

ASX  
release



## Not for release or distribution in the United States

14 December 2020

## Retail Offer Booklet

Abacus Property Group (ASX: ABP) (“**Abacus**”) will today dispatch the attached Retail Offer Booklet and personalised Entitlement and Acceptance Form to Abacus securityholders eligible to participate in the retail component of its accelerated non-renounceable pro rata entitlement offer, details of which were announced to ASX on Tuesday, 8 December 2020.

If you have any questions, please contact the Abacus Property Group Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020).

END

### INVESTOR & MEDIA ENQUIRIES

**Cynthia Rouse**

Head of Investor Relations and Corporate Communications

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### Important Information

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited are not licensed to provide financial product advice in respect of Abacus securities.

### Not for release or distribution in the United States.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Securities have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and the New Securities may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Abacus has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Authorised for release by Rob Baulderstone, Company Secretary

ASX: ABP

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Limited ACN 109 324 834 | Abacus Storage Operations Limited ACN 112 457 075

# RETAIL ENTITLEMENT OFFER BOOKLET

1 for 4.8 accelerated non-renounceable pro rata entitlement  
offer of Abacus Securities at an Issue Price of  
\$2.90 per New Security to raise approximately \$402 million

Retail Entitlement Offer closes at 5:00pm (AEDT),  
Wednesday, 23 December 2020



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This document and the personalised Entitlement and Acceptance Form that accompanies it contains important information and requires your immediate attention. If you are an Eligible Retail Securityholder you should read both documents carefully and in their entirety. This document is not a product disclosure statement or prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investment Commission. If you have any queries please call your stockbroker, solicitor, accountant or other professional adviser or the Abacus Property Group Information Line.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



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## Important Notice

This Retail Offer Booklet is dated Monday, 14 December 2020 and relates to the Retail Entitlement Offer, which is part of an offer of New Securities announced by Abacus on Tuesday, 8 December 2020. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet has been issued by Abacus Property Group, comprising Abacus Group Holdings Limited (ABN 31 080 604 619) (**AGHL**), Abacus Funds Management Limited (ABN 66 007 415 590), the responsible entity of Abacus Trust (ARSN 096 572 128) (**AT**) and Abacus Income Trust (ARSN 104 934 287) (**AIT**), Abacus Group Projects Limited (ABN 11 104 066 104) (**AGPL**), Abacus Storage Funds Management Limited (ABN 41 109 324 834), the responsible entity of Abacus Storage Property Trust (ARSN 111 629 559) (**ASPT**), and Abacus Storage Operations Limited (ABN 37 112 457 075) (**ASOL**) (together **Abacus**, **ABP** or the **Group**).

This Retail Entitlement Offer is being made pursuant to section 708AA and 1012DAA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by the Australian Securities and Investment Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be conducted without a product disclosure statement or prospectus or other disclosure document. This Retail Offer Booklet is not a product disclosure statement or prospectus under the Corporations Act and has not been lodged with ASIC. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a product disclosure statement or prospectus. As a result, it is important for you to carefully read and understand the publicly available information on Abacus and the Entitlement Offer (for example, the information available on Abacus' website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au) or on the ASX's website [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to take up all or part of your Entitlement and apply for New Securities.

Investments in the Group are subject to investment risk, including delays in repayment and loss of income and capital invested. Abacus does not guarantee any particular rate of return on the New Securities offered under the Retail Entitlement Offer or the performance of the Group, nor does it guarantee the repayment of capital from the Group.

You should read this entire Retail Offer Booklet carefully before deciding whether to invest in New Securities. In particular, the Investor Presentation in Annexure B of this Retail Offer Booklet details important factors and risks that could affect the financial and operating performance of the Group. Please refer to the "Key Risks" section of the Investor Presentation for details. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Annexure B of this Retail Offer Booklet).

In addition to reading this Retail Offer Booklet in conjunction with Abacus' other periodic and continuous disclosure announcements including the Investor Presentation and Abacus' announcements to the ASX and on its website, you should conduct your own independent review, investigation and analysis of Abacus and the New Securities and obtain any professional advice you require to evaluate the merits and risks of an investment in Abacus before making any investment decision.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Securities through BPay® in accordance with the instructions on the Entitlement and Acceptance Form, you will be deemed to have acknowledged that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

## Disclaimer

This Entitlement Offer is made on the basis that the determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Abacus and / or the Underwriter. Each of Abacus and its respective affiliates, the Underwriter and its respective affiliates, related bodies corporate, directors, officers, partners, employees, advisers and agents (together the **Underwriter Parties**) disclaim any duty or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law, for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Retail Entitlement Offer and the information in this Retail Offer Booklet being inaccurate or due to information being omitted from this Retail Offer Booklet and make no representation or warranty, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this Retail Offer Booklet.

## Underwriter

The Underwriter, Macquarie Capital (Australia) Limited, has acted as sole lead manager to the Entitlement Offer and has underwritten the Entitlement Offer. The Underwriter Parties have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet and, there is no statement in this Retail Offer Booklet which has been verified by or is based on any statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party:

- expressly disclaims all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) in respect of, and make no representations regarding, and take no responsibility for, any part of this Retail Offer Booklet, or any action taken by you on the basis of the information in this Retail Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of the Retail Offer Booklet; and
- excludes and disclaims all liability for any expenses, losses, damages or costs (whether direct, indirect, consequential or contingent) incurred by you as a result of your participation in the Entitlement Offer and or this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

The Underwriter is acting for and providing services to Abacus in relation to the Entitlement Offer and will not be acting for or providing services to Abacus Securityholders or potential investors. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with Abacus. The engagement of the Underwriter is not intended to create any fiduciary obligations, agency or other relationship between the Underwriter and Abacus Securityholders or potential investors.

The Underwriter Parties may have interests in the securities of Abacus and may act as a market maker or buy or sell the shares or derivatives of Abacus as principal or agent, provide other financial accommodation or serve as a director of any companies mentioned in this communication. The Underwriter is a full-service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities. The Underwriter and/or Underwriter Parties may have received or may receive customary fees and expenses in each of these capacities.

## No overseas offering

This Retail Offer Booklet, the accompanying Entitlement and Acceptance Form and any accompanying ASX announcements, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Securityholders.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Securities is subject to all requisite authorities and clearances being obtained for Abacus to lawfully receive your Application Monies.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Securities are not being offered to the public within New Zealand other than to existing securityholders of Abacus with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the Stapled Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## United States

None of the information in this Retail Offer Booklet, the accompanying Entitlement and Acceptance Form and any related ASX announcements, constitutes an offer to sell, or a solicitation of an offer to buy, any securities in the United States, or in any jurisdiction in which, or to any person to whom such an offer would be illegal. Neither this Retail Offer Booklet (nor any part of it), the accompanying Entitlement and Acceptance Form nor any related ASX announcements may be, directly or indirectly, released or distributed in the United States.

Neither the Entitlements to purchase New Securities pursuant to the offer described in this Retail Offer Booklet nor the New Securities have been, or will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be purchased, taken up or exercised by, and the New Securities may not be offered, sold or resold, directly or indirectly, to any person in the United States or to persons acting for the account or benefit of a person in the United States, except in a

transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Securities offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

### **Privacy**

Abacus collects information about each Applicant provided on an Applicant's personalised Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's holding of Securities in Abacus.

By submitting your personalised Entitlement and Acceptance Form, you will be providing personal information to Abacus (directly or through its Registry). Abacus collects, holds and will use that information to assess your Application. Abacus collects your personal information to process and administer your holding of Securities in Abacus and to provide related services to you. Abacus may disclose your personal information for purposes related to your holding of Securities in Abacus, including to the Registry, Abacus' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Abacus holds about you. To make a request for access to your personal information held by (or on behalf of) Abacus, please contact Abacus through the Registry.

### **Definitions and currency**

Defined terms used in this Retail Offer Booklet are contained in the Glossary. All currency amounts in this Retail Offer Booklet are in Australian dollars (\$) unless otherwise stated.

### **Times and dates**

All dates and times in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be posted on the ASX's website at [www.asx.com.au](http://www.asx.com.au) and Abacus' website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au).

### **Not investment advice**

Securityholders must note that this Retail Offer Booklet, the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Securityholder may require in order to determine whether or not to subscribe for New Securities. If you have any questions, please consult your stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest, or call the Abacus Property Group Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020).

Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus

Storage Operations Limited are not licensed to provide financial product advice in respect of Abacus Securities. All financial data is presented as at 30 June 2020 unless otherwise stated.

### Past performance

Investors should note that the Group's past performance provided in this Retail Offer Booklet and the announcement to which it is attached, including past Security price performance, is given for illustrative purposes only and cannot be relied upon as an indication (and provides no guidance as to) the Group's future performance including the Group's future financial position or Security price performance.

### Forward-looking statements

This Retail Offer Booklet and the announcements to which it is attached contains certain forward-looking statements with respect to the financial condition, results of operations and business of Abacus and certain plans, strategies and objectives of the management of Abacus, within the meaning of securities laws of applicable jurisdictions. No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "propose", "will", "outlook", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions and include but are not limited to statements relating to the future performance of the Group and the outcome and effects of the Entitlement Offer and use of proceeds. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements are not guarantees of future performance and are by their nature subject to significant uncertainties, known and unknown risks, elements of subjective judgement and assumptions and contingencies and other factors (including those described in this presentation and its annexures). Many of those factors are beyond the control of Abacus and its related bodies corporate and affiliates and each of its securityholders, directors, officers, employees, partners, agents and advisers (**Beneficiaries**), that may change without notice, and that may cause actual results or events to differ materially from any expressed or implied in any forward-looking statement. Such deviations are both normal and to be expected. Past performance is not a reliable indicator of future performance. Investors should form their own views as to these matters and any assumptions on which any forward-looking statements are based on and not place undue reliance on such forward-looking statements. To the maximum extent permitted by law, Abacus and its Beneficiaries and the Underwriter Parties disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any changes in expectations or assumptions. None of the Underwriter Parties have authorised, approved or verified any forward-looking statements or any other statements.

**Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.** The forward-looking statements contained in this Retail Offer Booklet (including the Investor Presentation included in Annexure B) involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Issuer. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of the COVID-19

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pandemic, the Australian and global economic environment and capital market conditions and other risk factors set out in the Information. Potential investors should consider the forward-looking statements contained in this Retail Offer Booklet (including the Investor Presentation included in Annexure B) in light of those risks and disclosures. The forward-looking statements are based on information available to the Issuer as at the date the Information was prepared.

### **Risks**

Refer to the “Key Risks” section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect the Group.

### **Trading New Securities**

Abacus and the Underwriter and each of their directors, officers, employees, agents and consultants will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Abacus or the Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.

If you are in doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant or other professional advisers.

### **No Entitlements trading**

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

### **No cooling-off rights**

Cooling-off rights do not apply to an investment in New Securities. You cannot withdraw your Application once it has been accepted.

## Chair's Letter

### Abacus Property Group – Retail Entitlement Offer

Dear Securityholder,

As a valued securityholder of Abacus Property Group (**Abacus**), I am pleased to offer you the opportunity to participate in the Group's 1 for 4.8 accelerated non-renounceable entitlement offer of new Securities in the Group (**New Securities**) at an offer price of \$2.90 per New Security (**Issue Price**) to raise approximately \$402 million.

#### Entitlement Offer

On Tuesday, 8 December 2020, Abacus announced its intention to raise approximately \$402 million via a 1 for 4.8 accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**) at the Issue Price.

The Entitlement Offer is fully underwritten<sup>1</sup> and comprises:

- an offer to Eligible Institutional Securityholders (**Institutional Entitlement Offer**); and
- an offer to Eligible Retail Securityholders (**Retail Entitlement Offer**) to which this Retail Offer Booklet relates.

The Institutional Entitlement Offer was successfully completed on Wednesday, 9 December 2020 and raised approximately \$356 million.

The Entitlement Offer is fully underwritten<sup>2</sup> by Macquarie Capital (Australia) Limited (**Underwriter**) subject to the terms of an underwriting agreement (see section 4.7 for more details).

Abacus' largest securityholder, Calculator Australia, is supportive of the Entitlement Offer and intends to take up its full entitlement.<sup>3</sup> In addition, Calculator Australia has provided a commitment to sub-underwrite the approximately \$46 million Retail Entitlement Offer.<sup>4</sup>

#### Rationale and use of proceeds

Abacus has executed on its stated strategy to become a strong asset backed, annuity style, investment house. Abacus has made significant progress in growing its portfolio in the key sectors of Office and Self Storage, with \$926 million of capital deployed post FY19 including \$205 million in FY21 to date. Both sectors continue to present opportunities for growth.

Since FY19 Abacus has deployed \$413 million of capital into Self Storage. To date in FY21, \$155 million has been deployed including acquisition of the remaining 75% interest in our operating platform, Storage King, and the exchange of contracts or settlement on \$97.5 million of Self Storage properties.

Abacus has a current identified acquisition Pipeline under active consideration comprising \$160 million of assets, of which approximately \$130 million is a high quality portfolio of metropolitan assets located in Significant Urban Areas<sup>5</sup> in advanced negotiations with due diligence well progressed.

<sup>1</sup> Refer to summary under the heading "Underwriting" on slide 31 of the Investor Presentation for further information.

<sup>2</sup> See footnote 1 above.

<sup>3</sup> Refer to slide 39 for information on the possible effects of Calculator Australia's participation in the Entitlement Offer on its holding

<sup>4</sup> Any shortfall securities not taken up by Eligible Retail Securityholders will be allocated on a pro-rata basis to eligible institutional investors who commit to sub-underwrite the Retail Entitlement Offer. Any subsequent shortfall will then be allocated to Calculator Australia as sub-underwriter of 'last resort'. Refer to slide 39 of the Investor Presentation for information on the possible effects of Calculator Australia's participation in the Entitlement Offer on its holding.

<sup>5</sup> As defined by the Australian Bureau of Statistics

Should the Pipeline proceed, it is expected to complete in Q3 FY21 and if successfully completed, Abacus' Self Storage portfolio will comprise \$1,521 million of assets.

Abacus continues to originate a strong pipeline of opportunities through the Storage King platform, with 100% ownership of Storage King expected to increase the velocity of acquisitions and provide a significant competitive advantage in acquiring scale. Since the acquisition of the of the initial 25% interest in Storage King in FY18, Abacus has sourced 70% of new acquisitions via the Storage King platform with 20% on market and 80% off market.

A robust development pipeline with 55,250 sqm identified to be delivered over the medium term is expected to enhance portfolio quality and increase income growth, with the expected development spend of approximately \$80 million targeting a return on invested capital of 8.0%<sup>6</sup>.

In order to repay debt and provide further acquisition capacity for continued growth over the medium term, Abacus is undertaking the Entitlement Offer.

Post-completion of the Entitlement Offer, pro forma gearing<sup>7</sup> on a 30 June 2020 basis is expected to be 17.5%, which provides Abacus with \$911 million of acquisition capacity<sup>8</sup>. If the pipeline acquisitions are successfully completed and following completion of the Entitlement Offer, pro forma gearing will increase to 21.5%. The increase in acquisition capacity<sup>8</sup> is expected to allow Abacus to execute on future growth initiatives including developments and acquisitions.

On completion of the Entitlement Offer, pro forma net tangible assets<sup>9</sup> (**NTA**) per security is expected to be \$3.15 per Abacus Security.

The Board is pleased to provide Eligible Retail Securityholders with an opportunity to increase their investment in Abacus and to participate in the expected benefits of the continuation of Abacus' strategy deploying capital into the Storage and Office sectors while progressing the sale of non-core assets.

## Business update and outlook

Trading conditions in our Self Storage portfolio have proved resilient. Our multi-pronged growth strategy including acquisition, development, expansion and optimisation has delivered strong Q1 FY21 results, with occupancy<sup>10</sup> of 89.7% and revenue per available square metre<sup>10</sup> (**RevPAM**) of \$251, while rent collection remains high at 99%.

In the Office portfolio, acquisitions and active asset management have supported resilient Q1 FY21 trading. During the first quarter over 28,000 sqm of leasing space<sup>11</sup> was completed with positive spreads, driving an improved lease expiry profile. Office portfolio occupancy<sup>12</sup> is 91.4% while rent collection was 91%.

Post completion of the Entitlement Offer, Abacus expects Funds from Operations (**FFO**) for HY21 to be 8.9 - 9.1 cents per security (\$59 - \$61 million) and expects the interim distribution to be 8.5 cents per security.

Second half FY21 FFO is expected to be higher than the first half, benefitting from recent acquisitions, anticipated continued improvement in underlying trading conditions across the portfolio, ongoing tailwinds in the Self Storage sector and continued deployment of capital for acquisition opportunities. FY21 full year distribution is expected to reflect a payout ratio broadly in line with the target range of 85 - 95% of FFO<sup>13</sup>.

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6 Post Stabilisation.

7 Bank debt less cash divided by total assets less cash.

8 Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%.

9 Net assets excluding external non-controlling interests and intangible assets. Includes right-of-use property assets and lease liabilities of \$2.3 million.

10 Established portfolio – 57 facilities traded since FY18 on a constant foreign exchange basis (adjusted for material expansions where relevant).

11 Includes non-Abacus share for jointly held assets.

12 Excludes development affected assets

13 Subject to timing of acquisition settlements.

## Retail Entitlement Offer

This Retail Offer Booklet relates to the Retail Entitlement Offer, which will raise approximately \$46 million. Under the Retail Entitlement Offer, Eligible Retail Securityholders can subscribe for 1 New Security for every 4.8 Securities they hold as at 7:00pm (Sydney, Australia time) on 10 December 2020 (**Record Date**) at an Issue Price of \$2.90 per New Security. The Issue Price under the Retail Entitlement Offer is the same Issue Price as for the Institutional Entitlement Offer, and represents a:

- 6.5% discount to the last traded price of \$3.10 per security on Monday, 7 December 2020
- 7.7% discount to the 5 day VWAP<sup>14</sup> of \$3.142 per security on Monday, 7 December 2020
- 5.4% discount to the TERP<sup>15</sup> of \$3.066

New Securities issued under the Retail Entitlement Offer will rank pari passu with existing Securities from allotment and will be entitled to the interim distribution for the period ended 31 December 2020, which is expected to be 8.5 cents per Abacus Security.

The number of New Securities for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Securityholders on Monday, 14 December 2020.

Abacus Securityholders in the United States are not eligible to participate in the Retail Entitlement Offer. Similarly, Securityholders (including custodians and nominees) who hold existing Securities on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Retail Entitlement Offer on behalf of those persons.

Under the Retail Entitlement Offer, Eligible Retail Securityholders that take up their full Entitlement may also apply for Additional New Securities in excess of their Entitlement at the Issue Price (**Oversubscription Facility**). Additional New Securities will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Securityholders. Applications under the Oversubscription Facility will be subject to scale back if Eligible Retail Securityholders apply for more Additional New Securities than available under the Oversubscription Facility (see Section 2.3 of this Retail Offer Booklet for further information).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for your lapsed Entitlements.

To participate in the Retail Entitlement Offer, please ensure that, before 5:00pm (Sydney time) on Wednesday, 23 December 2020, you have paid your Application Monies, preferably by BPay®, pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Registry.

Additionally, you have the opportunity to apply for your Entitlement and Additional New Securities **before 5.00pm (Sydney time) on Thursday, 17 December 2020 (Early Retail Acceptance Due Date)**. If you do so, your New Securities (and Additional New Securities, if applied for) will be allotted

<sup>14</sup> Volume Weighted Average Price

<sup>15</sup> The theoretical ex-rights price (TERP) is the theoretical price at which Securities should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the last traded price of \$3.10 on Monday, 7 December 2020.

to you on Monday, 21 December 2020, which is the same date applicable to Eligible Institutional Securityholders who took up their entitlements on Tuesday, 8 December 2020 under the Institutional Entitlement Offer.

You should seek appropriate professional advice before making any investment decision. You should read and consider the 'Key Risks' section in the Investor Presentation included in Appendix B of this booklet, which contains some of the key risks associated with an investment in Abacus (including uncertainties associated with the ongoing impacts of COVID-19). If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact Abacus Property Group's Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020).

If you do not wish to take up any of your Entitlement, you do not have to take any action.

On behalf of the board of Abacus, I am pleased to invite you to consider this investment opportunity and thank you for your ongoing support of Abacus.

Yours faithfully,



Myra Salkinder  
Chair  
14 December 2020

## Key Dates

Key event	Date
Trading halt and announcement of Transaction	Tuesday, 8 December 2020
Institutional Entitlement Offer bookbuild	Tuesday, 8 December 2020
Trading of Securities recommences on ASX on an 'ex-entitlement' basis	Wednesday, 9 December 2020
Entitlement Offer Record Date	7.00pm, Thursday, 10 December 2020
Retail Offer Booklet is despatched and Retail Entitlement Offer opens	9.00am, Monday, 14 December 2020
Early Retail Acceptance Due Date	5.00pm, Thursday, 17 December 2020
Settlement of New Securities issued under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Friday, 18 December 2020
Allotment of New Securities issued under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Monday, 21 December 2020
Normal trading of New Securities issued under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Tuesday, 22 December 2020
Final Retail Entitlement Offer Closing Date	5.00pm, Wednesday, 23 December 2020
Allotment of remaining New Securities issued under the Retail Entitlement Offer, including Additional New Securities pursuant to the Oversubscription Facility	Thursday, 31 December 2020
Despatch of holding statements and normal trading of remaining New Securities issued under the Retail Entitlement Offer	Monday, 4 January 2021

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Abacus (with the prior consent of the Underwriter) reserves the right to amend this timetable at any time (and each reference to it or to dates in it in this Retail Offer Booklet), including extending the Retail Offer Period or accepting late applications, either generally or in particular cases, and to withdraw the Retail Entitlement Offer without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws. Any extension of the closing date will have a consequential effect on the allotment date for New Securities. Any changes to the timetable will be posted on the ASX website at [www.asx.com.au](http://www.asx.com.au) and Abacus' website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au). You cannot withdraw an Application once it has been lodged. No cooling off rights apply to the Retail Entitlement Offer.

Abacus also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Securities under the Retail Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to applicants. Eligible Retail Securityholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

The commencement of quotation of the New Securities is subject to confirmation from the ASX.

### **Enquiries**

If you have any queries, please consult your financial adviser, stockbroker, accountant or other professional adviser, or call the Abacus Property Group Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020).

## What should you do?

### 1. Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

A copy of the Retail Offer Booklet and the personalised Entitlement and Acceptance Form have been mailed to you if you are an Eligible Securityholder, or if you have opted for electronic communications, an email has been sent to you with a link to a copy of the Retail Offer Booklet and the personalised Entitlement and Acceptance Form. The Retail Offer Booklet can also be viewed at ASX's Website [www.asx.com.au](http://www.asx.com.au) and Abacus' website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au).

Unfortunately due to COVID-19, regular mail services in Australia and New Zealand may be adversely affected, so to avoid any delay, you are encouraged to access the Retail Offer Booklet and a personalised Entitlement and Acceptance Form at [www.investorserve.com.au](http://www.investorserve.com.au) from 11.00am on Monday 14 December 2020 to ensure that you have time to review the documents and to make an application if you wish to do so.

To view or download the Retail Offer Booklet and your personalised Entitlement and Acceptance Form:

- **For registered users**, go to [www.investorserve.com.au](http://www.investorserve.com.au) then enter your username and password using the Registered User Access. Select My Portfolio and then Online Statements/Advices.
- **For unregistered users**, go to [www.investorserve.com.au](http://www.investorserve.com.au) then Individual Investment Access. Your personalised Entitlement and Acceptance Form is available under the My Portfolio>Online Statements/Advices menu.

This Retail Entitlement Offer is not being made under a product disclosure statement or prospectus. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a product disclosure statement or prospectus. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Abacus and the Entitlement Offer (for example, the information available on Abacus' website [www.abacusproperty.com.au](http://www.abacusproperty.com.au) or on the ASX's website [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to accept your Entitlement and apply for New Securities.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

### 2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

If you have any doubt about whether you should invest in the Entitlement Offer, you should seek independent professional advice from your financial adviser, stockbroker, accountant, or other professional adviser.

An investment in New Securities is subject to both known and unknown risks, some of which are beyond the control of Abacus. These risks include the possible loss of income and principal invested. Abacus does not guarantee any particular rate of return or the performance on the New Securities offered under the Retail Entitlement Offer or the performance of the Group, nor does it guarantee the repayment of capital from the Group. In considering an investment in New

Securities, investors should have regard to (amongst other things) the 'Key Risks' section of the Investor Presentation (included in Annexure B of this Retail Offer Booklet) and the disclaimers outlined in this Retail Offer Booklet.

### 3. Decide what you want to do

If you are an Eligible Retail Securityholder, you have four options in relation to the Retail Entitlement Offer:

1. Take up your Entitlement in full (refer to Section 2.2);
2. Take up part of your Entitlement and allow the remaining Entitlements to lapse (refer to Section 2.2);
3. If you take up all of your Entitlement, you may also apply for Additional New Securities under the Oversubscription Facility (see Section 2.2 and 2.3 of this Retail Offer Booklet). In the event of oversubscriptions, the allocation of Additional New Securities will be subject to scale back in Abacus' absolute discretion having regard to the pro rata Entitlement of Eligible Retail Securityholders who apply for Additional New Securities. There is no guarantee that you will be allocated any Additional New Securities; or
4. Do nothing and allow your Entitlement to lapse. It is not possible to sell or transfer your Entitlement if you decide not to take it up (refer to Section 2.4).

Ineligible Securityholders may not take up any of their Entitlement.

Eligible Retail Securityholders who do not take up their Entitlement or take up less than their full Entitlement will not receive any value for those Entitlements not taken up and accordingly their proportionate interest in the Group will be diluted. Eligible Retail Securityholders who participate in the Retail Entitlement Offer will see their proportionate interest in the Group reduce or stay the same depending on the proportion of their Entitlement they subscribe for.

The New Securities will rank equally in all respects with existing Securities and will be entitled to the interim distribution for the period ended 31 December 2020. **The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.**

### 4. Apply for New Securities

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Application Monies for New Securities, or make a payment by BPay®, by 5.00pm (Sydney time) on Wednesday, 23 December 2020 pursuant to the instructions set out on the Entitlement and Acceptance Form. You can also apply and pay by the Early Retail Acceptance Due Date, and be allocated New Securities on Monday, 21 December 2020. See Section 2 for more information.

**If you take no action your Entitlement under the Retail Entitlement Offer will lapse.**

### 5. Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact Abacus Property Group's Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020).

## Section 1 - Overview of the Entitlement Offer

### 1.1 Overview

Abacus intends to raise approximately \$402 million through the Entitlement Offer. Under the Entitlement Offer, Abacus is offering Eligible Securityholders the opportunity to subscribe for 1 New Security for every 4.8 existing Securities held on the Record Date. The Issue Price per New Security is \$2.90. The proceeds of the Entitlement Offer will be utilised to provide further investment capacity for the continued growth of Abacus over the medium term and pay down existing debt facilities.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcement and the Investor Presentation annexed to this Retail Offer Booklet for information on the rationale for the Entitlement Offer, the use of the proceeds of the Entitlement Offer, and for further information on the Group and its strategy.

The Entitlement Offer is comprised of two components, the Institutional Entitlement Offer and the Retail Entitlement Offer, each of which are summarised below.

### 1.2 Institutional Entitlement Offer

On Tuesday, 8 December 2020, Eligible Institutional Securityholders were given the opportunity to take up all or part of their Entitlement under the underwritten Institutional Entitlement Offer at an Issue Price of \$2.90 per New Security.

New Securities equivalent to the number not taken up by Eligible Institutional Securityholders under the Institutional Entitlement Offer as well as Entitlements of Ineligible Institutional Securityholders were offered to Eligible Institutional Securityholders who applied for New Securities in excess of their Entitlement, as well as to certain other Institutional Investors.

Abacus' largest securityholder, Calculator Australia, is supportive of the Entitlement Offer and will participate for its pro rata entitlement in full as part of the Institutional Entitlement Offer. In addition, Calculator Australia has provided a commitment to sub-underwrite the approximately \$46 million Retail Entitlement Offer.<sup>17</sup>

The Institutional Entitlement Offer was successfully conducted on Tuesday, 8 December 2020 and raised approximately \$356 million. New Securities are expected to be allotted under the Institutional Entitlement Offer on Monday, 21 December 2020.

### 1.3 Retail Entitlement Offer

Eligible Retail Securityholders are being invited to subscribe for all or part of their Entitlement and are being sent this Retail Offer Booklet with a personalised Entitlement and Acceptance Form.

Eligible Retail Securityholders who take up their full Entitlement may also apply to participate in the Oversubscription Facility by applying for Additional New Securities in excess of their Entitlement at the Issue Price.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Securityholders, being Securityholders on the Record Date who have a registered address in Australia or New Zealand and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer. A

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<sup>17</sup> Refer to footnote 2 on page 9.

person in the United States or acting for the account or benefit of a person in the United States (to the extent they are holding Abacus Securities for the account or benefit of a person in the United States), or an Institutional Securityholder is not entitled to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer is underwritten, and seeks to raise approximately \$46 million. The Issue Price under the Retail Entitlement Offer is the same as the Issue Price under the Institutional Entitlement Offer. As mentioned above under the Institutional Entitlement Offer, Calculator Australia has provided a commitment to sub-underwrite the approximately \$46 million Retail Entitlement Offer.<sup>18</sup>

### Eligibility Criteria

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements, logistical and registry constraints, and the discretion of Abacus. Abacus and the Underwriter disclaim any liability in respect of the exercise or otherwise of that determination and discretion, to the maximum extent permitted by law.

The Retail Entitlement Offer is only open to Eligible Retail Securityholders, being each person who on the Record Date:

- (a) is registered as a holder of Abacus Securities;
- (b) has a registered address in Australia or New Zealand as noted on Abacus' register of Securityholders or persons that Abacus has determined in its discretion are Eligible Retail Securityholders;
- (c) is not in the United States and is not a person (including nominees, trustees and custodians) acting for the account or benefit of a person in the United States (to the extent they are holding Abacus Securities for the account or benefit of a person in the United States);
- (d) is not an Institutional Securityholder or an Ineligible Institutional Securityholder and does not hold Securities on behalf of an Ineligible Institutional Securityholder; and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document or any lodgement, filing, registration or qualification.

Eligible Retail Securityholders have the opportunity to be allotted New Securities up to their Entitlement at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer, on Monday, 21 December 2020 if they submit an Application and their relevant Application Monies are received in cleared funds by 5.00pm (Sydney) on Thursday, 17 December 2020 in accordance with their Entitlement and Acceptance Form. Otherwise, the Retail Entitlement Offer closes at 5:00pm (Sydney time) on Wednesday, 23 December 2020, with New Securities to be allotted on Thursday, 31 December 2020.

### Sale Nominee

Macquarie Securities (Australia) Limited (ABN 58 002 832 126) has been appointed under section 615 of the Corporations Act to act as the sale nominee in connection with the Entitlement Offer (**Sale Nominee**). The Sale Nominee will sell the rights to subscribe for New Securities under the Entitlement Offer that would have been issued to Ineligible Securityholders had they

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<sup>18</sup> Refer to footnote 2 on page 9.

been eligible to participate through the bookbuild conducted as part of the Institutional Entitlement Offer and remit any net proceeds of the sale to those Ineligible Securityholders. As the Entitlement Offer is non-renounceable, the net proceeds will be nil.

#### **1.4 Ranking of New Securities**

New Securities issued under the Entitlement Offer will rank pari passu with existing Securities from allotment, and will be entitled to the interim distribution for the period ended 31 December 2020, which is expected to be 8.50 cents per Security.

#### **1.5 Reconciliation and fractional entitlements**

In any entitlement offer, investors may believe that they own more or fewer existing Securities on the Entitlement Offer Record Date than they ultimately do. This could potentially result in the requirement for reconciliation to ensure all Eligible Retail Securityholders have the opportunity to receive their full Entitlement. If this is required, it is possible that Abacus may need to issue a small quantity of Additional New Securities to ensure all Eligible Securityholders have the opportunity to receive their full Entitlement. The price at which these New Securities will be issued will be the same as the Issue Price (\$2.90).

To the extent that application of the offer ratio of 1 New Securities for every 4.8 existing Securities held on the Entitlement Offer Record Date results in a fractional entitlement to New Securities for a particular Securityholder, that Securityholder's Entitlement shall be rounded up to the next higher whole number of New Securities.

#### **1.6 Quotation and trading**

Abacus will apply to ASX for the official quotation of the New Securities in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that:

- normal trading of New Securities allotted under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date will commence on Tuesday, 22 December 2020; and
- normal trading of New Securities allotted under the remainder of the Retail Entitlement Offer will commence on Monday, 4 January 2020.

#### **1.7 Holding Statements**

Holding statements are expected to be despatched to Eligible Securityholders:

- on Monday, 21 December 2020 in respect of New Securities allotted under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date; and
- on Monday, 4 January 2020 in respect of New Securities allotted under the remainder of the Retail Entitlement Offer.

It is the responsibility of each applicant to confirm their holding before trading in New Securities. Any applicant who sells New Securities before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Abacus and the Underwriter and each of their directors, officers, employees, agents and consultants disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Securities before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Abacus, the Registry or the Underwriter.

### **1.8 Withdrawal of the Entitlement Offer**

Abacus reserves the right to withdraw the Entitlement Offer at any time, in which case Abacus will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

### **1.9 Participation of Directors**

The Directors (and their representatives) may acquire New Securities under the Entitlement Offer to the extent they are Eligible Securityholders. Details of Directors' holdings of Securities and substantial holders' interests in the Group are disclosed to, and available from, ASX at [www.asx.com.au](http://www.asx.com.au).

## Section 2 - How to Apply – Eligible Retail Securityholders

### 2.1 Choices available to Eligible Retail Securityholders

Eligible Retail Securityholders may do any one of the following:

1. Take up their Entitlement in full (refer to Section 2.2);
2. Take up part of their Entitlement and allow the remaining Entitlements to lapse (refer to Section 2.2);
3. If you take up all of your Entitlement, you may also apply for Additional New Securities under the Oversubscription Facility (refer to Section 2.2 and 2.3); **OR**
4. Do nothing and allow their Entitlement to lapse. It is not possible to sell or transfer your Entitlement if you decide not to take it up (refer to Section 2.4).

The Retail Entitlement Offer is a pro rata offer to Eligible Retail Securityholders only (refer to Section 1.3).

### 2.2 Take up all, or part, of your Entitlement or apply for Additional New Securities in excess of your Entitlement

If you wish to take up your Entitlement in full or in part, or in full and apply for Additional New Securities, you can submit your Application Monies via BPay® or submit your completed Entitlement and Acceptance Form together with a cheque, bank draft or money order for all Application Monies.

In light of delays to postal services caused by the COVID-19 pandemic, you are encouraged to apply via BPay® as you do not need to return the Entitlement and Acceptance Form enclosed with this Booklet if you choose to pay through this method.

#### **Payment via BPay®**

For payment by BPay®, please follow the instructions on your personalised Entitlement and Acceptance Form received in the mail or electronically if you elected to receive electronic communications. You can only make a payment via BPay® if you are the holder of an account with an Australian financial institution that supports BPay® transactions.

If you are paying by BPay®, please ensure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you have multiple holdings you will have and receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding, your Application will not be recognised as valid and may be rejected.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

To apply and pay via BPay®, you should:

- read this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- make your payment in respect of the full Application Monies via BPay® for the number of New Securities you wish to subscribe for (being the Issue Price of \$2.90 per New Security multiplied by the number of New Securities you are applying for including your Entitlement and any Additional New Securities) so that it is received by no later than the Final Retail

Entitlement Offer Closing Date, being 5:00pm (Sydney time) on Wednesday, 23 December 2020.

If paying via BPay® you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in Section 2.5 (Implications of making an Application), including the Eligible Retail Securityholder declarations referred to in the Entitlement and Acceptance Form.

If the amount of Application Monies is insufficient to pay in full for the number of New Securities you applied for, you will be taken to have applied for such whole number of New Securities which is covered in full by your Application Monies (and to have specified that number of New Securities on your Entitlement and Acceptance Form). Alternatively, your application will be rejected.

**Other payment method – cheque, bank draft or money order**

Abacus encourages payments by BPay® if possible.

To apply and pay by cheque, bank draft or money order you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- complete the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Securities you wish to subscribe for; and
- return the form to the Registry (address details below) together with a cheque, bank draft or money order which must be:
  - for the number of New Securities you wish to subscribe for (being the Issue Price of \$2.90 per New Security multiplied by the number of New Securities you are applying for including your Entitlement and any Additional New Securities);
  - in Australian currency drawn on an Australian branch of a financial institution; and
  - made payable to 'ABP Capital Account' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your Entitlement and Acceptance Form and cheque, bank draft or money order is received by the Registry by no later than 5.00pm (Sydney, Australia time) on Wednesday, 23 December 2020 at the address set out below:

**Mailing Address:**

Abacus Property Group  
C/- Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

**Email:** [corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)

You must ensure sufficient cleared funds are held in your account as your cheque, bank draft or money order will be banked as soon as it is received. Please note that you should consider postal and cheque, bank draft or money order clearance timeframes in meeting this deadline.

If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which it clears in time for allocation) is insufficient to pay in full for the number of New Securities you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Securities as your cleared Application Monies will pay for (and to have specified that number of New Securities on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected.

If you wish to be allotted New Securities the subject of your Entitlement at the same time as Eligible Institutional Securityholders on the Institutional Entitlement Offer Allotment Date and Early Retail Entitlement Offer Allotment Date, being Monday, 21 December 2020, you must make payment of the Application Monies (whether via BPay® or cheque, bank draft or money order, as set out above) in time to ensure that cleared funds are received no later than 5.00pm (Sydney time) on Thursday, 17 December 2020. If your payment of the Application Monies is received in cleared funds after 5.00pm (Sydney time) on Thursday, 17 December 2020, but before the Final Retail Entitlement Offer Closing Date (being 5:00pm (Sydney time) on Wednesday, 23 December 2020), New Securities will be allotted to you on the Final Retail Entitlement Offer Allotment Date being Thursday, 31 December 2020. Your payment of the Application Monies will not be accepted after the Final Retail Entitlement Offer Closing Date, and no New Securities will be issued to you in respect of that Application.

### **Refund of Application Monies**

Any Application Monies received for more than your final allocation of New Securities and Additional New Securities will be refunded as soon as practicable after allotment. No interest will be paid to applicants on any Application Monies received or refunded.

## **2.3 Taking up all of your Entitlement and applying for Additional New Securities**

Eligible Retail Securityholders who take up their Entitlement in full may also apply for Additional New Securities in excess of their Entitlement (to the extent other Eligible Retail Securityholders do not take up their full Entitlement). Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Securities as it will pay for in full.

Additional New Securities will only be allocated to Eligible Retail Securityholders if available, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If Eligible Retail Securityholders apply for more Additional New Securities than available under the Oversubscription Facility, Abacus will scale back applications for Additional New Securities in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Securityholders who apply for Additional New Securities and Application Monies received for more than your final allocation of New Securities and Additional New Securities will be refunded as soon as practicable after allotment (refer to Refund of Application Monies in section 2.2).

## **2.4 Take no action and allow all of your Entitlement to lapse**

If you are an Eligible Retail Securityholder and you do nothing, the Entitlements in respect of your existing Securities will lapse and may be acquired by Eligible Retail Securityholders under the Oversubscription Facility.

You should also note that, if you do not take up all or part of your Entitlement, then your proportionate interest in the Group will be diluted to the extent that New Securities are issued to other Securityholders and Institutional Investors.

## **2.5 Implications of making an Application**

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Securities. Abacus' decision whether to treat an

Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By returning a completed Entitlement and Acceptance Form together with payment of requisite Application Monies or by paying any Application Monies for New Securities via BPay®, you will be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you:

- are (or the person on whose account you are acting is) an Eligible Retail Securityholder;
- have received a copy of this Retail Offer Booklet accompanying your personalised Entitlement and Acceptance Form, and read and understood them in their entirety;
- make the Eligible Retail Securityholder declarations referred to in the Entitlement and Acceptance Form;
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPay® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;
- agree to be bound by the constitution of the Group;
- acknowledge the statement of risks in the “Key Risks” section of the Investor Presentation (at Annexure B to this Retail Offer Booklet), and that investments in the Group are subject to investment risk;
- agree to be bound by the terms of the Retail Entitlement Offer;
- authorise Abacus to register you as the holder of New Securities allotted to you under this Retail Entitlement Offer;
- declare that all details on the Entitlement and Application Form are complete, accurate and up to date;
- are over 18 years of age and that you have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- accept that there is no cooling off period under the Retail Entitlement Offer;
- agree to apply for and be issued with up to the number of New Securities shown on the Entitlement and Acceptance Form, or for which you have submitted payment of Application Monies via BPay®, at the Issue Price of \$2.90 per New Security;
- authorise Abacus, the Underwriter, the Registry and respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- represent and warrant (for the benefit of Abacus, the Underwriter and their respective related bodies corporate and affiliates, and each of their directors, officers, employees, agents and consultants) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Securityholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- are (or the person on whose account you are acting is) the current registered holder of existing Securities at the Record Date as indicated on your personalised Entitlement and Acceptance Form as being held by you (or the person on whose account you are acting);
- are (or the person on whose account you are acting is) an Australian or New Zealand resident at the Entitlement Offer Record Date;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form does not constitute investment advice, nor a recommendation that New Securities are suitable for you given your individual investment objectives, financial situation or particular needs;
- understand that this Retail Offer Booklet is not a product disclosure statement or prospectus, does not contain all of the information that you may require in order to assess

an investment in Abacus and is given in the context of Abacus's past and ongoing continuous disclosure obligations under the Corporations Act and the ASX listing rules;

- acknowledge that neither Abacus nor the Underwriter, and their respective directors, officers, partners, employees, representatives, agents, consultants nor advisers guarantee the performance of the New Securities offered under the Retail Entitlement Offer or the performance of the Group, nor do they guarantee the repayment of capital from the Group;
- are an Eligible Retail Securityholder and the law of any other jurisdiction does not prohibit you from being given this Retail Offer Booklet or making an Application;
- authorise Abacus, the Underwriter and the Registry and their respective officers or agents to correct any errors in your personalised Entitlement and Acceptance Form or other form provided to you;
- acknowledge and agree that:
  - determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and Registry constraints and the discretion of Abacus and/or the Underwriter; and
  - each of Abacus and the Underwriter and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person);
- understand and acknowledge that the Entitlements and the New Securities have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States and that, accordingly, Entitlements may not be taken up or exercised by, and the New Securities may not be offered, sold or resold, directly or indirectly, to any person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the securities laws of any state or other jurisdiction in the United States;
- have not sent and agree not to send the Retail Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- are not engaged in the business of distributing securities;
- will only sell or otherwise transfer the New Securities acquired under the Retail Entitlement Offer (if in the future, you decide to do so) in transactions exempt from, or not subject to, the registration requirements of the US Securities Act, including in the standard ("regular way") transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- you are purchasing the Entitlements or the New Securities in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the U.S. Securities Act;
- make all other representations and warranties set out in this Retail Offer Booklet;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States (or in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person), and that you have not sent and will not send, this Retail Offer Booklet, the

Entitlement and Acceptance Form or any information related to the Entitlement Offer to any such person in the United States; and

- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Securities on the Entitlement Offer Record Date.

## **2.6 Enquiries**

This Retail Offer Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. If you:

- have questions in relation to the existing Securities upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Abacus Property Group Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020). If you have further questions you should contact your professional adviser.

## Section 3 - Taxation

### 3.1 General

The section below provides a general summary of the Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Securityholders.

The comments in this Section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Securities on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Securities as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of securities trading);
- are subject to the 'TOFA provisions' in Division 230 of the Income Tax Assessment Act 1997 in relation to the holding of securities; or
- acquired the Securities in respect of which the Entitlement Offer is issued under any employee Security scheme or where the New Securities are acquired pursuant to any employee Security scheme.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

The Australian tax comments included in this Section are based on taxation legislation, current case law and rulings issued by the Australian Taxation Office (**ATO**). The tax law and ATO interpretation are subject to change, and such changes may be effective retrospectively and may affect the comments below.

Abacus and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is necessarily general in nature. It is strongly recommended that each Eligible Retail Securityholder seek their own independent professional tax advice applicable to their particular circumstances.

### 3.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

### 3.3 Exercise of Entitlements

Eligible Retail Securityholders who exercise their Entitlements or, to the extent relevant, participate in the Oversubscription Facility, will acquire New Securities. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlements, you will acquire New Securities. Each New Security will constitute a separate asset for CGT purposes.

The total cost base (and reduced cost base) of the New Securities should equal the Issue Price for the New Securities plus certain non-deductible incidental costs incurred in acquiring the New Securities.

Each of the shares and units in the New Securities will be taken to be acquired on the day that the Entitlement in respect of the New Security is exercised.

### **3.4 Distributions on New Securities**

Future distributions made in respect of New Securities will be subject to the same income taxation treatment as distributions made on existing Securities held in the same circumstances.

### **3.5 Disposal of New Securities**

Broadly, on disposal of a New Security, you will make a capital gain if the capital proceeds on disposal exceed the total cost base of the New Security. You will make a capital loss if the capital proceeds are less than the total reduced cost base of the New Security.

As each individual share and unit in a New Security is a separate CGT asset, the disposal of a New Security will constitute a disposal for CGT purposes of each individual share or unit in the New Security. Accordingly, the cost base and the capital proceeds referable to each relevant share or unit will need to be determined by apportioning the total cost base paid in respect of the acquisition of a New Security, and the total capital proceeds received in respect of the disposal of the New Security on a reasonable basis across each unit and share.

Individuals, complying superannuation entities or trustees that have held New Securities for at least 12 months (not including the dates of acquisition and disposal of the New Securities) should be entitled to discount the amount of any capital gain resulting from the disposal of the Securities (after the application of any current year or carry forward capital losses).

Currently, the CGT discount applicable is currently one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the New Securities, the capital loss can only be used to offset capital gains; the capital loss cannot be used to offset taxable income on revenue account. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year it, providing certain integrity tests are satisfied for certain entities.

### **3.6 Entitlements not taken up**

As described in Section 2.4 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Securityholder will not receive any consideration for those Entitlements. In these circumstances, there should not be any tax implications for the Eligible Retail Securityholder.

### **3.7 Tax file number**

If a Securityholder has quoted their Australian business number (**ABN**), tax file number (**TFN**) or an exemption from quoting their tax file number in respect of an existing Security, this quotation or exemption will also apply in respect of any New Securities acquired by that Securityholder.

Tax may be required to be deducted by Abacus from any distributions at the highest marginal tax rate if an ABN or TFN has not been quoted, or an appropriate TFN exemption has not been provided.

### **3.8 Other Australian taxes**

No Australian GST or stamp duty will be payable by Eligible Retail Securityholders in respect of the issue or exercise of the Entitlements or the acquisition of New Securities pursuant to the Retail Entitlement Offer. Eligible Retail Securityholders may not be entitled to claim full input tax credits in respect of the GST paid (if any) on costs incurred in connection with the issue or exercise of the Entitlements or the acquisition of New Securities. Separate GST advice should be sought in this respect.

## Section 4 - Important Information for Securityholders

### 4.1 Retail Offer Booklet availability

Those Eligible Retail Securityholders with a registered address in Australia or New Zealand will receive a copy of this Retail Offer Booklet and their personalised Entitlement and Acceptance Form in the mail or electronically if they elected to receive electronic communications. Please read this Retail Offer Booklet and the Entitlement and Acceptance Form together in their entirety.

A copy of this Retail Offer Booklet can be obtained during the Retail Offer Period on the ASX platform or Abacus' website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au) or by calling Abacus Property Group's Information Line on 1300 139 440 (from within Australia) or +61 2 9290 9691 (from outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period (Monday, 14 December 2020 to Wednesday, 23 December 2020).

If this Retail Offer Booklet is being viewed electronically, please ensure that you download the Retail Offer Booklet in its entirety (including the annexures to this Retail Offer Booklet).

It is important to note that you will only be eligible to accept the Retail Entitlement Offer by:

- making a payment of Application Monies via BPay® using the information contained on your personalised Entitlement and Acceptance Form; or
- completing your personalised Entitlement and Acceptance Form which accompanies this Retail Offer Booklet and returning it to the Registry together a cheque, bank draft or money order with your Application Monies,

by the Final Retail Entitlement Offer Closing Date (see Section 2 - for further information). Please carefully read the instructions on the accompanying Entitlement and Acceptance Form.

Securityholders in foreign jurisdictions need to refer to Section 4.8 below.

### 4.2 Continuous disclosure requirements

Under the Corporations Act, Abacus is considered a disclosing entity and is subject to ongoing reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Under ASX Listing Rules, Abacus has an obligation (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Group's Securities. Such information is available to the public from the ASX at [www.asx.com.au](http://www.asx.com.au).

Abacus is also required to lodge certain documents with ASIC. Such documents can be inspected and obtained from an ASIC office.

### 4.3 Risks factors

The Investor Presentation details important factors and risks that could affect the financial and operating performance of the Group. Please refer to Key Risks section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some considerations which may be relevant have been outlined in Section 3 - of this Retail Offer Booklet).

#### **4.4 No authorisation beyond information contained within this Retail Offer Booklet**

Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Abacus in connection with the Entitlement Offer. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Retail Offer Booklet.

Except as required by law, and only to the extent so required, none of Abacus or any of their respective directors, officers or employees or any other person, warrants or guarantees the future performance of the Group or any return on any investment made pursuant to this Retail Information Booklet.

#### **4.5 No cooling-off rights**

Cooling-off rights do not apply to a subscription for New Securities under the Entitlement Offer. This means that you cannot withdraw your Application once it has been accepted.

#### **4.6 Notice to nominees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Securityholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of their beneficiaries on whose behalf they hold Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Securityholder.

Nominees or custodians who hold Securities as nominees or custodians will have received, or will shortly receive, a letter from Abacus in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- a. beneficiaries on whose behalf they hold Securities as nominees or custodians who would not satisfy the criteria for an Eligible Retail Securityholder;
- b. Eligible Institutional Securityholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- c. Ineligible Securityholders who were ineligible to participate in the Institutional Entitlement Offer; or
- d. Securityholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer (including this Retail Offer Booklet) to, any person in the United States or any other jurisdiction outside of Australia or New Zealand. Abacus is not required to determine whether or not any Securityholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Securities or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. Abacus is not able to advise on foreign laws. Eligible Retail Securityholders who are nominees or custodians are therefore advised to seek independent advice as to how to proceed.

#### **4.7 Underwriting arrangements and fees**

Abacus has entered into an Underwriting Agreement with Macquarie Capital (Australia) Limited in respect of the Entitlement Offer. Any New Securities which are not taken up by Eligible Retail Securityholders pursuant to their Entitlement and under the Oversubscription Facility will form part of a shortfall to be taken up by the Underwriter or sub-underwriters, on the terms and conditions of the Underwriting Agreement. For a summary of the key terms of the Underwriting Agreement, please refer to the "Key Risks" section of the Investor Presentation (see Annexure B of this Retail Offer Booklet).

#### **4.8 Responsibility of this Retail Offer Booklet and consents**

Statements included in this Retail Offer Booklet or any statement on which a statement in this Retail Offer Booklet is based are not made by the directors, officers, employees, partners, agents and advisers of Abacus, but Abacus itself. No party other than Abacus has authorised or caused the issue of this Retail Offer Booklet.

To the maximum extent permitted by law each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet other than references to its name or a statement included in this Retail Offer Booklet.

The Underwriter Parties have not authorised or caused the issue of this Retail Offer Booklet and they do not take responsibility for any statements made in this Retail Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter Parties disclaim all liability, including (without limitation) liability arising from fault or negligence, for any loss howsoever and whenever arising as a result of your participation in the Entitlement Offer and from the use of any of the information contained in this Retail Offer Booklet, and the Underwriter does not act as a fiduciary or agent of each other or any other person. None of the Underwriter Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warranty and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Securities or the Entitlement Offer generally.

#### **4.9 Governing law**

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Securityholder who applies for New Securities submits to the jurisdiction of the courts of New South Wales, Australia.

#### **4.10 ASX Confirmation**

ASX has confirmed that the Entitlement Offer timetable shown on page 13 is acceptable to ASX.

#### **4.11 Rights of Abacus**

Abacus reserves the right (in its absolute sole discretion) to reduce the number of Entitlements or New Securities allocated to Eligible Retail Securityholders, or persons claiming to be Eligible Retail Securityholders, if their claims prove to be overstated or if they (or their nominees/custodians) fail to provide information requested to substantiate their claims or if they are not indeed Eligible Securityholders. In that case Abacus may, in its discretion and subject to the terms of the Underwriting Agreement, require the relevant Securityholder to transfer excess New Securities to the Underwriter at the Issue Price per New Security. If necessary, the relevant Securityholder may need to transfer existing Securities held by them or purchase additional

Securities on-market to meet this obligation. The relevant Securityholder will bear any and all losses and expenses caused by subscribing for New Securities in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Offer, you irrevocably acknowledge and agree to do the above as required by Abacus in its absolute discretion. You acknowledge that there is no time limit on the ability of Abacus or the Underwriter to require any of the actions set out above.

Abacus also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

#### **4.12 Ineligible Retail Securityholders**

All Securityholders who at the Record Date do not satisfy the criteria to be Eligible Retail Securityholders or Eligible Institutional Securityholders are Ineligible Securityholders. Ineligible Securityholders are not entitled to participate in the Entitlement Offer, unless Abacus otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because Abacus has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Securityholders. This decision has been made after taking into account the relatively small number of Ineligible Securityholders, the number and value of New Securities to which those Ineligible Securityholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Securityholders are located in relation to the Entitlement Offer.

Abacus, in its absolute discretion, may extend the Entitlement Offer to any Securityholder if it is satisfied that the Entitlement Offer may be made to the Securityholder in compliance with all applicable laws. Abacus, in its absolute discretion, reserves the right to determine whether a Security is an Eligible Retail Securityholder, Eligible Institutional Securityholder or an Ineligible Securityholder. To the maximum extent permitted by law, Abacus disclaims all liability in respect of such determination.

#### **4.13 Date of this Retail Offer Booklet**

This Retail Offer Booklet is dated 14 December 2020. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. Abacus is not responsible for updating this Retail Offer Booklet.

The ASX Announcements and Investor Presentation set out in this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by Abacus (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Abacus before submitting an Application.

## Annexure A – ASX announcement

Not for release or distribution in the United States

8 December 2020

### Abacus business update and launch of a fully underwritten<sup>1</sup> \$402 million equity raising for growth capital

- Abacus Property Group (“Abacus”) (ASX: ABP) has executed on its stated strategy to become a strong asset backed, annuity style, investment house and has delivered a pleasing Q1 FY21 trading performance across its portfolio
- \$926 million of capital has been deployed into acquisitions in the key sectors of Office and Self Storage post FY19 including \$205 million in FY21 to date
  - \$155 million deployed into Self Storage acquisitions
  - \$50 million deployed into Office acquisitions
- In addition, Abacus has a current identified acquisition pipeline (“Pipeline”) comprising approximately \$160 million of assets under active consideration of which approximately \$130 million is in advanced negotiations with due diligence well progressed
  - 100% ownership of Storage King is expected to increase the velocity of acquisitions and provide a significant competitive advantage
- Abacus is undertaking a fully underwritten<sup>1</sup> 1-for-4.8 accelerated non-renounceable pro rata entitlement offer to raise approximately \$402 million (“Entitlement Offer”) in order to repay debt and increase acquisition capacity<sup>2</sup> for continued growth over the medium term
- Pro forma expected gearing of 17.5% and acquisition capacity<sup>2</sup> of \$911 million post completion of the Entitlement Offer
- Expected HY21 Funds from Operations (“FFO”) of 8.9 - 9.1 cents per security and expected FY21 interim distribution of 8.5 cents per security (to which new securities issued under the Entitlement Offer will be entitled)

### Business update and outlook

Trading conditions in our Self Storage portfolio have proved resilient. Our multi-pronged growth strategy including acquisition, development, expansion and optimisation has delivered strong Q1 FY21 results, with occupancy<sup>3</sup> of 89.7% and revenue per available square metre<sup>3</sup> (“RevPAM”) of \$251, while rent collection remains high at 99%.

<sup>1</sup> Refer to the summary under the heading “Underwriting” on slide 31 of the Investor Presentation for further information

<sup>2</sup> Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

<sup>3</sup> Established Portfolio – 57 facilities traded since FY18 on a constant foreign exchange basis (adjusted for material expansions where relevant)



In the Office portfolio, acquisitions and active asset management have supported resilient Q1 FY21 trading. During the first quarter over 28,000 sqm of leasing space<sup>4</sup> was completed with positive spreads, driving an improved lease expiry profile. Office portfolio occupancy<sup>5</sup> is 91.4% while rent collection was 91%.

Post completion of the Entitlement Offer, Abacus expects FFO for HY21 to be 8.9 - 9.1 cents per security (\$59 - \$61 million) and expects the interim distribution to be 8.5 cents per security.

Second half FY21 FFO is expected to be higher than the first half, benefitting from recent acquisitions, anticipated continued improvement in underlying trading conditions across the portfolio, ongoing tailwinds in the Self Storage sector and continued deployment of capital for acquisition opportunities. FY21 full year distribution is expected to reflect a payout ratio broadly in line with the target range of 85 - 95% of FFO<sup>6</sup>.

## Self Storage portfolio – substantial growth

Abacus has made significant progress in growing its portfolio in the key sectors of Office and Self Storage, with \$926 million of capital deployed post FY19 including \$205 million in FY21 to date. Both sectors continue to present opportunities for growth.

Since FY19 Abacus has deployed \$413 million of capital into Self Storage. To date in FY21, \$155 million has been deployed including acquisition of the remaining 75% interest in our operating platform, Storage King, and the exchange of contracts or settlement on \$97.5 million of Self Storage properties.

Abacus has a current identified acquisition Pipeline under active consideration comprising \$160 million of assets, of which approximately \$130 million is a high quality portfolio of metropolitan assets located in Significant Urban Areas<sup>7</sup> in advanced negotiations with due diligence well progressed. Should the Pipeline proceed, it is expected to complete in Q3 FY21 and if successfully completed, Abacus' Self Storage portfolio will comprise \$1,521 million of assets.

Abacus continues to originate a strong pipeline of opportunities through the Storage King platform, with 100% ownership of Storage King expected to increase the velocity of acquisitions and provide a significant competitive advantage in acquiring scale. Since the acquisition of the initial 25% interest in Storage King in FY18, Abacus has sourced 70% of new acquisitions via the Storage King relationship/platform with 20% on market and 80% off market.

A robust development pipeline with 55,250 sqm identified to be delivered over the medium term is expected to enhance portfolio quality and increase income growth, with the expected development spend of approximately \$80 million targeting a return on invested capital of 8.0%<sup>8</sup>.

## Equity Raising Overview

In order to repay debt and provide further acquisition capacity for continued growth over the medium term, Abacus is undertaking a fully underwritten<sup>9</sup> 1-for-4.8 accelerated non-renounceable pro rata entitlement offer to raise approximately \$402 million.

Under the Entitlement Offer, eligible securityholders are invited to subscribe for one new Abacus stapled security ("New Securities") for every 4.8 existing Abacus stapled securities held as at 7:00pm (AEDT) on Thursday, 10 December 2020 ("Record Date").

<sup>4</sup> Includes non-Abacus share for jointly held assets

<sup>5</sup> Excludes development affected assets

<sup>6</sup> Subject to timing of acquisition settlements

<sup>7</sup> As defined by the Australian Bureau of Statistics

<sup>8</sup> Post stabilisation

<sup>9</sup> Refer to the summary under the heading "Underwriting" on slide 31 of the Investor Presentation for further information



All securities offered under the Entitlement Offer will be issued at a fixed price of \$2.90 per New Security, which represents a:

- 6.5% discount to the last close price of \$3.10 on Monday, 7 December 2020;
- 7.7% discount to the 5-day VWAP<sup>10</sup> of \$3.14 on Monday, 7 December 2020;
- 5.4% discount to the TERP<sup>11</sup> of \$3.07

Approximately 138.7 million new Abacus securities will be issued under the Entitlement Offer. Each New Security issued under the Entitlement Offer will rank equally with existing Abacus securities on issue, including entitlement to Abacus' interim distribution for the period ending 31 December expected to be 8.5 cents per security. Abacus will, upon issue of the New Securities under the Entitlement Offer, seek quotation of the New Securities on the ASX.

Eligible institutional securityholders will be invited to participate in the accelerated institutional component of the Entitlement Offer ("Institutional Entitlement Offer"), which is being conducted today, Tuesday, 8 December 2020.

The retail component of the Entitlement Offer ("Retail Entitlement Offer") will be open to eligible retail securityholders with a registered address in Australia or New Zealand from Monday, 14 December 2020 to Wednesday, 23 December 2020. An offer booklet in respect of the Retail Entitlement Offer is expected to be mailed to eligible retail securityholders on Monday, 14 December 2020.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Abacus' largest securityholder, Calculator Australia, is supportive of the Entitlement Offer and intends to take up its full entitlement<sup>12</sup>. In addition, Calculator Australia has provided a commitment to sub-underwrite approximately \$49 million across the retail tranche of the Entitlement Offer<sup>13</sup>.

## Financial impact

Post completion of the Entitlement Offer, pro forma gearing<sup>14</sup> is expected to be 17.5%, which provides Abacus with \$911 million of acquisition capacity<sup>15</sup>. If the Pipeline acquisitions are successfully completed and following completion of the Entitlement Offer, pro forma gearing will increase to 21.5%.

On completion of the Entitlement Offer, the pro forma NTA<sup>16</sup> per security is expected to be \$3.15.

The increase in acquisition capacity is expected to allow Abacus to execute on future growth initiatives including developments and acquisitions.

Abacus' Managing Director, Steven Sewell, said, "It has been immensely pleasing for Abacus to successfully deliver on its stated strategy. Since FY19, \$926 million of capital has been deployed into acquisitions in the key areas of Office and Self Storage. This Entitlement Offer is expected to allow Abacus to extend its strong track record of long term value enhancing investments by providing an additional \$911 million of acquisition capacity, ensuring Abacus will be in a strong position to continue to take advantage of the significant number of opportunities in these key sectors."

<sup>10</sup> Volume Weighted Average Price

<sup>11</sup> The theoretical ex-rights price ("TERP") is the theoretical price at which Abacus securities should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Abacus securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Abacus' last closing price of \$3.10 on 7 December 2020

<sup>12</sup> Refer to slide 39 of the Investor Presentation for information on the possible effects of Calculator Australia's participation in the Entitlement Offer on its holding

<sup>13</sup> Any shortfall securities not taken-up by eligible retail securityholders will be allocated on a pro rata basis to eligible institutional investors who commit to sub-underwrite the retail tranche of the Entitlement Offer. Any subsequent shortfall will then be allocated to Calculator Australia as sub-underwriter of 'last resort'

<sup>14</sup> Bank debt less cash divided by total assets less cash

<sup>15</sup> Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

<sup>16</sup> Net assets excluding external non-controlling interests and intangible assets. Includes right-of-use property assets and lease liabilities of \$2.3 million



## Offer timetable

An indicative timetable of key dates in relation to the Entitlement Offer is set out below. All dates and times are references to Sydney, Australia.

Event	Date (Sydney time)
Trading halt and announcement of the Entitlement Offer	Tuesday, 8 December 2020
Institutional Entitlement Offer opens and closes	Tuesday, 8 December 2020
Trading resumes on an 'ex-entitlement' basis	Wednesday, 9 December 2020
Record Date for the Entitlement Offer	Thursday, 10 December 2020
Retail Entitlement Offer Booklet despatched and Retail Entitlement Offer opens	Monday, 14 December 2020
Early Retail Entitlement Offer acceptance due date	Thursday, 17 December 2020
Settlement of Institutional Entitlement Offer and early Retail Entitlement Offer	Friday, 18 December 2020
Allotment of New Securities issued under the Institutional Entitlement Offer and early Retail Entitlement Offer	Monday, 21 December 2020
New Securities allotted under Institutional Entitlement Offer and early Retail Entitlement Offer commence trading	Tuesday, 22 December 2020
Retail Entitlement Offer closes for final applications	Wednesday, 23 December 2020
Announcement of results of Retail Entitlement Offer	Tuesday, 29 December 2020
Final settlement of Retail Entitlement Offer	Wednesday, 30 December 2020
Allotment of remaining New Securities issued under the Retail Entitlement Offer	Thursday, 31 December 2020
New Securities allotted under Retail Entitlement Offer commence trading	Monday, 4 January 2021
Despatch of holding statements of New Securities issued under the Retail Entitlement Offer	Monday, 4 January 2021

Note: The timetable above is indicative only and may be subject to change. Abacus (with the prior consent of the Underwriter) reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Abacus reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Securities.



## Further Information

Further details regarding the Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the Abacus Property Group Information Line on 1300 139 440 (within Australia) or +61 2 9290 9691 (outside of Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Macquarie Capital (Australia) Limited is acting as sole lead manager, bookrunner and underwriter for the Entitlement Offer. King & Wood Mallesons is acting as legal adviser to Abacus.

END

### INVESTOR & MEDIA ENQUIRIES

#### **Cynthia Rouse**

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## Important Information

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### **Financial data**

All dollar values are in Australian dollars (A\$) and financial data is presented as at 30 June 2020 unless otherwise stated.

This announcement contains certain financial information and measures that are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and 'non-GAAP financial



measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). These measures include, but are not limited to RevPAM, gearing, FFO, Return on Invested Capital and NTA. Such financial measures do not have a standardised meaning prescribed by the applicable AAS or IFRS, and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with the applicable AAS or IFRS. Although Abacus believes these non-IFRS / non- GAAP financial measures provide useful information to users in measuring the financial performance and condition of Abacus' business, readers are cautioned not to place undue reliance on any non-IFRS / non-GAAP financial measures included in this announcement.

Investors should note that this announcement contains pro forma financial information. The pro forma financial information provided in this announcement is unaudited and subject to change. Investors should also note that the pro forma financial information is for illustrative purposes only and is not represented as being indicative of Abacus' views on Abacus, nor anyone else's, future financial condition and/or performance and does not purport to be in compliance with Article 11 of Regulation S-X under the U.S. Securities Act and was not prepared with a view towards compliance with the rules and regulations or guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants for the preparation and presentation of pro forma financial information.

#### **Future performance**

This announcement contains certain "forward-looking statements". The words "expect", "should", "could", "may", "predict", "outlook", "foresee", "guidance", "plan", "estimate", "anticipate", "aim", "intend", "believe", "projection", "forecast", "target", "consider" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance and the outcome of the Entitlement Offer and the use of the proceeds are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, elements of subjective judgement and assumptions, contingencies and other factors (including those described in the key risk section of the investor presentation released on ASX on the same date as this announcement (including uncertainties associated with the ongoing impacts of COVID-19)), many of which are beyond the control of Abacus and its related bodies corporate and affiliates and each of its securityholders, directors, officers, employees, partners, agents and advisers (Beneficiaries), that may change without notice, and that may cause actual results or performance of Abacus to differ materially from those predicted or implied by any forward-looking statements. Such forward-looking statements speak only as of the date of this announcement. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements and Abacus (and its Beneficiaries) assume no obligation to update such information.

Such forward-looking statements should be considered in light of these disclosures. Investors are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. No representation, warranty or assurance (express or implied) is given or made by any person in relation to any forward-looking statement (including by Abacus or any of its advisers).

# Annexure B – Investor Presentation

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## ABACUS PROPERTY GROUP

### Business Update and Equity Raising 8 December 2020



# storage king



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This presentation has been prepared in connection with the underwritten accelerated non-renounceable pro rata entitlement offer (**Entitlement Offer**) of new Abacus Securities (**New Securities**). The Entitlement Offer is being conducted under section 708AA and 1012DAA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

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### Summary Information

The information contained in this presentation and the announcement to which it is attached should not be considered to be comprehensive or to comprise all the information which a securityholder or potential investor in Abacus may require in order to determine whether to deal in Abacus Securities, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the Corporations Act. This presentation and the announcement to which it is attached does not take into account the financial situation, investment objectives or particular needs of any person and nothing contained in this presentation and the announcement to which it is attached constitutes investment, legal, tax or other advice. Readers or recipients of this presentation and the announcement to which it is attached should, before making any decisions in relation to their investment or potential investment in Abacus, consider the appropriateness of the information having regard to their own objectives and financial situation and seek their own professional advice. Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited are not licensed to provide financial product advice in respect of Abacus Securities.

This presentation should be read in conjunction with the announcement to which it is attached. This presentation and the announcement to which it is attached should also be read in conjunction with Abacus' other periodic and continuous disclosure announcements lodged with ASX which are available at [www.asx.com.au](http://www.asx.com.au).

### Financial data

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## Past performance

The historical information in this presentation and the announcement to which it is attached is, or is based upon, information that has been released to the market. For further information, please see past announcements released to the ASX including the 2020 Full Year Results Presentation and the 2020 Full Year Financial Statements, which were announced to the market on 18 August 2020. Any past performance information given in this presentation and the announcement to which it is attached is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation and the announcement to which it is attached are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Macquarie Capital (Australia) Limited has acted as Lead Manager and Underwriter to the Entitlement Offer (**Underwriter**).

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You acknowledge and agree that the determination of eligibility of investors to participate in the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Abacus and/or the Underwriter. Abacus and its Beneficiaries and, the Underwriter Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Entitlement Offer without having independently verified that information and the Underwriter Parties do not assume responsibility for the accuracy or completeness of that information.

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# Executive summary

<p><b>Business update</b></p>	<ul style="list-style-type: none"> <li>Abacus is now a strong asset backed, annuity style investment house following the deployment of \$926 million of capital into acquisitions post FY19 including \$205 million in FY21 to date</li> <li><b>Self Storage:</b> Multi-pronged growth strategy has delivered strong Q1 FY21 trading performance             <ul style="list-style-type: none"> <li>occupancy<sup>1</sup> of 89.7%</li> <li>revenue per available square metre<sup>1</sup> ("RevPAM") of \$251</li> <li>Q1 FY21 rent collection remains high at 99%</li> </ul> </li> <li><b>Office:</b> Acquisitions and active asset management have supported resilient Q1 FY21 trading performance             <ul style="list-style-type: none"> <li>over 28,000 sqm of leasing<sup>2</sup> completed with positive spreads</li> <li>occupancy<sup>3</sup> of 91.4%</li> <li>91% of Q1 FY21 rents collected</li> </ul> </li> </ul>
<p><b>Self Storage portfolio growth</b></p>	<ul style="list-style-type: none"> <li>Deployment of \$413 million of capital into Self Storage acquisitions post FY19, with \$155 million deployed in FY21 to date, including             <ul style="list-style-type: none"> <li>acquisition of the remaining 75% interest in our operating platform, Storage King</li> <li>\$94 million of Self Storage properties settled</li> </ul> </li> <li>Current identified acquisition pipeline ("Pipeline") under active consideration comprises \$160 million of assets of which approximately \$130 million is in advanced negotiations with due diligence well progressed and should the transaction proceed, is expected to complete in Q3 FY21             <ul style="list-style-type: none"> <li>If these Pipeline acquisitions are successfully completed, Abacus' Self Storage portfolio will comprise \$1,521 million of assets</li> </ul> </li> <li>100% ownership of Storage King is expected to increase the velocity of acquisitions and provide a significant competitive advantage in acquiring scale</li> <li>A robust development pipeline of 55,250 sqm has been identified, with delivery over the medium term, an expected development spend of approximately \$80 million targeting a return on invested capital of 8.0%<sup>4</sup></li> </ul>

1. Established portfolio – 57 facilities traded since FY18 on a constant foreign exchange basis (adjusted for material expansions where relevant)  
 2. Includes non-Abacus share for jointly held assets  
 3. Excludes development affected assets  
 4. Post stabilisation



## Executive summary (continued)

<b>Equity raising</b>	<ul style="list-style-type: none"> <li>In order to repay debt and increase acquisition capacity<sup>1</sup> for continued growth over the medium term, Abacus is undertaking a fully underwritten<sup>2</sup> 1-for-4.8 accelerated non-renounceable pro rata entitlement offer to raise approximately \$402 million ("Entitlement Offer")</li> <li>New Securities will be offered at a fixed price of \$2.90 per security ("Issue Price") and will rank pari passu with existing Abacus Securities from allotment             <ul style="list-style-type: none"> <li>New Securities will be entitled to the interim distribution for the period ended 31 December 2020, which is expected to be 8.5 cents per security</li> </ul> </li> <li>Abacus' largest securityholder, Calculator Australia Pty Ltd as trustee for the Calculator Australia Trust ("Calculator Australia") is supportive of the Entitlement Offer and intends to take up its full entitlement<sup>3</sup>. In addition, Calculator Australia has provided a commitment to sub-underwrite approximately \$49 million across the retail tranche of the Entitlement Offer<sup>4</sup></li> </ul>
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>Post the completion of the Entitlement Offer, pro forma gearing<sup>5</sup> is expected to be 17.5%, which provides Abacus with \$911 million of acquisition capacity<sup>1</sup> <ul style="list-style-type: none"> <li>If the Pipeline acquisitions are successfully completed, pro forma gearing will increase to 21.5% following completion of the Entitlement Offer</li> </ul> </li> <li>On completion of the Entitlement Offer, the pro forma NTA<sup>6</sup> per security is expected to be \$3.15</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>Post completion of the Entitlement Offer, Abacus expects Funds From Operations ("FFO") for HY21 to be \$59 - \$61 million (8.9 - 9.1 cents per Abacus Security) and expects the interim distribution to be 8.5 cents per Abacus Security</li> <li>Second half FY21 FFO is expected to be higher than the first half, benefitting from recent acquisitions, anticipated continued improvement in underlying trading conditions across the portfolio, ongoing tailwinds in the Self Storage sector and continued deployment of capital into acquisition opportunities</li> <li>FY21 full year distribution is expected to reflect a payout ratio broadly in line with the target range of 85 - 95% of FFO<sup>7</sup></li> </ul>

1. Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

2. See summary at slide 31 under the heading "Underwriting" for further information

3. Refer to slide 39 for information on the possible effects of Calculator Australia's participation in the Entitlement Offer on its holding

4. Any shortfall securities not taken-up by eligible retail securityholders will be allocated on a pro rata basis to eligible institutional investors who commit to sub-underwrite the retail tranche of the Entitlement Offer. Any subsequent shortfall will then be allocated to Calculator Australia as sub-underwriter of 'last resort'

5. Bank debt less cash divided by total assets less cash

6. Net assets excluding external non-controlling interests and intangible assets. Includes right-of-use property assets and lease liabilities of \$2.3 million

7. Subject to timing of acquisition settlements

## Business update



## Self Storage portfolio – trading snapshot

Resilient performance with average rent and occupancy up from 30 June 2020



Storage King, Robina QLD

KEY METRICS	Q1 FY21	FY20
Passing yield <sup>1</sup>	6.6% <sup>2</sup>	6.2%
Average rent <sup>1</sup>	\$283psm <sup>3</sup>	\$281psm
Occupancy <sup>1</sup>	89.7%	88.1%
RevPAM <sup>1</sup>	\$251 <sup>3</sup>	\$248
RevPAM growth <sup>1</sup>	1.2% <sup>4</sup>	0.0%
Proportion of rents collected <sup>5</sup>	99%	98%
Waivers provided	Nil	\$0.3m

1. Established portfolio – 57 facilities traded since FY18 on a constant foreign exchange basis (adjusted for material expansions where relevant)
2. Based on annualised year to date EBITDA (Earnings before interest, taxes, depreciation and amortisation)
3. As at end of period
4. Quarterly growth in Q1 FY21 compared to FY20
5. Calculated as rent invoiced less arrears > 30 days, less any waivers provided

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## Office portfolio – trading snapshot

Positive leasing and asset management outcomes delivered over Q1 FY21



99 Walker Street, North Sydney NSW

KEY METRICS	Q1 FY21	FY20
WACR <sup>1</sup>	5.45% <sup>2</sup>	5.47%
WALE <sup>3,4</sup>	4.0 years	3.6 years
Occupancy <sup>4</sup>	91.4%	91.5%
Leased <sup>5</sup>	28,041sqm	19,000sqm
Average rent review	3.6%	3.6%
Proportion of rents collected <sup>6</sup>	91%	90%
Waivers provided <sup>7</sup>	\$1.1m	\$1.7m

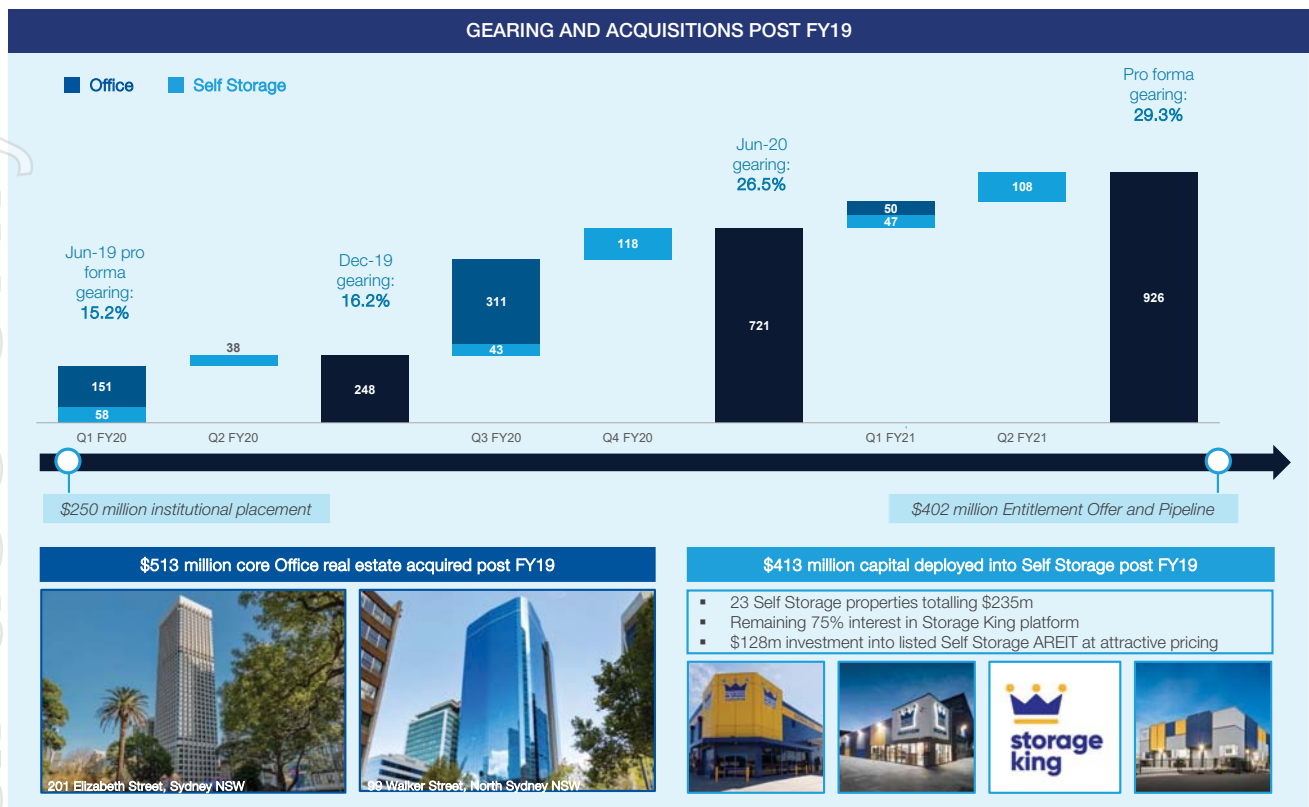
1. The weighted average capitalisation rate across the portfolio (including equity accounted investments)
2. Movement due to settlement of remaining 8% of 201 Elizabeth Street, Sydney NSW
3. Weighted Average Lease Expiry
4. Excludes development affected assets
5. Includes non-Abacus share for jointly held assets
6. Calculated as rent invoiced less arrears > 30 days, less any waivers provided
7. Waivers commenced in April 2020 due to the impact of COVID-19

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# Consistent capital deployment

Abacus has deployed \$926 million into Office and Self Storage sectors – in line with stated strategy

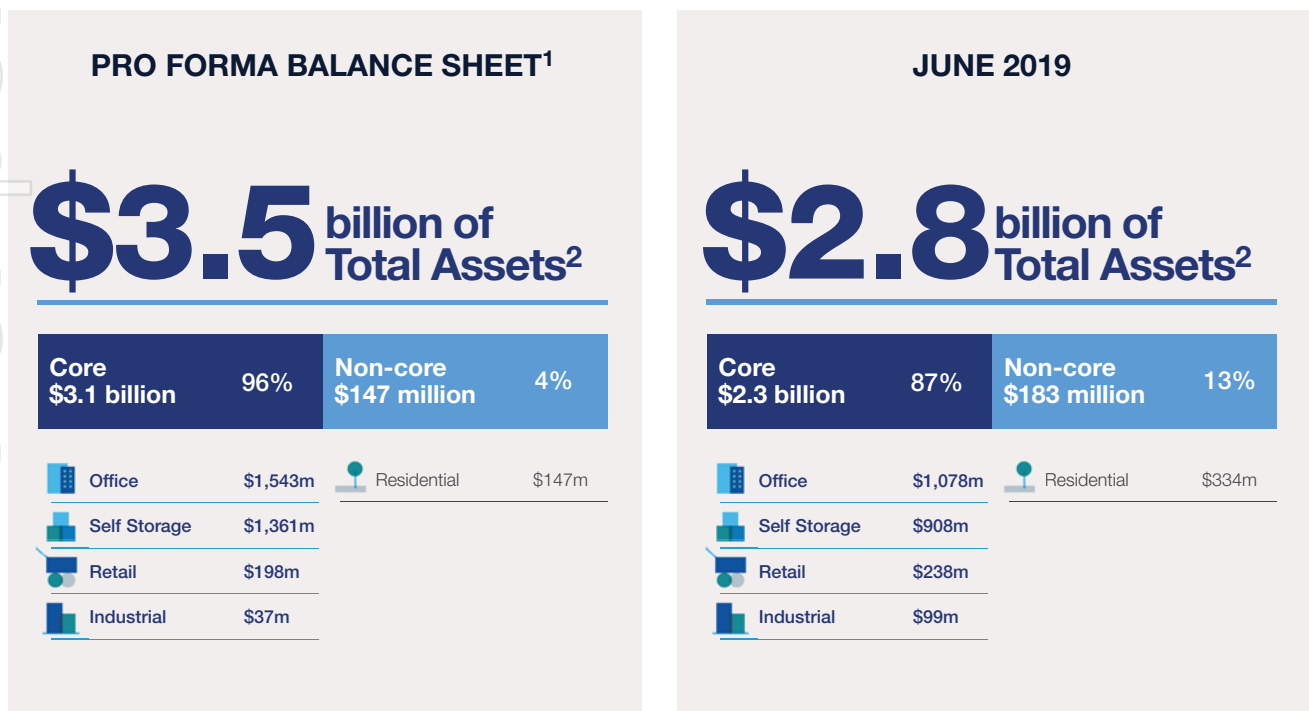


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# Balance sheet allocation

Capital deployed into Office and Self Storage sectors has enhanced portfolio quality and stability of income

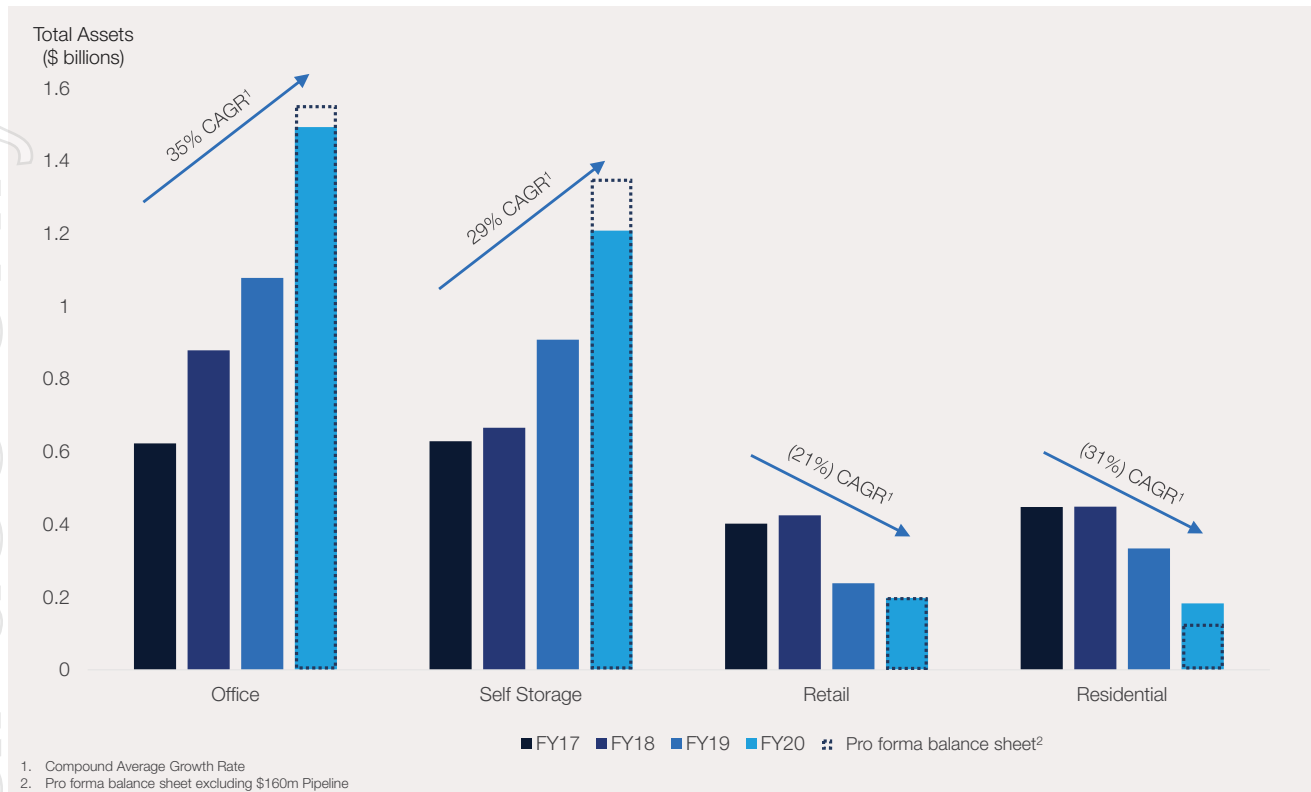


1. Pro forma balance sheet excluding \$160m Pipeline  
 2. Includes investments in cash and other assets not pictured above



# Portfolio composition transitions

Successful execution of our strategy to deploy capital into Office and Self Storage sectors, in tandem with progress on the sale of non-core assets



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## Self Storage Portfolio growth



# Storage King

A leading Self Storage operating platform with over 170 stores in Australia and New Zealand, founded in 1996



## OVERVIEW

- In August 2018, Abacus acquired an initial 25% interest in the Self Storage operating platform, Storage King
- Following the successful evolution of this partnership, Abacus acquired the remaining 75% of Storage King for \$50 million on 30 November 2020
- The entire business comprises over 170 stores and 800,000 sqm of NLA<sup>1</sup> under licence together with over 50,000 customers and 380 team members, Abacus being the single biggest owner of stores
- Co-founder, Michael Tate will continue in his role of CEO and join the Abacus Executive Leadership Team

### Strategic rationale

- As a fully internalised owner and manager of Self Storage, our ability to continue to grow Abacus' Self Storage exposure is enhanced, through investment in:
  - additional storage locations
  - the operating platform, and
  - technological improvements
- A fully integrated operating platform, with third party capital partners, enhances Abacus' long term quality annuity style income streams

1. Net lettable area

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# Self Storage – acquisition track record

Abacus continues to successfully direct capital towards Self Storage assets that drive income growth and value creation



Storage King, Yarraville VIC

## FY21 ACQUISITIONS TO DATE

- Acquisition of the remaining 75% interest in our operating platform, Storage King for \$50 million
- Store acquisitions to date of \$97.5 million:
  - Settled on seven<sup>1</sup> properties totalling \$48.9 million that were exchanged at 30 June 2020
  - Exchanged on five properties totalling \$48.6 million, of which \$45.2 million has settled to date in FY21

REGION	NO. OF STORES <sup>2</sup>	TOTAL NLA (SQM)	VALUE (\$M)
Sydney	2	-	\$15.4m
Perth	4	24,700	\$26.3m
Melbourne	4	9,900	\$41.4m
Brisbane	1	2,200	\$3.5m
Wollongong	1	3,000	\$10.9m
<b>Total</b>	<b>12</b>	<b>39,800</b>	<b>\$97.5m</b>

- Since the acquisition of the initial 25% interest in Storage King in FY18, Abacus has sourced 70% of acquisitions via the Storage King relationship/platform with 20% on market and 80% off market

1. Includes one asset due to settle on 8 December 2020

2. Two development sites were acquired in both Sydney and Melbourne with no existing NLA

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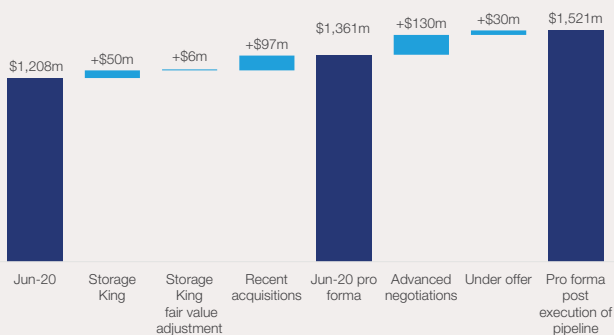


## Self Storage – acquisition pipeline

Abacus continues to originate a strong pipeline of opportunities through the Storage King platform and market standing

### IDENTIFIED PIPELINE OF OPPORTUNITIES

- Acceleration of 100% ownership of Storage King expected to increase the velocity of acquisitions and provide a significant competitive advantage in acquiring scale
- Demonstrated track record of acquiring assets via the Storage King relationship
- In advanced negotiations with due diligence well progressed over a high quality portfolio of metropolitan assets located in Significant Urban Areas<sup>1</sup> for approximately \$130 million
- Offers out on approximately \$30 million of assets



1. As defined by the Australian Bureau of Statistics



Storage King, Cheltenham VIC

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## Self Storage – development pipeline

Development opportunities in our existing portfolio are expected to enhance income growth

### IDENTIFIED DEVELOPMENT PIPELINE

- 34,500 sqm of NLA delivered across 10 developments post FY19
- 55,250 sqm of identified NLA to be developed over the medium term with an expected development spend of approximately \$80 million
- Targeting a return on invested capital of 8.0%<sup>1</sup>

LOCATION	NLA (SQM)	COMPLETION
Woonona (Wollongong, NSW)	4,500	FY21
Prestons (Sydney, NSW)	6,500	FY22
Rowville (Melbourne, VIC)	5,000	FY22
Deagon (Brisbane, QLD)	5,000	FY22
Epping (Melbourne, VIC)	6,000	FY22
Granville (Sydney, NSW)	7,000	FY22
Gregory Hills (Sydney, NSW)	5,500	FY22
Sydney Olympic Park (Sydney, NSW)	9,000	FY23+
Existing asset expansions (various)	6,750	FY21
<b>Total</b>	<b>55,250</b>	

1. Post stabilisation



Storage King, Robina QLD

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## Equity raising



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## Equity raising

Offer structure and price	<ul style="list-style-type: none"> <li>A 1-for-4.8 accelerated non-renounceable pro rata entitlement offer to raise approximately \$402 million               <ul style="list-style-type: none"> <li>The Entitlement Offer represents 21% of total Abacus Securities currently on issue</li> </ul> </li> <li>The Issue Price has been set at \$2.90 per security, which represents a:               <ul style="list-style-type: none"> <li>6.5% discount to last closing price of \$3.10 per Abacus Security on 7 December 2020</li> <li>7.7% discount to the 5-day VWAP<sup>1</sup> of \$3.14 per Abacus Security on 7 December 2020</li> <li>5.4% discount to TERP<sup>2</sup> of \$3.07</li> </ul> </li> <li>Record date for Entitlement Offer is Thursday, 10 December 2020 at 7:00pm (AEDT)</li> <li>Abacus' largest securityholder, Calculator Australia is supportive of the Entitlement Offer and intends to take up its full entitlement<sup>3</sup>. In addition, Calculator Australia has provided a commitment to sub-underwrite approximately \$49 million across the retail tranche of the Entitlement Offer<sup>4</sup></li> <li>Eligible retail securityholders will be able to apply for additional New Securities in excess of their entitlement</li> </ul>
Use of proceeds	<ul style="list-style-type: none"> <li>Proceeds will initially be used to pay down existing debt facilities</li> <li>Post completion of the Entitlement Offer, pro forma gearing<sup>5</sup> is expected to be 17.5%, which provides Abacus with \$911 million of acquisition capacity<sup>6</sup> <ul style="list-style-type: none"> <li>If the Pipeline acquisitions are successfully completed, pro forma gearing will increase to 21.5% following completion of the Entitlement Offer</li> </ul> </li> <li>The increase in acquisition capacity<sup>6</sup> is expected to allow Abacus to execute on future growth initiatives including developments and acquisitions</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>New Securities issued under the Entitlement Offer will rank pari passu with existing Abacus Securities from allotment, and will be entitled to the interim distribution for the period ended 31 December 2020, which is expected to be 8.5 cents per Abacus Security</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>Macquarie Capital (Australia) Limited is acting as sole lead manager and is underwriting the Entitlement Offer ("Underwriter")<sup>7</sup></li> </ul>

1. Volume Weighted Average Price

2. Theoretical Ex-Rights Price. A theoretical price at which Abacus Securities should trade immediately after the ex-date for the Entitlement Offer. TERP is calculated by reference to the closing price of Abacus Securities as traded on the ASX on 7 December 2020, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Abacus Securities trade on the ASX immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP

3. Refer to slide 39 for information on the possible effects of Calculator Australia's participation in the Entitlement Offer on its holding

4. Any shortfall securities not taken-up by eligible retail securityholders will be allocated on a pro rata basis to eligible institutional investors who commit to sub-underwrite the retail tranche of the Entitlement Offer. Any subsequent shortfall will then be allocated to Calculator Australia as sub-underwriter of 'last resort'

5. Bank debt less cash divided by total assets less cash

6. Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

7. See footnote 2 on slide 5. Macquarie Securities (Australia) Limited has been appointed as a nominee under section 615 of the Corporations Act ("Sale Nominee")



# Key metrics, sources and uses

## Sources and uses

Sources	\$m
Entitlement Offer proceeds	\$402
<b>Total</b>	<b>\$402</b>
Uses	\$m
Repayment of debt providing flexibility to fund:	\$398
- Identified Pipeline under consideration <sup>1</sup>	\$160
- Other opportunities	\$238
Costs relating to the Entitlement Offer	\$4
<b>Total</b>	<b>\$402</b>

1. Excluding acquisition costs
2. Calculation based on Abacus' market capitalisation of \$2,064 million on 7 December 2020, adjusted for the Entitlement Offer
3. Includes right-of-use property assets and lease liabilities of \$2.3 million
4. Bank debt less cash divided by total assets less cash
5. Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

## Key metrics

Key metrics	
Issue Price	\$2.90
Discount to last close	6.5%
Discount to 5-day VWAP	7.7%
Discount to TERP	5.4%
Pro forma market capitalisation post Entitlement Offer	\$2,466 million <sup>2</sup>
Pro forma NTA per security post Entitlement Offer	\$3.15 <sup>3</sup>
Pro forma gearing <sup>4</sup> post Entitlement Offer	17.5%
Acquisition capacity <sup>5</sup> post Entitlement Offer	\$911 million

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# Indicative timetable

Key date	
Trading halt and announcement of the Entitlement Offer	Tuesday, 8 December 2020
Institutional Entitlement Offer opens and closes	Tuesday, 8 December 2020
Trading resumes on an 'ex-entitlement' basis	Wednesday, 9 December 2020
Record Date for the Entitlement Offer	Thursday, 10 December 2020
Retail Entitlement Offer Booklet despatched and Retail Entitlement Offer opens	Monday, 14 December 2020
Early Retail Entitlement Offer acceptance due date	Thursday, 17 December 2020
Settlement of Institutional Entitlement Offer and early Retail Entitlement Offer	Friday, 18 December 2020
Allotment of New Securities issued under the Institutional Entitlement Offer and early Retail Entitlement Offer	Monday, 21 December 2020
New Securities allotted under Institutional Entitlement Offer and early Retail Entitlement Offer commence trading	Tuesday, 22 December 2020
Retail Entitlement Offer closes for final applications	Wednesday, 23 December 2020
Announcement of results of Retail Entitlement Offer	Tuesday, 29 December 2020
Final settlement of Retail Entitlement Offer	Wednesday, 30 December 2020
Allotment of remaining New Securities issued under the Retail Entitlement Offer	Thursday, 31 December 2020
New Securities allotted under Retail Entitlement Offer commence trading	Monday, 4 January 2021
Despatch of holding statements of New Securities issued under the Retail Entitlement Offer	Monday, 4 January 2021

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## Summary



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## Summary

- Following the acquisition of the Storage King self storage operating platform, Abacus is now a fully internalised AREIT with key asset focus in the Office and Self Storage sectors
- Storage King, will continue to be managed as it is currently, and is now a wholly owned subsidiary of Abacus
- Abacus has successfully deployed \$926 million of capital post FY19 including \$205 million in FY21 to date
  - \$155 million of capital deployed into Self Storage acquisitions
  - \$50 million of capital deployed into Office acquisitions
- In Self Storage, Abacus is seeing numerous growth drivers including:
  - acquisition of existing Self Storage locations (including via Storage King relationship)
  - opportunities to enhance operational performance
  - a robust development pipeline of approximately \$80 million identified to be delivered over the medium term targeting a return on invested capital of 8.0%<sup>1</sup>
- In Office, similarly a combination of driving operational performance, redevelopments and acquisitions is expected to present opportunities for growth
- Pro forma expected gearing<sup>2</sup> of 17.5% and acquisition capacity<sup>3</sup> of \$911 million post completion of the Entitlement Offer
- Post completion of the Entitlement Offer, Abacus expects FFO for HY21 to be \$59 - \$61 million (8.9 - 9.1 cents per Abacus Security) and expects the interim distribution to be 8.5 cents per Abacus Security
- FY21 full year distribution is expected to reflect a payout ratio broadly in line with the target range of 85 - 95% of FFO<sup>4</sup>

1. Post stabilisation

2. Bank debt less cash divided by total assets less cash

3. Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

4. Subject to timing of acquisition settlements



Storage King, Robina QLD

## Appendix A



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## Pro forma balance sheet

\$m	Jun-20	Post balance date adjustments <sup>1</sup>	Pro forma	Entitlement Offer	Pro forma post Entitlement Offer
Cash	127.3		127.3		127.3
Investment properties	2,652.9	147.9 <sup>2</sup>	2,800.8		2,800.8
Equity accounted investments	123.4	(11.1)	112.3		112.3
Intangibles	32.4	66.7	99.1		99.1
Other assets	406.0	(36.1)	369.9		369.9
<b>Total assets</b>	<b>3,342.0</b>	<b>167.4</b>	<b>3,509.4</b>	<b>-</b>	<b>3,509.4</b>
Borrowings	1,009.8	138.7	1,148.5	(397.7)	750.8
Other liabilities	125.5		125.5		125.5
<b>Total liabilities</b>	<b>1,135.3</b>	<b>138.7</b>	<b>1,274.0</b>	<b>(397.7)</b>	<b>876.3</b>
<b>Net assets</b>	<b>2,206.7</b>	<b>28.7</b>	<b>2,235.4</b>	<b>397.7</b>	<b>2,633.1</b>
Securities on issue	653.5		665.7	138.7	804.4
<b>NTA per security<sup>3</sup></b>	<b>\$3.32</b>		<b>\$3.20</b>		<b>\$3.15</b>
<b>Gearing<sup>4</sup></b>	<b>26.5%</b>		<b>29.3%</b>		<b>17.5%</b>

If Abacus successfully executes the \$160 million Pipeline of acquisitions under consideration, pro forma gearing will be 21.5%

1. Final tranche settlement of 201 Elizabeth Street, settlement of Riverlands land and mortgages investment, Self Storage acquisitions settled or exchanged post 30 June 2020, acquisition of the remaining 75% interest in Storage King and August 2020 DRP

2. Excludes capitalised acquisition costs

3. Includes right-of-use property assets and lease liabilities of \$2.3 million

4. Bank debt less cash divided by total assets less cash

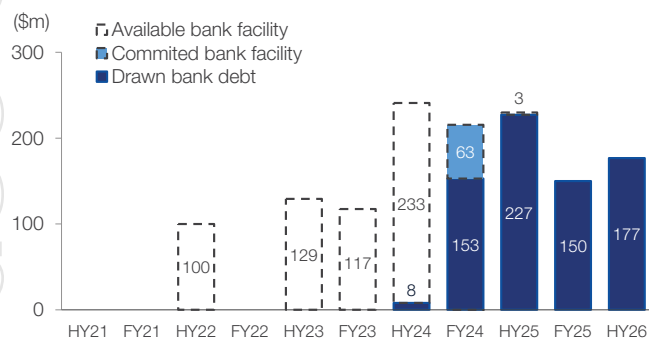


# Capital management

## Balance sheet well capitalised for future growth opportunities

- Adjusting for the Entitlement Offer proceeds, Abacus' available undrawn debt facilities and cash will be \$709 million
- Abacus has no debt maturities until HY22 with a weighted average debt expiry of 3.8 years at 30 November 2020
- Post completion of the Entitlement Offer, pro forma gearing will reduce to 17.5% down 9.0% from FY20

### Debt maturity profile<sup>1</sup>



1. Pro forma including impact of Entitlement Offer excluding impact of the Pipeline. Includes post balance date facility limit increase of \$247 million

2. Excludes \$63 million of committed facilities

3. Target maximum gearing limit of 35%

4. Includes joint venture and fund assets and debt consolidated proportionately with Abacus' equity interest

5. Borrowing capacity until Abacus reaches its target maximum gearing limit of 35%

### KEY FINANCIAL METRICS

Pro forma<sup>1</sup>

FY20

#### Cash balance

\$127m

\$127m

#### Total bank debt facilities

\$1,360m

\$1,113m

#### Total bank debt drawn

\$715m

\$974m

#### Available funds<sup>2</sup> (available bank facility + cash)

\$709m

\$203m

#### Group gearing<sup>3</sup>

17.5%

26.5%

#### Look through gearing<sup>4</sup>

19.0%

27.8%

#### Gearing ratio calculated for covenant measures / covenant

23.0% / 50%

31.9% / 50%

#### Acquisition capacity<sup>5</sup>

\$911m

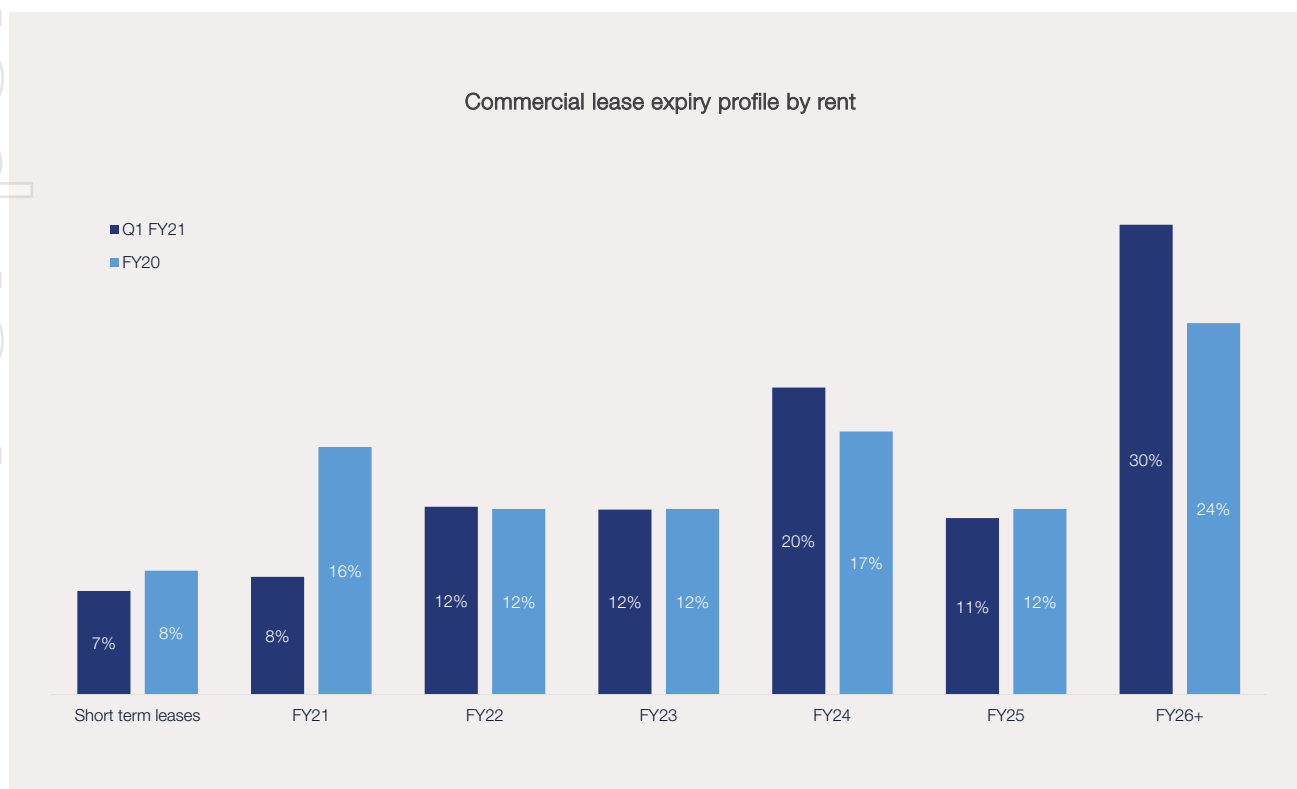
\$422m

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# Commercial lease expiry profile

## Q1 FY21 leasing has driven an improved commercial lease expiry profile



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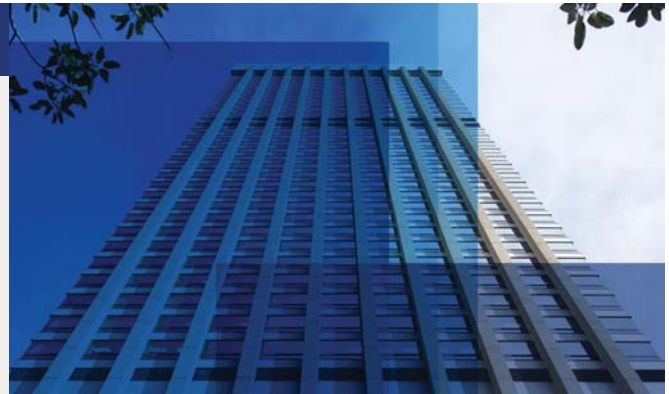
# COVID-19 response

## SUPPORTING OUR TEAM AND CUSTOMERS

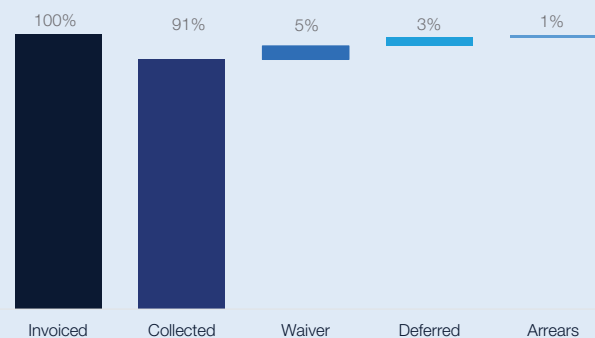
- Focus on providing safe, secure and healthy workspaces for our team and tenants, public areas and storage facilities
- Communicating directly to all tenants
  - Ongoing as COVID-19 situation evolves
- Centralised collection, review and decision making possible

Q1 FY21	OFFICE	SELF STORAGE	RETAIL
Proportion of total assets <sup>1</sup>	49%	43%	6%
Proportion of rents collected	91%	99%	90%
Waivers provided	\$1.1m	Nil	\$0.4m
SME <sup>2</sup> exposure (by number)	59%	N/A	78%
SME <sup>2</sup> exposure (by income)	28%	N/A	49%

- Pro forma balance sheet post Entitlement Offer - excludes \$160m Pipeline. Excludes investments in cash and other assets
- Small and medium sized enterprises



Q1 Office rent collection (July – September 2020)



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## Key risks



# Key risks

A number of risks and uncertainties, which are both specific to Abacus and of a more general nature, may affect Abacus' business, financial condition and operational results and the value of the Abacus Securities.

This section identifies the key risks associated with an investment in Abacus Securities. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Abacus Securities.

You should carefully consider the risks described in this section, the other information in this presentation and the announcement to which it is attached and other publicly available information on Abacus (such as that available on the websites of Abacus and ASX). You should also consider your personal circumstances (including the possibility that you may lose all or a portion of your investment) and consult your financial or other professional adviser before making an investment decision.

If any of the following risks materialise, Abacus' business, financial condition and operational results are likely to suffer. In this case, the trading price of Abacus Securities may fall and you may lose all or part of your investment, and/or the distributable income of Abacus may be lower than expected or zero, with distributions being reduced or being cut to zero.

Additional risks and uncertainties of which Abacus is not aware, or that it currently considers to be immaterial, may also become important factors that adversely affect Abacus' business, financial condition and operational results.

Nothing in this presentation and the announcement to which it is attached is financial product advice and this presentation and the announcement to which it is attached have been prepared without taking into account your investment objectives or personal circumstances.

The occurrence or consequence of many of the risks described in this section are partially or completely outside the control of Abacus, its directors and management. There can be no guarantee that Abacus will achieve its stated objectives or that any forward looking statements or forecasts contained in this presentation or the announcement to which it is attached will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of New Securities.

## Business Specific Risks

### Impact of COVID-19

The COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses and governments to operate. Across Australia and the world, travel, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to COVID-19 have resulted in significant market falls and volatility, including the prices of securities trading on the ASX. There remains considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) in relation to government, regulatory or health authority actions, employment schemes, work stoppages, lockdowns, quarantines and travel restrictions, all of which may impact on the performance of Abacus, Abacus' tenants and suppliers, the Australian share market and the broader economic environment.

The extent to which COVID-19 related factors will have an impact on Abacus will, in large part, depend on the extent to which tenants of the Abacus' properties are themselves adversely affected and able to pay rent to Abacus. The medium term prospects of such businesses, and in turn their ability to meet rental payments, is partially dependent on how local, state and federal government agencies decide to moderate current and future lockdown measures in light of COVID-19 (both generally and as they apply to Abacus' tenants and suppliers).

The severity of this risk is enhanced by the recent COVID-19 pandemic and government regulations implemented to mitigate the spread of the virus. Recently announced moratorium regulations and any further changes to legislation yet to be announced may adversely affect Abacus' ability to manage the performance of their tenants and may limit Abacus' availability to recourse for any tenants in default during the term of the regulations. Abacus has received limited requests for rent concessions from tenants as a result of COVID-19. These regulations may be extended for further time periods and / or expanded to provide relief to a broader range of tenants.

Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on Abacus' business. The impact of some or all of these factors could cause significant disruption to Abacus' operations and financial performance. While Abacus expects it will have sufficient cash and headroom under existing debt facilities to deal with the circumstances relating to COVID-19 as a result of the Entitlement Offer, there is a risk that if the duration of events surrounding COVID-19 are prolonged, Abacus may need to take additional measures in order to respond appropriately.

### Investment mandate

A key element of Abacus' future strategy will involve the acquisition of properties to add to its investment portfolio. Abacus regularly evaluates mergers and acquisitions, property investments and other opportunities that it believes are consistent with its strategy. Whilst it is Abacus' policy to conduct a robust investment approval process together with formal due diligence process in relation to its acquisitions, risks remain that are inherent in such acquisitions. These risks include:

- Investments not performing in line with Abacus' forecast.
- Capital expenditure required in any of the acquisition or business opportunities being greater than expected.
- Breakdown in relationship with a joint venture partner.
- A downturn in the relevant local market conditions.

The occurrence of these risks may adversely affect Abacus' financial condition, credit rating, net tangible assets and/or operational results.

There is also a risk that adverse changes in market conditions may negatively impact on growth and returns to Abacus securityholders.



# Key risks

## Development

Abacus is involved in the development of Office and Self Storage real estate. While it is Abacus' policy to retain oversight of developments through a Project Control Group, limiting exposure to assets under development and to individual contractors, property development projects have a number of risks, including:

- Planning consents and regulatory approvals not being obtained or, if obtained, being received later than expected, or being adverse to Abacus' interests, or not being properly adhered to.
- Escalation of development costs beyond those originally expected.
- Unforeseeable project delays beyond the control of Abacus.
- Non-performance / breach of contract by a contractor or sub-contractor or joint venture partners.

The occurrence of these risks may adversely affect Abacus' financial condition, credit rating, net tangible assets and/or operational results.

### Capital management (Including macro-economic factors)

Adverse changes in the economy (which is in a state of flux due to COVID-19) may impact on Abacus' ability to raise funds (equity and debt) or refinance its existing debt obligations which may result in Abacus being unable to maintain sufficient liquidity. In such circumstances, Abacus may not be able to execute its strategy and to also meet its debt maturity obligations which could result in Abacus' inability to operate as a going concern.

The use of debt may enhance returns and increase the number of assets that can be acquired but it may also substantially increase the risk of loss. There is a risk that an increase in interest rates (to the extent that they are not hedged) may impact on Abacus' forecasted interest costs. An increase in interest payable on Abacus' debt obligations may lead to a detrimental impact on investment performance through lower returns to securityholders and may also affect Abacus' financial condition and/or operating results.

### Health, safety and environment

Incidents may arise (including potential terrorist threats) which cause injury to tenants, visitors to properties, employees and/or contractors. The impact of this risk on Abacus includes:

- Harm to tenants, visitors to Abacus' properties, employees and/or contractors.
- Criminal or civil proceedings against Abacus which may result in fines, penalties, compensation and/or imprisonment.
- Reputational damage arising as a result of any such proceedings.
- Resultant adverse effects on Abacus' financial condition and operational results.

## People and culture

Abacus is reliant on attracting, retaining and developing talented employees and providing an inclusive workplace. The inability to attract, retain and develop such employees together with maintaining an inclusive workplace which maintains a high performing, ethical and values based workplace (including complying with internal policies), may result in the following impacts on Abacus:

- Failure to provide an environment that enables employees to excel.
- Failure to provide a safe working environment free of harassment, bullying and discrimination.
- Limits the ability to achieve business objectives in line with Abacus' values.

Additionally, Abacus is reliant on the expertise, experience, and strategies of its executive directors and management. As a result, the loss or unavailability of key personnel at Abacus could have an adverse impact on the management and financial performance of Abacus and therefore returns to its securityholders.

### Environmental and social sustainability

Abacus is exposed to a range of environmental risks which may result in additional expenditure and/or project delays. This includes operating in a manner that does not compromise the health of ecosystems and meets accepted social norms, together with consideration of climate change, energy intensity, community well-being and supply chain integrity. A failure to mitigate this risk may result in the following impacts:

- Negative impacts to communities, the environment and ecosystems in which Abacus operates.
- Limits Abacus' ability to deliver the business objectives and strategy.
- Criminal or civil proceedings which may result in fines and penalties or other liabilities
- Reputational damage arising as a result of any such proceedings.
- Resultant adverse effects on Abacus' financial condition and operational results.

### Information security

Abacus is exposed to the risk of loss of data, breach of confidentiality, regulatory breaches (in respect of privacy) and/or reputational impacts including as a result from a cyber-attack. The impact of the occurrence of this risk may include the following:

- Limits Abacus' ability to deliver the business objectives and strategy.
- Criminal or civil proceedings which may result in fines and penalties or other liabilities.
- Reputational damage arising as a result of any such proceedings.
- Resultant adverse effects on Abacus' financial condition and operational results.

### Realisation of assets

Property assets are by their nature illiquid investments. This may make it difficult to alter the balance of Abacus' income sources in the short term in response to changes in economic or other conditions. If property assets are required to be disposed in order to raise liquidity, it may not be possible to dispose of assets in a timely manner or at an optimal price. This may adversely affect Abacus' financial condition and operational results, and the market value of Abacus Securities.

In particular, Abacus is progressing its non-core disposal program. The disposal of non-core assets at levels above or below their book values may lead to short term one-off gains or losses that may cause volatility in expected earnings.



# Key risks

## Acquisition risk

As described in this presentation, Abacus is identifying, and will continue to identify, new investment opportunities for potential acquisition and will endeavour to conduct all reasonable and appropriate due diligence on potential investment opportunities. Acquisitions may not perform as expected and there may be difficulty integrating acquired properties into the business. There is a risk that Abacus will be unable to identify suitable investment opportunities that meet Abacus' investment objectives. Even if such opportunities are identified, they may not be able to be secured on appropriate terms. These factors may restrict Abacus' ability to add investments to its portfolio and this may adversely impact growth and returns to Abacus' securityholders.

## Underwriting

The Entitlement Offer is fully underwritten on the terms, and subject to the conditions, of an underwriting agreement entered into between the Underwriter and Abacus on the date of this presentation (Underwriting Agreement) and as detailed below.

Slide 39 sets out details regarding Calculator Australia's participation, the oversubscription facility and sub-underwriting arrangements. Any New Securities which are not taken up by eligible retail securityholders pursuant to their entitlement (and, if applicable, in the form of oversubscriptions) will form part of a shortfall to be taken up by the Underwriter or sub-underwriters, on the terms and conditions of the Underwriting Agreement and as described on slide 39.

## Underwriting terms

Customary with these types of arrangements, pursuant to the Underwriting Agreement:

- the Underwriter's obligations are subject to certain customary conditions precedent being met;
- Abacus and the Underwriter have given certain customary representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
- Abacus has agreed, subject to certain exceptions, to indemnify the Underwriter (including its employees, officers, agents, related bodies corporate or affiliates of those parties and any employee, officer or agent of any such related body corporate or affiliate) against any losses related, directly or indirectly, to the Entitlement Offer;
- the Underwriter may terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
  - ASX makes an announcement or official statement that Abacus will be removed from the official list of ASX or the Abacus Securities will be suspended from quotation on ASX or ASX removes Abacus from the official list;
  - at any time from entry into the Underwriting Agreement until the time that the confirmation letters are first distributed (expected to be by market open on Wednesday, 9 December 2020) the S&P/ASX 200 index is at a level that is below the level as at the close of business on the trading day prior to the date of the Underwriting Agreement by an agreed percentage;
  - Abacus alters its capital structure or disposes or agrees to dispose of a material part of the business of Abacus, without the consent of the Underwriter, in a way which is not otherwise permitted under the Underwriting Agreement;
  - any event specified in the timetable for the Entitlement Offer is delayed for more than a prescribed period of time;
  - Abacus withdraws the Entitlement Offer or indicates that it does not intend to or is unable to proceed with the Entitlement Offer (or any component of it);

- any of the responsible entities of Abacus Trust, Abacus Income Trust or Abacus Storage Property Trust are replaced, or it is proposed to replace any of them as the responsible entity of the relevant trust;
- any confirmatory certificate which is required to be furnished by Abacus under the Underwriting Agreement is not furnished when required or a statement in any confirmatory certificate is untrue or incorrect;
- any member of Abacus group ("Group") that contributes 5% or more to the revenue or profit of the Group becomes insolvent or there is an act or omission which is likely to result in such insolvency;
- there is an adverse change in, or an event occurs which gives rise to, or is likely to give rise to, an adverse change in the financial position, results, condition, operations or prospects of the Group as a whole from that disclosed by Abacus to ASX before the date of the Underwriting Agreement or in any Entitlement Offer materials;
- in certain circumstances a statement contained in the Entitlement Offer materials is or becomes misleading (including by omission) or likely to mislead or deceive, or the Entitlement Offer materials omit information they are required to contain (having regard to sections 708AA and 1012DAA of the Corporations Act and other applicable requirements) in order to make the statements included in them not misleading or deceptive;
- Abacus or any of its directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged, in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer;
- any of the following occurs: (i) a director or chief financial officer of Abacus is charged with an indictable offence relating to financial or corporate matters; (ii) any government agency charges or commences any court proceedings or public action against Abacus or any of its directors in their capacity as directors of Abacus or announces that it intends to take any such action; or (iii) any director of Abacus is disqualified from managing a corporation under the Corporations Act;
- there is a change to the chief executive officer, the chief financial officer or the boards of Abacus;
- Abacus is or become, for any reason, unable to issue or allot the New Shares;
- ASIC takes certain regulatory actions, issues proceedings in relation to the Entitlement Offer or commences any formal inquiry or investigation into the Entitlement Offer (or publicly announces its intention to do so), or certain other regulatory applications are made or regulatory actions are taken in connection with the Entitlement Offer;
- Abacus is in breach of any terms and conditions of the Underwriting Agreement;
- the due diligence committee report or any information supplied by or on behalf of Abacus to the Underwriter for the purposes of the due diligence investigations, the Entitlement Offer materials, or the Entitlement Offer, is or becomes false, misleading, or deceptive or is likely to mislead or deceive (including by omission);
- an obligation arises on Abacus to give ASX a notice in accordance with sections 708AA(12)(a), 1012DAA(10) or 1012DAA(12) of the Corporations Act (as modified);
- in certain circumstances, a new event or circumstance occurs or becomes known that would, in the reasonable opinion of the Underwriter, be adverse to an investor in the Entitlement Offer and have required Abacus to give ASX a notice in accordance with sections 708AA(12)(a), 1012DAA(10) or 1012DAA(12) of the Corporations Act (as modified);

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# Key risks

- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or any Commonwealth, State, Territory or local authority (including ASIC), adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Entitlement Offer, capital markets or stock markets;
- a representation or warranty contained in the Underwriting Agreement on the part of Abacus becomes not true or not correct or misleading;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one where compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under this document, or to market, promote or settle the Entitlement Offer; or
- any of the following occurs:
  - trading of all securities quoted or listed on ASX, Hong Kong Stock Exchange, London Stock Exchange or New York Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading;
  - there is a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Hong Kong, the United Kingdom or a member state of the European Union declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - there is any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand, Hong Kong, the United Kingdom, the United States or a member state of the European Union, or any change in national or international political, financial or economic conditions; or
  - hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States, the United Kingdom, Hong Kong, the People's Republic of China, South Korea or a member state of the European Union, or a national emergency is declared by any of those countries or a significant terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some of these termination events will depend on whether the Underwriter has reasonable grounds to believe that the event:

- has or is likely to have a materially adverse effect on the success or settlement of the Entitlement Offer or on the ability of the Underwriter to market, promote or settle the Entitlement Offer or on the likely price at which the New Securities will trade on ASX or on the willingness of investors to subscribe for the New Securities; or
- will, or is likely to, give rise to a liability of the of the Underwriter or one of its affiliates under, or give rise to, or result in a contravention by the Underwriter or its affiliates or the Underwriter or its affiliates being involved in a contravention of, the Corporations Act or any other applicable law.

Abacus has also agreed to pay the Underwriter the following fees, subject to the Underwriter satisfying certain prescribed obligations:

- an underwriting fee of 1.6% of the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") proceeds (less the amount of the subscription proceeds actually received by the Underwriter or Abacus or the share registry from Calculator Australia by 10.00am on Friday, 18 December 2020 pursuant to Calculator Australia's commitment to subscribe for its full entitlement of New Securities pursuant to the pre-commitment letter (Major Securityholder Proceeds));
- a management and selling fee of 0.4% of the Institutional Entitlement Offer proceeds less the Major Securityholder Proceeds;
- a management and selling fee of 0.2% of the Major Securityholder Proceeds in consideration for arranging and managing that portion of the institutional component of the Entitlement Offer;
- an underwriting fee of 0.5% of the Retail Entitlement Offer proceeds; and
- a management and selling fee of 0.4% of the Retail Entitlement Offer proceeds.

The aggregate amount payable by Abacus to the Underwriter must not exceed \$3,600,000 (excluding any applicable GST).

Abacus has also agreed to pay or reimburse the Underwriter for certain other reasonable out of pocket costs of, and incidental to, the Entitlement Offer.

Termination of the Underwriting Agreement would have an adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer. Termination of the Underwriting Agreement by the Underwriter will discharge Abacus' obligation to pay the Underwriter any fees, costs, charges or expenses which as at termination are not yet accrued.

## Excess shortfall

The Underwriting Agreement provides that the Underwriter will not be issued any New Securities that would either cause it or its affiliates to (i) be obliged to notify the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cth), (ii) breach published Foreign Investment Review Board policy or (iii) breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). The issue size is approximately 138.7 million New Securities or 21% of the existing Abacus Securities on issue. If the Underwriter is required to take up Abacus Securities on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund the underwritten proceeds of the Entitlement Offer in accordance with and subject to the terms of the Underwriting Agreement by the completion date, (ii) the number of excess shortfall Abacus Securities would be up to the number of New Securities offered under the Entitlement Offer pursuant to the terms of the Underwriting Agreement less the number of New Securities that have been pre-committed or sub-underwritten and the number of New Securities that the Underwriter is able to take up without causing it to breach or notify under these provisions plus any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall Abacus Securities to be issued to it, or to third party investors, after close of the Entitlement Offer at the same price as the Issue Price.

No material impact on control is expected to arise as a consequence of these arrangements or from any securityholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

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# Key risks

The directors of Abacus reserve the right to issue any shortfall (including any excess shortfall) under the Entitlement Offer at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriter or to third party investors as directed by the Underwriters. The basis of allocation of any other shortfall will be determined by the directors of Abacus at their discretion, taking into account whether investors are existing securityholders, Abacus' register and any potential control impacts.

## Change in value of, and income from, properties

Returns from property investments largely depend on the rental income generated from the property and the expenses incurred in its operation, including the management and maintenance of the property, as well as changes in the market value of the property. Rental income and/or the market value of properties may be adversely affected by a number of factors, including:

- The overall economic conditions, including interest rates, risk appetite, the funding environment and unemployment rate.
- Local real estate conditions, including volumes of sales, the ability to procure tenants, market rental rates, property yields and occupancy levels.
- The intensity of competition with other participants in the property industry.
- The convenience and quality of properties.
- Operating, maintenance and refurbishment expenses, as well as unforeseen capital expenditure.
- Supply of developable land, new properties and other investment properties.
- Investor demand/liquidity in investments.
- The capitalisation rates considered appropriate by independent valuers, which may change in response to market conditions.
- External factors including major world events such as war, terrorist attacks or catastrophic events.

Abacus will have its properties independently revalued regularly in accordance with its valuation policy. The independent valuations of the properties are the best estimates of the independent valuers at the time of undertaking the valuation and may not reflect the actual price a property would realise if sold. The independent valuations are subject to a number of assumptions which may prove to be inaccurate.

A decrease in returns from property investments may adversely affect Abacus' financial condition and operational results, as well as the distributions paid or payable by Abacus and the market value of Abacus Securities.

## Capital expenditure

Abacus may be exposed to unforeseen capital expenditure requirements which may be required to maintain the quality of its assets and/or tenants. This may adversely affect Abacus' financial condition and operational results.

## Fixed nature of costs

Abacus incurs costs associated with the ownership and management of property assets which are fixed in nature. These include maintenance costs, employee costs and taxes. The value of an asset owned (wholly or in part) by Abacus may be adversely affected if the income from the asset declines while other related expenses remain unchanged. This may adversely affect Abacus' financial condition and operational results.

## Inflation and construction costs

Higher than expected inflation rates generally, or specific to the property development industry in particular, could be expected to increase operating and development costs, and potentially reduce the value of development land. This may adversely affect Abacus' financial condition and operational results.

## Financial covenants

Abacus has various covenants in relation to its debt facilities, including gearing ratio requirements and other debt covenants. As of the date of this presentation, Abacus was in compliance with all covenants under its debt facilities. Factors such as falls in rental income, asset values and the inability to achieve timely asset sales at prices acceptable to Abacus (all of which may be exacerbated by the impact of COVID-19), could lead to a breach in debt covenants. In these circumstances, lenders may seek to exercise enforcement rights under the finance documentation (with such rights may include requiring the loans to be repaid immediately). Such events may require Abacus to raise further equity, dispose of assets for a lower market value than could otherwise have been realised or reduce or suspend distributions to securityholders in order to repay the relevant debt facility.

## Re-leasing and vacancy risk

In the longer term, Abacus' portfolio leases will come up for renewal on a periodic basis. There is a risk that Abacus may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants, particularly in the current market. This may result in a reduction in Abacus' financial performance and distributions and a reduction in the value of the assets of Abacus.

## Counterparty / Credit risk

Abacus is exposed to the risk that third parties, such as tenants, developers and other contract counterparties may not be willing or able to perform their obligations owed to Abacus. The failure of third parties to discharge their agreed responsibilities may adversely affect Abacus' financial condition and operational results.

## Litigation and disputes

Abacus is exposed to legal and other disputes which may arise from time to time in the ordinary course of operations. Any such dispute(s) may adversely impact Abacus' financial condition and operational results, and also may cause reputational damage.

## Changes in accounting policy

There may be changes in accounting standards issued by AASB or the Corporations Act 2001 (Cth) which may have an adverse impact on Abacus.



# Key risks

## Insurance

Abacus holds and purchases insurance, customarily carried by property owners, managers, developers and construction entities that provides a degree of protection for its assets, liabilities and people. Such policies include material damage of assets, contract works, business interruption, general and professional liability and workers compensation. There are however certain risks that are uninsurable (e.g. nuclear, chemical or biological incidents) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake). Abacus also faces risk associated with the financial strength of their insurers to meet indemnity obligations when called upon which could have an adverse effect on earnings. Further, insurance may be materially detrimentally affected by economic conditions so that insurance becomes more expensive or in some cases, unavailable.

## Regulatory issues and changes in law

Abacus is exposed to a risk that changes in relevant laws, accounting standards, other legal, legislative and administrative regimes, and government policies (including Government fiscal, monetary and regulatory policies), may have an adverse effect on the assets, operations and, ultimately, the financial performance of Abacus. These factors may ultimately affect Abacus' reputation, financial position and performance and the market price of Abacus' stapled securities.

## Taxation Issues

Future changes in Australian taxation law, or changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Abacus Securities, or the holding and disposal of those securities. Further, changes in taxation law (including land tax, goods and services taxes and stamp duty), or changes in the way taxation law is expected to be interpreted in the various jurisdictions in which Abacus operates may impact the future taxation liabilities of Abacus and the trusts, companies and joint ventures in which it holds an interest.

Under current income tax legislation, Abacus' "flow-through" trusts are generally not liable for Australian income tax, including capital gains tax. Should the actions or activities of one of Abacus' "flow-through" trusts (or their controlled entities) cause the relevant trust to fall within the operative provisions of Division 6C of Part III of the Income Tax Assessment Act 1936 (Cth), the relevant trust may be taxed on its (taxable) income at a rate which is currently equivalent to the corporate income tax rate of 30%.

Abacus Property Group is not a managed investment trust (MIT). Distributions of capital gains would generally relate to taxable Australian real property (TARP) within the meaning s855-15 of the Income Tax assessment Act 1997.

## Competition

Abacus operates in a competitive industry and faces competition from other property groups. Such competition could adversely impact on Abacus' operations, which may result in a loss of potential tenants to competitors, inability to negotiate lease renewals or to avoid reduction in rents for Abacus' tenants.

## Co-ownership risk

Abacus holds some of its interests in its portfolios with its partners through joint co-ownership arrangements. The co-operation among the partners of such entities on existing and future business decisions is an important factor for the sound operation and financial success of such businesses. The partners in these investments may have objectives different from those of Abacus, or be unable or unwilling to fulfil their obligations under the relevant joint co-ownership agreement. In order to minimise the risks associated with the development and operation of its joint co-ownership arrangements, Abacus seeks to enter into joint co-ownership arrangements with partners whom Abacus considers to be reputable, creditworthy and reliable and on terms favourable to Abacus. Those joint co-ownership arrangements may contain pre-emptive rights which restrict Abacus' dealings in respect of its interest in the co-owned trust or the co-owned property (subject to limited exceptions).

## General Risks

### General economic risks

Abacus' financial condition and operational results are influenced by a variety of general economic and business conditions in Australia and offshore, including the level of inflation, interest rates, exchange rates, unemployment rate, commodity prices, ability to access funding, oversupply and demand conditions and government, fiscal, monetary and regulatory policies (all of which may be exacerbated by the economic effects of COVID-19). Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on Abacus' financial condition and operational results.

There are risks associated with any stock market investment. These include, but are not limited to:

- **Dilution risk:** As Abacus issues Abacus Securities to new investors, existing securityholders' proportional beneficial ownership in the underlying assets of Abacus may be reduced. For example, if you do not participate in a future equity raising or choose not to reinvest your distributions pursuant to any future distribution reinvestment plan, then your beneficial ownership in Abacus may be diluted.
- **Pricing risk:** Abacus Securities may trade on the ASX at, above or below the offer price per New Abacus Security. The price of Abacus Securities can fall as well as rise. The price at which Abacus Securities trade on the ASX may be affected by a range of factors including: movements and volatility in international and local share markets; general economic conditions in Australia and offshore, including inflation, interest rates and exchange rates; recommendations by brokers; changes in government, fiscal, monetary and regulatory policies; changes to laws (particularly taxation laws); inclusion or removal from market indices; and changes in the supply and demand of REITs. Changes in the stock market rating of Abacus Securities relative to other listed securities, especially other REITs, may also affect prices at which the Abacus Securities trade.
- **Liquidity risk:** There can be no assurance of an active trading market for Abacus Securities. Liquidity of the Abacus Securities will be dependent on the relative volume of the buyers and sellers in the market at any given time. Changes in liquidity may affect the price at which securityholders are able to sell their Abacus Securities.

## Foreign jurisdictions



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



## Foreign jurisdictions

### International Offer Restrictions

This document does not constitute an offer of Abacus Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Abacus Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Abacus Securities only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom Stapled Securities may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Abacus Securities or the offering of Abacus Securities and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of Abacus Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Abacus Securities in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Abacus Securities.

Abacus as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Abacus or its directors or officers. All or a substantial portion of the assets of Abacus and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Abacus or such persons in Canada or to enforce a judgment obtained in Canadian courts against Abacus or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

**Statutory rights of action for damages and rescission.** Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

**Certain Canadian income tax considerations.** Prospective purchasers of the Abacus Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Abacus Securities as there are Canadian tax implications for investors in the Provinces.

**Language of documents in Canada.** Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Abacus Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

#### Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Abacus Securities be offered for sale, in Germany except in circumstances that do not require (i) a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation") or (ii) a notification under the European Union's Alternative Investment Fund Managers Directive, as implemented in Germany.

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Abacus Securities in Germany is limited to existing securityholders of Abacus who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

#### Hong Kong

**WARNING:** This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Abacus Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Abacus Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Abacus Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.



# Foreign jurisdictions

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Abacus Securities are not being offered to the public within New Zealand other than to existing securityholders of Abacus with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the Abacus Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. Abacus is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the Abacus Securities are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Abacus Securities may not be circulated or distributed, nor may the Abacus Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Abacus Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The Stapled Securities may not be distributed in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the Stapled Securities constitutes a prospectus or a similar notice (as such terms are understood under the Swiss Financial Services Act (FinSA)) or the listing rules of any stock exchange or regulated trading facility in Switzerland.

This document is personal to the recipient only and not for general circulation in Switzerland. Neither this document nor any other offering or marketing material relating to the Stapled Securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland. The Stapled Securities will only be offered to investors who qualify as "professional clients" under art. 4 para. 3 of the FinSA.

Neither this document nor any other offering or marketing material relating to the offering or the Stapled Securities have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of Stapled Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). The offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). Accordingly, the investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Stapled Securities.

## United States

This document may not be released or distributed in the United States.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the New Securities nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, or to any person acting for the account or benefit of any person in the United States, unless the securities have been registered under the U.S. Securities Act (which Abacus has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

## Control implications



# Major securityholder participation

- Calculator Australia is supportive of the Entitlement Offer and intends to take up its full entitlement
- In addition, Calculator Australia has provided a commitment to sub-underwrite approximately \$49 million of the retail component of the Entitlement Offer ("Retail Entitlement Offer")
- The Sale Nominee will sell the entitlements that would have been issued to ineligible securityholders had they been eligible to participate in the Entitlement Offer through the institutional bookbuild
- Eligible retail securityholders that accept their full entitlement can apply for additional New Securities not taken up by other eligible retail securityholders under an oversubscription facility, subject to pro rata scale back if oversubscribed
- Any shortfall on the Retail Entitlement Offer will be allocated on a pro rata basis to eligible institutional investors who commit to sub-underwrite the Retail Entitlement Offer
- Any subsequent shortfall will then be allocated to Calculator Australia as sub-underwriter of 'last resort'

## Major securityholder participation and control under various scenarios

Calculator Australia's present relevant voting power and potential changes under several scenarios are set out in the table below<sup>1</sup>:

Event	Calculator Australia's holding of Abacus Securities	Calculator Australia's voting power in Abacus
Date of this announcement	357,278,731	53.7%
New Securities are fully subscribed	431,711,800	53.7%
25% of Retail Entitlement Offer taken-up by Calculator Australia under its sub-underwriting commitment	435,941,805	54.2%
50% of Retail Entitlement Offer taken-up by Calculator Australia under its sub-underwriting commitment	440,171,810	54.7%
75% of Retail Entitlement Offer taken-up by Calculator Australia under its sub-underwriting commitment	444,401,814	55.2%
Full sub-underwriting commitment taken up by Calculator Australia (max voting power)	448,681,819	55.8%

1. Figures assume institutional component of the Entitlement Offer ("Institutional Entitlement Offer") is fully taken up and the percentage shortfall in the Retail Entitlement Offer (as shown in the table) is taken up by Calculator Australia under its sub-underwriting commitment. Calculator Australia may increase its stake in Abacus by relying on the exceptions contained in item 10A of section 611 and section 615 of the Corporations Act

## Glossary

Defined Term	Meaning
<b>Abacus or Abacus Property Group or the Group</b>	AGHL, AFML as the responsible entity of AT and AIT, AGPL, ASFML as the responsible entity of ASPT, and ASOL
<b>Additional New Securities</b>	New Securities issued in excess of an Eligible Retail Securityholder's Entitlement under the Oversubscription Facility
<b>AFML</b>	Abacus Funds Management Limited (ABN 66 007 415 590)
<b>AGHL</b>	Abacus Group Holdings Limited (ABN 31 080 604 619)
<b>AGPL</b>	Abacus Group Projects Limited (ABN 11 104 066 104)
<b>AIT</b>	Abacus Income Trust (ARSN 104 934 287)
<b>Application</b>	An application for New Securities under the Retail Entitlement Offer
<b>Application Monies</b>	Monies received from an applicant in respect of their Application
<b>ASFML</b>	Abacus Storage Funds Management Limited (ABN 41 109 324 834)
<b>ASIC</b>	Australian Securities & Investments Commission
<b>ASPT</b>	Abacus Storage Property Trust (ARSN 111 629 559)
<b>ASOL</b>	Abacus Storage Operations Limited (ABN 37 112 457 075)
<b>ASX</b>	ASX Limited (ABN 98 008 624691) and, where the context requires, the financial market that it operates (i.e., the Australian Securities Exchange)
<b>ASX Announcement</b>	The announcement released to ASX on 8 December 2020 in relation to the Entitlement Offer and annexed as Annexure A to this Retail Offer Booklet
<b>AT</b>	Abacus Trust (ARSN 096 572 128)
<b>Board</b>	Board of Abacus
<b>Calculator Australia</b>	Calculator Australia Pty Ltd (ACN 135 249 848) as trustee for the Calculator Australia Trust
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Director</b>	Director of the Board
<b>Distribution</b>	Payments made by Abacus at the discretion of the Directors to Securityholders
<b>Early Retail Acceptance Due Date</b>	5.00pm (Sydney time), Thursday, 17 December 2020
<b>Early Retail Entitlement Offer Allotment Date</b>	Monday, 21 December 2020
<b>Eligible Institutional Securityholder</b>	An Institutional Securityholder on the Entitlement Offer Record Date who:

**Eligible Retail Securityholder**

- is not an Ineligible Institutional Securityholder; and
- has successfully received an invitation from the Underwriter to participate in the Institutional Entitlement Offer

A Securityholder on the Entitlement Offer Record Date who:

- has a registered address in Australia or New Zealand as noted on Abacus' register of Securityholders or persons that Abacus has determined in its discretion are Eligible Retail Securityholders;
- is not in the United States and is not a person (including nominees and custodians) acting for the account or benefit of a person in the United States (to the extent they are holding Abacus Securities for the account or benefit of a person in the United States);
- is not an Institutional Securityholder or an Ineligible Institutional Securityholder and does not hold Securities on behalf of an Ineligible Institutional Securityholder; and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer

**Eligible Securityholder**

An Eligible Institutional Securityholder or an Eligible Retail Securityholder

**Entitlement**

The entitlement to 1 New Securities for every 4.8 Securities held on the Entitlement Offer Record Date by Eligible Securityholders

**Entitlement and Acceptance Form**

The Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made

**Entitlement Offer**

The offer of New Securities under the Institutional Entitlement Offer and the Retail Entitlement Offer

**Entitlement Offer Record Date**

7.00pm (Sydney time) on Thursday, 10 December 2020

**FFO**

Funds from Operations

**Final Retail Entitlement Offer Allotment Date**

Thursday, 31 December 2020

**Final Retail Entitlement Offer Closing Date**

5.00pm (Sydney time), Wednesday, 23 December 2020

**Ineligible Institutional Securityholder**

an Institutional Securityholder that is not an Eligible Institutional Securityholder

**Ineligible Retail Securityholder**

means a retail Securityholder that is not an Eligible Retail Securityholder

**Ineligible Securityholder**

A Securityholder with a holding on the Entitlement Offer Record Date, who is neither an Eligible Institutional Securityholder nor an Eligible Retail Securityholder

<b>Institutional Entitlement Offer</b>	The offer of New Securities to Eligible Institutional Securityholders and other Institutional Investors, as described in Section 1.2
<b>Institutional Entitlement Offer Allotment Date</b>	Monday, 21 December 2020
<b>Institutional Investor</b>	<p>A person:</p> <ul style="list-style-type: none"> <li>• with a registered address in Australia, who is an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; or</li> <li>• in certain jurisdictions outside Australia, to whom offers for issue of Securities may lawfully be made without the need for a lodged product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (other than one with which Abacus is willing, in its absolute discretion, to comply)</li> </ul>
<b>Institutional Securityholder</b>	A holder of Securities on the Entitlement Offer Record Date who is an Institutional Investor
<b>Investor Presentation</b>	The investor presentation dated 8 December 2020 in relation to the Entitlement Offer and annexed as Annexure B to this Retail Offer Booklet.
<b>Issue Price</b>	The offer price per New Security, being \$2.90 per New Security
<b>NTA</b>	Net Tangible Assets
<b>New Securities</b>	Stapled Securities offered under the Entitlement Offer
<b>Oversubscription Facility</b>	The opportunity for Eligible Retail Securityholders who take up all of their Entitlement to also apply for Additional New Securities in excess of their Entitlement
<b>Record Date</b>	7.00pm Sydney time on Thursday, 10 December 2020
<b>Registry</b>	Boardroom Pty Limited
<b>Retail Entitlement Offer</b>	The offer of New Securities to Eligible Retail Securityholders, as described in Section 1.3
<b>Retail Offer Booklet</b>	This booklet dated 14 December 2020, including the ASX Announcement and the Investor Presentation
<b>Retail Offer Period</b>	The period from the date the Retail Entitlement Offer opens until the Final Retail Entitlement Offer Closing Date
<b>RevPAM</b>	Revenue per available square metre
<b>Sale Nominee</b>	Macquarie Securities (Australia) Limited (ABN 58 002 832 126) has been appointed under section 615 of the Corporations Act to act as the sale nominee in connection with the Entitlement Offer
<b>Security</b>	A fully paid ordinary security in each of AGHL, AGPL and ASOL and a fully paid unit in each of the Trusts, each of which are stapled together on

**Securityholder**

a one-for-one basis in accordance with the constitutions of the entities comprising the Group.

The registered holder of a Security

**Significant Urban Areas**

Has the meaning given to it by the Australian Bureau of Statistics

**TERP**

The theoretical price at which Abacus securities should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the last traded price of \$3.10 on Monday, 7 December 2020.

**Timetable**

The indicative table set out in the 'key dates' section.

**Trust**

Any of AIT, AT, and ASPT and "**Trusts**" means all of them collectively.

**Underwriter**

Macquarie Capital (Australia) Limited (ABN 79 123 199 548)

**Underwriting Agreement**

The underwriting agreement between Abacus in its capacity as responsible entity of the Group and the Underwriter dated 8 December 2020, as described in section 4.7

**Underwriter Parties**

The Underwriter and its respective affiliates, related bodies corporate, directors, officers, partners, employees, advisers and agents

**US Securities Act**

US Securities Act of 1933, as amended

**VWAP**

Volume Weighted Average Price

## Corporate Directory

### **Abacus Property Group Registered Office**

Level 34, Australia Square  
264-278 George Street  
Sydney NSW 2000

### **Abacus Property Group Information Line**

1300 139 440 (toll free within Australia)  
+61 2 9290 9691 (outside Australia)

Open between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Retail Offer Period  
(Monday, 14 December 2020 to Wednesday, 23 December 2020)

### **Underwriter**

Macquarie Capital (Australia) Limited  
Level 4, 50 Martin Place  
Sydney NSW 2000

### **Legal Adviser**

King & Wood Mallesons  
Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

### **Registry**

Boardroom Pty Limited  
Grosvenor Place  
Level 12, 225 George Street  
Sydney NSW 2000

# ABACUS PROPERTY GROUP RETAIL ENTITLEMENT OFFER ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.	
Subregister	
SRN/HIN	
Number of Securities held at 7:00pm (Sydney time) on Thursday 10 December 2020 (Record Date)	
<b>Offer Closes: 5.00pm (Sydney time) Wednesday, 23 December 2020.</b> <b>If you wish to accelerate your issue of New Securities please pay</b> <b>via BPAY by 5.00pm (Sydney time) Thursday, 17 December 2020</b>	

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Barcode

OFFER OF NEW SECURITIES UNDER ACCELERATED NON-RENOUCEABLE PRO-RATA ENTITLEMENT OFFER OF NEW SECURITIES IN ABACUS PROPERTY GROUP ("NEW SECURITIES") AT AN ISSUE PRICE OF \$2.90 PER NEW SECURITIES ON THE BASIS OF 1 NEW SECURITY FOR EVERY 4.8 EXISTING SECURITIES HELD IN ABACUS (ROUNDED UP TO THE NEAREST WHOLE NUMBER) ("ISSUE PRICE") PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER TO ELIGIBLE SECURITYHOLDERS. This Entitlement and Acceptance Form relates to retail component of the Entitlement Offer referred to above (the "Retail Entitlement Offer"). Terms used but not defined in this Entitlement and Acceptance Form have the meaning given to them in the Retail Offer Booklet dated 14 December 2020 in connection with the Entitlement Offer. This is an important document and requires your immediate attention. If you do not understand it or are in doubt as to how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Retail Entitlement Offer is being made under the Retail Offer Booklet dated 14 December 2020. The Retail Offer Booklet contains information about investing in New Securities. Before applying for New Securities, you should carefully read the Retail Offer Booklet. The Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Booklet.

## A Entitlement Acceptance

If you wish to accept your **FULL ENTITLEMENT** and you wish to pay by BPAY, you must make your payment **FOR THE AMOUNT SHOWN BELOW** on or before 5.00pm (Sydney time) on Wednesday, 23 December 2020 ("Final Retail Entitlement Offer Closing Date"). Alternatively, if you wish to pay by cheque, bank draft or money order you must complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW** for receipt by Abacus on or before the Final Retail Entitlement Offer Closing Date. The payment (and return of this form, if applicable) will constitute acceptance of the Entitlement Offer. If you wish your Entitlement of New Securities to be issued on Monday, 21 December 2020, you must accept your Entitlement (or part of your Entitlement) and pay by BPAY on or before 5.00pm (Sydney time) on Thursday, 17 December 2020.

Entitlement to 1 New Security for every 4.8 Existing Securities held	Issue Price per New Security	Amount payable for full acceptance
	<b>\$2.90</b>	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** and you wish to pay by BPAY, you should make your payment for such lower amount as applicable. If you wish to pay by cheque, bank draft or money order please complete this form showing in the box below the **NUMBER OF NEW SECURITIES BEING ACCEPTED** and the appropriate amount payable. If you do not accept your Entitlement (or part of your Entitlement) by return of this form by 5.00pm (Sydney time) on Wednesday, 23 December 2020 then your Entitlement will lapse.

Number of New Securities applied for	Issue Price per New Security	Amount enclosed
	<b>\$2.90</b>	<b>\$</b>

## B Apply for Additional New Securities under the Oversubscription Facility (if available)

If you take up all of your Entitlement in full as noted in Section A, you may also apply for Additional New Securities in excess of your Entitlement, at the Issue Price. If you wish to apply for Additional New Securities, please insert the number of Additional New Securities in the box below and the appropriate amount payable. Additional New Securities will be allocated to Eligible Retail Securityholders as set out in the Retail Offer Booklet and may be subject to scale-back of applications for Additional New Securities in Abacus' absolute discretion. Refer to the Retail Offer Booklet for further details.

Number of Additional New Securities applied for	Issue Price per New Security	Amount enclosed
	<b>\$2.90</b>	<b>\$</b>

## C Payment

Payment may only be made by BPAY or cheque, bank draft or money order. Cash will not be accepted via the mail or at the Registry. Payments cannot be made at any bank.

**If you wish to participate in the Retail Entitlement Offer, you are encouraged to apply via BPAY in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return this Entitlement and Application Form if you choose to pay by BPAY.**

### Payment option 1 - BPAY



Biller Code:

### Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: [www.bpay.com.au](http://www.bpay.com.au)

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return this Entitlement and Offer Acceptance Form.
- If paying by BPAY the amount of your payment received in the account divided by the Issue Price of \$2.90 per New Security and Additional New Securities will be deemed to be the total number of New Securities and Additional New Securities you are applying for.
- If the amount of your payment received is more than the amount payable for your full Entitlement, you will be taken to have applied for Additional New Securities under the Oversubscription Facility.

## Payment option 2 – cheque, bank draft or money order (record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$
				\$

- Only cheques, bank drafts or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque, bank draft or money order must be made payable to **ABP Capital Account** and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.
- Cheques, bank drafts and money orders will be processed on the day of receipt. You must ensure sufficient cleared funds are held in your account as your cheque, bank draft or money order will be banked as soon as it is received. If sufficient cleared funds are not available, your Application may be rejected.

### Contact details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	( )	( )	

The Retail Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to securityholders located or resident outside of Australia and New Zealand. In particular, the Retail Entitlement Offer is not being made to any person in the United States or to any person who is acting for the account or benefit of a person in the United States. This Entitlement and Acceptance Form, the Retail Offer Booklet and any other document relating to the Entitlement Offer does not constitute an offer to sell, or a solicitation of an offer to buy, any New Securities (and Additional New Securities under the Oversubscription Facility, if any) in the United States, or in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. By submitting this Entitlement and Acceptance Form or by using the BPAY facility to accept the Retail Entitlement Offer: I/We represent and warrant that I/we have read and understood the Retail Offer Booklet to which this Entitlement and Acceptance Form relates and declare that this Entitlement and Acceptance Form has been completed and lodged according to the instructions in the Retail Offer Booklet and the instructions on the reverse of this Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate; I/We represent and warrant that I am / we are Eligible Retail Securityholder(s) as defined in the Retail Offer Booklet; I/We agree to be bound by the constitution of each of the entities forming the Group and agree to the terms and conditions of the Entitlement Offer set out in the Retail Offer Booklet; I/We represent and warrant that I/we have not relied on any other information other than as set out in the Retail Offer Booklet when making my/our decision to invest; and I/We represent and warrant that I am / we are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent we hold existing Securities in Abacus and are acting for the account or benefit of a person in the United States). The Entitlement Offer does not constitute an offer to any person who is not an Eligible Securityholder.

## LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

### ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New Securities for which you are applying for by \$2.90 then: (1) if paying by BPAY, make your BPAY payment for the applicable amount; OR (2) if paying by cheque, bank draft or money order, fill in the acceptance details, where necessary, in the space provided on the front of this form and complete your cheque, bank draft, money order details on the front of this form and send your cheque, bank draft or money order and completed form to:

Boardroom Pty Limited  
GPO Box 3891  
SYDNEY NSW 2001

If you do not accept your Entitlement in accordance with the terms outlined in the Retail Offer Booklet and on this form, your Entitlement will lapse at by 5.00 pm (Sydney time) on Wednesday, 23 December 2020.

If you wish your Entitlement of New Securities to be issued on Monday, 21 December 2020, you must accept your Entitlement (or part of your Entitlement) and pay by BPAY on or before 5.00pm (Sydney time) Thursday, 17 December 2020. All allotments of Additional New Securities pursuant to the Oversubscription Facility, are expected to occur on Thursday, 31 December 2020.

### PAYMENT – AUSTRALIAN RESIDENTS

<b>BPAY</b>	If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: <a href="http://www.bpay.com.au">www.bpay.com.au</a> . Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY <b>before 5.00pm (Sydney time) Wednesday, 23 December 2020. If payment is made by Bpay it is not necessary to return this form.</b>
<b>Cheque, bank draft or money order</b>	All cheques, bank draft or money order (expressed in Australian currency) are to be made payable to "ABP Capital Account" and crossed "Not Negotiable". Cheques, bank draft or money order will not be accepted if you wish to accept the Entitlement Offer by the Early Retail Entitlement Offer Acceptance Date. The cheque, bank draft or money order <b>and this completed Entitlement and Acceptance Form must be received before 5.00pm (Sydney time) on Wednesday, 23 December 2020.</b>

### PAYMENT - OVERSEAS RESIDENTS

Overseas Securityholders who are permitted to apply for New Securities must obtain a bank draft in Australian currency payable on a bank in Australia, or where the Securityholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Abacus Property Group  
Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

OVERSEAS SECURITYHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL FOR RECEIPT BEFORE 5.00PM (SYDNEY TIME) ON WEDNESDAY, 23 DECEMBER 2020. Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

## INTERPRETATION

Unless otherwise defined, capitalised terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Retail Offer Booklet.

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a securityholder (including your name, address and details of the Securities you hold) to be included in the public register of the entity in which you hold Securities. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold Securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form. Our privacy policy is available on our website <https://www.boardroomlimited.com/privacy-policy/>