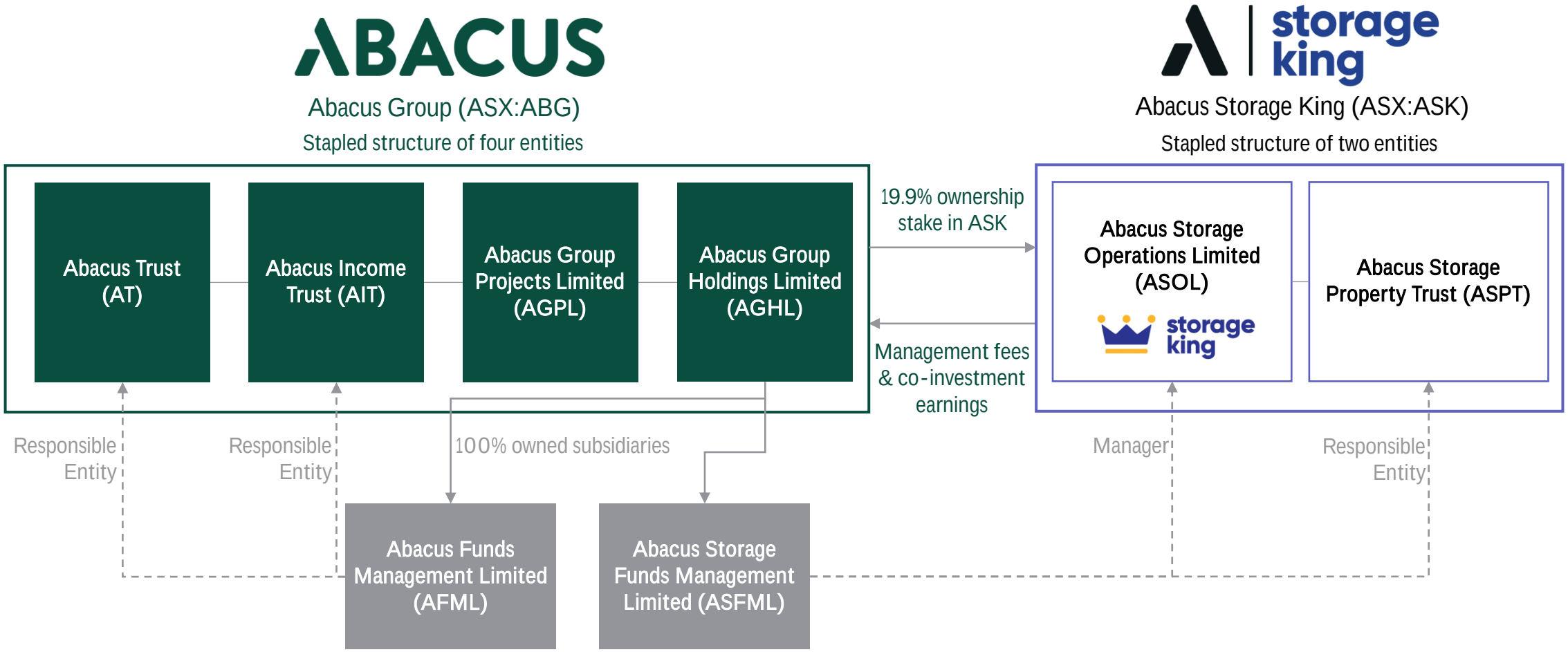
ESTABLISHMENT OF PURE PLAY STORAGE VEHICLE

Post de-staple structure of Abacus Group (ASX:ABG) and Abacus Storage King (ASX:ASK) separately listed on the ASX



Note: The diagram above should be read in conjunction with, and is qualified by reference to, the Transaction Booklet released on the ASX on 19 June 2023.

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KEY FINANCIAL METRICS

452-484 Johnston Street, Abbotsford VIC

FY23 KEY FINANCIAL METRICS: ABP[1]

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$ millions	FY23	FY22
Funds from Operations	175.0	160.9
Depreciation and amortisation	(8.0)	(7.5)
Rent straight-lining, incentives, movement in lease liabilities, finance costs, impairments & one off adjustments	(19.4)	(13.6)
Gains/(losses) in divestments	(9.2)	(1.0)
Tax benefit/(expense) on FFO items	(7.9)	(17.5)
Change in fair value of investments and derivatives	(105.0)	395.9
Net profit attributable to Abacus securityholders	25.5	517.2
Funds from Operations per security (cents)	19.6	19.0
Distribution per security (cents)	18.4	18.0
Payout Ratio	94%	95%

1. Abacus Property Group Key Financial Metrics as per statutory accounts as at 30 June 2023.

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SEGMENT EARNINGS

$ millions	ABG	ASK	FY23	FY22	Comments
Rental income	157.9	190.4	348.3	297.4	Increase in Self Storage by $29.9m ($15.4m from acquisitions & stabilising assets) Increase in Commercial by $21.0m
Fee and finance income	4.4	16.8	21.2	28.4	Wind down of legacy residential mortgage business partially offset by increase in Storage King Management fees
Share of profit from equity accounted investments	7.1	0.3	7.4	9.1	Decreased returns from higher expenses in underlying JV entities
Other income	0.1	23.7[1]	23.8	16.2	Reflects distributions and transactional gains from investments
Total Revenue	**169.5**	**231.2**	**400.7**	**351.1**	
Expenses	(43.0)	(42.9)	(85.9)	(71.1)	Increase in Self Storage by $6.6m ($3.5m from acquisitions & stabilising assets) Increase in Commercial by $8.1m from acquisitions & completion of developments
Segment result before corporate overheads	**126.5**	**188.3**	**314.8**	**280.0**	
Administrative and other expenses	(36.3)	(43.0)	(79.3)	(70.0)	Increased due to higher headcount, normalisation of expenses post COVID-19, SGC raised to 10.5% and general inflationary pressures
EBIT	**90.2**	**145.3**	**235.5**	**210.0**	
Net finance costs[2]	(9.4)	(43.4)	(52.8)	(36.1)	WACD 2.8% (FY22: 2.1%)
Tax expense	(1.9)	(5.8)	(7.7)	(13.0)	Reflects wind down of legacy residential mortgage business
Funds from Operations	**78.9**	**96.1**	**175.0**	**160.9**	
Depreciation and amortisation	(4.7)	(3.3)	(8.0)	(7.5)	Similar to prior period
Rent straight-lining, incentives, movement in lease liabilities, finance costs, impairments & one off adjustments	(14.9)	(4.5)	(19.4)	(13.6)	$8.7m relates to one off costs associated with the de-stapling
Gains/(losses) in divestments	(9.2)	-	(9.2)	(1.0)	Disposal of 187 Todd Road, Port Melbourne and 33 Queen Street, Brisbane
Tax benefit/(expense) on FFO items	(3.7)	(4.2)	(7.9)	(17.5)	Prior period included large fair value gains (non-FFO item) on company assets
Change in fair value of investments and derivatives	(284.7)	179.7	(105.0)	395.9	
Net profit attributable to Abacus securityholders	**(238.3)**	**263.8**	**25.5**	**517.2**	

1. Includes $12.3 million of transactional gains.
2. Reflects $16.1 million of interest rate swaps entered into in 4Q23 which relate to ASPT and ASOL's existing bank facilities. The impact of these new interest rate swaps has been effectively offset by the cancellation of a proportion of Abacus Group's existing interest rate swaps. Refer to page 156 of the Transaction Booklet for further detail.

CAPITAL MANAGEMENT: ABG PRO FORMA[1]

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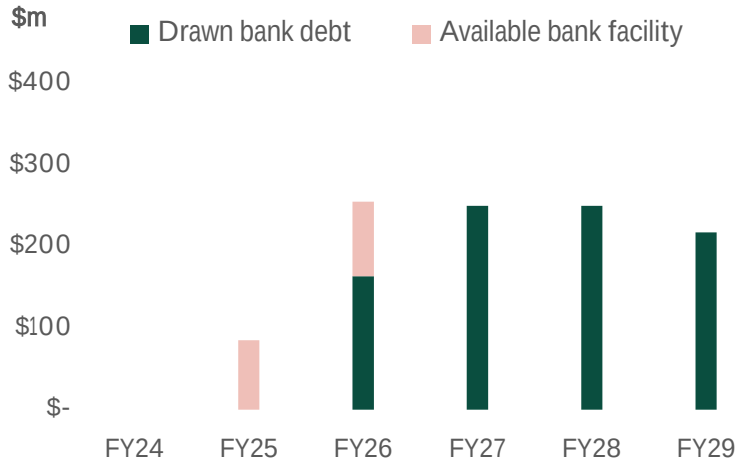
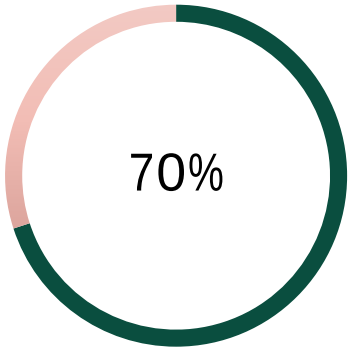
NTA	ABG total assets	Acquisition capacity[2]	FY24 anticipated avg. cost of drawn debt[3]	Gearing	Debt term to maturity
$2.11ps	$2.9bn	$297m	4.7%	28.3%	4.0yrs

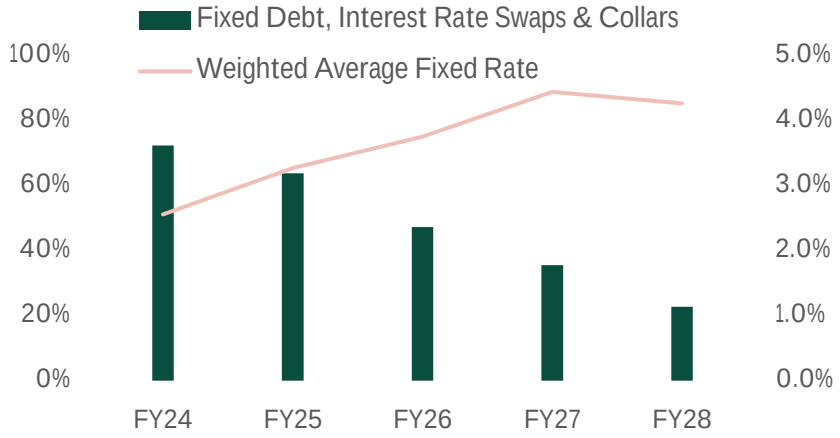
Debt expiry profile



FY24 avg. interest rate hedging – drawn debt



Hedging profile expiry



1. As at 30 June 2023.
2. Based on ABG target gearing of up to 35%.
3. Assumes average floating rate of 4.1%.

CAPITAL MANAGEMENT: ASK PRO FORMA[1]

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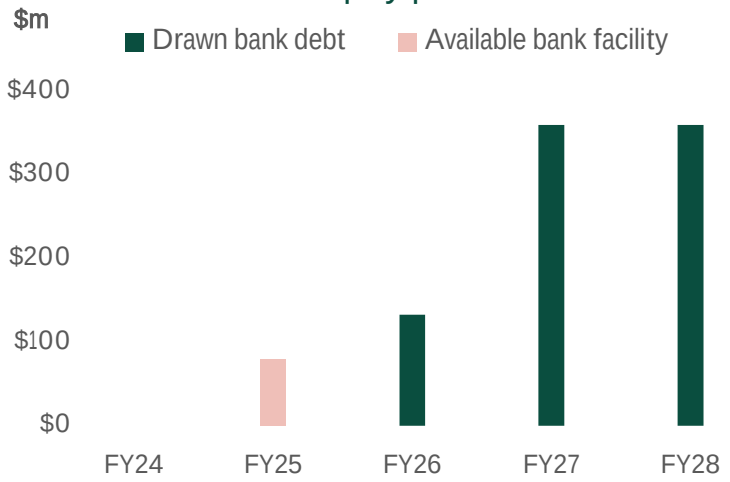
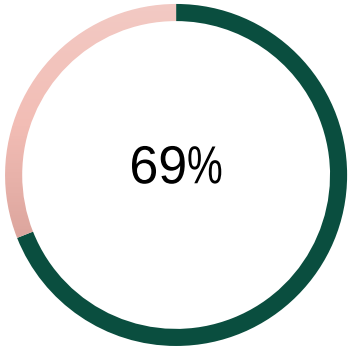
NTA	ASK total assets	Acquisition capacity[2]	FY24 anticipated avg. cost of drawn debt[3]	Gearing	Debt term to maturity
$1.56ps	$3.1bn	$408m	3.6%	26.2%	3.3yrs

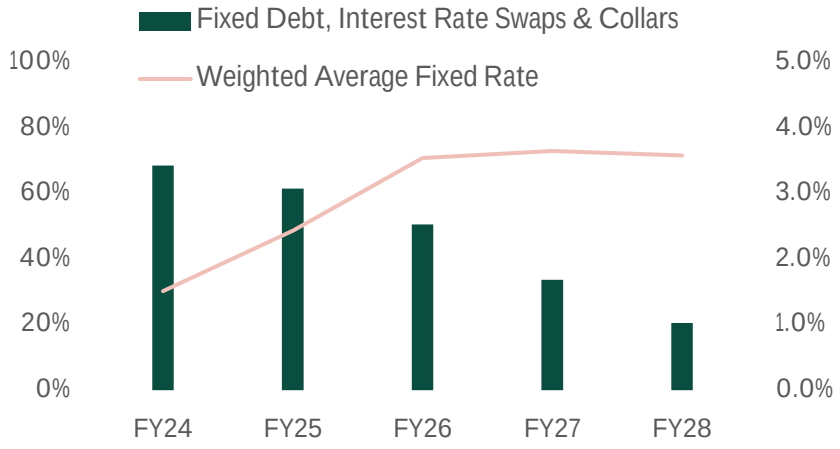
Debt expiry profile



FY24 avg. interest rate hedging – drawn debt



Hedging profile expiry



1. As at 30 June 2023.
2. Based on ASK target gearing of up to 35%.
3. Assumes average floating rate of 4.1%.

2 King Street, Fortitude Valley QLD

INVESTMENT PORTFOLIO: ABG

Investment Portfolio	Office	Retail & Other	Total Abacus Group Investment Portfolio
No. of assets	15 assets	6 assets	21 assets
FY23 carrying value ($'m)	1,703	831	2,534
Investment property valuation movement since FY22	-$186 million ↓10.7%	-$62 million ↓10.1%	-$248 million ↓10.5%
FY23 WACR	5.59%	6.16%[1]	5.71%
FY22 WACR	5.15%	5.99%[2]	5.33%

1. Cap rate applied to Retail investment properties of $466 million in FY23.
2. Cap rate applied to Retail investment properties of $490 million in FY22.

Storage King Brookvale, NSW

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INVESTMENT PORTFOLIO: ASK

	storage king
Investment Portfolio	Self Storage
No. of assets	131 assets
FY23 carrying value	**Total assets: $3,072m** Income generating investment properties: $2,432m Non-income generating investment properties: $221m Other[1]: $419m
Investment property valuation movement since FY22	**+$150 million** ↑ **6.1%** +$208m net income growth -$58m cap rate expansion
FY23 WACR[2]	5.57%
FY22 WACR[3]	5.45%

1. Includes Storage King and other Self Storage investments, cash and other non-property assets.
2. Cap rate applied to Self Storage investment properties of $2,432 million in FY23.
3. Cap rate applied to Self Storage investment properties of $2,240 million in FY22.

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OPERATING PERFORMANCE

SELF STORAGE (ASK)

storage king

Storage King Prestons, NSW

Storage King Robina, QLD

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SELF STORAGE: SNAPSHOT

Self Storage portfolio valued at $3.1 billion

	Established portfolio[3]	Acquisitions[4]	Stabilising portfolio[5]
Assets[1]	76	19	36
Value[2]	$1,667m	$378m	$608m
Net lettable area	396,000 sqm[6]	100,000 sqm	92,000 sqm
Occupancy[7]	91.3%	90.9%	67.2%
Average rent psm[7]	$349	$336	$306
RevPAM[7]	$319	$305	$206
RevPAM growth[7]	9.2%	N/A	N/A

1. 127 freehold assets and 4 leasehold assets.
2. As at FY23. Excludes investments in cash and other assets.
3. Established portfolio: 76 mature stores open at 1 July 2021.
4. Acquisitions portfolio: 19 mature stores acquired post 1 July 2021.
5. Stabilising portfolio: 36 stores. Includes 16 trading stores and 20 development sites not captured in these trading metrics.
6. Includes acquisition of satellite assets.
7. Average over financial year (by area) excluding one established and one acquisition store due to mixed site use composition.

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SELF STORAGE: ATTRACTIVE FUNDAMENTALS

Drivers of Self Storage demand

Population growth

With sustained population growth, the overall market size will increase, creating demand for self storage units

Discretionary spending

An increase in discretionary spending, increases the need for additional storage space over time

Housing turnover

Moving residences increases demand for self storage (36% of customer usage is for temporary storage)[1]

Housing density

Rising density results in a higher concentration of dwellings and less available space per household for storage

Rise of e-commerce

Supply chain challenges, online retail sales and the growing importance of last-mile distribution are opportunities for storage

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

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SELF STORAGE: MULTI PRONGED GROWTH STRATEGY

Portfolio additions, developments, renovations/extensions all driving income growth

Storage King Gregory Hills, NSW

Storage King Epping, VIC

Acquisitions

- Disciplined, acquisition strategy with a priority on securing assets within high quality locations as per the Abacus Network Strategy
- $159.1 million invested in FY23 including 12 new Self Storage assets and acquisition of satellite assets:
  - 81% (by value[1]) located in Top 3 SUAs[2]
  - 51% (by value[1]) acquired off market
- Further $37.5[1,3] million invested across 5 assets exchanged and due to settle in HY24

Developments

- 27,000 sqm of net lettable area (NLA) across 6 stores during FY23:
  - 24,000 sqm of NLA from 4 new developments (Deagon, Epping, Gregory Hills, Prestons)
  - 3,000 sqm of NLA from 2 expansions (Acacia Ridge and North Wollongong)
- 84% of brand refresh program delivered

1. Excludes acquisition costs.
2. Significant Urban Areas, as defined by the Australian Bureau of Statistics. Top 3 markets by population are Sydney, Melbourne and Brisbane.
3. Includes assets exchanged post balance date.

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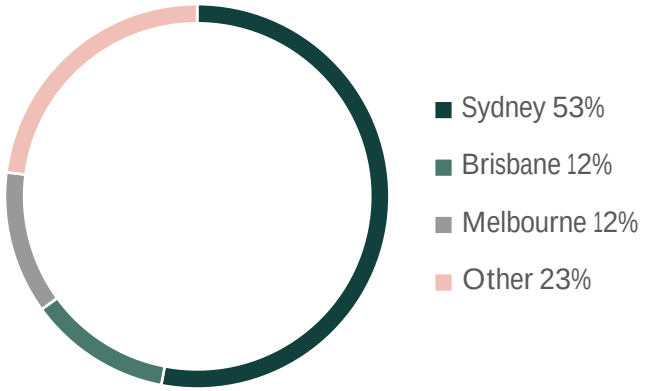
SELF STORAGE: DEVELOPMENT PIPELINE[1]

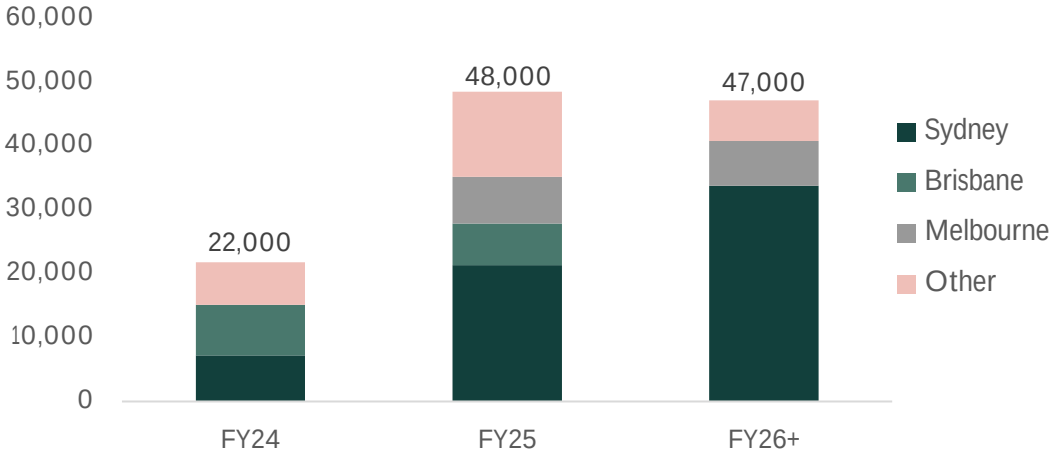
Development pipeline to deliver 18 stores in the short to medium term

Spent to date	Cost to complete[2]	Est. completion value	NLA	Expansion opportunities cost to complete	Expansion NLA
$211m	$268m	$579m	117,000sqm	$41m	18,400sqm

NLA breakdown by market



NLA development pipeline (sqm)



1. Includes assets exchanged but not yet settled.
2. Includes development management fees payable to ABG.

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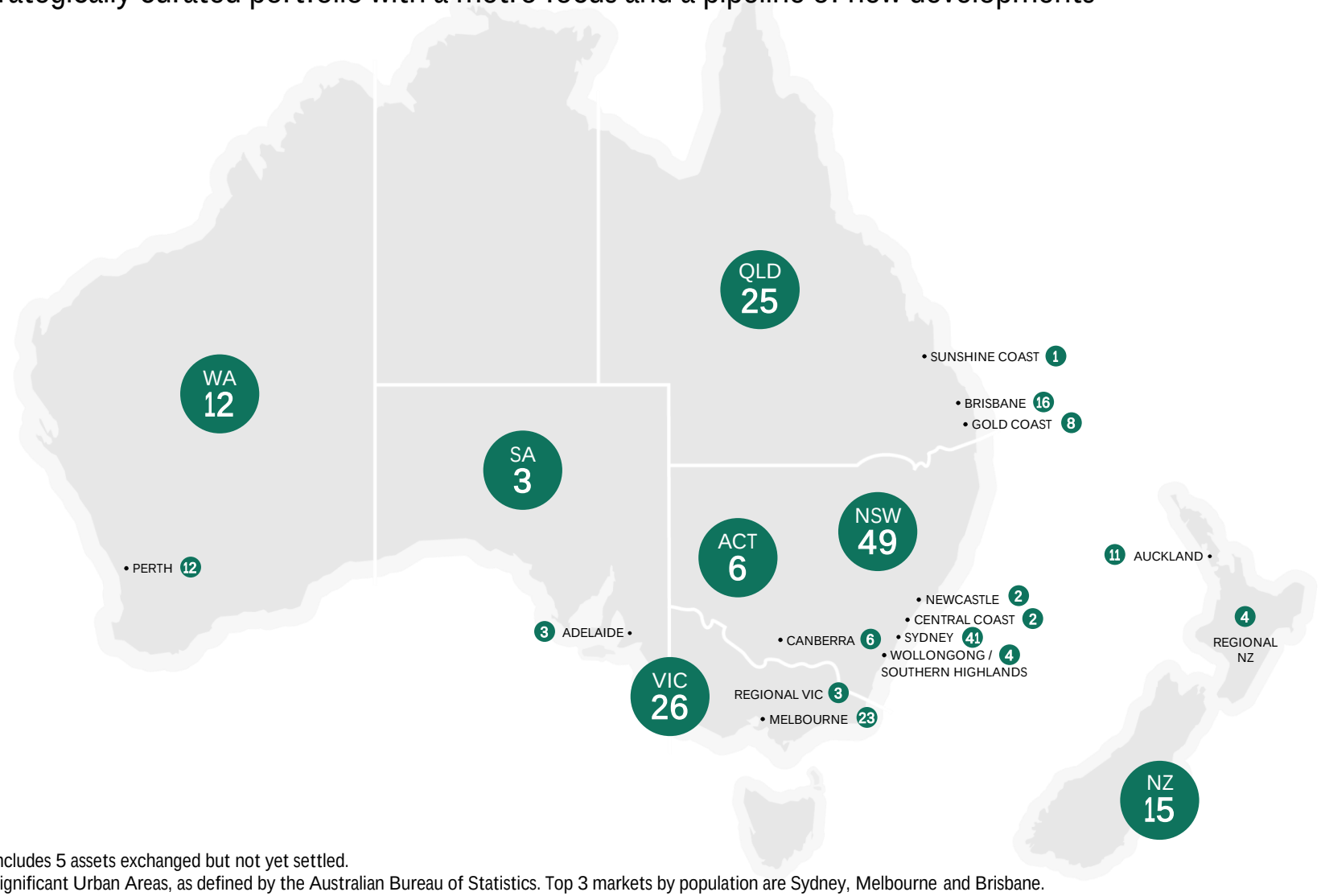
SELF STORAGE: ASK STORE NETWORK[1]

Strategically curated portfolio with a metro focus and a pipeline of new developments



1.1 million

Total land area (sqm)

136

Assets owned by Abacus Storage King
113 trading stores
23 future stores

66%

of Australian Self Storage assets located in Top 3 Significant Urban Areas[2]

1. Includes 5 assets exchanged but not yet settled.
2. Significant Urban Areas, as defined by the Australian Bureau of Statistics. Top 3 markets by population are Sydney, Melbourne and Brisbane.

SELF STORAGE: OPERATING TRENDS

Rate and occupancy dynamics driving Established Portfolio[1] RevPAM growth

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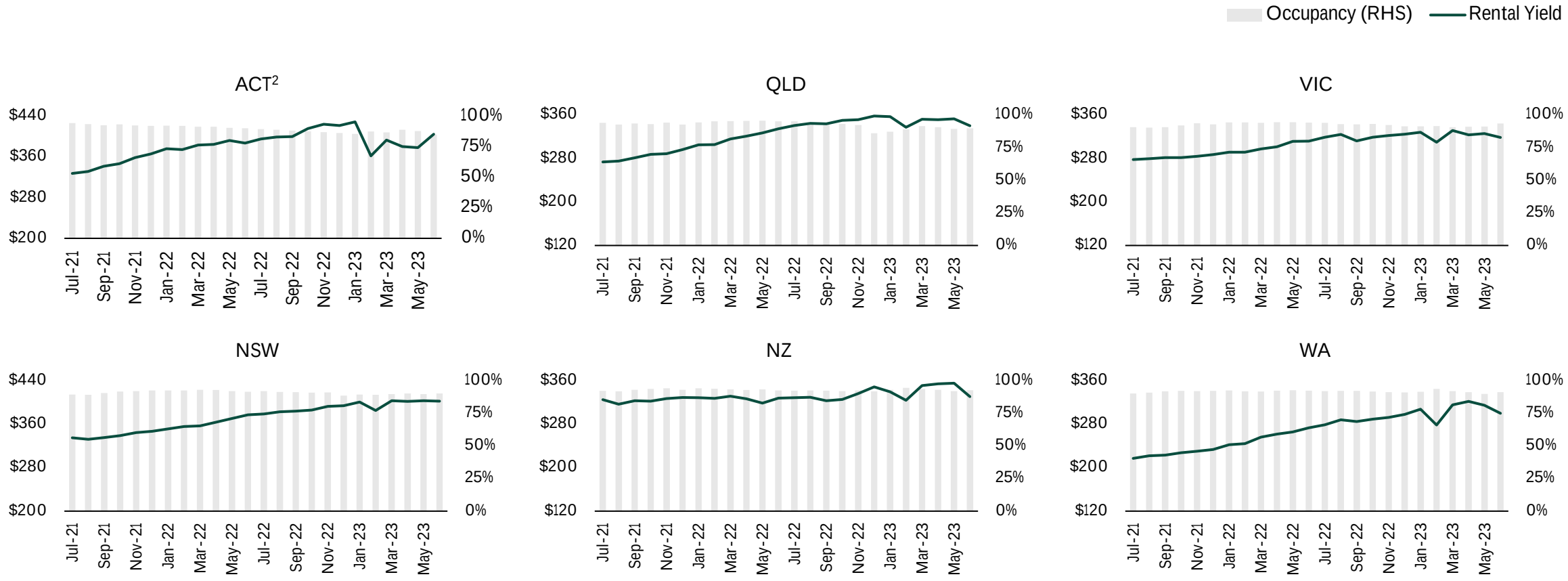

1. Established portfolio: 76 mature stores open at 1 July 2021.
2. Rental Yield impacted by portfolio composition, acquisition of satellite asset Mitchell in February 2023.

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SELF STORAGE: STORAGE KING

Nurturing and strengthening our brand value

- 113 Abacus owned stores
- 54 Licensed and managed stores
- 29 Licensed stores

90,000+
Total units[2]

49,000+
Customers[3]

3.2 years
Average length of stay[4]

storage king

rated most recognised Self Storage brand in Australia

Self Storage Association of Australasia

1. All Abacus owned and managed stores, as well as Storage King licensed stores. Also includes assets exchanged but not yet settled.
2. All Abacus owned and managed stores.
3. Abacus owned stores.
4. For existing customers in the Established Portfolio of 76 mature stores open at 1 July 2021.

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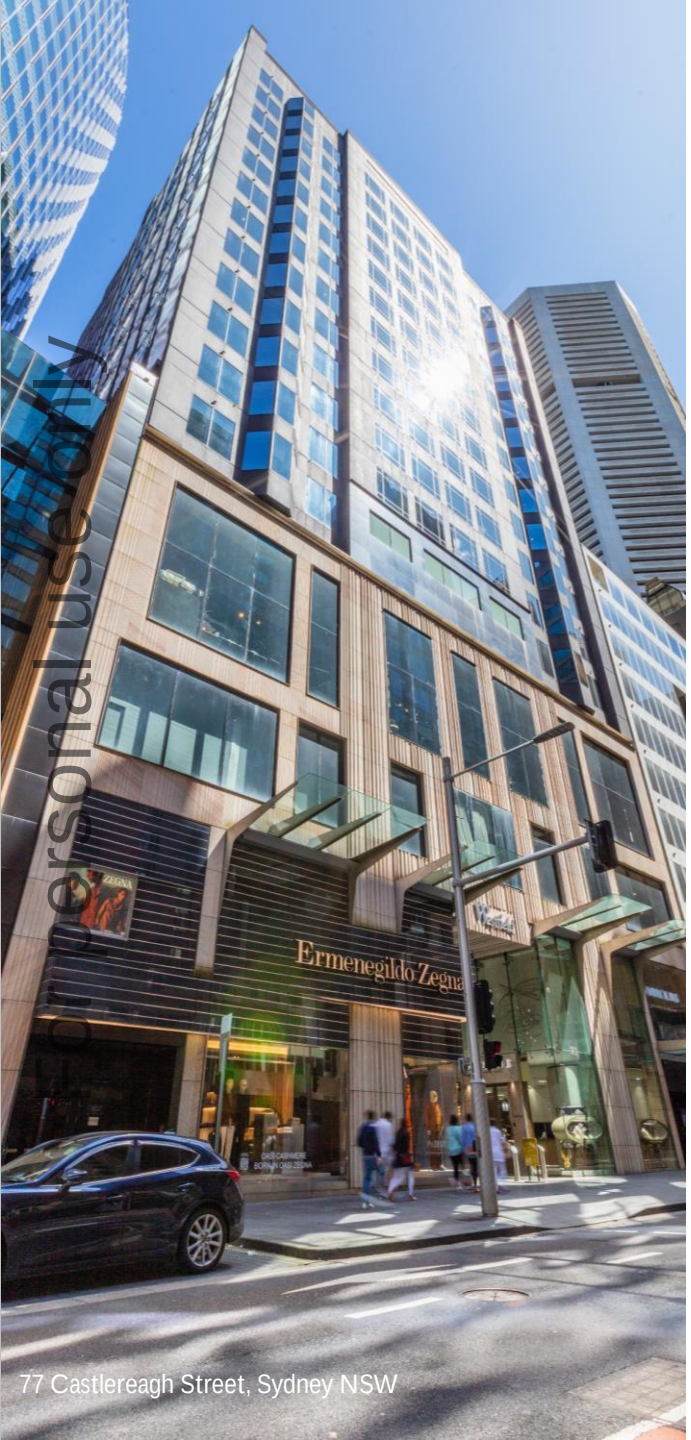
OPERATING PERFORMANCE

COMMERCIAL (ABG)

91 King William Street, Adelaide SA



77 Castlereagh Street, Sydney NSW

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COMMERCIAL: OFFICE SNAPSHOT

Portfolio of 15 Office assets valued at $1.7 billion

OCCUPANCY[1]	WALE[1]	LEASING DEALS	YTD LFL INCOME GROWTH[1,2]
95.0%	3.7yrs	94	1.7%
FY22: 94.7%	FY22: 3.8yrs	FY22: 69	FY22: 8.2%

WACR	A GRADE BUILDINGS[3]	TENANT CUSTOMERS[4]	SME CUSTOMERS[4,5]
5.59%	76%	314	61%
FY22: 5.15%	FY22: 76%	FY22: 356	FY22: 65%

1. Excludes development affected assets.
2. Excluding intra period vacancy, YTD LFL income growth is 4.0%.
3. Excludes Virginia Park, VIC (part Industrial).
4. Includes all assets managed by Abacus.
5. By number of customers.

COMMERCIAL: OFFICE LEASING METRICS

Strong leasing spreads achieved in a challenging office environment

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44,112sqm
leased[1] in FY23

FY22: 46,892sqm

66% new

34% renewals

31%
average gross incentive

FY22: 29%

32% on new deals

28% on renewals

6.7%
leasing spreads

FY22: 7.8%

11.8% on new deals

2.4% on renewals

3.9%
average rent review

FY22: 3.9%

98% fixed

2% CPI

$835psm
average net face rent[2]

FY22: $703psm

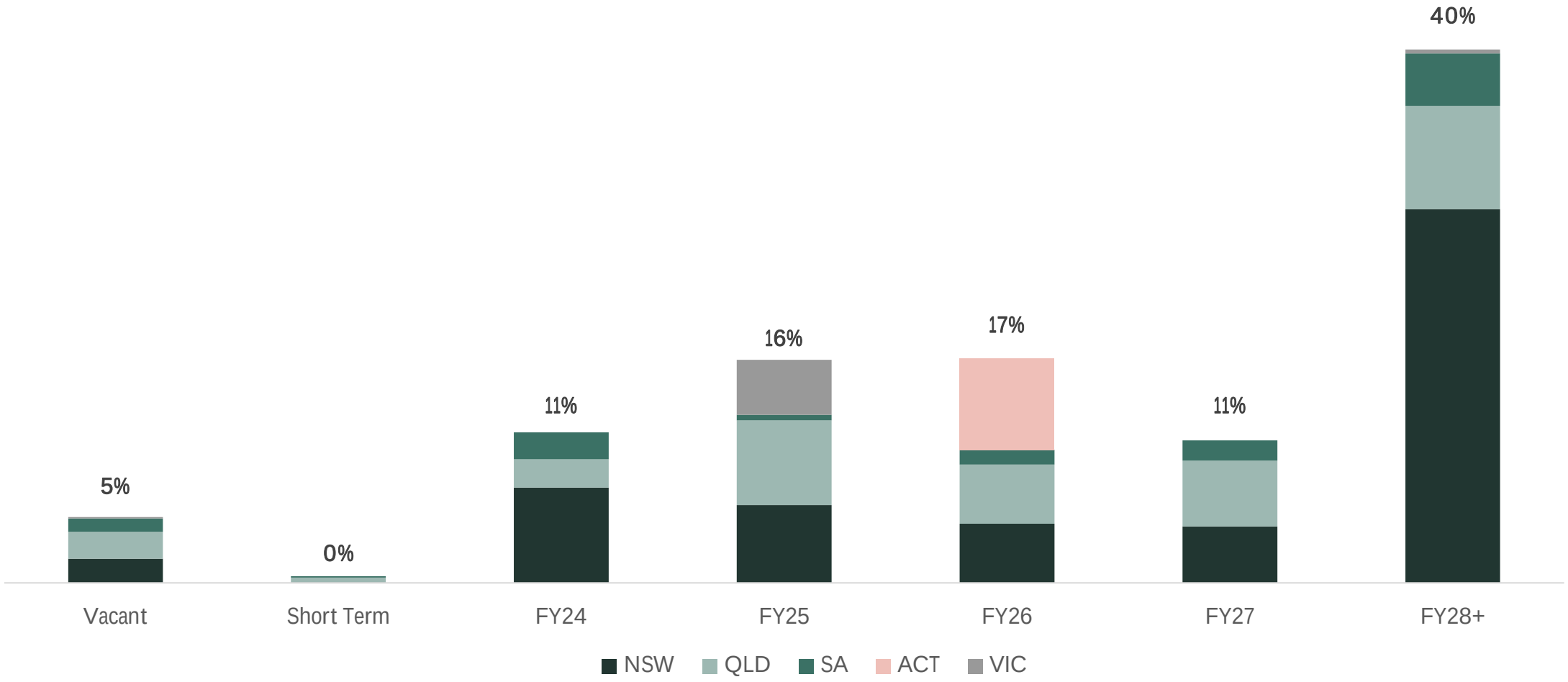
$884 average CBD[2] rent

$579 average fringe[2] rent

1. Based on 100% ownership.
2. Sydney and Melbourne – excludes development affected assets.

COMMERCIAL: OFFICE LEASING EXPIRY[1]

Underpinned by geographical diversity



1. By gross income. Excludes development affected assets.

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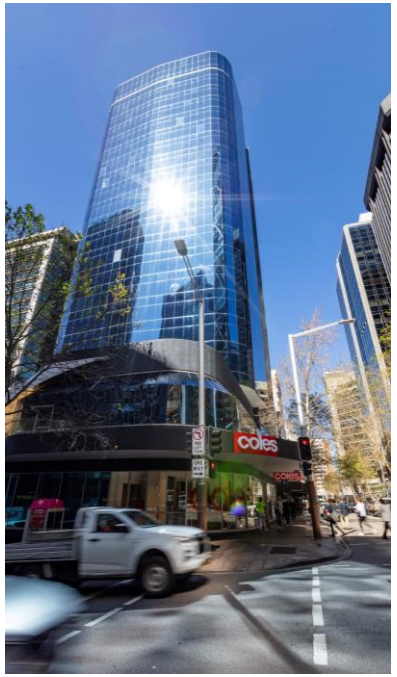
OFFICE PORTFOLIO HAS BEEN RESET

High quality portfolio in premium locations underpinned by a diversified tenancy base

4.7 ★
NABERS Energy



4.5 ★
NABERS Water

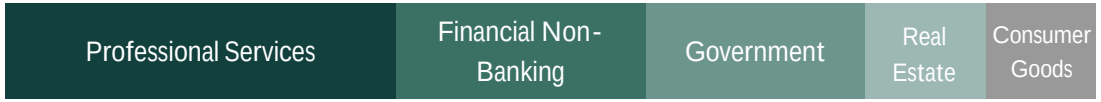
Office locations clockwise from top left: 459-471 Church Street, Richmond VIC, 201 Elizabeth Street, Sydney NSW, 77 Castlereagh Street, Sydney NSW, 51 Allara Street, Canberra ACT, 2 King Street, Fortitude Valley QLD and 99 Walker Street, North Sydney NSW.

Market profile: Geography[1]

Asset profile: Grade[1]

Asset profile: Life cycle[1]

Customer profile: Top 5 industries[2]



Customer profile: SME customers[3]

1. By fair value.
2. By rent.
3. By count.

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COMMERCIAL: OFFICE LEASING STRATEGY

Six Flex by Abacus workspaces covering a total of 4,575 sqm

Current Flex by Abacus Portfolio[1]

- L7, 14 Martin Place, Sydney
- L8, 99 Walker Street, North Sydney

Average desk occupancy = 78.5%

Gross rent per desk = $600 - $1,000 p.m.

Recently launched Flex Portfolio[2]

- L2, Oasis Shopping Centre, Broadbeach
- L3, 14 Martin Place, Sydney
- L20-21, 99 Walker Street, North Sydney
- Ground, 452-484 Johnston Street, Abbotsford

Flex portfolio industry[3]

- Financial Non-Banking 29%
- Professional Services 16%
- IT 15%
- Construction 11%
- Utility Services 9%
- Healthcare & Beauty 8%
- Real Estate 8%
- Other 4%

Flex portfolio enterprise size[4]

- Large 18%
- SME 82%

Office portfolio lease structure[5]

- Traditional 91%
- Spec 7%
- Flex 2%

1. Flex by Abacus workspaces that have been open for more than 12 months.
2. Flex by Abacus workspaces that have been open for less than 12 months.
3. By rent.
4. By count.
5. By NLA.

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COMMERCIAL: DEVELOPMENTS

Recently completed Office developments delivering high quality income streams

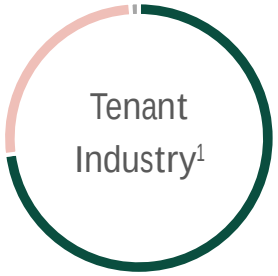
459-471 Church Street, Richmond VIC

Occupancy 30 June	93.6%
Avg. net face rent psm	$559
Avg. net incentives	32%

- Manufacturing 36%
- Consumer Goods 16%
- Construction 11%
- Professional Services 10%
- Education 8%
- Financial Non-Banking 8%
- Media & Communications 5%
- Real Estate 4%
- Healthcare & Beauty 2%

452-484 Johnston Street, Abbotsford VIC

Occupancy 30 June	75.5%
Avg. net face rent psm	$455
Avg. net incentives	35%



- Financial Non-Banking 73%
- Government 26%
- Consumer Goods 1%

1. By rent.

459-471 Church Street, Richmond VIC

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COMMERCIAL: CAPITAL TRANSACTIONS

Portfolio optimisation continues with divestments achieved in a challenging market

	Asset	Value
FY23 Acquisitions	324 Queen Street, Brisbane QLD	$93 million (remaining 50% stake)

	Asset	Value
FY23 Divestments	33 Queen Street, Brisbane QLD	$97.9 million[1] (total)
	247 Adelaide Street, Brisbane QLD	
	187 Todd Road, Port Melbourne VIC	

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

324 Queen Street, Brisbane QLD

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COMMERCIAL: RETAIL SNAPSHOT

Portfolio of 4 Retail asset (3 centres and 1 CBD asset) valued at $466 million

OCCUPANCY	WALE	LEASING DEALS
95.2%	5.8yrs	45
FY22: 95.6%	FY22: 6.2yrs	FY22: 38

YTD LFL INCOME GROWTH	WACR	TENANT CUSTOMERS
3.8%	6.16%	215
FY22: (1.7%)	FY22:5.99 %	FY22: 218

Myer, Melbourne VIC

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ABACUS

OUTLOOK AND GUIDANCE

The Oasis, Broadbeach QLD

OUTLOOK AND GUIDANCE

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Owning and managing an Australian eastern seaboard focused Commercial portfolio and external management of Abacus Storage King

Owning and developing an Australia and New Zealand wide portfolio of Self Storage assets and managing the Storage King operating platform

Abacus Group

Reduced gearing, providing balance sheet capacity to fund future growth initiatives including acquisitions and developments

Active asset management and diversified leasing strategies are supporting resilient income streams in our Office portfolio

Abacus Storage King

Our multi-pronged growth strategy is delivering strong results in our Self Storage portfolio

Development completions are contributing to higher quality income streams

Outlook

Despite the prevailing macro factors including:

- Restrictive monetary policy settings continuing to weigh on demand and the cost of capital
- Ongoing inflationary impacts on expenses and the ability to capture higher income through rent growth
- Labour demand and population growth remaining strong
- Building and labour cost inflation

we remain confident that the two entities are positioned to leverage our key enablers and deliver recurring income and value creation over the medium to long term

Reconfirming Guidance

- Abacus Group FY24 distribution guidance of 8.5 cents per Abacus Group Security (payout ratio assumed to be in the range of 85%-95% of FFO)
- Abacus Storage King FY24 distribution guidance of 6.0 cents per Abacus Storage King Security (targeting distribution payout ratio in range of 90%-100% of FFO)

Our guidance is predicated on no material deterioration in current business conditions

ABACUS

DATA PACK

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ABACUS

CONTENTS

RESTATED SEGMENT EARNINGS	SLIDE 39
ABG & ASK SEGMENT BALANCE SHEET	SLIDE 40
ABG PRO FORMA BALANCE SHEET	SLIDE 41
ASK PRO FORMA BALANCE SHEET	SLIDE 42
DEBT FACILITIES PRO FORMA	SLIDE 43
INVESTMENT PORTFOLIO METRICS: ABG	SLIDE 44
SELF STORAGE METRICS	SLIDE 45
GLOSSARY	SLIDE 46
IMPORTANT INFORMATION	SLIDE 47

63 Ann Street, Surry Hills NSW

RESTATED SEGMENT EARNINGS

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	ABG			ASK			Legacy Mortgage Business			Total		
$ millions	FY23	FY22	Variance	FY23	FY22	Variance	FY23	FY22	Variance	FY23	FY22	Variance
Rental income	157.9	136.9	21.0	190.4	160.5	29.9	-	-	-	348.3	297.4	50.9
Fee and finance income	4.4	5.0	(0.6)	16.8	15.2	1.6	-	8.2	(8.2)	21.2	28.4	(7.2)
Share of profit from equity accounted investments	7.1	9.1	(2.0)	0.3	-	0.3	-	-	-	7.4	9.1	(1.7)
Other income	0.1	0.2	(0.1)	23.7	16.0	7.7	-	-	-	23.8	16.2	7.6
Total Revenue	**169.5**	**151.2**	**18.3**	**231.2**	**191.7**	**39.5**	**-**	**8.2**	**(8.2)**	**400.7**	**351.1**	**49.6**
Expenses	(43.0)	(34.8)	(8.2)	(42.9)	(36.3)	(6.6)	-	-	-	(85.9)	(71.1)	(14.8)
Segment result before corporate overheads	**126.5**	**116.4**	**10.1**	**188.3**	**155.4**	**32.9**	**-**	**8.2**	**(8.2)**	**314.8**	**280.0**	**34.8**
Administrative and other expenses	(36.3)	(29.2)	(7.1)	(43.0)	(37.3)	(5.7)	-	(3.5)	3.5	(79.3)	(70.0)	(9.3)
EBIT	**90.2**	**87.2**	**3.0**	**145.3**	**118.1**	**27.2**	**-**	**4.7**	**(4.7)**	**235.5**	**210.0**	**25.5**
Net finance costs	(9.4)	(18.2)	8.8	(43.4)	(17.9)	(25.5)	-	-	-	(52.8)	(36.1)	(16.7)
Tax expense	(1.9)	(6.9)	5.0	(5.8)	(6.1)	0.3	-	-	-	(7.7)	(13.0)	5.3
Funds from Operations	**78.9**	**62.1**	**16.8**	**96.1**	**94.1**	**2.0**	**-**	**4.7**	**(4.7)**	**175.0**	**160.9**	**14.1**

SEGMENT BALANCE SHEET

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$ millions	ABG	ASK	FY23	FY22
Investment properties	2,099.9	2,612.1	4,712.0	4,500.5
PP&E, equity and other investments, financial and other assets	276.4	324.2	600.6	571.4
Loans	53.1	-	53.1	53.1
Cash and cash equivalents	71.9	63.6	135.5	176.5
Goodwill and intangibles	32.5	72.5	105.0	105.6
Total assets	2,533.8	3,072.4	5,606.2	5,407.1
Interest bearing liabilities	1,006.5	979.1	1,985.6	1,709.2
Other liabilities	95.6	163.3	258.9	196.8
Total liabilities	1,102.1	1,142.4	2,244.5	1,906.0
Net assets	1,431.7	1,930.0	3,361.7	3,501.1

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BALANCE SHEET: ABG PRO FORMA

$ millions	ABG FY23	De-staple / Transaction & Repayment of Outstanding Loan[1]	ABG Pro forma
Investment properties	2,099.9	-	2,099.9
PP&E, equity and other investments, financial and other assets	276.4	402.8	679.2
Loans	53.1	-	53.1
Cash and cash equivalents	71.9	-	71.9
Goodwill and intangibles	32.5	-	32.5
Total assets	2,533.8	402.8	2,936.6
Interest bearing liabilities	1,006.5	(91.5)	915.0
Other liabilities	95.6	1.8	97.4
Total liabilities	1,102.1	(89.7)	1,012.4
Net assets	1,431.7	492.5	1,924.2
Gearing			28.3%
No. Securities			893,657,632
NTA/Security			2.11

1. Refer to page 142 of Transaction Booklet released 19 June 2023, reflecting the settlement of intercompany loans to ASK part settled by issuance of 221.1 million securities, receipt of payment from ASK for the sale of the Castle Hill asset and ART units.

BALANCE SHEET: ASK PRO FORMA

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$ millions	ASK FY23	De-staple / Transaction & Repayment of Outstanding Loan[1]	ASK Pro forma
Investment properties	2,612.1	-	2,612.1
PP&E, equity and other investments, financial and other assets	324.2	2.8	327.0
Cash and cash equivalents	63.6	-	63.6
Goodwill and intangibles	72.5	-	72.5
Total assets	3,072.4	2.8	3,075.2
Interest bearing liabilities	979.1	(126.3)	852.8
Other liabilities	163.3	(14.3)	149.0
Total liabilities	1,142.4	(140.6)	1,001.8
Net assets	1,930.0	143.4	2,073.4
Gearing			26.2%
No. Securities			1,314,098,656
NTA/Security			1.56

1. Refer to page 156 of Transaction Booklet released 19 June 2023, reflecting the $225m equity raising less costs, payment for acquisition of Castle Hill asset and ART units, part repayment of intercompany loan from ABG and Storage King head office lease at 99 Walker Street, North Sydney NSW.

DEBT FACILITIES: PRO FORMA

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Capital management metrics	ABG	ASK
Total bank debt facilities	$1,058m	$1,000m
Total bank debt drawn	$881m	$853m
Term to maturity	4.0yrs	3.3yrs
Interest rate hedging[1]	70%	69%
Weighted average hedge maturity	3.0yrs	3.2yrs
FY24 Anticipated average cost of debt	4.7%	3.6%
Group gearing	28.3%	26.2%
Look through gearing	32.4%	26.2%
Gearing calculated for covenant measures/covenant	33.2% / 50%	N/A
Anticipated interest coverage ratio/covenant	3.1x / 2.0x	3.8x / 2.0x

1. Year 1 average.

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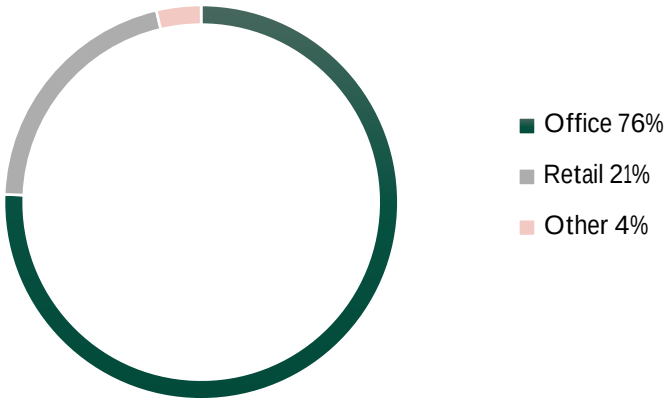
INVESTMENT PORTFOLIO METRICS: ABG

Portfolio metrics FY23	Office	Retail	Other	Total
Value ($m)	1,703	466	365[1]	2,534
No. of assets	15	4	2	21
NLA[2,3] (sqm)	113,320	62,289	N/A	175,609
WACR (%)	5.59	6.16	N/A	5.71
Occupancy[2] (% by area)	95.0	95.2	N/A	95.1
Average net face rent[2] ($ psm)	714	626	N/A	682
WALE[2] (yrs by $)	3.7	5.8	N/A	4.3

Investment portfolio sector diversification[4]



Investment portfolio geographic diversification[4]

1. Includes cash and other non-property assets.
2. Excludes development affected assets.
3. Abacus ownership basis.
4. Excludes cash and other non-property assets.

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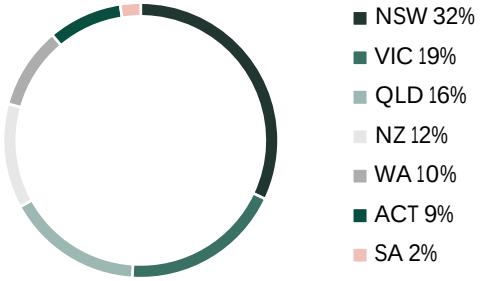
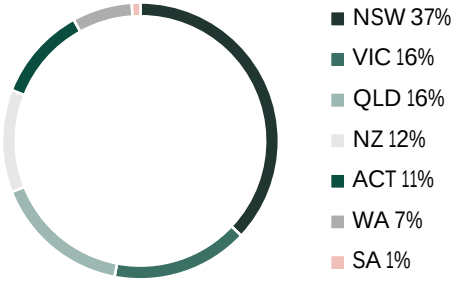
SELF STORAGE METRICS

Performance metrics	Aus	NZ	FY23	FY22
No. of assets	116	15	131[1]	119
NLA (sqm)	510,605	77,774	588,379	550,359
Occupancy (%)[2]	91.0	92.6	91.3	92.9
Rental rate ($ psm)[2]	352	337	349	314
RevPAM[2]	321	312	319	292
WACR (%)	5.51[3]	6.00[3]	5.57[3]	5.45[4]
Value ($m)	2,764	308	3,072	2,592

% NLA Breakdown by State



% Value Breakdown by State



Performance metrics ($m)[5]	FY23	FY22
Storage revenue	185.4	156.6
Other revenue (net)	11.8[6]	9.8[7]
Total revenue	**197.2**	**166.4**
Salaries & employee benefits	(27.8)	(23.6)
Other property expenses	(42.9)	(36.3)
Storage operating expenses	**(70.7)**	**(59.9)**
Operating profit	**126.5**	**106.5**
Operating margin[8]	**64%**	**64%**
General & administration	(5.2)	(4.4)
Finance costs	(43.1)	(17.0)
Movement in lease liabilities	(0.3)	(0.9)
Tax	(5.8)	(6.1)
Other income (inc. share of profit from JV)	24.0	16.0
Funds from Operations ('FFO')	**96.1**	**94.1**

1. Includes 20 development assets.
2. Average over financial year (by area) of all established assets excluding one store due to mixed site use composition.
3. Cap rate applied to investment properties of $2,432 million in FY23 (Aus: $2,130 million and NZ: $302 million).
4. Cap rate applied to investment properties of $2,240 million in FY22.
5. Note change to FY22 calculation methodology.
6. Includes $5.0m rental income from commercial tenancies and $16.8m fee income less $10.0m of recoverable administrative and other expenses.
7. Includes $3.9m rental income from commercial tenancies and $15.2m fee income less $9.3m of recoverable administrative and other expenses.
8. Operating margin represents the total operating profit as a percentage of total revenue.

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GLOSSARY

TERM	DEFINITION	TERM	DEFINITION
ABG	Abacus Group	NABERS	National Australian Built Environment Rating System
ABP	Abacus Property Group	NLA	Net lettable area
ART	Abacus Repository Trust	NTA	Net tangible assets
ASK	Abacus Storage King	PP&E	Property, plant and equipment
ASX	Australian Securities Exchange	PS	Per stapled security
CBD	Central business district	PSM	Per square metre
CPI	Consumer price index	RevPAM	Revenue per available square metre
CPS	Cents per stapled security	RHS	Right hand side
DPS	Distribution per stapled security	SGC	Super guarantee charge
ESG	Environmental, Social and Governance	SME	Small medium enterprise
FFO	Funds from Operations	SQM	Square metre
FY	Financial year	SUA	Significant Urban Area
GHG	Greenhouse gas	T/SQM	Tonnes per square metre
HY	First half of financial year	WACD	Weighted average cost of debt
JV	Joint venture	WACR	Weighted average capitalisation rate
KL/SQM	Kilolitres per square metre	WALE	Weighted average lease expiry
LFL	Like for like	YTD	Year to date

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