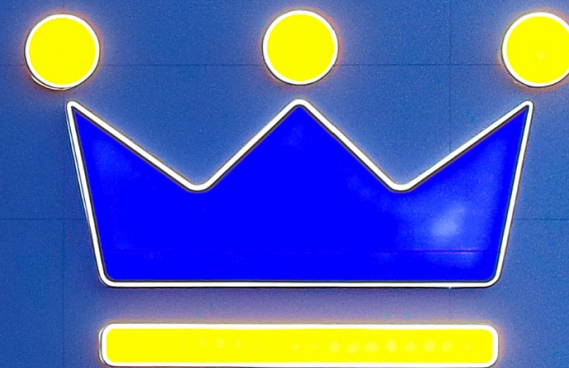


ABACUS PROPERTY GROUP

Business Update and Equity Raising
8 December 2020



storage
king





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In consideration for being given access to this presentation and the announcement to which it is attached, the recipient confirms, acknowledges, undertakes and agrees to the matters set out in this Important Notice and Disclaimer and any modifications notified to you.



Executive summary

Business update

- 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
- **Self Storage:** Multi-pronged growth strategy has delivered strong Q1 FY21 trading performance
 - occupancy¹ of 89.7%
 - revenue per available square metre¹ (“RevPAM”) of \$251
 - Q1 FY21 rent collection remains high at 99%
- **Office:** Acquisitions and active asset management have supported resilient Q1 FY21 trading performance
 - over 28,000 sqm of leasing² completed with positive spreads
 - occupancy³ of 91.4%
 - 91% of Q1 FY21 rents collected

Self Storage portfolio growth

- Deployment of \$413 million of capital into Self Storage acquisitions post FY19, with \$155 million deployed in FY21 to date, including
 - acquisition of the remaining 75% interest in our operating platform, Storage King
 - \$94 million of Self Storage properties settled
- 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
 - If these Pipeline acquisitions are successfully completed, Abacus’ Self Storage portfolio will comprise \$1,521 million of assets
- 100% ownership of Storage King is expected to increase the velocity of acquisitions and provide a significant competitive advantage in acquiring scale
- 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%⁴

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)

Equity raising	<ul style="list-style-type: none"> ▪ In order to repay debt and increase acquisition capacity¹ for continued growth over the medium term, Abacus is undertaking a fully underwritten² 1-for-4.8 accelerated non-renounceable pro rata entitlement offer to raise approximately \$402 million (“Entitlement Offer”) ▪ 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"> – 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 ▪ 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 entitlement³. In addition, Calculator Australia has provided a commitment to sub-underwrite approximately \$49 million across the retail tranche of the Entitlement Offer⁴
Financial impact	<ul style="list-style-type: none"> ▪ Post the completion of the Entitlement Offer, pro forma gearing⁵ is expected to be 17.5%, which provides Abacus with \$911 million of acquisition capacity¹ <ul style="list-style-type: none"> – If the Pipeline acquisitions are successfully completed, pro forma gearing will increase to 21.5% following completion of the Entitlement Offer ▪ On completion of the Entitlement Offer, the pro forma NTA⁶ per security is expected to be \$3.15
Outlook	<ul style="list-style-type: none"> ▪ 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 ▪ 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 ▪ FY21 full year distribution is expected to reflect a payout ratio broadly in line with the target range of 85 - 95% of FFO⁷

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 ¹	6.6% ²	6.2%
Average rent ¹	\$283psm ³	\$281psm
Occupancy ¹	89.7%	88.1%
RevPAM ¹	\$251 ³	\$248
RevPAM growth ¹	1.2% ⁴	0.0%
Proportion of rents collected ⁵	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



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 ¹	5.45% ²	5.47%
WALE ^{3,4}	4.0 years	3.6 years
Occupancy ⁴	91.4%	91.5%
Leased ⁵	28,041sqm	19,000sqm
Average rent review	3.6%	3.6%
Proportion of rents collected ⁶	91%	90%
Waivers provided ⁷	\$1.1m	\$1.7m

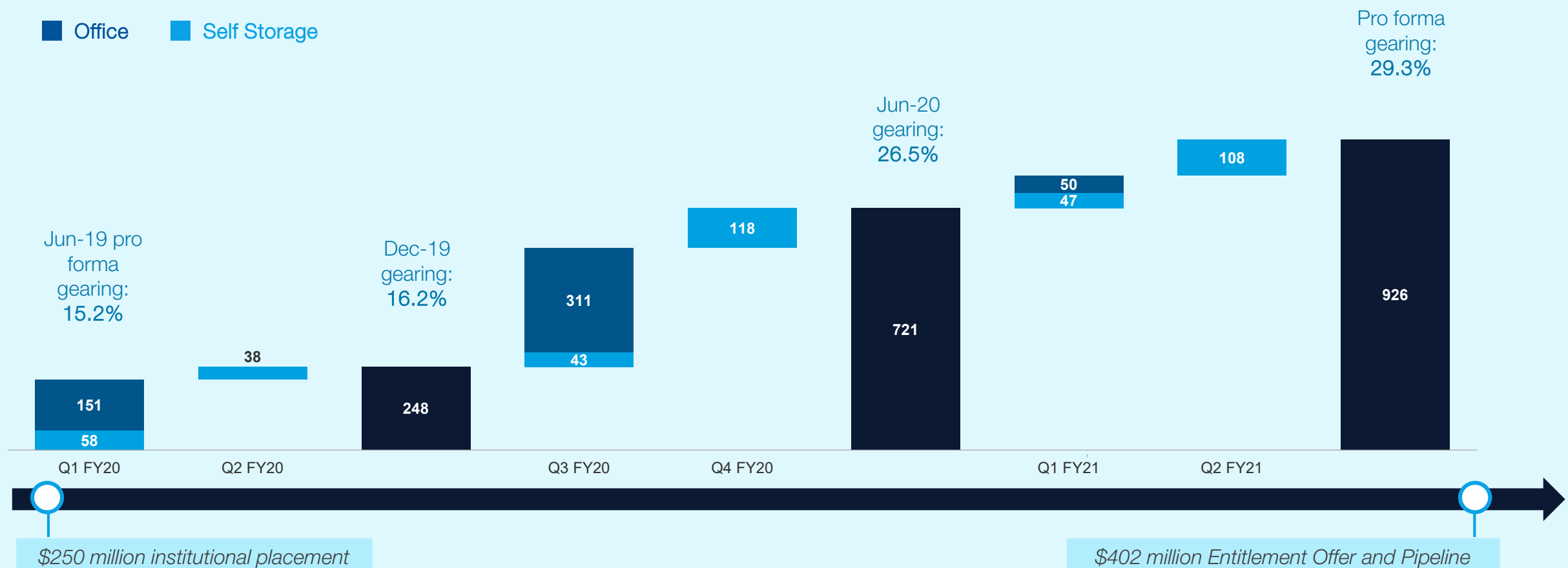
1. The weighted average capitalisation rate across the portfolio (including equity accounted investments)
2. Movement due to settlement of remaining 8% of 201 Elizabeth Street, Sydney NSW
3. Weighted Average Lease Expiry
4. Excludes development affected assets
5. Includes non-Abacus share for jointly 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



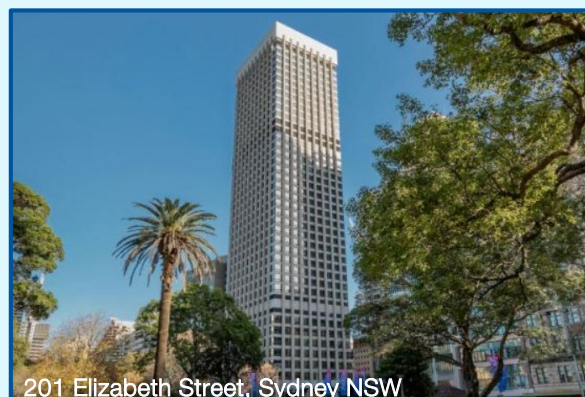
Consistent capital deployment

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

GEARING AND ACQUISITIONS POST FY19



\$513 million core Office real estate acquired post FY19



\$413 million capital deployed into Self Storage post FY19

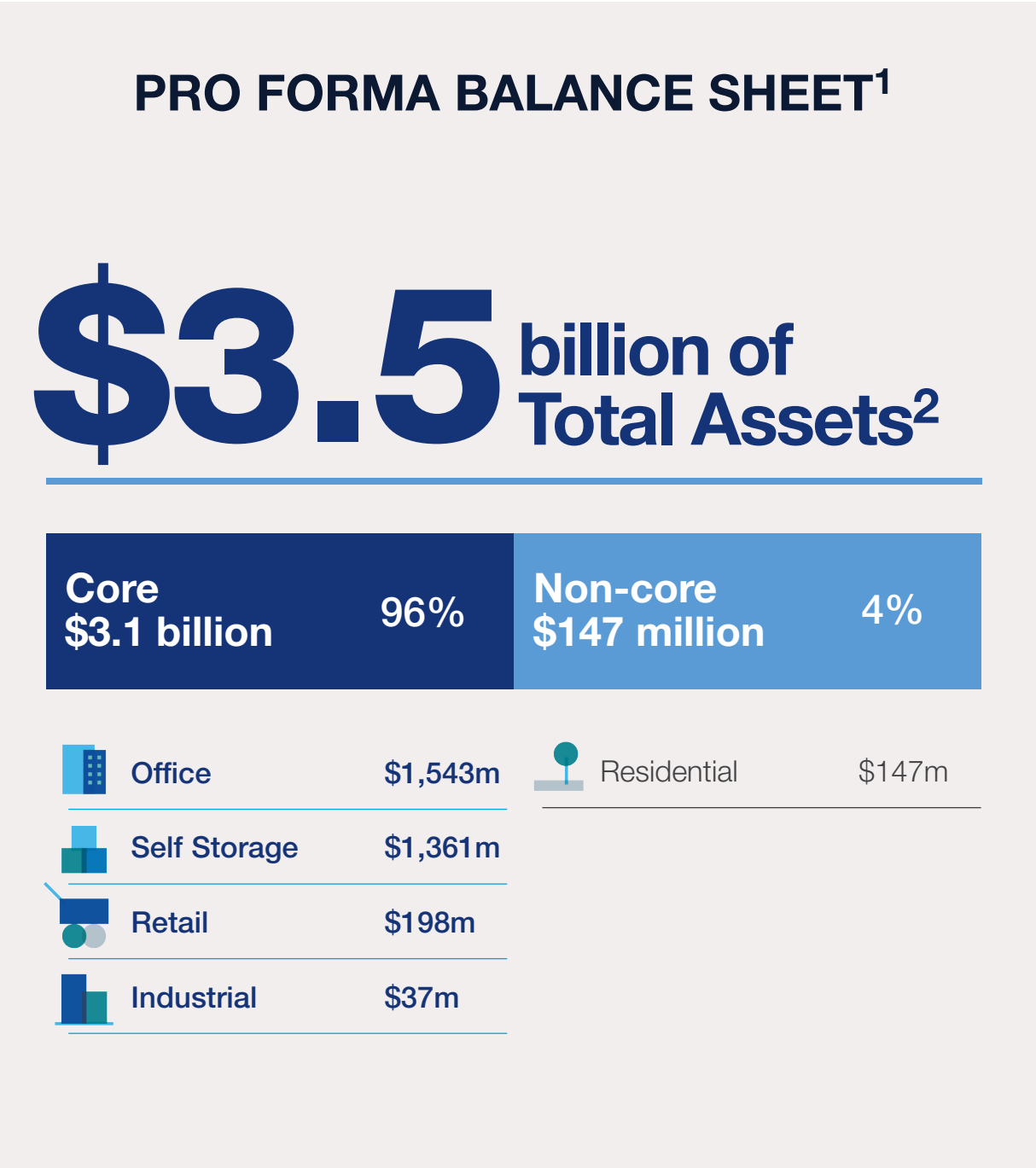
- 23 Self Storage properties totalling \$235m
- Remaining 75% interest in Storage King platform
- \$128m investment into listed Self Storage AREIT at attractive pricing





Balance sheet allocation

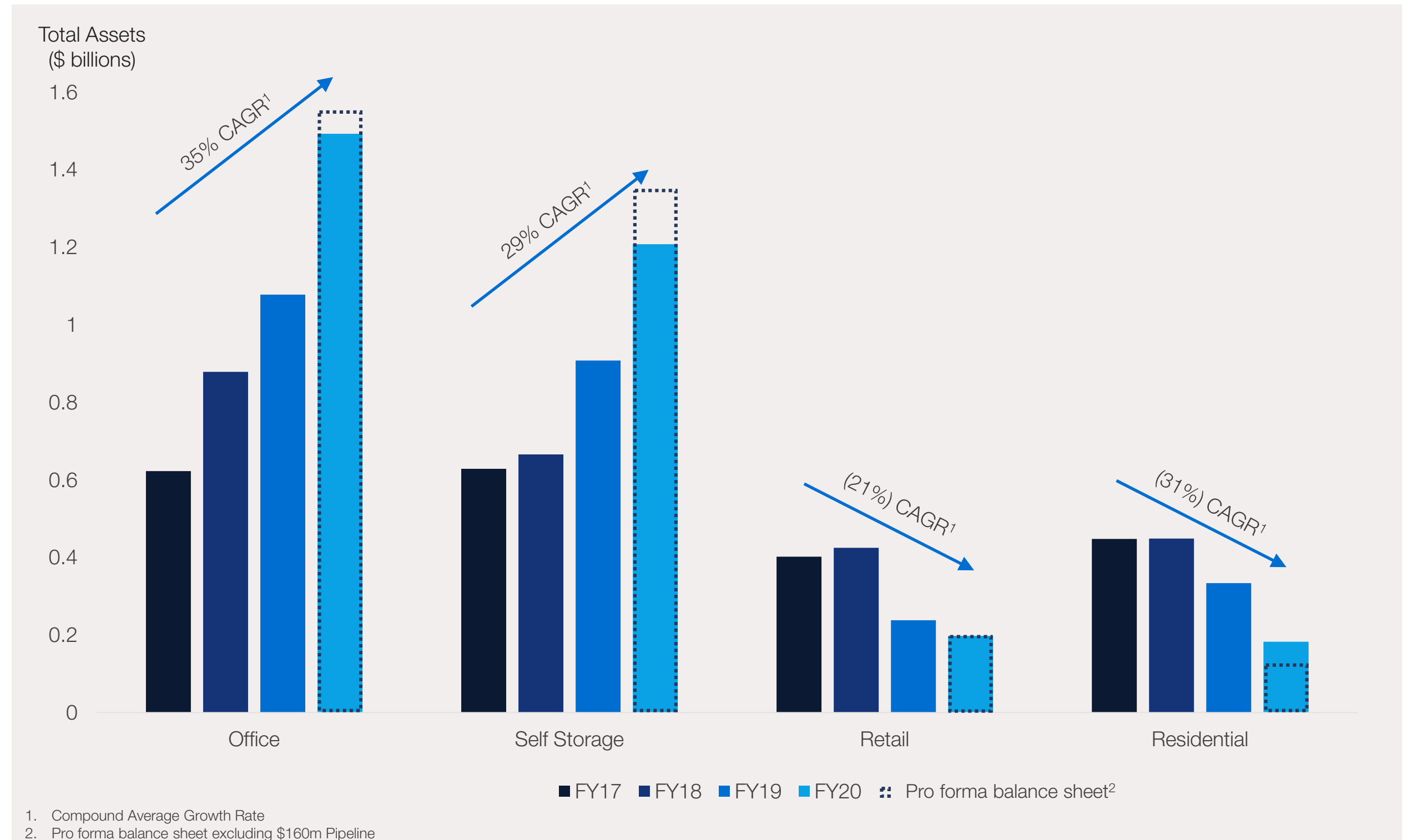
Capital deployed into Office and Self Storage sectors has enhanced portfolio quality and stability of income





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



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 NLA¹ 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



Self Storage – acquisition track record

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



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 seven¹ 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 ²	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
Total	12	39,800	\$97.5m

- 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

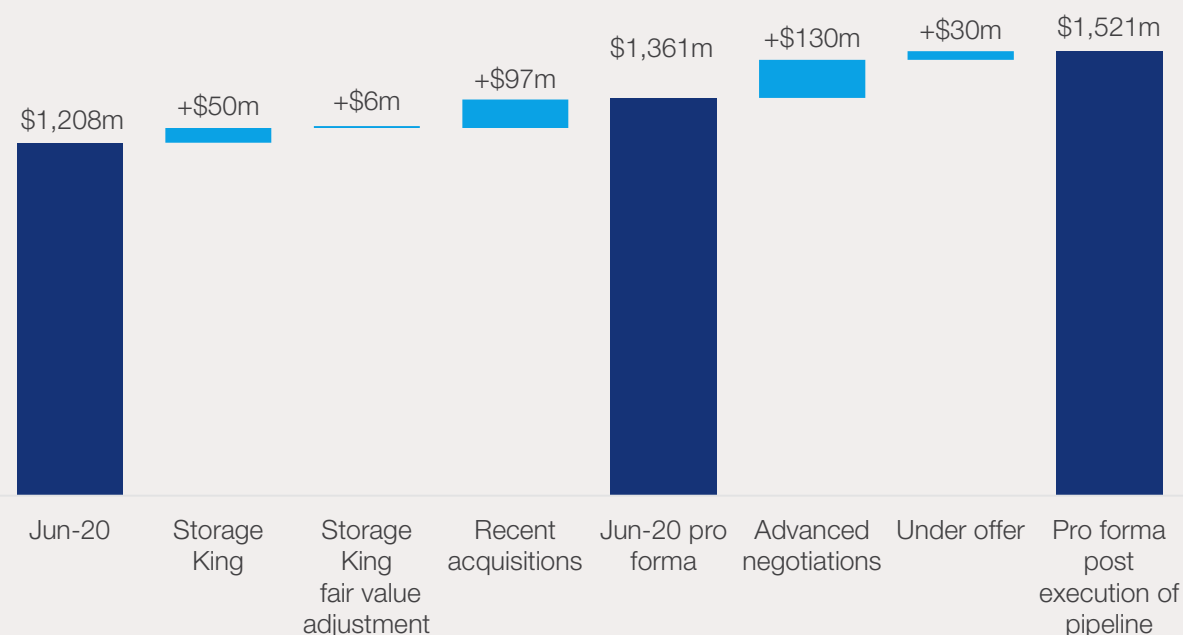


Self Storage – acquisition pipeline

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 Areas¹ 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



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%¹

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
Total	55,250	

1. Post stabilisation

Equity raising



Equity raising

Offer structure and price	<ul style="list-style-type: none"> ▪ A 1-for-4.8 accelerated non-renounceable pro rata entitlement offer to raise approximately \$402 million <ul style="list-style-type: none"> – The Entitlement Offer represents 21% of total Abacus Securities currently on issue ▪ The Issue Price has been set at \$2.90 per security, which represents a: <ul style="list-style-type: none"> – 6.5% discount to last closing price of \$3.10 per Abacus Security on 7 December 2020 – 7.7% discount to the 5-day VWAP¹ of \$3.14 per Abacus Security on 7 December 2020 – 5.4% discount to TERP² of \$3.07 ▪ Record date for Entitlement Offer is Thursday, 10 December 2020 at 7:00pm (AEDT) ▪ Abacus' largest securityholder, Calculator Australia is supportive of the Entitlement Offer and intends to take up its full entitlement³. In addition, Calculator Australia has provided a commitment to sub-underwrite approximately \$49 million across the retail tranche of the Entitlement Offer⁴ ▪ Eligible retail securityholders will be able to apply for additional New Securities in excess of their entitlement
Use of proceeds	<ul style="list-style-type: none"> ▪ Proceeds will initially be used to pay down existing debt facilities ▪ Post completion of the Entitlement Offer, pro forma gearing⁵ is expected to be 17.5%, which provides Abacus with \$911 million of acquisition capacity⁶ <ul style="list-style-type: none"> – If the Pipeline acquisitions are successfully completed, pro forma gearing will increase to 21.5% following completion of the Entitlement Offer ▪ The increase in acquisition capacity⁶ is expected to allow Abacus to execute on future growth initiatives including developments and acquisitions
Ranking	<ul style="list-style-type: none"> ▪ 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
Underwriting	<ul style="list-style-type: none"> ▪ Macquarie Capital (Australia) Limited is acting as sole lead manager and is underwriting the Entitlement Offer ("Underwriter")⁷

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

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 ²
Pro forma NTA per security post Entitlement Offer	\$3.15 ³
Pro forma gearing ⁴ post Entitlement Offer	17.5%
Acquisition capacity ⁵ post Entitlement Offer	\$911 million



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

Summary

Summary



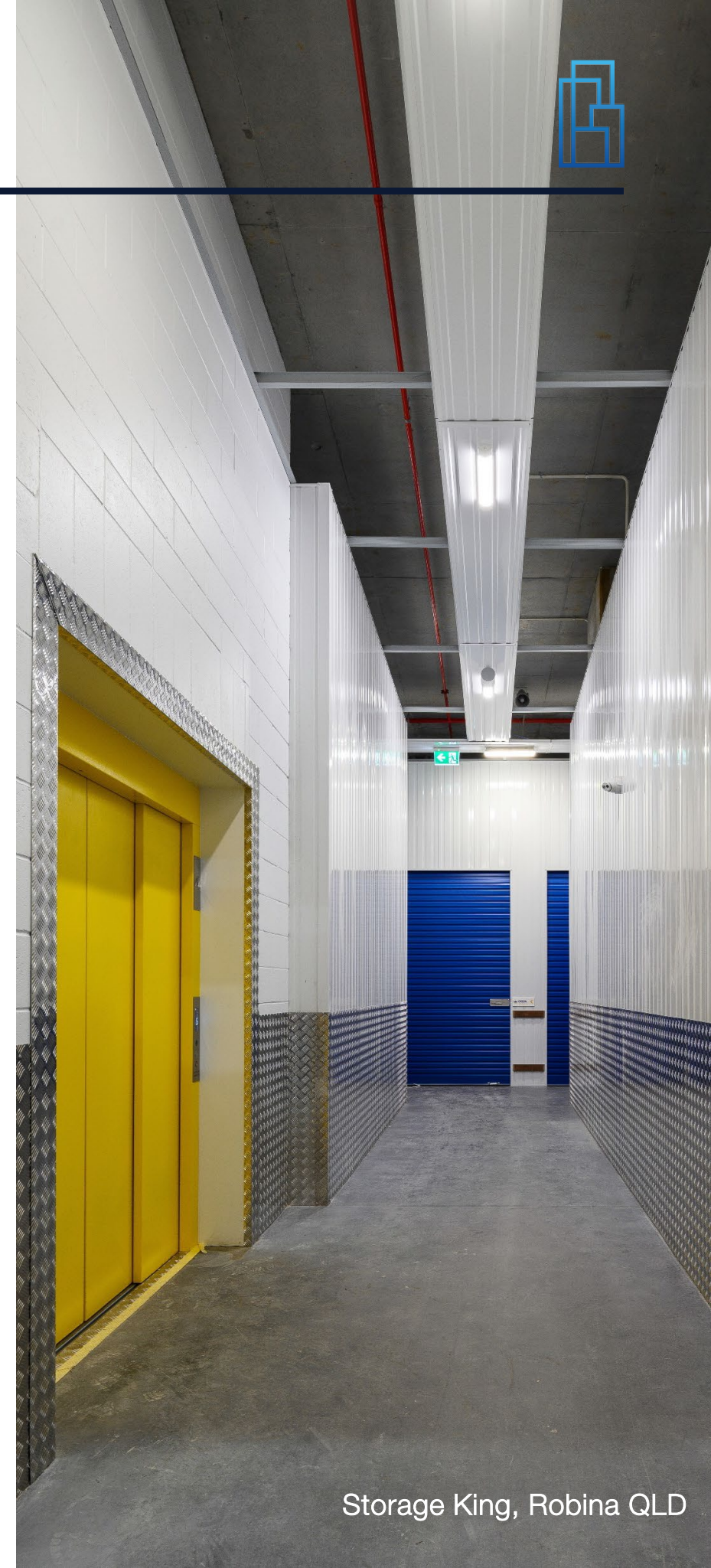
- Following the acquisition of the Storage King self storage operating platform, Abacus is now a fully internalised AREIT with key asset focus in the Office and Self Storage sectors
- Storage King, will continue to be managed as it is currently, and is now a wholly owned subsidiary of Abacus
- Abacus 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%¹
- In Office, similarly a combination of driving operational performance, redevelopments and acquisitions is expected to present opportunities for growth
- Pro forma expected gearing² of 17.5% and acquisition capacity³ 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 FFO⁴

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



Appendix A



Pro forma balance sheet

\$m	Jun-20	Post balance date adjustments ¹	Pro forma	Entitlement Offer	Pro forma post Entitlement Offer
Cash	127.3		127.3		127.3
Investment properties	2,652.9	147.9 ²	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
Total assets	3,342.0	167.4	3,509.4	-	3,509.4
Borrowings	1,009.8	138.7	1,148.5	(397.7)	750.8
Other liabilities	125.5		125.5		125.5
Total liabilities	1,135.3	138.7	1,274.0	(397.7)	876.3
Net assets	2,206.7	28.7	2,235.4	397.7	2,633.1
Securities on issue	653.5		665.7	138.7	804.4
NTA per security³	\$3.32		\$3.20		\$3.15
Gearing⁴	26.5%		29.3%		17.5%

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

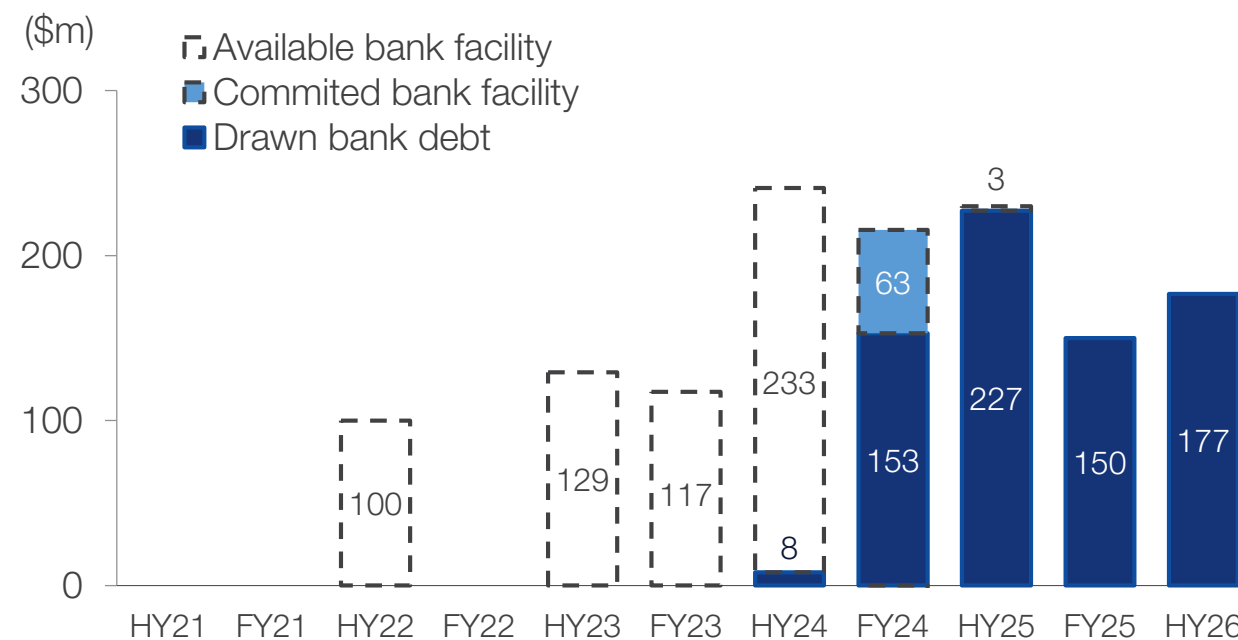


Capital management

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 profile¹



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 ¹	FY20
Cash balance	\$127m	\$127m
Total bank debt facilities	\$1,360m	\$1,113m
Total bank debt drawn	\$715m	\$974m
Available funds ² (available bank facility + cash)	\$709m	\$203m
Group gearing ³	17.5%	26.5%
Look through gearing ⁴	19.0%	27.8%
Gearing ratio calculated for covenant measures / covenant	23.0% / 50%	31.9% / 50%
Acquisition capacity ⁵	\$911m	\$422m

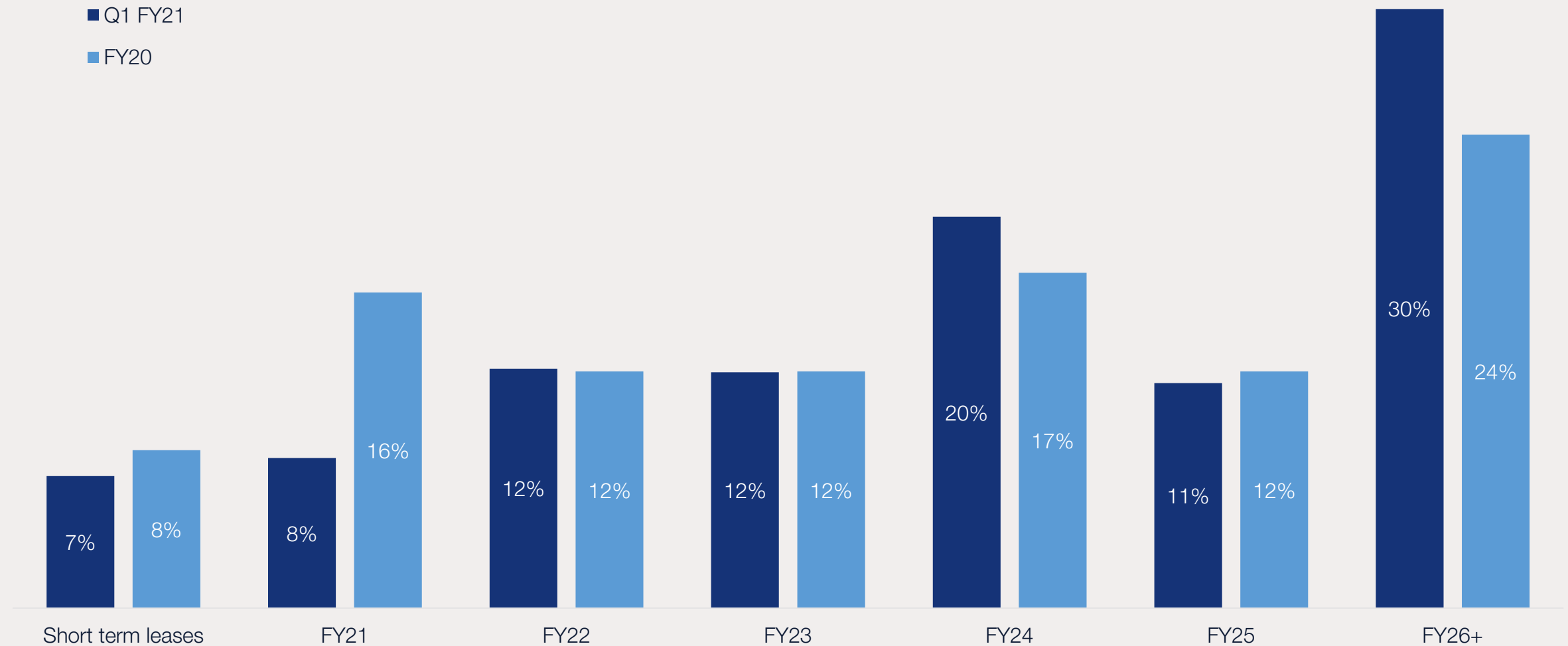


Commercial lease expiry profile

Q1 FY21 leasing has driven an improved commercial lease expiry profile

Commercial lease expiry profile by rent

■ Q1 FY21
■ FY20





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

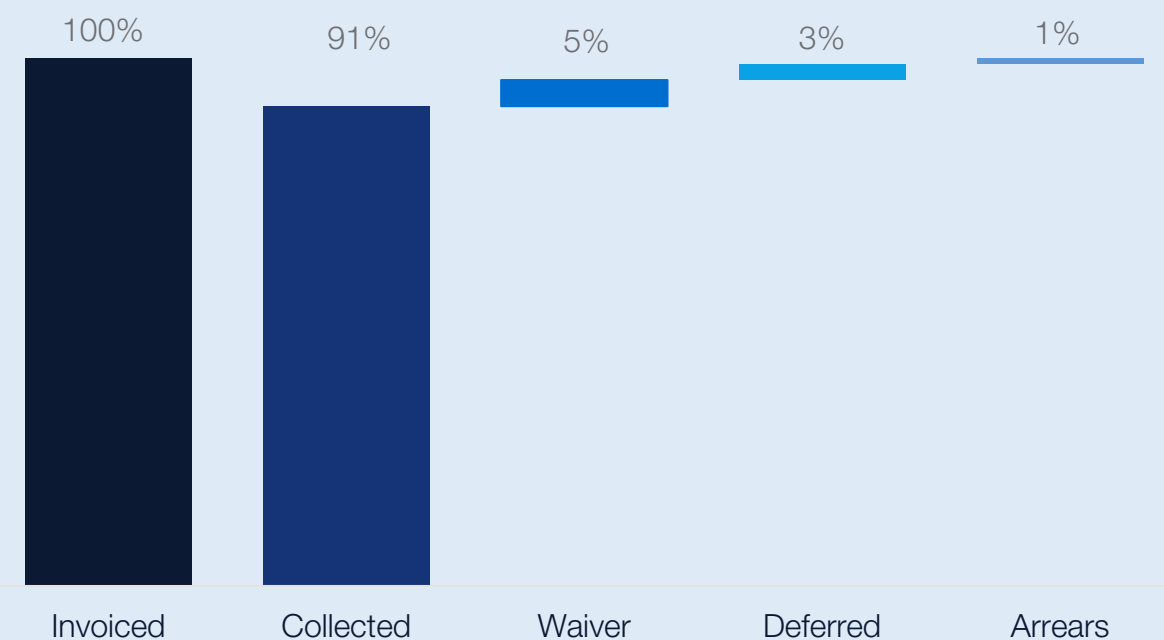
Q1 FY21	OFFICE	SELF STORAGE	RETAIL
Proportion of total assets ¹	49%	43%	6%
Proportion of rents collected	91%	99%	90%
Waivers provided	\$1.1m	Nil	\$0.4m
SME ² exposure (by number)	59%	N/A	78%
SME ² exposure (by income)	28%	N/A	49%

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

2. Small and medium sized enterprises



Q1 Office rent collection (July – September 2020)



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);



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.



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



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’

Calculator Australia’s present relevant voting power and potential changes under several scenarios are set out in the table below¹:

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%

Major securityholder participation and control under various scenarios

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