

Appendix 4D

Abacus Storage King

1. Entity details

| | |
|------------------|--|
| Name of entity: | Abacus Storage King |
| ABN: | 37 112 457 075 |
| Reporting period | For the half-year ended 31 December 2023 |

2. Results for announcement to the market

Abacus Storage King was listed on the Australian Securities Exchange ('ASX') on 1 August 2023 conditional upon the de-stapling from ABG which was implemented on 3 August 2023. Abacus Storage King comprises Abacus Storage Operations Limited and its controlled entities and Abacus Storage Property Trust and its controlled entities.

The Appendix 4D should be read in conjunction with the interim financial report of Abacus Storage King and the most recent annual financial reports of Abacus Storage Operations Limited and Abacus Storage Property Trust.

| | |
|--|----------|
| Total revenue and other income | \$113.2m |
| Net profit after income tax expense | \$0.4m |
| Funds from operations ("FFO") ⁽¹⁾ | \$37.6m |
| Underlying earnings ⁽²⁾ | \$44.7m |

As there are no comparatives, change and percentage change from preceding periods are not presented.

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

| | |
|--|-------------|
| | 31 Dec 2023 |
| Basic earnings per security (cents) | 0.03 |
| FFO per security (cents) | 3.03 |
| Underlying earnings per security (cents) | 3.61 |
| Distribution per security (cents) | 3.00 |
| Weighted average securities on issue (million) | 1,238.3 |

3. Distributions

| | |
|---|----------------------|
| Distributions | Per stapled security |
| December 2023 half | 3.00 cents |
| This distribution was declared on 8 December 2023 and will be paid on or about 29 February 2024 | |
| Record date for determining entitlement to the distributions | 29 December 2023 |

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

4. Net tangible assets

| | |
|----------------------------------|-------------|
| | 31 Dec 2023 |
| Net tangible assets per security | \$1.52 |

Distribution Reinvestment Plan (DRP)

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



INTERIM FINANCIAL REPORT
31 DECEMBER 2023



HALF YEAR FINANCIAL REPORT

31 DECEMBER 2023

Directory

Abacus Storage Operations Limited

ABN: 37 112 457 075

Abacus Storage Funds Management Limited

ABN: 41 109 324 834

Registered Office:

Level 13, 77 Castlereagh Street
 SYDNEY NSW 2000
 Tel: (02) 9253 8600
 Fax: (02) 9253 8616
 Website: www.abacusgroup.com.au

Company secretary:

Lucy Spenceley

Auditor (Financial and Compliance Plan):

Ernst & Young
 200 George Street
 SYDNEY NSW 2000

Custodian:

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

Share Registry:

Boardroom Pty Ltd
 Level 8, 210 George St
 SYDNEY NSW 2000
 Tel: 1300 737 760
 Fax: 1300 653 459

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It is recommended that this Half-year Financial Report should be read in conjunction with the Annual Financial Report of Abacus Storage Property Trust and Abacus Storage Operations Limited as at 30 June 2023. It is also recommended that the report be considered together with any public announcements made by the Abacus Storage King in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

DIRECTORS' REPORT

31 DECEMBER 2023

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

DIRECTORS

The Directors of Abacus Storage Operations Limited ("ASOL") and Abacus Storage Funds Management Limited ("ASFML") – the Responsible Entity of Abacus Storage Property Trust ("ASPT") in office during the half-year and until the date of this report are as follows:

| | |
|-----------------|---|
| John O'Sullivan | Chair (Non-executive) (appointed Chair 3 August 2023) |
| Steven Sewell | Managing Director |
| Mark Bloom | Non-executive Director |
| Stephanie Lai | Non-executive Director |
| Karen Robbins | Non-executive Director |
| Myra Salkinder | Chair (Non-executive) (retired 3 August 2023) |
| Trent Alston | Non-executive Director (retired 3 August 2023) |
| Mark Haberlin | Non-executive Director (retired 3 August 2023) |
| Sally Herman | Non-executive Director (retired 3 August 2023) |
| Jingmin Qian | Non-executive Director (retired 3 August 2023) |

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

PRINCIPAL ACTIVITIES AND STRUCTURE

Abacus Storage King (ASK) was listed on the ASX in August 2023 and its market capitalisation was over \$1.5 billion as at 31 December 2023. The principal activities during the period were the investment in and operation of Self Storage facilities. ASK operates predominantly in Australia and New Zealand. It comprises ASPT and ASOL (collectively "ASK") and its securities trade on the Australian Securities Exchange ("ASX") as ASK.

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

ASOL is incorporated and domiciled in Australia. ASPT is an Australian registered managed investment scheme. ASFML is the Responsible Entity of ASPT.

ASOL has been identified as the parent entity of ASK. The financial report of ASK for the half-year ended 31 December 2023 comprises the consolidated financial reports of ASOL and its controlled entities and ASPT and its controlled entities.

The financial report for ASPT and its controlled entities is presented in adjacent columns under ASIC Corporations Instrument 2015/838. Only ASFML takes responsibility for the financial report for ASPT and its controlled entities.

DIRECTORS' REPORT

31 DECEMBER 2023

OPERATING AND FINANCIAL REVIEW

ASK earned a statutory net profit after tax of \$0.4 million for the half-year ended 31 December 2023. This profit has been calculated in accordance with Australian Accounting Standards. It includes certain significant items that are adjusted to enable securityholders to obtain an understanding of ASK's funds from operations ("FFO") of \$37.6 million and underlying earnings of \$44.7m.

FFO is derived from the statutory profit and presents the results in a way that reflects our underlying performance.

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

Underlying earnings additionally adjusts for income tax benefit/expense and realised gains/losses on investments and financial instruments and is reflective of the ongoing business operations and activities of ASK during the period.

Distributions are determined with reference to both FFO and underlying earnings.

The reconciliation between ASK's statutory profit, FFO and underlying earnings is as follows. This reconciliation has not been reviewed by ASK's auditor.

| | 31 Dec 2023 \$'000 |
|--|-----------------------|
| Consolidated statutory net profit after tax attributable to members of ASK | 396 |
| Adjust for: | |
| Net change in fair value of investment properties and property, plant and equipment derecognised | 8 |
| Net change in fair value of investment properties held at balance date | 27,473 |
| Net change in fair value of investments and financial instruments held at balance date | 925 |
| Net change in fair value of investment properties included in equity accounted investments | 107 |
| Depreciation on owner occupied property, plant and equipment | 2,260 |
| Net change in fair value of derivatives | 12,789 |
| Finance and other income net of transaction costs associated with the de-stapling | (220) |
| Movement in lease liabilities | (68) |
| Net tax expense on non-FFO Items | (6,091) |
| ASK funds from operations ("FFO") | 37,579 |
| Add back: | |
| Net change in fair value of investments derecognised | 3,044 |
| Income tax expense on FFO items | 4,126 |
| ASK Underlying Earnings | 44,749 |
| | 31 Dec 2023 |
| Basic earnings per security (cents) | 0.03 |
| FFO per security (cents) | 3.03 |
| Underlying earnings per security (cents) | 3.61 |
| Distribution per security (cents) | 3.00 |
| Weighted average securities on issue (million) | 1,238 |

DIRECTORS' REPORT

31 DECEMBER 2023

OPERATING AND FINANCIAL REVIEW (continued)

ASK was established via a de-stapling of ASPT and ASOL from Abacus Group to create a new standalone Self Storage operating platform and real estate investment group listed on the ASX with a mandate to invest in the growing Self Storage sector across Australia and New Zealand.

The semi-annual statutory financial statements of Abacus Storage King for the period ended 31 December 2023, represent the financial results and financial position as follows:

- the financial results for ASOL and its controlled entities for the period from 1 July 2023 to 31 December 2023 and the financial results of ASPT and its controlled entities for the period from 3 August 2023 (being the de-stapling date) to 31 December 2023, with the comparative results representing the results of ASOL and its controlled entities for the period from 1 July 2022 to 31 December 2022; and
- the statement of financial position as at 31 December 2023 represents the consolidated financial position of ASOL and its controlled entities, and ASPT and its controlled entities, with the comparative statement of financial position representing ASOL and its controlled entities as at 30 June 2023.

ASOL's principal activity during the period was as the operator of Self Storage facilities under the brand Storage King. As the operator, ASOL derives rental income from customers.

ASPT's principal activity during the period was investing in Self Storage facilities and leasing them to ASOL.

Following the creation of ASK and the consolidation of ASPT, the composition of ASK's income statement and financial position have fundamentally changed and now represents a pure play, fully integrated owner, operator, and manager of the Storage King operating platform, providing its securityholders with access to Australia and New Zealand's most recognised brand.¹

The Storage King operating platform services 197 managed and/or licensed stores, including its 115 trading stores and a further 82 third party owned stores throughout Australia and New Zealand.

ASK is externally managed by Abacus Group. Abacus Group continues to provide corporate strategy, operational oversight and investment expertise, including:

| | |
|---------------------------------|---|
| Corporate strategy | <ul style="list-style-type: none"> • Make recommendations in relation to ASK's corporate strategy and portfolio composition • Prepare ASK's business plan, forecasts and budgets |
| Capital transactions | <ul style="list-style-type: none"> • Identify acquisition, development and divestment opportunities, undertake due diligence and source funding • Prepare and deliver capital expenditure plans |
| Development management | <ul style="list-style-type: none"> • Manage and deliver development projects • Oversee implementation of capital expenditure at the sites |
| Investor relations | <ul style="list-style-type: none"> • Provide information necessary for reporting to ASK securityholders • Liaise with ASK securityholders and sell-side research |
| Financial reporting | <ul style="list-style-type: none"> • Prepare statutory and management accounts for ASK reporting • Prepare reporting suite for ASX disclosures, ASK Board and Abacus management |
| Regulatory functions | <ul style="list-style-type: none"> • Engage with ASX and deliver on ASK's requirements under the Listing Rules |
| Back office corporate functions | <ul style="list-style-type: none"> • Deliver tax, treasury and accounting services, capital raising preparation and valuations, risk and compliance and insurance services and strategic oversight of Storage King |

¹ Self Storage Association of Australasia – "State of the Industry 2022".

DIRECTORS' REPORT

31 DECEMBER 2023

OPERATING AND FINANCIAL REVIEW (continued)

The management and other fees payable for the above services to Abacus Group during the period are outlined in Note 12.

ASK's vision is to be the undisputed leader in the Self Storage industry by seeking to be the most respected, responsive, and recognised owner, operator and manager.

ASK's strategy aims to pursue goals for the business, people, communities and environment, with a clear aim to deliver sustainable and superior returns from its:

- **Storage King operating platform:** via the Storage King operating platform, ASK focuses on brand, customer and revenue management to seek to build the most valued brand in the market. Through purposeful investment in the people, processes and systems, ASK seeks to deliver the easiest, best in class, storage services that meet its customers bespoke and evolving needs; and
- **Investment Portfolio:** ASK focuses on asset management and identifies and executes growth initiatives including acquisitions and developments.

As at 31 December 2023, ASK had \$3.1 billion of total assets comprising:

- the Storage King operating platform;
- a portfolio of 136 high quality, metropolitan focused Self Storage Properties including 115 trading stores with 616,155 sqm of NLA and 21 developments with a fair value of \$2.7 billion and WACR of 5.67%; and
- \$0.2 billion of other investments including \$173 million or 5.5% interest in another ASX listed Self Storage REIT.

Acquisition and Development Pipeline

During the period, ASK focused its investment capital on growing its acquisition and development pipeline in line with its capital allocation strategy.

ASK purchased the following properties during the period: 9 Self Storage sites for \$161 million being 7 operating facilities at Castle Hill NSW, Woolloomooloo NSW, Homebush NSW, Miami QLD, Balcatta WA, Bentley WA, Coburg North VIC, and 2 development sites.

ASK's development pipeline now comprises 21 assets, with a combined carrying value of \$250 million. These assets are at various stages of development and are anticipated to be delivered to the established portfolio over the next few years as they are completed to commence trading, and reach forecast optimum occupancy levels. It is anticipated that these assets will enhance the average rental rate and RevPAM across the established portfolio over time.

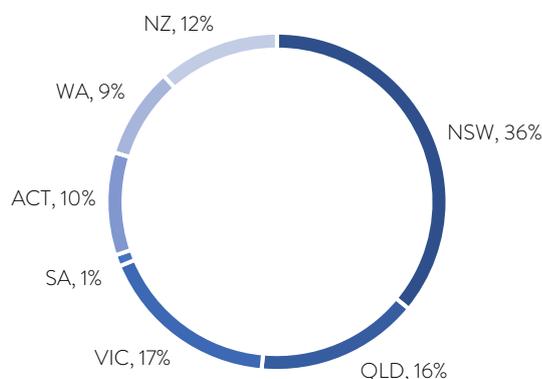
DIRECTORS' REPORT

31 DECEMBER 2023

OPERATING AND FINANCIAL REVIEW (continued)

The Self Storage portfolio is well diversified in Australia and New Zealand across attractive metropolitan locations that are easily accessible and are close to large population centres.

| | ASK |
|--------------------------------------|------------|
| Portfolio Value (\$ million) | \$3,106.9 |
| Number of assets | 136 |
| Occupancy ^{1,4} (% by area) | 90.4% |
| WACR ² | 5.67% |
| RevPAM ^{1,3,4} | \$324 psqm |
| Average rate ^{1,4} | \$358 psqm |



1. Established portfolio

2. WACR: Weighted Average Capitalisation Rate

3. Revenue per available square metre

4. Average over last 6 months (by area)

As part of the portfolio valuation process for the period ended 31 December 2023, 27% or 36 of ASK's 134 investment properties (excluding equity accounted properties) by number were independently valued. The remaining properties were subject to internal valuation and, where appropriate, their values were adjusted.

The portfolio valuation process resulted in a loss of \$27.5 million or 1% in the six months to 31 December 2023. The investment property portfolio's overall weighted average capitalisation rate softened 10 basis points from 5.57% to 5.67%.

Despite yield expansion over the past six months, ASK's existing established Self Storage portfolio remains resilient, with average year to date RevPAM growth of 4.8% when compared to the HY23 period.

The current economic environment is being driven by high inflation and interest rates. This environment may provide ASK opportunities to acquire core assets with medium to long term growth prospects and we remain confident that ASK is positioned to leverage our key enablers, being:

- our people and culture,
- our licensees,
- our brand, and
- our market insight

Capital Management

In August 2023, ASK undertook a \$225.0 million equity raising structured as a 1 for 5.6 pro rata securityholder offer and resulted in the issuance of 159.6 million securities. A further 221.1 million and 39.7 million securities, respectively were issued in conjunction with ASK settling a portion of an outstanding loan to Abacus Group and acquiring units in Abacus Repository Trust.

In December 2023, ASK successfully negotiated and agreed terms on its syndicated banking facility to increase the limit by \$250 million to \$1.25 billion and extend the facility tranches tenor on average by a further 6 months.

DIRECTORS' REPORT

31 DECEMBER 2023

OPERATING AND FINANCIAL REVIEW (continued)

As at 31 December 2023, ASK's balance sheet remains strong with gearing levels at 29.3%, well within the Board's target gearing range of 25% to 35%, with approximately \$250 million of acquisition capacity² to take advantage of accretive opportunities as they arise.

With broader market volatility, it is expected that both the lag effects of inflationary pressures and the current high interest rate environment will continue through the 2024 financial year.

ASK is well positioned to manage these challenges over the remaining financial year period with a strong defensive property portfolio and being 72.3% hedged at 31 December 2023.

Sustainability Initiatives

ASK remains focused on improving the responsible and sustainable evolution of its core businesses.

Detailed planning of ASK's sustainability strategy has recently commenced, and initial progress undertaken includes the implementation of a revised Net Zero emissions target³ from 2050 to 2030. Completion and the announcement of ASK's sustainability strategy is anticipated later this calendar year.

ASK continued to invest in its brand refresh program, with 87% of stores now with contemporary branding and design.

The attraction and retention of talent remained a key focus during the period with a detailed pay gap analysis run across the group. Additionally, the implementation of a group wide employee benefits program incorporating rewards and recognition has been completed.

Migration to an improved governance, risk and compliance system has elevated transparency and resulted in better management of key risks and obligations over HY24.

CHANGES IN THE STATE OF AFFAIRS

ASK issued 420.4 million securities during the period and the total equity was \$1,069.6 million as at 31 December 2023.

DISTRIBUTIONS

An interim distribution of 3.0 cents per stapled security was declared on 8 December 2023 which will be paid on or about 29 February 2024. Distributions are paid on a semi-annual basis.

² Based on ASK target gearing of up to 35%

³ Scope 1 & 2 greenhouse gas emissions for ASK owned stores assuming access to green power remaining a feasible option, if required.

DIRECTORS' REPORT

31 DECEMBER 2023

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 29 January 2024, ASK disposed of 15 million securities in another listed Self Storage REIT for \$33 million, ceasing to be a substantial holder.

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

ROUNDING

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

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is set out on page 7.

Signed in accordance with a resolution of the directors.



John O'Sullivan
Chair
Sydney, 16 February 2024



Steven Sewell
Executive Director



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working world**

Auditor's Independence Declaration to the Directors of Abacus Storage Operations Limited and Abacus Storage Funds Management Limited as Responsible Entity of Abacus Storage Property Trust

As lead auditor for the review of the half-year financial report of the stapled entity Abacus Storage King and Abacus Storage Property Trust for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) No contraventions of any applicable code of professional conduct in relation to the review; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Abacus Storage Operations Limited and Abacus Storage Property Trust and the entities they controlled during the financial period.

Ernst & Young
Ernst & Young

A handwritten signature in black ink, appearing to read 'A Ewan'.

Anthony Ewan
Partner
16 February 2024

CONSOLIDATED INCOME STATEMENT

HALF-YEAR ENDED 31 DECEMBER 2023

| | | ASK | ASK | ASPT | ASPT |
|--|-------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Notes | Consolidated 31 Dec 2023 \$'000 | Consolidated 31 Dec 2022 \$'000 | Consolidated 31 Dec 2023 \$'000 | Consolidated 31 Dec 2022 \$'000 |
| REVENUE | | | | | |
| Rental income | | 97,225 | 82,865 | 61,439 | 51,953 |
| Merchandising income | | 1,884 | 2,083 | - | - |
| Fee income | | 8,896 | 9,072 | - | - |
| Finance income | | 840 | 1,673 | 356 | 192 |
| Total Revenue | | 108,845 | 95,693 | 61,795 | 52,145 |
| OTHER INCOME | | | | | |
| Share of profit/(loss) from equity accounted investments | 4(a) | 171 | - | (2,036) | (900) |
| Income from distribution | | 4,146 | - | 4,146 | 6,180 |
| Total Revenue and Other Income | | 113,162 | 95,693 | 63,905 | 57,425 |
| Net change in fair value of investment properties and property, plant and equipment derecognised | | (8) | 9 | (8) | (38) |
| Net change in fair value of derivatives | | (12,789) | - | (14,242) | - |
| Net change in fair value of investment properties held at balance date | | (27,473) | (38,387) | (11,870) | 75,237 |
| Net change in fair value of investment and financial instruments derecognised | | (3,044) | - | (3,044) | - |
| Net change in fair value of investments held at balance date | | (925) | - | (3,776) | 20,226 |
| Property expenses and outgoings | | (19,536) | (16,681) | (6,897) | (5,575) |
| Depreciation and amortisation expense | | (2,267) | (1,513) | (8) | - |
| Finance costs | | (14,919) | (4,642) | (22,772) | (21,243) |
| Administrative and other expenses | | (33,770) | (21,560) | (8,786) | (5,785) |
| (LOSS)/PROFIT BEFORE TAX | | (1,569) | 12,919 | (7,498) | 120,247 |
| Income tax benefit/(expense) | | 1,965 | (4,160) | - | - |
| NET PROFIT/(LOSS) AFTER TAX | | 396 | 8,759 | (7,498) | 120,247 |
| PROFIT/(LOSS) ATTRIBUTABLE TO: | | | | | |
| ASOL members | | 5,562 | 8,759 | - | - |
| ASPT members | | (5,166) | - | (7,498) | 120,247 |
| NET PROFIT/(LOSS) | | 396 | 8,759 | (7,498) | 120,247 |
| Basic and diluted earnings/(loss) per stapled security (cents) | 1 | 0.03 | 0.98 | (0.61) | 13.46 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2023

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|--|--|--|---|---|
| NET PROFIT AFTER TAX | 396 | 8,759 | (7,498) | 120,247 |
| OTHER COMPREHENSIVE INCOME | | | | |
| <i>Items that may be reclassified subsequently to the income statement</i> | | | | |
| Foreign exchange translation adjustments, net of tax | 262 | 405 | 1,240 | 3,712 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | 658 | 9,164 | (6,258) | 123,959 |
| Total comprehensive income attributable to: | | | | |
| Members of the Group | 658 | 9,164 | (6,258) | 123,959 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | 658 | 9,164 | (6,258) | 123,959 |
| Total comprehensive income / (loss) attributable to members of the Group analysed by amounts attributable to: | | | | |
| ASOL members | 5,645 | 9,164 | - | - |
| ASPT members | (4,987) | - | (6,258) | 123,959 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE GROUP | 658 | 9,164 | (6,258) | 123,959 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | | ASK | ASK | ASPT | ASPT |
|---------------------------------------|-------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Notes | Consolidated 31 Dec 2023 \$'000 | Consolidated 30 Jun 2023 \$'000 | Consolidated 31 Dec 2023 \$'000 | Consolidated 30 Jun 2023 \$'000 |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | | 70,496 | 20,169 | 47,256 | 41,890 |
| Trade and other receivables | | 20,984 | 8,230 | 14,199 | 15,297 |
| Derivatives at fair value | | 7,911 | 1,558 | 7,249 | 16,206 |
| Other | | 7,938 | 4,246 | 358 | 1,344 |
| TOTAL CURRENT ASSETS | | 107,329 | 34,203 | 69,062 | 74,737 |
| NON-CURRENT ASSETS | | | | | |
| Investment properties | 2 | 2,691,422 | 288,714 | 2,531,003 | 2,355,294 |
| Property loans | 3(a) | - | 76,324 | - | - |
| Equity accounted investments | 4 | 22,225 | - | 58,559 | 16,047 |
| Property, plant and equipment | 9 | 30,964 | 28,177 | - | - |
| Other receivables | | 503 | 11,673 | - | - |
| Intangible assets and goodwill | 10 | 72,476 | 72,501 | - | - |
| Derivatives at fair value | | 8,651 | 1,129 | 7,928 | 11,739 |
| Other financial assets | 3(b) | 173,377 | - | 173,377 | 224,146 |
| TOTAL NON-CURRENT ASSETS | | 2,999,618 | 478,518 | 2,770,867 | 2,607,226 |
| TOTAL ASSETS | | 3,106,947 | 512,721 | 2,839,929 | 2,681,963 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | | 67,289 | 25,064 | 46,939 | 78,321 |
| Lease liabilities | | 1,045 | 86,812 | 407 | 390 |
| Income tax payable | | - | 142 | - | - |
| Other | | 3,717 | 3,849 | - | - |
| TOTAL CURRENT LIABILITIES | | 72,051 | 115,867 | 47,346 | 78,711 |
| NON-CURRENT LIABILITIES | | | | | |
| Interest-bearing loans and borrowings | 5(a) | 961,388 | 56,807 | 1,172,288 | 1,426,694 |
| Derivatives at fair value | | 1,307 | 65 | 1,198 | 680 |
| Lease liabilities | | 4,324 | 29,026 | 2,160 | 2,010 |
| Deferred tax liabilities | | 41,953 | 47,498 | - | - |
| Other | | 2,008 | 1,671 | - | - |
| TOTAL NON-CURRENT LIABILITIES | | 1,010,980 | 135,067 | 1,175,646 | 1,429,384 |
| TOTAL LIABILITIES | | 1,083,031 | 250,934 | 1,222,992 | 1,508,095 |
| NET ASSETS | | 2,023,916 | 261,787 | 1,616,937 | 1,173,868 |
| TOTAL EQUITY | | 2,023,916 | 261,787 | 1,616,937 | 1,173,868 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2023

| | | ASK | ASK | ASPT | ASPT |
|--|-------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Notes | Consolidated 31 Dec 2023 \$'000 | Consolidated 30 Jun 2023 \$'000 | Consolidated 31 Dec 2023 \$'000 | Consolidated 30 Jun 2023 \$'000 |
| Equity attributable to members of ASOL: | | | | | |
| Contributed equity | | 231,242 | 84,424 | - | - |
| Reserves | | 109 | (346) | - | - |
| Retained earnings | | 175,628 | 177,709 | - | - |
| Total equity attributable to members of ASOL: | | 406,979 | 261,787 | - | - |
| Equity attributable to members of ASPT: | | | | | |
| Contributed equity | | 823,718 | - | 823,718 | 334,610 |
| Reserves | | 1,499 | - | 1,499 | 259 |
| Retained earnings | | 791,720 | - | 791,720 | 838,999 |
| Total equity attributable to members of ASPT: | | 1,616,937 | - | 1,616,937 | 1,173,868 |
| TOTAL EQUITY | | 2,023,916 | 261,787 | 1,616,937 | 1,173,868 |
| Contributed equity | 7 | 1,054,960 | 84,424 | 823,718 | 334,610 |
| Reserves | | 1,608 | (346) | 1,499 | 259 |
| Retained earnings | | 967,348 | 177,709 | 791,720 | 838,999 |
| TOTAL EQUITY | | 2,023,916 | 261,787 | 1,616,937 | 1,173,868 |

CONSOLIDATED STATEMENT OF CASH FLOW

HALF-YEAR ENDED 31 DECEMBER 2023

| | Notes | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|---|-------|--|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Income receipts | | 111,124 | 94,450 | 54,224 | 53,525 |
| Interest received | | 1,203 | 1,846 | 266 | 41 |
| Distributions received | | 5,382 | - | 5,469 | 6,068 |
| Income tax paid | | (4,554) | (4,813) | (2,810) | - |
| Finance costs paid | | (21,814) | (1,556) | (20,288) | (15,991) |
| Operating payments | | (64,374) | (39,923) | (12,152) | (6,950) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 26,967 | 50,004 | 24,709 | 36,693 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Payments for investments and funds advanced | | (316) | (21,626) | (6,811) | - |
| Proceeds from sale and settlement of investments and funds repaid | | 119,950 | - | 43,956 | 25,000 |
| Purchase of property, plant and equipment | | (4,089) | (4,040) | - | - |
| Disposal of property, plant and equipment | | - | 9 | - | - |
| Payments for investment properties and capital expenditure | | (99,662) | (12) | (120,320) | (113,695) |
| Disposal of investment properties | | - | - | - | - |
| Payment for other investments and financial assets | | (6,861) | - | (44,818) | (16,717) |
| NET CASH FLOWS FROM/USED IN INVESTING ACTIVITIES | | 9,022 | (25,669) | (127,993) | (105,412) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from issue of securities | | 241,712 | - | 187,240 | - |
| Payment of issue / finance costs | | (5,338) | (4) | (4,905) | (79) |
| Repayment of borrowings | | (176,027) | (24,633) | (263,245) | (28,827) |
| Repayment of principal portion of lease liabilities | | (9,391) | (49,063) | (194) | (181) |
| Proceeds from borrowings | | - | 32,460 | 242,009 | 204,983 |
| Distributions paid | | (52,193) | - | (52,255) | (59,028) |
| NET CASH FLOWS FROM/USED IN FINANCING ACTIVITIES | | (1,237) | (41,240) | 108,650 | 116,868 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 34,752 | (16,905) | 5,366 | 48,149 |
| Net foreign exchange differences | | 45 | 73 | - | 23 |
| ASPT Cash and cash equivalents upon stapling | 13 | 15,458 | - | - | - |
| Cash and cash equivalents at beginning of period | | 20,241 | 38,033 | 41,890 | 77,704 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | 70,496 | 21,201 | 47,256 | 125,876 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2023

| Consolidated ASK - Dec 2023 | Attributable to the stapled security holders | | | | |
|--|--|--|------------------------------------|-----------------------------|------------------------|
| | Issued capital \$'000 | Foreign currency translation \$'000 | Employee Equity benefits \$'000 | Retained earnings \$'000 | Total equity \$'000 |
| CONSOLIDATED | | | | | |
| At 1 July 2023 | 84,424 | (346) | - | 177,709 | 261,787 |
| Other comprehensive income | - | 262 | - | - | 262 |
| Net income for the period | - | - | - | 396 | 396 |
| Total comprehensive income for the period | - | 262 | - | 396 | 658 |
| Stapling of units in ASPT Trust | 334,610 | 1,634 | - | 828,961 | 1,165,205 |
| Equity raisings | 640,152 | - | - | - | 640,152 |
| Issue costs | (4,226) | - | - | - | (4,226) |
| Employee benefit | - | - | 58 | - | 58 |
| Distribution to security holders | - | - | - | (39,718) | (39,718) |
| At 31 December 2023 | 1,054,960 | 1,550 | 58 | 967,348 | 2,023,916 |

| Consolidated ASOL - Dec 2022 | Attributable to members of ASOL | | | | |
|--|---------------------------------|--|------------------------------------|-----------------------------|------------------------|
| | Issued capital \$'000 | Foreign currency translation \$'000 | Employee Equity benefits \$'000 | Retained earnings \$'000 | Total equity \$'000 |
| CONSOLIDATED | | | | | |
| At 1 July 2022 | 84,059 | (577) | - | 157,028 | 240,510 |
| Other comprehensive income | - | 405 | - | - | 405 |
| Net income for the period | - | - | - | 8,759 | 8,759 |
| Total comprehensive income for the period | - | 405 | - | 8,759 | 9,164 |
| Issue costs | (2) | - | - | - | (2) |
| Distribution reinvestment plan | 367 | - | - | - | 367 |
| At 31 December 2022 | 84,424 | (172) | - | 165,787 | 250,039 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2023

| Consolidated ASPT - Dec 2023 | Attributable to the unitholders of ASPT | | | |
|--|---|--|-----------------------------|------------------------|
| | Issued capital \$'000 | Foreign currency translation reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
| CONSOLIDATED | | | | |
| At 1 July 2023 | 334,610 | 259 | 838,999 | 1,173,868 |
| Other comprehensive income | - | 1,240 | - | 1,240 |
| Net income/(loss) for the period | - | - | (7,498) | (7,498) |
| Total comprehensive income for the period | - | 1,240 | (7,498) | (6,258) |
| Equity raisings | 492,811 | - | - | 492,811 |
| Issue costs | (3,703) | - | - | (3,703) |
| Distribution to unitholders | - | - | (39,781) | (39,781) |
| At 31 December 2023 | 823,718 | 1,499 | 791,720 | 1,616,937 |

| Consolidated ASPT - Dec 2022 | Attributable to the unitholders of ASPT | | | |
|--|---|--|-----------------------------|------------------------|
| | Issued capital \$'000 | Foreign currency translation reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
| CONSOLIDATED | | | | |
| At 1 July 2022 | 333,683 | (1,610) | 715,665 | 1,047,738 |
| Other comprehensive income | - | 3,712 | - | 3,712 |
| Net income for the period | - | - | 120,247 | 120,247 |
| Total comprehensive income for the period | - | 3,712 | 120,247 | 123,959 |
| Issue costs | (11) | - | - | (11) |
| Dividend reinvestment plan | 950 | - | - | 950 |
| Distribution to unitholders | - | - | (33,000) | (33,000) |
| At 31 December 2022 | 334,622 | 2,102 | 802,912 | 1,139,636 |

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31 DECEMBER 2023

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| | Segment information | | | | Page 18 |
| | Results for the period | Operating assets and liabilities | Capital structure and financing costs | Other Items | |
| | 1. Earnings per stapled security | 2. Investment properties | 5. Interest bearing loans and borrowings | 9. | Property, plant and equipment |
| | | 3. Property loans and other financial assets | 6. Fair values | 10. | Intangible assets and goodwill |
| | | 4. Investments accounted for using the equity method | 7. Contributed equity | 11. | Commitments and contingencies |
| | | | 8. Distributions paid and proposed | 12. | Related party disclosures |
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NOTES TO THE FINANCIAL STATEMENTS – About this Report

31 DECEMBER 2023

Abacus Storage King (“ASK”) is comprised of Abacus Storage Operations Limited (“ASOL”) (the nominated parent entity) and Abacus Storage Property Trust (“ASPT”). Shares in ASOL and units in ASPT have been stapled together so that neither can be dealt with without the other. The securities trade as one security on the Australian Securities Exchange (the “ASX”) under the code ASK.

ASOL has been identified as the parent entity of ASK. The financial report of ASK for the half-year ended 31 December 2023 comprises the consolidated financial reports of ASOL and its controlled entities and ASPT and its controlled entities. The financial report for ASPT and its controlled entities is presented in adjacent columns under ASIC Corporations Instrument 2015/838.

The financial report of ASK for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 15 February 2024.

The nature of the operations and principal activities of ASK are described in the Directors’ Report.

ASK predominately operates in Australia. ASK’s operating segments are regularly reviewed by the Chief Operating Decision Maker (“CODM”) to make decisions about resource allocation and to assess performance.

During the half-year ended 31 December 2023, ASK operated wholly within one business segment, being the investment and operation of Self Storage sites in both Australia and New Zealand.

GEOGRAPHIC INFORMATION

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|--|--|--|---|---|
| Revenue from external customers | | | | |
| Australia | 93,422 | 84,052 | 52,324 | 43,770 |
| New Zealand | 14,583 | 12,914 | 9,115 | 7,918 |
| Total | 108,005 | 96,966 | 61,439 | 51,688 |

The revenue information above excludes interest income and is based on the location of Self Storage sites.

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|---------------------------|--|--|---|---|
| Non current assets | | | | |
| Australia | 2,405,103 | 311,588 | 2,219,246 | 2,052,901 |
| New Zealand | 317,283 | 5,303 | 311,757 | 302,393 |
| Total | 2,722,386 | 316,891 | 2,531,003 | 2,355,294 |

Non-current assets for this purpose consists of investment properties, property, plant and equipment, right of use assets.

Major Customers

ASK has no individual customers who represents greater than 10% of the total revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. EARNINGS PER STAPLED SECURITY

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|---|--|--|---|---|
| Basic and diluted earnings per stapled security (cents) | 0.03 | 0.98 | (0.61) | 13.46 |
| Reconciliation of earnings used in calculating earnings per stapled security | | | | |
| <i>Basic and diluted earnings per stapled security</i> | | | | |
| Net profit (\$'000) | 396 | 8,759 | (7,498) | 120,247 |
| Weighted average number of securities: | | | | |
| Weighted average number of stapled securities for basic earning per security ('000) | 1,238,285 | 893,250 | 1,238,285 | 893,250 |

2. INVESTMENT PROPERTIES

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| Leasehold investment properties - Australia ¹ | 13,141 | 112,995 | 13,141 | 13,022 |
| Freehold investment properties - Australia | 2,366,524 | 175,719 | 2,206,105 | 2,039,879 |
| Freehold investment properties - New Zealand | 311,757 | - | 311,757 | 302,393 |
| Total investment properties | 2,691,422 | 288,714 | 2,531,003 | 2,355,294 |

1. The carrying amount of the leasehold property is presented gross of the finance liability of \$2.6 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. INVESTMENT PROPERTIES (Continued)

Reconciliation

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

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| Leasehold investment properties | | | | |
| Carrying amount at beginning of the financial period | - | 181,496 | 13,022 | 13,272 |
| Consolidation of ASPT | 13,022 | - | - | - |
| Capital expenditure | 19 | 16,187 | 19 | 14 |
| Net change in fair value as at balance date | 100 | (84,688) | 100 | (264) |
| Carrying amount at end of the period | 13,141 | 112,995 | 13,141 | 13,022 |

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| Freehold investment properties | | | | |
| Carrying amount at beginning of the financial period | 175,719 | 165,108 | 2,342,272 | 1,987,059 |
| Consolidation of ASPT | 2,342,475 | - | - | - |
| Additions ¹ | 155,203 | - | 155,203 | 142,499 |
| Capital expenditure | 29,233 | 56 | 29,133 | 73,818 |
| Net change in fair value as at balance date | (27,573) | 10,555 | (11,970) | 133,604 |
| Net change in fair value derecognised | - | - | - | (60) |
| Disposals | (8) | - | (8) | - |
| Effect of movements in foreign exchange | 3,232 | - | 3,232 | 5,352 |
| Carrying amount at end of the period | 2,678,281 | 175,719 | 2,517,862 | 2,342,272 |

1. The additions include acquisition of Castle Hill NSW, Woolloomooloo NSW, Homebush NSW, and Miami QLD from Abacus Group.

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

Sensitivity Information

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. INVESTMENT PROPERTIES (Continued)

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

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

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

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

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

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

The weighted average capitalisation rate for ASK is 5.67% (30 June 2023: 5.57%) and the weighted average capitalisation rate for ASPT is 5.68% (30 June 2023: 5.62%).

The optimal occupancy rate utilised in the valuation process ranged from 82.5% to 100.0% (30 June 2023: 82.5% to 100.0%).

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

In the event that there are any unanticipated material circumstances, this may impact the fair value of ASK's investment property portfolio, and the future price achieved if a property is divested. The potential effect of a decrease / increase in weighted average capitalisation rate of 25 bps on property valuation would have the effect of increasing the fair value by up to \$124.2 million (ASPT only: \$116.6 million) or decreasing the fair value by \$113.7 million (ASPT only: \$106.7 million), respectively.

During the half-year ended 31 December 2023, 27% (31 December 2022: 30%) of the number of investment properties in the portfolio were subject to external valuations, the remaining 73% (31 December 2022: 70%) were subject to internal valuation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. PROPERTY LOANS AND OTHER FINANCIAL ASSETS

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| (a) Non-current property loans | | | | |
| Related party loan* | - | 76,324 | - | - |
| | - | 76,324 | - | - |
| (b) Non-current other financial assets | | | | |
| Investment in securities - listed - fair value | 173,377 | - | 173,377 | 224,146 |
| | 173,377 | - | 173,377 | 224,146 |

* Related party loan related to loan provided to Abacus Group and was fully repaid in August 2023.

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT* Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|-------------------------------------|--|--|--|---|
| Revenue | 602 | - | 10,749 | 286 |
| Expenses | (170) | - | (19,317) | (2,055) |
| Net profit / (loss) | 432 | - | (8,568) | (1,769) |
| Share of net profit / (loss) | 171 | - | (2,036) | (900) |

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

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT* Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|----------------------------|--|--|--|---|
| Current assets | 22,458 | - | 1,625 | 553 |
| Non-current assets | 32,000 | - | 249,435 | 32,100 |
| | 54,458 | - | 251,060 | 32,653 |
| Current liabilities | 648 | - | 2,982 | 560 |
| Non-current liabilities | - | - | 45,819 | - |
| Net assets | 53,810 | - | 202,259 | 32,093 |
| Share of net assets | 22,225 | - | 58,559 | 16,047 |

* ASPT acquired a 25% interest in a subsidiary of ASOL on 3 August 2023. The investment is eliminated within ASK as a result of consolidation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. INTEREST BEARING LOANS AND BORROWINGS

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|---|--|--|---|---|
| (a) Non-current | | | | |
| Bank loans - A\$ | 771,014 | 56,807 | 718,917 | 713,211 |
| Bank loans - A\$ value of NZ\$ denominated loan | 190,379 | - | 190,379 | 188,367 |
| Loan from related party - A\$* | - | - | 262,997 | 525,170 |
| Less: Unamortised borrowing costs | (5) | - | (5) | (54) |
| Total non-current | 961,388 | 56,807 | 1,172,288 | 1,426,694 |

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|---|--|--|---|---|
| (b) Maturity profile of non-current interest bearing loans | | | | |
| Due between one and five years | 961,393 | 56,807 | 1,172,288 | 1,426,694 |
| | 961,393 | 56,807 | 1,172,288 | 1,426,694 |

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| Total facilities - bank loans | 1,250,000 | 58,308 | 1,178,401 | 920,422 |
| Facilities used at reporting date - bank loans | (961,393) | (56,807) | (909,296) | (901,578) |
| | 288,607 | 1,501 | 269,105 | 18,844 |

* Loan from related party related to variable rate loan provided by ASOL with a maturity date of 31 July 2028.

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

Bank loans are A\$ and NZ\$ denominated and are provided by several banks at interest rates which are set periodically on a floating basis. The loan facilities term to maturity varies from January 2025 to June 2028. The bank loans are secured by charges over the investment properties and certain property, plant and equipment.

Approximately 72.3% of bank debt drawn was subject to fixed rate hedges and the drawn bank debt had a weighted average term to maturity of 3.2 years. Hedge cover as a percentage of available facilities at 31 December 2023 is 55.6%. For ASPT, approximately 70.0% of bank debt drawn was subject to fixed rate hedge and the drawn bank debt had a weighted average term to maturity of 3.2 years. Hedge cover as a percentage of available facilities at 31 December 2023 is 54.1%.

ASK's weighted average interest rate as at 31 December 2023 was 3.34%. The weighted average interest rate includes line fees on undrawn facilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. INTEREST BEARING LOANS AND BORROWINGS (Continued)

(c) Assets pledged as security

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

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| Non-current | | | | |
| <i>First mortgage</i> | | | | |
| Investment properties in Australia & New Zealand | 2,527,876 | 175,719 | 2,367,457 | 2,201,603 |
| Total non-current assets pledged as security | 2,527,876 | 175,719 | 2,367,457 | 2,201,603 |
| Total assets pledged as security | 2,527,876 | 175,719 | 2,367,457 | 2,201,603 |

(d) Defaults and breaches

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

6. FAIR VALUES

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

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

| Class of assets / liabilities | Fair value hierarchy | Valuation technique | Inputs used to measure fair value |
|------------------------------------|----------------------|--|---|
| Investment properties | Level 3 | Discounted Cash Flow ("DCF") Direct comparison Income capitalisation method | Net market income Adopted capitalisation rate Rate per unit Optimal occupancy Adopted discount rate |
| Derivative – financial instruments | Level 2 | DCF (adjusted for counterparty Credit worthiness) | Interest rates Consumer price index ("CPI") Volatility |
| Securities and options – listed | Level 1 | Quoted prices (unadjusted) in active Market for identical assets or liabilities | Quoted security price |

- Level 1** Quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2** Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3** Inputs for the asset or liability that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. FAIR VALUES (Continued)

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

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

The following table is a reconciliation of the movements in listed securities classified as Level 1 for the period ended 31 December 2023.

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|--|--|--|---|---|
| Opening balance as at 30 June 2023 | 221,285 | - | 221,285 | 201,059 |
| Fair value movement through the income statement | (908) | - | (908) | 20,226 |
| Disposals | (47,000) | - | (47,000) | - |
| Closing balance as at 31 December 2023 | 173,377 | - | 173,377 | 221,285 |

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. CONTRIBUTED EQUITY

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|---|--|--|---|---|
| (a) Issued stapled securities/shares/units | | | | |
| Stapled securities/shares issued/units issued | 1,069,579 | 85,104 | 837,134 | 344,322 |
| Issue costs | (14,619) | (680) | (13,416) | (9,712) |
| Total contributed equity | 1,054,960 | 84,424 | 823,718 | 334,610 |

| | ASK Number 31 Dec 2023 '000 | ASK Number 30 Jun 2023 '000 | ASPT Number 31 Dec 2023 '000 | ASPT Number 30 Jun 2023 '000 |
|--|--------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| (b) Movement in stapled securities/shares/units on issue | | | | |
| At beginning of financial period | 893,658 | 892,429 | 893,658 | 892,429 |
| - equity raisings | 420,445 | - | 420,445 | - |
| - distribution reinvestment plan | - | 1,229 | - | 1,229 |
| Securities/shares/units on issue at end of financial period | 1,314,103 | 893,658 | 1,314,103 | 893,658 |

8. DISTRIBUTIONS PAID AND PROPOSED

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|---|--|--|---|---|
| (a) Distributions paid during the period | | | | |
| June 2023 half: 5.81 cents per stapled security (2022: 6.72 cents) | 51,897 | - | 51,897 | 59,978 |
| (b) Distributions declared and recognised as a liability[^] | | | | |
| December 2023 half: 3.0 cents per stapled security (2022: 3.69 cents) | 39,423 | - | 39,423 | 33,000 |

Distributions were paid from Abacus Storage Property Trust (which does not pay tax provided it distribute all its taxable income) hence, there was no franking credits attached.

[^] The interim distribution of 3.00 cents per stapled security of approximately \$39.4 million will be paid on or about 29 February 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. PROPERTY, PLANT AND EQUIPMENT

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 |
|---|--|--|
| Non-current | | |
| Right of use property asset | 2,445 | 2,738 |
| Storage equipment | 27,570 | 24,608 |
| Office equipment / furniture and fittings | 949 | 831 |
| Total non-current property, plant and equipment | 30,964 | 28,177 |
| | | |
| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 |
| Right of use property asset | | |
| At the beginning of the period net of accumulated depreciation | 2,738 | - |
| Additions | - | 2,933 |
| Depreciation charge for the period | (293) | (195) |
| At the end of the period net of accumulated depreciation | 2,445 | 2,738 |
| Gross value | 2,933 | 2,933 |
| Accumulated depreciation | (488) | (195) |
| Net carrying amount at end of the period | 2,445 | 2,738 |
| Plant and equipment | | |
| At the beginning of the period net of accumulated depreciation | 25,439 | 20,212 |
| Additions | 4,947 | 7,595 |
| Exchange difference | 60 | 103 |
| Depreciation charge for the period | (1,927) | (2,471) |
| At the end of the period net of accumulated depreciation | 28,519 | 25,439 |
| Plant and equipment | | |
| Gross value | 44,298 | 38,449 |
| Accumulated depreciation | (15,779) | (13,010) |
| Net carrying amount at end of the period | 28,519 | 25,439 |
| Total | 30,964 | 28,177 |

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. INTANGIBLE ASSETS AND GOODWILL

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 |
|--|--|--|
| Goodwill | | |
| Balance as at 1 July | 33,132 | 33,132 |
| At the end of the period | 33,132 | 33,132 |
| Brand and trade marks with indefinite lives | | |
| Balance as at 1 July | 31,629 | 31,629 |
| At the end of the period | 31,629 | 31,629 |
| | - | |
| Licences and management rights | | |
| Balance as at 1 July | 6,844 | 7,376 |
| Additions | 26 | - |
| Amortisation charge for the period | (266) | (532) |
| At the end of the period | 6,604 | 6,844 |
| Software | | |
| Balance as at 1 July | 896 | 816 |
| Additions | 305 | 194 |
| Amortisation charge for the period | (90) | (114) |
| At the end of the period | 1,111 | 896 |
| Total goodwill and intangibles | 72,476 | 72,501 |

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 |
|---|--|--|
| Goodwill | 33,132 | 33,132 |
| Other intangibles | 39,344 | 39,369 |
| Total goodwill and intangible assets | 72,476 | 72,501 |

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. COMMITMENTS AND CONTINGENCIES

At 31 December 2023, ASK had bank guarantees issued but not recognised as liabilities as follows:

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|--|--|--|---|---|
| Bank guarantees | | | | |
| - redevelopment of investment properties | 158 | 38 | 120 | 120 |
| | 158 | 38 | 120 | 120 |

Commitments planned and/or contracted at reporting date but not recognised as liabilities are as follows:

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 30 Jun 2023 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 30 Jun 2023 \$'000 |
|---|--|--|---|---|
| Within one year | | | | |
| - capital expenditure | 60,183 | - | 60,183 | 34,529 |
| - gross settlement of property acquisitions | 22,005 | - | 22,005 | 32,015 |
| | 82,188 | - | 82,188 | 66,544 |

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

12. RELATED PARTY DISCLOSURES

Transactions with related party

| | ASK Consolidated 31 Dec 2023 \$'000 | ASK Consolidated 31 Dec 2022 \$'000 | ASPT Consolidated 31 Dec 2023 \$'000 | ASPT Consolidated 31 Dec 2022 \$'000 |
|--|--|--|---|---|
| Transactions with Abacus Group | | | | |
| Expenses | | | | |
| Management fees paid / payable to Abacus Group | 5,347 | 1,047 | 5,574 | 4,968 |
| Other fees paid / payable to Abacus Group | 2,230 | - | 1,895 | - |
| Other transactions | | | | |
| Loan advanced from/repaid to related party | - | - | 262,998 | - |
| Loan advanced from Abacus Group | - | - | 28,867 | 275,789 |
| loan repayments to Abacus Group | - | - | (552,887) | (304,167) |
| loan advanced to Abacus Group | 7,139 | - | - | - |
| loan repayments from Abacus Group | (83,463) | - | - | - |

Terms and conditions of transactions

Fees charged from related parties are made in accordance with commercial terms in the management agreements.

Outstanding balances at half-year end are unsecured and settlement occurs in cash.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. BUSINESS COMBINATION UNDER COMMON CONTROL

In August 2023, ASOL and ASPT being the Self Storage business were de-stapled from Abacus Group and re-stapled as a listed entity of Abacus Storage King (ASX:ASK). Both ASOL and ASPT are ultimately controlled by Calculator Australia pre and post de-stapling. The deemed acquisition of ASPT by ASOL, with ASOL as the deemed parent for accounting purposes, on de-stapling has been treated as a business combination under common control and is therefore outside the scope of AASB 3 Business Combinations.

As part of the de-stapling process, Abacus Group disposed of the Abacus Repository Trust (“ART”) units and Castle Hill asset to ASK for \$44.6m and \$15.5m, respectively. ASK undertook a \$225.0 million equity raising structured as a 1 for 5.6 pro rata securityholder offer and resulted in the issuance of 159.6 million securities. A further 221.1 million and 39.7 million securities, respectively were issued in conjunction with ASK settling a portion of an outstanding loan to Abacus Group and acquiring units in Abacus Repository Trust for \$415.0 million. As a result, all loans from Abacus Group were fully repaid by ASK.

Upon re-stapling, the right of use assets recognised by ASOL in relation to the lease agreement between ASOL and ASPT were fully eliminated within ASK.

Abacus Storage King has elected to apply the pooling of interest method and as such:

- the assets and liabilities acquired are measured at the carrying amounts of the existing ASPT business rather than at fair value and therefore no new goodwill has been recognised as a result of the combination.
- the pre-combination equity reserves of the existing ASPT business have been carried over as at the date of the re-staple and reflected in the post-combination consolidated statement of financial position of Abacus Storage King.

The carrying value of the assets and liabilities of ASPT as at the date of combination were:

| Recognised on acquisition | Abacus Storage Property Trust 3 Aug 2023 \$'000 |
|--|--|
| Investment properties | 2,374,704 |
| Cash and cash equivalents | 15,458 |
| Trade and other receivables | 5,089 |
| Equity accounted investments | 60,865 |
| Derivatives at fair value | 26,409 |
| Other financial assets | 221,285 |
| Other | 789 |
| TOTAL ASSETS | 2,704,599 |
| CURRENT LIABILITIES | |
| Trade and other payables | 76,649 |
| Interest-bearing loans and borrowings | 1,458,409 |
| Derivatives at fair value | 2,334 |
| Lease liabilities | 2,002 |
| TOTAL LIABILITIES | 1,539,394 |
| TOTAL IDENTIFIABLE NET ASSETS AT CARRYING VALUE | 1,165,205 |

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The semi-annual statutory financial statements of Abacus Storage King for the period ended 31 December 2023, represent the financial results and financial position as follows:

- the financial results for ASOL and its controlled entities for the period from 1 July 2023 to 31 December 2023 and the financial results of ASPT and its controlled entities for the period from 3 August 2023 (being the de-stapling date) to 31 December 2023, with the comparative results representing the results of ASOL and its controlled entities for the period from 1 July 2022 to 31 December 2022; and
- the statement of financial position as at 31 December 2023 represents the consolidated financial position of ASOL and its controlled entities, and ASPT and its controlled entities, with the comparative statement of financial position representing ASOL and its controlled entities as at 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

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

New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards and interpretations effective as of 1 July 2023.

There are several amendments and interpretations apply for the first time on 1 July 2023 as follows, but they do not have an impact on the consolidated financial statements of ASK.

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

The amending standard made amendments to the following standards:

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

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

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

Definition of Accounting Estimates – Amendments to AASB 108

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

New accounting standards and interpretations (continued)

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

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

- AASB 2020-1, AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current (effective for annual reporting periods from 1 January 2024)
The amendments to paragraphs 69 to 76 of AASB 101 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
 - What is meant by a right to defer settlement
 - That a right to defer must exist at the end of the reporting period
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

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

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

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

Business combinations under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

ASOL has been identified as the parent entity of ASK. Upon the re-stapling, assets and liabilities of ASPT were recorded at carrying value with no fair value adjustments made. No new goodwill has been recognised as a result of the combination. Under the pooling of interest method, ASPT's equity reserves have been retained in equity on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. EVENTS AFTER BALANCE SHEET DATE

On 29 January 2024, ASK disposed of 15 million securities in another listed Self Storage REIT for \$33 million, ceasing to be a substantial holder.

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

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Abacus Storage Operations Limited and Abacus Storage Funds Management Limited, we state that:

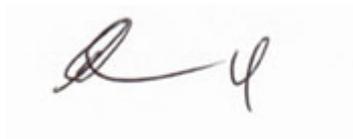
In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entities of Abacus Storage King and Abacus Storage Property Trust are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2023 and the performance for the half-year ended on that date for the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John O'Sullivan
Chair
Sydney, 16 February 2024



Steven Sewell
Executive Director



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Independent auditor's review report to the stapled security holders of Abacus Storage King and unitholders of Abacus Storage Property Trust

Conclusion

We have reviewed the accompanying half-year financial report of Abacus Storage King (the Group), being the consolidated stapled entity which is comprised of Abacus Storage Operations Limited (the Company) and its subsidiaries, including Abacus Storage Property Trust and its subsidiaries (the Trust Group).

The half-year financial report comprises:

- the Group consolidated and Trust Group consolidated statements of financial position as at 31 December 2023;
- the Group consolidated and Trust Group consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date;
- notes comprising a summary of material accounting policies and other explanatory information; and
- the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial positions of the Group and the Trust Group as at 31 December 2023 and of their consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the half-year financial report

The directors of the Company and the directors of Abacus Storage Funds Management Limited, being the Responsible Entity of Abacus Storage Property Trust (hereafter collectively "the directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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

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

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

Ernst & Young

Anthony Ewan
Partner
Sydney

16 February 2024