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ASX RELEASE

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ABG ENTERS INTO BINDING AGREEMENTS TO INTERNALISE MANAGEMENT OF ASK

Abacus Group (ASX:ABG) ('ABG') advises that it has entered into binding transaction documentation with Abacus Storage King ('ASK') to sell 100% of the shares in ASK's responsible entity, Abacus Storage Funds Management Limited ('ASFML'), as part of ASK's plan to internalise its management functions ('Internalisation').

Steven Sewell, Managing Director of ABG commented, "Utilising the real estate and capital markets expertise of Abacus Group, the ASK business has evolved from a ~$0.7 billion portfolio of Self Storage assets within ABG in 2018 to a ~$3.5 billion portfolio within ASK today. Further, the evolution was accelerated during and after COVID with the acquisition of the Storage King operating platform in late 2020 and the de-stapling and listing of ASK on the ASX as a pure-play Self Storage REIT in 2023. Having reached considerable scale, becoming the most recognised Self Storage brand across Australia and New Zealand, and being the sole listed Self Storage business in Australia, ABG is confident that now is the appropriate time for the Internalisation of ASK to occur."

Following ASK's Internalisation, ABG will pursue with added focus its long-term strategy of creating value for securityholders through the identification, ownership and management of high quality commercial real estate investments. The Internalisation also provides an opportunity for ABG to consider a range of strategic options to optimise its portfolio and capital structure, enhancing ABG's ability to identify and execute on future growth opportunities and deliver long-term value for securityholders. Further updates will be provided at ABG's results announcement.

Internalisation process and key terms

As announced on 4 February 2026, ABG formed an Independent Board Committee ('IBC'), comprising the independent directors of ABG, Mark Haberlin, Jingmin Qian and Trent Alston, to consider and engage with ASK in relation to its potential internalisation.

The IBC appointed Morgan Stanley Australia Limited as its financial adviser and Allens as its legal adviser.

The parties have now entered into a binding Share Sale Agreement and Co-operation Services Agreement to effect the Internalisation, which will involve the termination of the existing management agreements with ASK, the sale of 100% of the securities in ASK's responsible entity (ASFML) to ASK, and the transfer of key ASK focused employees to ASK.

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Key terms of the Internalisation include:

- The Internalisation is expected to be implemented on 30 June 2026 with ABG continuing to provide management services to ASK until implementation;
- ABG will be paid a headline price of $19 million, plus approximately $5 million (representing the net assets of the Target Companies[1]) for the acquisition of the Target Companies;
- ABG Managing Director Steven Sewell and Chief Investment Officer & General Counsel Gavin Lechem will continue in their current roles. A recruitment process is well progressed to confirm ABG's future CFO appointment, given Evan Goodridge will commence at ASK on 1 September 2026;
- ABG's nominee director on the ASK Board, Steven Sewell, will step down as Managing Director of ASK on implementation. Nikki Lawson will be appointed as CEO and Managing Director of ASK, joining its board the day after implementation;
- Other ASK focused ABG employees will be offered new employment agreements with ASK with their employment commencing from implementation of the Internalisation;
- ABG has agreed to provide certain transitional services to ASK for a period of 6 months following implementation (which may be extended for an additional 3 months), and ASK has agreed to provide certain reverse transitional services over this period, both at cost[2]; and
- The Abacus name and logo will be removed from the Storage King business, following implementation, subject to any arrangements that apply during the transition period.

The IBC has sought advice to support that the Internalisation is being conducted on arms' length terms. As such, the Internalisation does not require securityholder approval under Chapter 2E of the Corporations Act 2001 (Cth), on the basis that it falls within the arms-length terms exception, nor does it require securityholder approval under the ASX Listing Rules.

Financial impact

Net proceeds from the Internalisation will be used to repay ABG's debt.

Following the Internalisation ABG will cease to collect investment and development management fees[3] from ASK and offsetting this will be an annualised cost savings of approximately $8.4 million[4]. As demonstrated in prior periods, the ongoing rebalancing of ABG's cost base will continue to be a priority.

ABG reaffirms its full year FY26 distribution guidance of 8.50 cents per security and will provide full detail on FY26 results and initial FY27 guidance at the upcoming results release on 25 August 2026.

[1] Subject to a purchase price deduction for customary post-closing net asset adjustments, including accrued long service leave and annual leave entitlements.

[2] Calculated by reference to the fixed remuneration of the relevant provider's personnel plus a mark-up of 15% and charged on the basis of time spent in delivering the services.

[3] Unaudited FY26 investment and development management fee revenue forecast to be approximately $14.5 million and $5.1 million respectively.

[4] Primarily associated with staff costs from those ASK focused employees commencing new employment contracts with ASK.

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Authorised for release by the Board of Abacus Group