

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 108 OF THE COMPANIES (GUERNSEY) LAW, 2008 (AS AMENDED). THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF API SHARES ON THE OFFICIAL LIST AND OF THE ADMISSION TO TRADING OF API SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES.

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom and Guernsey may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, API and CREI disclaim any responsibility or liability for the violation of such restrictions by such persons.

If you are in any doubt about the Merger, the contents of this document or as to the action you should take, you are recommended to seek your own personal financial, tax and/or legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom. If you are in a territory outside of the United Kingdom you should immediately consult an appropriately authorised independent financial adviser.

**Recommended all-share Merger of
abrdn Property Income Trust Limited
and
Custodian Property Income REIT plc
to be effected by means of a Court-sanctioned scheme of arrangement of API
under Part VIII of the Companies (Guernsey) Law, 2008 (as amended)**

This document and the information incorporated by reference into this document, together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chair of API in Part I (*Letter from the Chair of API*) of this document, which contains the unanimous recommendation of the API Directors that you vote in favour of the Scheme at the API Court Meeting and the API Resolution to be proposed at the API General Meeting. A letter from Lazard explaining the Scheme appears in Part II (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 108 of the Companies Law.

It is important that Scheme Shareholders use their votes at the API Court Meeting so that the Court can be satisfied that there is a fair and reasonable representation of their views.

If you have sold or otherwise transferred all of your API Shares, please send this document (but not the accompanying personalised Forms of Proxy) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted, directly or indirectly, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. Securities may not be offered or sold in the United States unless registered under the U.S. Securities Act and applicable state securities laws or exempt from such registration.

Neither this document nor any of the accompanying documents do, or are intended to, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus or a prospectus equivalent document.

The action to be taken by API Shareholders is set out on pages 8 to 11 and in paragraph 18 of Part II (*Explanatory Statement*) of this document. The BLUE Form of Proxy is to be used in connection with the API Court Meeting and the WHITE Form of Proxy is to be used in connection with the API General Meeting. Voting in respect of each Meeting will be conducted on a poll and API Shareholders are asked to complete and sign the enclosed BLUE and WHITE Forms of Proxy in accordance with the instructions printed thereon and return them, either by post or, during normal business hours only, by hand to the reception desk of API's registrar, Computershare, so as to be received as soon as possible and, in any event, no later than 48 hours before the relevant Meeting (or in the case of an adjournment, no later than 48 hours before the time and date set for the adjourned meeting). For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy.

As an alternative to completing and returning the printed Forms of Proxy, a proxy (but not multiple proxies) may alternatively be appointed electronically by logging on to the following website: <https://www.eproxyappointment.com> and following the instructions therein. You will be prompted to enter the relevant API Meeting control number (each API Meeting has a separate control number) followed by your unique shareholder reference number (SRN) and PIN. These can be found printed on the Forms of Proxy. Your SRN can also be found on your share certificate.

API Shareholders who hold API Shares in uncertificated form (that is, in CREST) may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on pages 9 to 10 of this document. If the BLUE Form of Proxy for the API Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid. However, in the case of the API General Meeting, if the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

If you have any questions about this document, the API Court Meeting or the API General Meeting or how to complete the Forms of Proxy or how to appoint a proxy through the CREST electronic proxy appointment service or online, please contact API's registrar, Computershare, on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by API, the API Directors, CREI or the CREI Directors, or by Lazard, Winterflood or Deutsche Numis or any other person involved in the Merger. Neither the delivery of this document nor holding the API Meetings or the Sanction Hearing shall, under any circumstances, create any implication that there has been no change in the affairs of the API Group or the CREI Group since the date of this document or that the information in, or incorporated into, this document is correct as at any time subsequent to its date.

Certain terms used in this document are defined in Part XI (*Definitions*).

IMPORTANT NOTICES

Lazard & Co., Limited (**Lazard**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to API and no one else in connection with the Merger and/or any other matter set out in this document and will not be responsible to anyone other than API for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this document. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this document, any statement contained herein or otherwise.

Winterflood Securities Limited (**Winterflood**), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for API and no-one else in connection with the Merger and/or any other matter set out in this document and will not be responsible to anyone other than API for providing the protections afforded to customers of Winterflood or for providing advice in relation to the matters set out in this document. Neither Winterflood nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Winterflood in connection with this document, any statement contained herein or otherwise.

Numis Securities Limited (which is trading for these purposes as Deutsche Numis) (**Deutsche Numis**), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for CREI and for no one else in connection with the Merger and/or any other matter referred to in this document and will neither regard any other person as its client nor be responsible to anyone other than CREI for providing the protections afforded to its clients or for providing advice in connection with the Merger, the contents of this document, or any other matters referred to in this document. Neither Deutsche Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this document, any statement or other matter or arrangement referred to herein or otherwise.

Overseas jurisdictions

This document has been prepared in accordance with, and for the purposes of complying with, Guernsey law, English law, the Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules, and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom or Guernsey. Nothing in this document should be relied on for any other purpose.

The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom or Guernsey may be restricted by the laws and regulations of those jurisdictions and therefore any persons into whose possession this document comes or who are subject to the laws and/or regulations of any jurisdiction other than the United Kingdom or Guernsey should inform themselves about, and observe any applicable requirements in their jurisdiction.

Copies of this document and all documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws of that jurisdiction.

The Merger will be implemented solely in accordance with this document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document), which contains the full terms and conditions of the Merger, including details of how to vote in respect of the Scheme. Any voting decision or response in relation to the Merger should be made solely on the basis of the information contained in this document, the Announcement and the Forms of Proxy.

This document does not constitute a prospectus or a prospectus exempted document.

The availability of the Merger to API Shareholders who are not resident in and citizens of the United Kingdom or Guernsey may be affected by the laws of the relevant jurisdictions in which they are

located or of which they are citizen. Persons who are not resident in the United Kingdom or Guernsey should inform themselves of, and observe any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom or Guernsey to vote their API Shares with respect to the Scheme at the API Meetings, or to execute and deliver Forms of Proxy (or other proxy instructions) appointing another to vote at the API Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders are contained in this document.

Unless otherwise determined by CREI or required by the Code, and permitted by applicable law and regulation, the Merger will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this document and any formal documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Merger will be subject to Guernsey law and the jurisdiction of the Court, and the applicable requirements of the Code, the Panel, the Listing Rules, the FCA and the London Stock Exchange.

Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of API or for the correctness of any of the statements made or opinions expressed with regard to it.

Forward-looking statements

This document (including information incorporated by reference into this document), statements made regarding the Merger, and other information to be published by CREI and/or API, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the directors and/or managers of CREI and/or API about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements with respect to the financial condition, results of operations and business of API and/or CREI and certain plans and objectives of API and/or CREI with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by API and/or CREI in the light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although CREI and/or API believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not

to place undue reliance on these forward-looking statements which speak only as at the date of this document.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to complete the Merger; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Merger not being realised as a result of changes in general economic and market conditions in the countries in which CREI and/or API operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which CREI and API operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither CREI nor API, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement or this document will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.

Other than in accordance with their legal or regulatory obligations, neither CREI nor API is under any obligation, and CREI and API expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Quantified Financial Benefits Statement

The statements in the Quantified Financial Benefits Statement set out in Part IX (*Quantified Financial Benefits Statement*) relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies and which may in some cases be subject to consultation with employees or their representatives. The synergies and cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this document is the responsibility of CREI and the CREI Directors, and not the API Directors.

No profit forecasts or profit estimates

No statement in this document is intended as a profit forecast or profit estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for API for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for API.

Dealing disclosure and opening position requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business

day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Publication on website

In accordance with Rule 26.1 of the Code, a copy of this document and the other documents required to be published under Rule 26 of the Code, will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on CREI's website at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/> and API's website at <https://www.abrdnpit.co.uk/en-gb/merger> by no later than 12 noon (London time) on the first Business Day following the date of this document.

Neither the contents of CREI's website, nor those of API's website, nor those of any other website accessible from hyperlinks on either CREI's or API's websites, are incorporated into or form part of this document.

Requesting hard copies

In accordance with Rule 30.3 of the Code, API Shareholders and persons with information rights may request a hard copy of this document by contacting API's registrars, Computershare, by: (i) submitting a request in writing to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom; or (ii) calling +44 (0) 370 707 4040. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested. Such persons may also request

that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

Scheme process

In accordance with Rule 5 of Appendix 7 to the Code, API will announce through a Regulatory Information Service key events in the Scheme process including the outcomes of the API Meetings and the Sanction Hearing.

Unless otherwise consented to by the Court and the Panel, any modification or revision to the Scheme will be made no later than the date which is 14 days prior to the API Meetings (or any later date to which such API Meetings are adjourned).

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by API Shareholders, persons with information rights and other relevant persons for the receipt of communications from API may be provided to CREI during the Offer Period as required under Section 4 of Appendix 4 to the Code to comply with Rule 2.11(c) of the Code.

This document is dated 1 February 2024

ACTION TO BE TAKEN

THE API DIRECTORS, WHO HAVE BEEN SO ADVISED BY LAZARD AS TO THE FINANCIAL TERMS OF THE MERGER, CONSIDER THE TERMS OF THE MERGER TO BE FAIR AND REASONABLE. IN PROVIDING THEIR ADVICE TO THE API DIRECTORS, LAZARD HAS TAKEN INTO ACCOUNT THE COMMERCIAL ASSESSMENTS OF THE API DIRECTORS. LAZARD IS PROVIDING INDEPENDENT FINANCIAL ADVICE TO THE API DIRECTORS UNDER RULE 3 OF THE CODE.

ACCORDINGLY, IN ORDER TO IMPLEMENT THE MERGER, AND FOR THE REASONS SET OUT IN THIS DOCUMENT, THE API DIRECTORS RECOMMEND UNANIMOUSLY THAT SCHEME SHAREHOLDERS VOTE, OR PROCURE THE VOTE, IN FAVOUR OF THE SCHEME AT THE COURT MEETING AND API SHAREHOLDERS VOTE, OR PROCURE THE VOTE, IN FAVOUR OF THE API RESOLUTION TO BE PROPOSED AT THE API GENERAL MEETING AS THE API DIRECTORS WHO ARE INTERESTED IN API SHARES HAVE IRREVOCABLY UNDERTAKEN TO DO IN RESPECT OF THEIR OWN BENEFICIAL HOLDINGS OF API SHARES, AND THAT YOU TAKE THE ACTION DESCRIBED BELOW.

This section should be read in conjunction with the rest of this document, the accompanying Forms of Proxy, any document incorporated by reference and the Combined Circular and Prospectus (the latter for which CREI, the CREI Directors and the Proposed Directors are responsible).

1 The documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the API Court Meeting on 28 February 2024;
- a WHITE Form of Proxy for use in respect of the API General Meeting on 28 February 2024; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are an API Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated in paragraph 4 of this section below.

2 Voting at the API Court Meeting and the API General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDERS' OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT A PROXY ONLINE OR THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE (AS APPROPRIATE) AS SOON AS POSSIBLE.

The Scheme will require approval of the Scheme Shareholders at the API Court Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, EC1Y 4AG at 10.00 a.m. on 28 February 2024. Implementation of the Scheme will also require, amongst other things, the passing of the API Resolution by API Shareholders at the API General Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, EC1Y 4AG at 10.15 a.m. on the same date (or as soon thereafter as the API Court Meeting shall have been concluded or adjourned). Notices of the API Court Meeting and the API General Meeting are set out in Part XII (*Notice of API Court Meeting*) and Part XIII (*Notice of API General Meeting*) of this document, respectively.

Scheme Shareholders entitled to attend and vote at the API Court Meeting are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, raise questions and/or objections and vote at the API Court Meeting. A proxy need not be a Scheme Shareholder.

API Shareholders entitled to attend and vote at the API General Meeting are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the API General Meeting. A proxy need not be an API Shareholder.

Scheme Shareholders and API Shareholders are strongly encouraged to submit proxy appointments and instructions for the API Court Meeting and the API General Meeting as soon as possible, using

any of the applicable methods (by post, by hand, online or through CREST) set out below. Scheme Shareholders and API Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy for each API Meeting. The Chair of the relevant API Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant API Meeting. Any other person appointed as proxy will be able to attend, submit written questions and/or any objections and vote at the API Court Meeting or attend, speak and vote at the API General Meeting.

Scheme Shareholders and API Shareholders are required to submit proxy appointments in respect of the relevant Meeting no later than 48 hours before the relevant API Meeting (or in the case of any adjournment, no later than 48 hours before the time and date set for the adjourned meeting).

2.1 Sending Forms of Proxy by post or by hand

You should:

- A. complete, sign and return the BLUE Form of Proxy for use at the API Court Meeting so as to be **received no later than 10.00 a.m. on 26 February 2024**; and
- B. complete, sign and return the WHITE Form of Proxy for use at the API General Meeting so as to be **received no later than 10.15 a.m. on 26 February 2024**,

or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for such adjourned meeting.

The Forms of Proxy may be returned by post or, during normal business hours only, by hand to the reception desk of API’s registrar, Computershare Investor Services (Guernsey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy.

If the BLUE Form of Proxy for the API Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid. However, in the case of the API General Meeting, if the WHITE Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy it will be invalid.

Scheme Shareholders and API Shareholders are entitled to appoint a proxy in respect of some or all of their API Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST as described in paragraph 2.2 below (but not, for the avoidance of doubt, by means of an online proxy appointment as described in paragraph 2.3 below), provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders and API Shareholders who wish to appoint more than one proxy in respect of their holding of API Shares should contact Computershare for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

2.2 Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the API Meetings (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (participant ID: 3RA50) no later than 10.00 a.m. on 26 February 2024 in the case of the API Court Meeting and no later than 10.15 a.m. on 26 February 2024 in the case of the API General Meeting (or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken

to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

API may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

2.3 Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, a proxy (but not multiple proxies) may alternatively be appointed electronically by logging on to the following website: <https://www.eproxyappointment.com> and following the instructions therein. You will be prompted to enter the relevant API Meeting control number (each API Meeting has a separate control number) followed by your unique shareholder reference number (**SRN**) and PIN. These can be found printed on the Forms of Proxy. Your SRN can also be found on your share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Computershare no later than 10.00 a.m. on 26 February 2024 in respect of the BLUE Form of Proxy for the API Court Meeting and no later than 10.15 a.m. on 26 February 2024 in respect of the WHITE Form of Proxy for the API General Meeting (or in the case of adjournment(s), no later than 48 hours before the time and date set for the adjourned meeting(s)).

It is important that, for the API Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders.

You are strongly advised to sign and return your BLUE Form of Proxy (by post) for the API Court Meeting and your WHITE Form of Proxy (by post) for the API General Meeting or (in each case) transmit a proxy appointment and voting instruction (online or through CREST) for the API Court Meeting and the API General Meeting as soon as possible. Scheme Shareholders and API Shareholders are strongly encouraged to appoint the Chair of the meeting as their proxy for each Meeting. The Chair of the relevant API Meeting will vote in accordance with the voting instructions of the appointing Scheme Shareholder or API Shareholder. If any other person is appointed as proxy, he or she will be permitted to attend and vote at the API Court Meeting or the API General Meeting.

If the BLUE Form of Proxy for the API Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid. However, in the case of the API General Meeting, if the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

3 Results of the API Meetings

The results of the API Court Meeting and the API General Meeting will be announced through a Regulatory Information Service and also published on API's website at <https://www.abrdnpit.co.uk/en-gb/merger> once the votes have been counted and verified.

4 Shareholder helpline

If you have any questions about this document, the API Court Meeting or the API General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or online, please contact API's registrar, Computershare

on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme.

Event	Time and/or date (2024)
Publication of this document and the Combined Circular and Prospectus	1 February
Latest time for lodging Forms of Proxy for the:	
API Court Meeting (BLUE form)	10.00 a.m. on 26 February ⁽¹⁾
API General Meeting (WHITE form)	10.15 a.m. on 26 February ⁽²⁾
Voting Record Time for the API Court Meeting and the API General Meeting	6.00 p.m. on 26 February ⁽³⁾
CREI General Meeting	9.30 a.m. on 27 February
API Court Meeting	10.00 a.m. on 28 February
API General Meeting	10.15 a.m. on 28 February ⁽⁴⁾
<i>The following dates are indicative only and are subject to change⁽⁵⁾</i>	
Sanction Hearing	28 March
Last day of dealings in, and for registration of transfers of API Shares	28 March
Scheme Record Time	6.00 p.m. on 28 March
Suspension of listing of, and dealings in, API Shares and disablement of API Shares in CREST	7.30 a.m. on 2 April
Effective Date of the Scheme ⁽⁶⁾	By 8.00 a.m. on 2 April
Delisting of API Shares on the London Stock Exchange	By 8.00 a.m. on 2 April
New CREI Shares issued to API Shareholders	By 8.00 a.m. on 2 April
New CREI Shares listed and commencement of dealings in the New CREI Shares on the London Stock Exchange	By 8.00 a.m. on 2 April
CREST accounts of API Shareholders credited with New CREI Shares	On or soon after 8.00 a.m. on 2 April
CREST accounts of API Shareholders credited with cash due in relation to the sale of fractional entitlements	Within 14 calendar days of the Effective Date
Latest date for despatch of (a) share certificates for New CREI Shares and (b) cheques due in relation to the sale of fractional entitlements	Within 14 calendar days of the Effective Date
Long Stop Date	30 April ⁽⁷⁾

Notes:

- (1) It is requested that BLUE Forms of Proxy for the API Court Meeting be lodged no later than 48 hours before the time and date set for the API Court Meeting. A copy of a completed and signed BLUE Form of Proxy not so lodged may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and will still be valid.
- (2) WHITE Forms of Proxy for the API General Meeting must be lodged no later than 48 hours before the time and date set for the API General Meeting. WHITE Forms of Proxy for the API General Meeting not lodged by this time will be invalid.
- (3) If either the API Court Meeting or the API General Meeting is adjourned, the Voting Record Time for the relevant adjourned API Meeting will be 6.00 p.m. on the date falling two days before the date of the adjourned Meeting.
- (4) To commence at 10.15 a.m. or as soon thereafter as the API Court Meeting shall have concluded or been adjourned.
- (5) These dates and times are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; and (ii) the Court sanctions the Scheme.
- (6) A copy of the Court Order must be filed with the Guernsey Registry as promptly as is practicable and in any event within seven days after its making. The Scheme will become Effective on the date prescribed in the Court Order (which is currently expected to be one Business Day following the Sanction Hearing).
- (7) This is the latest date by which the Scheme may become Effective unless CREI and API agree (and the Panel and, if required, the Court permit) a later date or if the Panel requires an extension to the Long Stop Date pending final determination of an issue under section 3(g) of Appendix 7 to the Code.

All references in this document to times are to London time unless otherwise stated.

The dates and times given are indicative only and are based on API's and CREI's current expectations and may be subject to change. If any of the expected times and/or dates above change (a) the revised times and/or dates will be notified to API Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on CREI's website at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/> and API's website <https://www.abrdnpit.co.uk/en-gb/merger> and (b) if required by the Panel, API will send notice of the change(s) to API Shareholders.

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PART I

LETTER FROM THE CHAIR OF ABRDN PROPERTY INCOME TRUST LIMITED

Incorporated in Guernsey with registered number 41352

Directors:
James Clifton-Brown
Jill May
Mike Balfour
Michael Bane
Sarah Slater

Registered Office:
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

1 February 2024

To API Shareholders

Dear Shareholder,

RECOMMENDED ALL-SHARE MERGER OF CUSTODIAN PROPERTY INCOME REIT PLC AND ABRDN PROPERTY INCOME TRUST LIMITED

1 Introduction

On 19 January 2024, the boards of CREI and API announced that they had reached agreement on the terms and conditions of a recommended all-share merger pursuant to which CREI will acquire the entire issued and to be issued share capital of API, to be effected by means of a Court-sanctioned scheme of arrangement of API under Part VIII of the Companies Law (the **Merger**).

I am writing to you today to set out the background to the Merger and the reasons why the API Directors consider the terms of the Merger to be fair and reasonable and are unanimously recommending that Scheme Shareholders vote in favour of the Scheme at the API Court Meeting and that API Shareholders vote in favour of the API Resolution to be proposed at the API General Meeting. In addition, paragraphs 3 and 7 of this letter set out, respectively, CREI's reasons for the Merger and its intentions with regard to API. I also draw your attention to the letter from Lazard set out in Part II (*Explanatory Statement*) of this document which gives details about the Merger and the Scheme and to the additional information set out in Part X (*Additional Information*) of this document.

In order to approve the terms of the Merger, Scheme Shareholders will need to vote in favour of the Scheme at the API Court Meeting to be held on 28 February 2024 at 10.00 a.m., and API Shareholders will need to pass the API Resolution to be proposed at the API General Meeting (which is to be held on 28 February 2024 at 10.15 a.m. or as soon thereafter as the API Court Meeting concludes or is adjourned), in each case by the requisite majority. Details of the actions you are asked to take are set out on pages 8 to 11 and in paragraph 18 of Part II (*Explanatory Statement*) of this document. The recommendation of the API Directors is set out in paragraph 13 of this letter.

It is important that, for the API Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy online or through the CREST electronic proxy appointment service (as appropriate) as soon as possible.

Further details of the Scheme and the API Meetings are set out in paragraphs 6 and 7 of Part II (*Explanatory Statement*) of this document and the terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document.

2 Terms of the Merger

Under the terms of the Merger, Scheme Shareholders will be entitled to receive:

for each Scheme Share, 0.78 New CREI Shares

(the **Exchange Ratio**)

The Exchange Ratio is based on the Rolled-Forward Unaudited EPRA Net Tangible Asset value (**NTA**) of each of CREI and API as at 31 December 2023, subject to certain adjustments to reflect post balance sheet asset disposals, the fair value of each company's debt and derivatives, the relative levels of dividend cover between the two companies and the costs expected to be incurred by each party in connection with the Merger.

Following completion of the Merger, existing CREI Shareholders will hold approximately 59.7 per cent. and API Shareholders approximately 40.3 per cent. respectively in the Combined Group.

Applying the Exchange Ratio to the Closing Price per CREI Share of 72.3 pence on the Latest Practicable Date values each API Share at 56.4 pence and the entire issued and to be issued share capital of API at approximately £215 million, representing a premium of approximately 17.5 per cent. to the Closing Price of 48.0 pence per API Share on 18 January 2024 (being the last Business Day prior to the Announcement Date).

Applying the Exchange Ratio to the Closing Price per CREI Share of 79.6 pence as at 18 January 2024 (being the last Business Day prior to the Announcement Date), the offer values each API Share at 62.1 pence and the entire issued and to be issued share capital of API at approximately £237 million, and represents a premium of approximately 29.4 per cent. to the Closing Price of 48.0 pence per API Share on 18 January 2024 (being the last Business Day prior to the Announcement Date).

It is intended that the Merger will be implemented by way of a Court-sanctioned scheme of arrangement between API and Scheme Shareholders under Part VIII of the Companies Law. However, in certain circumstances CREI shall be entitled to elect to implement the Merger by way of a Takeover Offer, subject to the Panel's consent.

The New CREI Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing CREI Shares in issue at the time the New CREI Shares are issued pursuant to the Merger, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date on or after a record date falling after the Scheme Record Time.

Applications will be made to the FCA and the London Stock Exchange for the New CREI Shares to be admitted to the premium segment of the Official List and to trading on the Main Market.

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them.

3 Background to and reasons for the Merger

CREI and API share an income-focused investment strategy with an emphasis on regional, below-institutional sized assets that are well-positioned to capture the rental growth and yield advantage available in order to generate higher income returns and capital growth for shareholders.

The CREI Board and the API Board believe that the Merger would bring together two complementary portfolios to create a differentiated REIT with enhanced diversification and share liquidity and a fully covered and sustainable dividend for the Combined Group's shareholders.

The boards of CREI and API believe there is a compelling strategic and financial rationale for the Merger. In particular, shareholders in the Combined Group are expected to benefit from:

- A substantially larger portfolio with approximately 200 assets and a combined property value in excess of £1.0 billion as at 31 December 2023;
- An enhanced portfolio diversification by asset, geography and tenant with broad-based regional exposure, with 50% of the Combined Group's income derived from the top 54 tenants and 90% of the Combined Group's income derived from the top 204 tenants, an average lot size of approximately £5.1 million and similar tenant covenant profiles as at 31 December 2023;

- A continuation of CREI's focus on below-institutional sized assets which delivers greater diversification, with no single tenant accounting for more than 2% of the Combined Group's rent roll, and supports the performance of the portfolio in a variety of market conditions. This focus enables CREI to find mispriced assets and make counter-cyclical investments in order to secure future rental and capital growth;
- A suitable balance between the main commercial property sectors, in keeping with each of CREI's and API's existing policies, including significant exposure to the industrial sector (representing 44% of the Combined Group's ERV as at 31 December 2023) which continues to benefit from low vacancy levels, limited new supply, strong occupier demand, and hence rental growth;
- Meaningful reversionary potential with the combined ERV of £84.3 million exceeding the combined passing rent of £68.1 million by 24% at 31 December 2023;
- A shared commitment to sustainability underpinning the shared asset management strategy with 81% of the combined portfolio holding an EPC rating of C or above;
- A stronger and more resilient balance sheet enhancing the Combined Group's ability to grow and to address future refinancing events, with the retention of CREI's and API's existing debt facilities implying a *pro forma* LTV of approximately 30.2 per cent., a weighted average cost of debt of 5.0 per cent. and a weighted average debt maturity of 3.8 years for the Combined Group as at 31 December 2023. CREI expects the weighted average cost of debt to decline over the medium term as Custodian Capital expects to continue each company's ongoing programme of asset disposals, subject to prevailing sector specific market conditions at the time of such disposals, to, in part, fund a reduction in the quantum of variable rate debt in the Combined Group. The aggregate debt portfolio of £225 million of fixed rate debt expiring between 2025 – 2032 and the £125 million of revolving credit facilities will allow for the ongoing financing of the Combined Group in the long and short term;
- Continued commitment to paying a fully covered dividend, in line with CREI's existing policy and practice since its initial public offering, which would result in an uplift in annual dividends payable to API Shareholders, with an objective of growing the dividend on a sustainable basis;
- Creation of an enlarged REIT with an enhanced market profile, a broader appeal to investors, greater share liquidity, and the scale to support a larger weighting in key indices with potential for inclusion in the FTSE 250 Index in due course;
- Diversification of the shareholder register of the Combined Group with a broad mix of private and institutional investors, while enabling mutual shareholders to consolidate their holdings across the two companies;
- Continued focus on corporate governance, with the CREI Board benefiting from the added expertise of certain API Directors and the transition to a fully independent board following the integration of the two companies;
- Material cost savings, comprising:
 - £1.0 million of recurring annual cost savings realised principally from a reduction in management fees due to CREI's tiered fee structure and the removal of duplicated corporate expenses and other potential operational efficiencies; and
 - £2.1 million of additional non-recurring cost savings during the Transition Period as a result of a reduction in management fees payable to Custodian Capital.

The Combined Group's *pro forma* sector weighting by ERV as at 31 December 2023 is shown below:

Sector	Weighting by ERV (as at 31 December 2023)		
	CREI	API	Combined Group
Industrial	41%	48%	44%
Office	16%	25%	20%
Retail warehousing	22%	11%	18%
Other ¹	13%	12%	12%
High street retail	8%	4%	6%

The Combined Group's *pro forma* weighting by tenant quality as at 31 December 2023 is shown below:

Experian risk rating	Weighting by ERV (as at 31 December 2023)		
	CREI	API	Combined Group
Government	2%	9%	5%
Very low risk	57%	51%	54%
Low risk	8%	14%	10%
Below average risk	13%	10%	12%
Above average risk	8%	5%	7%
High risk	2%	1%	2%
Other ²	11%	9%	10%

4 Background to and reasons for the API Directors' recommendation

API has consistently sought to meet shareholders' objectives by investing in good quality assets that have the potential to provide an above market level of total return as well as an attractive level of income that has scope to grow. API has achieved this through successful capital rotation and active asset management resulting in an attractive portfolio, with industrial assets constituting 48% of the portfolio by ERV as at 31 December 2023.

Over the 18 months preceding the Announcement Date, however, API along with other diversified investment trusts has had to contend with the significant challenges facing the real estate sector as a whole, with rising inflation leading to a substantial increase in interest rates to levels not seen since before the global financial crisis. This in turn has impacted investor sentiment, real estate capital values, transaction volumes and equity market liquidity, notwithstanding operational robustness in many sub-sectors of the market, including those to which API has significant exposure.

In API's case, these challenges have been compounded by the relatively small scale of the company and in particular the need to refinance its debt facility (consisting of a term loan and revolving credit facility) in late 2022, ahead of the previous maturity date in April 2023, at a time when politically induced gilt market volatility was at its height. API currently pays an annualised dividend of 4 pence per share which is not covered by EPRA earnings, with cover of approximately 83% for the last reported quarter ended 31 December 2023. In recognition of these challenges, and

1 "Other" sectors include: (i) in respect of the CREI portfolio, pubs and restaurants, gyms, drive-throughs, motor trade, leisure and trade counter; and (ii) in respect of the API portfolio, leisure, data centres, student housing, hotels (and apart-hotels) and healthcare.

2 "Other" includes vacant properties and those occupied by private individuals, charities and LLPs for which Experian ratings are not available.

the impact on API's share price and discount to EPRA NTA per share, the API Board elected to undertake a comprehensive review of API's strategic options in Q3 2023 with the objective of potentially delivering an uplift in value for API Shareholders, as well as increased share liquidity and an enhanced and fully covered dividend for API Shareholders.

Having assessed a wide range of potential strategic options in detail, the API Board believes that there is a strong strategic and financial rationale for a combination with CREI, noting in particular that:

- by reference to the Closing Price per API Share on 18 January 2024 (being the last Business Day prior to the Announcement Date), the exchange ratio represents a premium of approximately 29.4% based on CREI's Closing Price on 18 January 2024, and a premium of approximately 17.5% based on CREI's Closing Price on the Latest Practicable Date;
- API Shareholders are expected to experience an annualised uplift in dividends of 7.3% (based on the Exchange Ratio and CREI's target dividend of 5.5 pence per share) with the dividend being fully covered;
- CREI's and API's shared income-focused approach to investing in diversified UK commercial property, the complementary nature of their two portfolios, similar sectoral weightings and sustainability credentials;
- The enhanced capital structure of the Combined Group and its superior ability to address future refinancing events as a consequence;
- The opportunity for API Shareholders to remain invested, with ongoing exposure to API's attractive portfolio and its growth prospects through holding shares in the Combined Group;
- The superior valuation at which the CREI Shares have historically traded relative to API's, with an average discount to EPRA NTA per share of approximately 11% in the twelve months to 18 January 2024, compared to approximately 37% for API, and approximately 10% over the three years to 18 January 2024 compared to approximately 29% for API;
- The anticipated increase in share liquidity by virtue of the Combined Group's enhanced scale, potential index weightings and broader appeal to investors;
- The strong track record of Custodian Capital, as demonstrated by CREI's total shareholder returns over time relative to peers; and
- The commitment of the CREI Board to strong corporate governance, including through the appointment of two API Directors and the transition to a fully independent board following the integration of the two companies.

In summary, the API Board is firmly of the view that a combination with CREI represents an attractive opportunity for API Shareholders to benefit from a significant premium to the current share price and enhanced share liquidity and dividend income through continued investment in a differentiated REIT of improved scale.

5 Valuation Reports

Your attention is drawn to the CREI Valuation Reports from Knight Frank and Savills set out in Part VII (*CREI Valuation Reports*) of this document, and to the API Valuation Report from Knight Frank set out in Part VIII (*API Valuation Report*) of this document, which in each case have been prepared in accordance with Rule 29 of the Code.

6 Irrevocable undertakings and letter of intent

Each of the API Directors who are interested in API Shares, has given to CREI an irrevocable undertaking to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the API Court Meeting and the API Resolution to be proposed at the API General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer), in respect of their entire beneficial holdings of, in aggregate 295,092 API Shares, representing approximately 0.08 per cent. of API's total issued share capital as at the close of business on the Latest Practicable Date.

CREI has also received non-binding letters of intent from Brooks Macdonald Asset Management, Mattioli Woods and Wise Funds Limited to vote in favour of the Scheme at the API Court Meeting

and the API Resolution to be proposed at the API General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to procure the acceptance of such Takeover Offer) in respect of 38,169,670 API Shares, representing approximately 10.01 per cent. of API's total issued share capital as at the close of business on the Latest Practicable Date.

Further details of the letters of intent, together with the irrevocable undertakings received from the API Directors referred to above, are set out in paragraphs 7.1 and 7.2 of Part X (*Additional Information*) of this document.

Accordingly, CREI has received irrevocable undertakings and letters of intent to vote, or procure the voting, in favour of the Scheme at the API Court Meeting and the API Resolution to be proposed at the API General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of a total of 38,464,762 API Shares, representing, in aggregate, approximately 10.09 per cent. of the total issued share capital of API as at the close of business on the Latest Practicable Date.

7 CREI's intentions for API

Property strategy

With effect from completion of the Merger, Custodian Capital will provide investment management, administrative and advisory services to the Combined Group. Custodian Capital expects to continue each company's ongoing programme of asset disposals, subject to prevailing sector specific market conditions at the time of such disposals, to reduce the quantum of variable rate debt in the Combined Group and fund ongoing capital expenditure programmes. Ongoing capital expenditure is essential to the rental performance of the portfolio of the Combined Group and will be prioritised over new acquisitions, in part to meet target environmental commitments.

Board composition and governance arrangements

Following completion of the Merger, it is expected that Jill May and Sarah Slater will join the CREI Board as non-executive directors. The CREI Board believes that these appointments will deliver an appropriately balanced board, with the complementary experience and skills necessary to drive the Combined Group forward following the Merger and to provide good continuity for API Shareholders. Post-Merger, the CREI Board will therefore comprise: David MacLellan, Elizabeth McMeikan, Hazel Adam, Malcolm Cooper, Chris Ireland, Ian Mattioli MBE, Jill May and Sarah Slater.

Following the integration of the API portfolio, the CREI Board expects to conduct a review of its succession plan, assessing its composition and size to ensure an appropriate combination of skills, experience, diversity and knowledge.

As part of that review, Ian Mattioli MBE has informed the CREI Board of his intention to retire as a director of CREI at the annual general meeting prior to the conclusion of the Transition Period, which will result in a fully independent board. The CREI Board values Ian Mattioli MBE as a founding director of CREI and a representative of individual private clients of Custodian Capital's parent company, Mattioli Woods (**MW Clients**). The MW Clients currently represent approximately 65 per cent. of the CREI Shareholder register by value³ and Ian's intention reflects the fact that this proportion is expected to reduce substantially as a consequence of the Merger. The CREI Board has high regard for Ian's insight and expertise, and it is expected that he will continue to serve a valuable role for CREI in his capacity as chair of Custodian Capital, Chief Executive Officer of Mattioli Woods and an ongoing representative of MW Clients, including attendance at board meetings as part of the senior management team of Custodian Capital. Ian Mattioli MBE and his family own 6.1 million CREI Shares (representing approximately 1.4 per cent. of the CREI Shareholder register by value as at the Latest Practicable Date) and intend to remain long-term shareholders of the Combined Group.

CREI intends to delist API and to surrender API's registration as an authorised closed-ended collective investment scheme regulated by the GFSC following the Effective Date. Consequently, API will not require listed company governance structures and accordingly, it is intended that the API Directors will cease to be directors of API and its subsidiaries (as applicable) with effect from completion of the Merger.

³ Based on shareholder registers as at 31 December 2023, shares held by Mattioli Woods on behalf of discretionary managed portfolios operated on behalf of its clients represented 3.5 per cent. and 6.4 per cent. of the CREI and API shareholder registers by value, respectively.

As CREI intends to cancel API's admission to trading on the London Stock Exchange following completion of the Merger, certain functions which exist in relation to API's status as a publicly traded company will no longer be required or will be reduced in size, reflecting the new structure within the Combined Group.

Management and employees

The API Group does not have any employees and therefore does not operate any pension scheme, nor does it have any arrangements in place for any employee involvement in its capital. API has no place of business that will be affected by the Merger, fixed assets (other than its property portfolio), research and development function or headquarters. CREI has no intention to change these features of the API Group, or to introduce any management incentivisation arrangements for the Combined Group following completion of the Merger. It is expected that API's existing investment management agreement (which includes provisions for an orderly handover) will be terminated.

Management arrangements and fees for the Combined Group

With effect from completion of the Merger, it has been agreed between CREI and Custodian Capital that:

- Custodian Capital will waive its management fee in relation to the NAV attributable to API for the first nine months following completion of the Merger;
- there will be a reduction in the management fees payable by CREI to Custodian Capital for the duration of the Transition Period. This will be implemented through the consolidation of the first two fee tiers into one fee tier, such that the consolidated fee tier will be calculated as a fee of 0.75 per cent. in respect of the NAV of the Combined Group which is less than or equal to £500 million (rather than a fee of 0.90 per cent. in respect of NAV up to £200 million and 0.75 per cent. up to £500 million);
- in recognition of the waiver and reduction of fees, the CREI Board has agreed to an extension of the term of Custodian Capital's appointment as investment manager which will continue from the Effective Date with either party able to serve 12 months' written notice to terminate the management arrangements for the Combined Group, save that such notice may not be served prior to the conclusion of the Transition Period; and
- in connection with Custodian Capital's additional work on the Merger, CREI shall pay Custodian Capital a one-off project fee of £350,000 (exclusive of VAT), which shall reduce to £75,000 (exclusive of VAT) if the Merger does not become Effective.

These changes are documented in the Amended and Restated Investment Management Agreement, the terms of which shall take effect from the Effective Date.

The CREI Board believes that the terms of the Amended and Restated Investment Management Agreement will promote management stability and ensure that Custodian Capital is appropriately incentivised to continue to invest in its capabilities for the benefit of the Combined Group.

The entry by CREI into the Amended and Restated Investment Management Agreement falls within Listing Rule 11.1.10R (smaller related party transactions) and therefore CREI Shareholders are not required to approve these amendments.

By the end of the Transition Period, the CREI management engagement committee intends to conduct its regular review of the terms of Custodian Capital's appointment to ensure that the terms comply with market and industry practice and remain in the best interests of the shareholders of the Combined Group.

Listing and registered office

Following the Effective Date, CREI will remain listed on the Premium segment of the Official List and admitted to trading on the Main Market. The registered office of CREI will remain in Leicester.

REIT status

Both the CREI Group and the API Group fall within the UK REIT regime and benefit from the tax efficiencies provided by that regime. The Combined Group is expected to fall within the UK REIT regime and the relevant tax measures will continue to apply to the Combined Group.

Trading facilities

It is intended that dealings in, and registration of transfers of, API Shares (other than the registration of the transfer of the Scheme Shares to CREI pursuant to the Scheme) will be suspended shortly before the Effective Date in accordance with the timetable set out in this document. It is further intended that applications will be made to the London Stock Exchange to cancel trading in the API Shares on the Main Market, and to the Financial Conduct Authority to cancel the listing of the API Shares on the Official List, in each case with effect from or shortly following the Effective Date.

No statements in this paragraph 7 are “post-offer undertakings” for the purposes of Rule 19.5 of the Takeover Code.

8 Dividends

The boards of CREI and API will retain their current dividend policies for the period to the Effective Date.

CREI and API have agreed that:

- API Shareholders will be entitled to receive and retain a quarterly final dividend of up to 1 penny per API Share in respect of the quarter ended 31 December 2023 (the **API Q4 Dividend**) which was announced on 1 February 2024 and will be paid on 23 February 2024, with a dividend record date of 9 February 2024; and
- CREI Shareholders will be entitled to receive and retain a quarterly interim dividend of up to 1.375 pence per CREI Share in respect of the quarter ended 31 December 2023 (the **CREI Q3 Dividend**), which was announced on 5 January 2024 and will be paid on 29 February 2024 with a dividend record date of 19 January 2024.

It is currently expected that the Merger will become Effective in early April 2024. The New CREI Shares will be issued credited as fully paid-up and will rank *pari passu* in all respects with the CREI Shares in issue at the time the New CREI Shares are issued, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date on or after the Effective Date. Accordingly, based on the expected timetable for the Merger to become Effective, Scheme Shareholders, assuming the Scheme Shareholder has retained their New CREI Shares, would receive the quarterly final dividend to be declared by CREI in respect of the quarter ended 31 March 2024 (the **CREI Q4 Dividend**).

Delay to the expected timetable for the Merger

If, however, the timetable for the Merger is delayed such that the Merger will become Effective after the expected date (but prior to the Long Stop Date), CREI and API have agreed that API Shareholders will be entitled to receive and retain any quarterly interim dividend declared by API in respect of the quarter ended 31 March 2024 (the **API Q1 Dividend**) and CREI Shareholders will be entitled to receive and retain any CREI Q4 Dividend declared by CREI, in each case, to be declared consistent with their respective past practices as to timing and amount of such dividends.

Amendments to the Exchange Ratio

The Exchange Ratio will be adjusted:

- (a) in the event that either CREI or API announces, declares, makes or pays any one or more dividends or other distributions prior to the Merger becoming Effective that is or are, in aggregate, in excess of: (i) 1.375 pence per CREI Share in respect of the CREI Q3 Dividend and, if the ex-dividend date falls prior to the Merger becoming Effective, 1.375 pence per CREI Share in respect of the CREI Q4 Dividend; or (ii) 1.0 penny per API Share in respect of the API Q4 Dividend and, if the ex-dividend date falls prior to the Merger becoming Effective, 1.0 penny per API Share in respect of the API Q1 Dividend (the amount of such excess in each case being the **Excess**), in which event the adjustment to the Exchange Ratio shall be to take account of the Excess; and/or
- (b) in the event that (i) the API Q1 Dividend is not covered by the income earned in the relevant quarter (the **API Q1 Uncovered Dividend Portion**), or (ii) the CREI Q4 Dividend is not covered by the income earned in the relevant quarter (the **CREI Q4 Uncovered Dividend Portion**), in which event the adjustment to the Exchange Ratio shall be to take account of the API Q1 Uncovered Dividend Portion and/or the CREI Q4 Uncovered Dividend Portion; and/or

- (c) if, at the time of completion of the Merger, either CREI or API has announced, declared, made or paid the CREI Q4 Dividend or the API Q1 Dividend, respectively, but the other has not announced, declared, made or paid its corresponding dividend (a **Dividend Discrepancy**), in which case the adjustment to the Exchange Ratio shall be to take account of the Dividend Discrepancy.

In the event that any adjustment to the Exchange Ratio is required pursuant to (a), (b) and/or (c) above, such adjustment will be made by reference to the relevant Rolled-Forward Unaudited EPRA NTA(s) as at 31 December 2023. Any adjustment to the Exchange Ratio shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Merger. To the extent that a dividend or distribution has been declared but not paid prior to the Effective Date, and such dividend or distribution is cancelled, then the Exchange Ratio shall not be subject to change in accordance with this paragraph.

Following completion of the Merger, the Combined Group intends to maintain CREI's dividend and dividend cover going forward. On the basis of market conditions as at the Announcement Date, CREI is targeting a dividend per share of at least 5.5 pence per CREI Share for the year ending 31 March 2024. The CREI Board attaches considerable importance to the dividend, and CREI's aim is to grow its dividend on a sustainable basis as earnings grow over time through capturing the available rental growth in the combined portfolio's reversionary potential, at a rate which is fully covered by projected net rental income and does not inhibit the flexibility of CREI's investment strategy.

The dividends referred to above are not intended as a profit forecast or estimate for CREI or API for any period and no statement in this document should be interpreted to mean that earnings or earnings per CREI Share or per API Share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per CREI Share or per API Share.

9 Overseas Shareholders

Overseas Shareholders should refer to paragraph 16 of Part II (*Explanatory Statement*) of this document, which contains important information relevant to such holders.

10 United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) of this document. Although this document contains certain tax-related information, it is intended only as a general guide and does not constitute tax advice. Accordingly, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

11 Actions to be taken by API Shareholders

Details of the approvals being sought at the API Court Meeting and the API General Meeting and the action to be taken by API Shareholders in respect of the Scheme are set out on pages 8 to 11 and in paragraph 18 of Part II (*Explanatory Statement*) of this document.

12 Further information

You are advised to read the whole of this document and not just rely on the summary information contained in this letter or the Explanatory Statement.

Your attention is drawn in particular to the further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the Implementation of the Scheme and to the Merger*), Part IV (*The Scheme of Arrangement*) and Part X (*Additional Information*) and the notices of the API Meetings set out in Part XII (*Notice of API Court Meeting*) and Part XIII (*Notice of API General Meeting*) of this document, which provides further details concerning the Scheme.

Your attention is further drawn to the Combined Circular and Prospectus (for which CREI, the CREI Directors and the Proposed Directors are responsible), which is being published on the date of this document and is available on CREI's website at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/>, which contains further information on CREI and the New

CREI Shares. A copy of the Combined Circular and Prospectus will also be made available on API's website at <https://www.abrdnpit.co.uk/en-gb/merger>. API Shareholders should read the whole of the Combined Circular and Prospectus and not just rely on the information contained in this letter.

A copy of this document (and all information incorporated into this document by reference to another source), as well as all the documents required to be published by Rule 26 of the Code are and will be available, subject to certain restrictions relating to Restricted Jurisdictions, for inspection on API's website at <https://www.abrdnpit.co.uk/en-gb/merger>.

13 Recommendation

The API Directors, who have been so advised by Lazard as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. In providing its advice to the API Directors, Lazard has taken into account the commercial assessments of the API Directors. Lazard is providing independent financial advice to the API Directors under Rule 3 of the Code.

Accordingly, the API Directors recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the API Court Meeting and that API Shareholders vote in favour of the API Resolution to be proposed at the API General Meeting as the API Directors have irrevocably undertaken to do in respect of their own beneficial holdings of, in aggregate, 295,092 API Shares (representing approximately 0.08 per cent. of the API's total issued ordinary share capital as at the close of business on the Latest Practicable Date), as more fully described in paragraph 7.1 of Part X (*Additional information*) of this document.

Yours faithfully,

James Clifton-Brown
Independent Non-Executive Chair
abrdn Property Income Trust Limited

PART II
EXPLANATORY STATEMENT

(in compliance with section 108 of the Companies Law)

LAZARD

Lazard & Co., Limited
50 Stratton Street
London W1J 8LL

1 February 2024

To API Shareholders

Dear Shareholder

**RECOMMENDED ALL-SHARE MERGER OF CUSTODIAN PROPERTY INCOME REIT PLC
AND ABRDN PROPERTY INCOME TRUST LIMITED**

1 Introduction

On 19 January 2024, the boards of CREI and API announced that they had reached agreement on the terms and conditions of a recommended all-share merger pursuant to which CREI will acquire the entire issued and to be issued share capital of API, to be effected by means of a Court-sanctioned scheme of arrangement of API under Part VIII of the Companies Law.

Your attention is drawn to the letter from the Chair of API set out in Part I (*Letter from the Chair of API*) of this document, which forms part of this Explanatory Statement. The letter contains, among other things: (a) information on the reasons for and effect of the Merger on the API Group; and (b) the unanimous recommendation by the API Directors to Scheme Shareholders to vote in favour of the Scheme at the API Court Meeting and to API Shareholders to vote in favour of the API Resolution to be proposed at the API General Meeting.

Your attention is also drawn to the Combined Circular and Prospectus (for which CREI, the CREI Directors and the Proposed Directors are responsible), which contains further information on CREI and the New CREI Shares to be issued in connection with the Merger. A copy of the Combined Circular and Prospectus will be available on the date of this document on CREI's website (at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/>) and on API's website (at <https://www.abrdnpit.co.uk/en-gb/merger>).

The API Directors, who have been so advised by Lazard as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. In providing its advice to the API Directors, Lazard has taken into account the commercial assessments of the API Directors. Lazard is providing independent financial advice to the API Directors under Rule 3 of the Code.

Accordingly, the API Directors intend to recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the API Court Meeting and that API Shareholders vote in favour of the API Resolution to be proposed at the API General Meeting as the API Directors have irrevocably undertaken to do in respect of their own beneficial holdings of, in aggregate, 295,092 API Shares (representing approximately 0.08 per cent. of the API's total issued ordinary share capital as at the close of business on the Latest Practicable Date).

We have been authorised by the API Directors to write to you to explain the terms of the Merger and the Scheme and to provide you with other relevant information. In giving its advice, Lazard is not advising the API Directors in relation to the Merger and is not acting for any API Director in their personal capacity nor for any API Shareholder in relation to the Merger. Lazard will not be responsible to any such person for providing the protections afforded to its clients or for advising

any such person in relation to the Merger. In particular, Lazard does not owe any duties or responsibilities to any particular API Shareholder concerning the Merger.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part I (*Letter from the Chair of API*), the Conditions and certain further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Merger*) and the additional information set out in Part X (*Additional Information*) of this document. You are also recommended to read the Combined Circular and Prospectus which is available from the date of this document on CREI's website (at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/>) and on API's website (at <https://www.abrdnpit.co.uk/en-gb/merger/>).

2 Terms of the Merger

Under the terms of the Merger, Scheme Shareholders will be entitled to receive:

for each Scheme Share, 0.78 New CREI Shares
(the **Exchange Ratio**)

The Exchange Ratio is based on the Rolled-Forward Unaudited EPRA NTA of each of CREI and API as at 31 December 2023, subject to certain adjustments to reflect post balance sheet asset disposals, the fair value of each company's debt and derivatives, the relative levels of dividend cover between the two companies and the costs expected to be incurred by each party in connection with the Merger.

Following completion of the Merger, existing CREI Shareholders will hold approximately 59.7 per cent. and API Shareholders approximately 40.3 per cent. respectively in the Combined Group.

Applying the Exchange Ratio to the Closing Price per CREI Share of 72.3 pence on the Latest Practicable Date<

values each API Share at 56.4 pence and the entire issued and to be issued share capital of API at approximately £215 million, representing a premium of approximately 17.5 per cent. to the Closing Price of 48.0 pence per API Share on 18 January 2024 (being the last Business Day prior to the Announcement Date).

Applying the Exchange Ratio to the Closing Price per CREI Share of 79.6 pence as at 18 January 2024 (being the last Business day prior to the Announcement Date), the offer values each API Share at 62.1 pence and the entire issued and to be issued share capital of API at approximately £237 million, and represents a premium of approximately 29.4 per cent. to the Closing Price of 48.0 pence per API Share on 18 January 2024 (being the last Business Day prior to the Announcement Date).

It is intended that the Merger will be implemented by way of a Court-sanctioned scheme of arrangement between API and Scheme Shareholders under Part VIII of the Companies Law. However, in certain circumstances CREI shall be entitled to elect to implement the Merger by way of a Takeover Offer, subject to the Panel's consent.

Part VII (*CREI Valuation Reports*) and Part VIII (*API Valuation Report*) of this document contain reports from external valuers for CREI's and API's property assets respectively, each as at 31 December 2023, pursuant to the requirements of Rule 29 of the Code. These property valuation reports are reproduced in the Combined Circular and Prospectus.

The New CREI Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing CREI Shares in issue at the time the New CREI Shares are issued pursuant to the Merger, including the right to receive and retain any dividends and other distributions declared, made or paid by reference to a record date falling after the Scheme Record Time.

Applications will be made to the FCA and the London Stock Exchange for the New CREI Shares to be admitted to the premium segment of the Official List and to trading on the Main Market.

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any

nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them.

The boards of CREI and API will retain their current dividend policies for the period to the Effective Date. CREI and API have agreed that API Shareholders will be entitled to receive and retain the API Q4 Dividend that will be paid on 23 February 2024 with a record date of 9 February 2024, and that CREI Shareholders will be entitled to receive and retain the CREI Q3 Dividend that will be paid on 29 February with a record date of 19 January 2024.

Fractions of New CREI Shares will not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Instead, the fractional entitlements of Scheme Shareholders at the Effective Date to New CREI Shares shall be aggregated and CREI shall procure that the maximum whole number of New CREI Shares resulting therefrom shall be allotted and issued to a person appointed by CREI to hold such New CREI Shares on behalf of the relevant Scheme Shareholders. CREI shall procure that such New CREI Shares are sold in the market as soon as practicable after the Effective Date and that the net proceeds of the sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Scheme Shareholders (rounded down to the nearest penny) in accordance with the provisions of the Scheme. Any individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £5.00 shall not be paid to the relevant Scheme Shareholders who would otherwise be entitled to them under the Merger, but shall be retained for the benefit of the Combined Group.

3 Information on CREI and the CREI Group

CREI, established in 2014, is a UK real estate investment trust with a portfolio comprising high quality properties predominantly let to institutional grade tenants throughout the UK, principally characterised by properties with individual values of less than £10 million at acquisition. CREI seeks to provide investors with an attractive level of income and the potential for capital growth from a portfolio with strong environmental credentials, striving to be the REIT of choice for private and institutional investors seeking high and stable dividends from well diversified UK real estate. In line with CREI's published growth strategy, its investment policy has been amended to specify that CREI is committed to seeking further growth, which may involve strategic property portfolio acquisitions and corporate consolidation, such transactions potentially including public and private companies, holding companies and special purpose vehicles.

CREI's portfolio was valued at £602 million as at 31 December 2023 with an EPRA Topped-Up Net Initial Yield of 6.2%, a reversionary yield of 7.8%, a 41% weighting by ERV to industrial assets and Rolled-Forward Unaudited EPRA NTA of £413 million or 93.7 pence per CREI share. As at the last Business Day prior to the Announcement Date, CREI had a market capitalisation of £351 million. CREI is externally managed by Custodian Capital, a property management and investment business which is regulated by the FCA.

A fundamental element of CREI's strategy is to target smaller sized properties, principally characterised by properties with individual values of less than £10 million at acquisition, to capture the yield advantage available relative to larger sized properties. In the period from 2010 – 2023, data sourced from PropertyData⁴ shows that there is a transaction yield advantage of approximately 150 basis points between properties with individual values below £10 million versus properties with individual values above £10 million, compared to a yield advantage of approximately 60 basis points between 2000 – 2010. The CREI Board believes that this implied increase in yield differential since 2010 is not entirely reflective of a rise in risk associated with smaller properties but also due to a change in the supply and demand dynamics in the market. The CREI Board believes these dynamics are principally because of an increase in strategies that pursue larger sized properties, which has resulted in a reduction in the associated yields, which has coincided with those same investors reducing their exposure to smaller sized properties and thus increasing the supply of such assets and associated yields.

Custodian Capital is a wholly-owned subsidiary of Mattioli Woods, the specialist wealth management and employee benefits business, with in excess of £15 billion of assets under management, administration or advice. CREI entered the UK REIT regime on 27 March 2014. As a consequence

⁴ Average transaction yields between Q1 2010 – Q1 2023 as per Property Data

of CREI continuing to be a REIT and meeting the relevant conditions, it should not be subject to UK corporation tax on the profits (income and capital gains) derived from its investment in its property portfolio and while CREI remains within the UK REIT regime, the disposal of any properties currently held by it and used within its property rental business should continue to be tax exempt.

4 Information on API and the API Group

API, established in 2003, is a UK real estate investment trust investing in a diversified portfolio of UK commercial properties in the industrial, office, retail and “other” sectors with the objective of providing shareholders with an attractive level of income together with the prospect of income and capital growth.

API’s portfolio was valued at £439 million as at 31 December 2023 with an EPRA Topped-Up Net Initial Yield of 5.4%, a reversionary yield of 7.3%, a 48% weighting by ERV to industrial assets and Reported Unaudited EPRA NTA of £298 million or 78.1 pence per API share. As at the last Business Day prior to the Announcement Date, API had a market capitalisation of £183 million.

5 Synergies

The CREI Directors, having reviewed and analysed the potential cost savings of the Combined Group, as well as taking into account factors they can influence, believe the Combined Group can deliver shareholder value through the expected realisation of approximately:

- £1.0 million of pre-tax recurring run-rate cost synergies by the end of the first year following the Effective Date (the **Recurring Cost Synergies**); and
- £2.1 million of additional non-recurring pre-tax cost synergies during the Transition Period (the **Transition Period Cost Synergies**).

The Recurring Cost Synergies are expected to be realised principally from:

- management fees: unification of investment management under Custodian Capital, delivering an estimated £0.5 million of annualised run-rate cost synergies derived from lower management and administrative fees charged on the API investment properties (the **Management Fee Savings**); and
- corporate and administrative: rationalisation of duplicated listing, administration and operational expenses delivering at least an estimated £0.5 million of annualised run rate cost synergies.

The additional Transition Period Cost Synergies are expected to be realised principally from:

- amended management fee tiers: reduction in the management fees payable by CREI to Custodian Capital for the Transition Period delivering an estimated £0.3 million of annualised run rate cost synergies (£0.6 million total estimated cost synergies) through the consolidation of the first two fee tiers into one fee tier, such that the consolidated fee tier will be calculated as a fee of 0.75 per cent. in respect of the NAV of the Combined Group which is less than or equal to £500 million (rather than a fee of 0.90 per cent. in respect of NAV up to £200 million and 0.75 per cent. up to £500 million) (the **Amended Management Fee Tier Savings**); and
- partial management fee waiver: Custodian Capital has agreed to waive its management fee in relation to the NAV attributable to the API portfolio for the first nine months following completion of the Merger (the **Partial Management Fee Waiver Savings**) delivering an estimated £1.5 million of cost synergies in the first year following the Effective Date.

In order to achieve the Management Fee Savings, the Amended Management Fee Tier Savings and the Partial Management Fee Waiver Savings, it is estimated that API will incur one-off costs of between £1.5 million and £2.0 million in connection with the termination of the API Investment Management Agreement. These costs will be incurred within the first year following the Effective Date and have been reflected as a cost to API within the Exchange Ratio. The CREI Directors expect that any costs incurred in the realisation of the other cost synergies will be immaterial.

Other potential adverse effects of the Merger have been considered and were determined by the CREI Directors to be immaterial for the analysis.

The identified cost savings will accrue as a direct result of the Merger and would not be achieved on a standalone basis.

These statements relating to identified cost savings and estimated savings relate to future actions or circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Please refer to Part IX (*Quantified Financial Benefits Statement*) of this document for further details of the estimated cost synergies arising from the Merger and the underlying assumptions and bases of preparation. The CREI Directors have confirmed that the Quantified Financial Benefits Statement remains valid. RSM and Deutsche Numis, in their respective capacities as reporting accountants and financial adviser to the CREI Directors, have also confirmed that the reports they respectively produced in connection with the Quantified Financial Benefits Statement continue to apply as required by Rule 27.2(d) of the Code. Copies of their respective reports are included in Appendix 5 of the Announcement.

6 Description of the Scheme

The Merger will be implemented by way of a Court-sanctioned scheme of arrangement between API and the Scheme Shareholders who are on the register of members of API at the Scheme Record Time, under Part VIII of the Companies Law. The procedure requires approval of the Scheme by Scheme Shareholders at the API Court Meeting and approval of the API Resolution by the API Shareholders at the API General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this document.

The purpose of the Scheme is to provide for CREI to become the owner of the entire issued and to be issued share capital of API. This is to be achieved by the transfer of the Scheme Shares held by the Scheme Shareholders to CREI in consideration for which the Scheme Shareholders will have New CREI Shares issued to them on the basis described in this Part II (*Explanatory Statement*).

The implementation of the Scheme is subject to the Conditions and certain further terms set out in Part III (*Conditions to the implementation of the Scheme and to the Merger*) of this document, and will only become Effective if, among other things, the following events occur on or before 11.59 p.m. on the Long Stop Date (or such later date as CREI and API may, with the consent of the Panel, agree and, if required, the Court may approve):

- a resolution to approve the Scheme is passed by a majority in number of Scheme Shareholders entitled to vote and present and voting, in person or by proxy, at the API Court Meeting representing not less than 75 per cent. of the voting rights of such Scheme Shareholders (or at any adjournment, postponement or reconvention of such meeting) on 28 February 2024 (or such later date, if any, as may be agreed between CREI and API and, if required, the Court may allow);
- the API Resolution is passed by the requisite majority of API Shareholders at the API General Meeting to be held on 28 February 2024 (or such later date, if any, as CREI and API may agree and, if required, the Court may allow) (which will require the approval of API Shareholders representing at least 75 per cent. of the votes cast at the API General Meeting either in person or by proxy);
- the CREI Resolution is passed at the CREI General Meeting by the requisite majority;
- the FCA having acknowledged to CREI or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New CREI Shares to the Official List with a Premium segment listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied;
- the London Stock Exchange having acknowledged to CREI or its agent (and such acknowledgement not having been withdrawn) that the New CREI Shares will be admitted to trading on the Main Market; and
- following the API Meetings, the Scheme with or without modification (but subject to any such modification being acceptable to CREI and API) is sanctioned by the Court on or before the date falling 22 days after the anticipated date of the Sanction Hearing set out in this document

(or such later date, if any, as may be agreed between CREI and API and, if required, the Court may allow).

Once the necessary approvals from the Scheme Shareholders and the API Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective on the date set out in the Court Order.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the API Court Meeting or the API General Meeting, and if they attended and voted, whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the API Court Meeting or the API Resolution to be proposed at the API General Meeting; (ii) share certificates in respect of API Shares will cease to be valid; and (iii) entitlements to API Shares held within the CREST system will be cancelled. The New CREI Shares will be issued by CREI to Scheme Shareholders as described in paragraph 13 of this Part II (*Explanatory Statement*).

The API Resolution, amongst other matters, provides that the API Articles be amended to incorporate provisions requiring any API Shares issued at or after the Scheme Record Time (other than to CREI and/or its nominees) to be automatically transferred to CREI on the same terms as under the Merger (other than terms as to timings and formalities). The provisions of the API Articles (as amended) seek to avoid any person (other than CREI and/or its nominees) holding shares in the capital of API after the Effective Date.

If the Scheme does not become Effective on or before 11.59 p.m. on the Long Stop Date (or such later date as API and CREI may, with the consent of the Panel, agree and, if required, the Court may approve), it will lapse and the Merger will not proceed (unless the Panel otherwise consents).

7 The API Meetings

Before the Court's sanction can be sought for the Scheme, for the Scheme to become Effective it will require the approval of Scheme Shareholders at the API Court Meeting. The Scheme must be approved by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing not less than 75 per cent. of the voting rights of such Scheme Shareholders. In addition, the API Resolution must be passed at the API General Meeting to authorise the API Directors to (a) implement the Scheme and (b) amend the API Articles as described in paragraph 8 of this Part II (*Explanatory Statement*) below. To be passed, the API Resolution requires the approval of API Shareholders present and voting (either in person or by proxy) representing at least 75 per cent. of the votes cast at the API General Meeting.

The API Court Meeting will be held on 28 February 2024 at 10.00 a.m., with the API General Meeting held on the same day at 10.15 a.m. (or as soon as reasonably practicable thereafter as the API Court Meeting shall have been concluded or adjourned).

Notices of both the API Court Meeting and the API General Meeting are set out in Part XII (*Notice of API Court Meeting*) and Part XIII (*Notice of API General Meeting*) of this document respectively. Entitlement to attend and vote at these API Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of API at the Voting Record Time.

If the Scheme becomes Effective, it will be binding on all API Shareholders, irrespective of whether or not they attended or voted at the API Court Meeting or the API General Meeting (and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the API Court Meeting or the API Resolution to be proposed at the API General Meeting).

Any API Shares which CREI or any other member of the CREI Group (or their respective nominees) may acquire before the API Court Meeting are not Scheme Shares and therefore none of CREI or any other member of the CREI Group (or their respective nominees) is entitled to vote at the API Court Meeting in respect of any API Shares held or acquired by it or them.

API Court Meeting

The API Court Meeting has been convened at the direction of the Court for 10.00 a.m. on 28 February 2024 to enable Scheme Shareholders to consider and, if thought fit, approve the

Scheme. At the API Court Meeting, voting will be by poll and each Scheme Shareholder present, either in person or by proxy, will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the API Court Meeting is a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the API Court Meeting representing at least 75 per cent. of the voting rights of such Scheme Shareholders.

It is important that, for the API Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy, in particular your BLUE Form of Proxy for use in respect of the API Court Meeting, or appoint a proxy online or through the CREST electronic proxy appointment service (as appropriate) as soon as possible, in each case appointing the Chair of the API Court Meeting as your proxy. API Shareholders are strongly encouraged to vote by appointing the Chair of the relevant API Meeting as your proxy. Doing so will not prevent you from attending, voting and speaking in person at either the API Court Meeting or the API General Meeting, or any adjournment thereof.

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the API Court Meeting will be announced by API via a Regulatory Information Service as soon as practicable after the API Court Meeting.

You will find the notice of API Court Meeting in Part XII (*Notice of API Court Meeting*) of this document.

API General Meeting

In addition, the API General Meeting has been convened for 10.15 a.m. on 28 February 2024 (or as soon thereafter as the API Court Meeting shall have been concluded or adjourned) to consider and, if thought fit, pass the API Resolution to approve:

- the authorisation of the API Directors to take all such actions as they may consider necessary or appropriate to give effect to the Scheme; and
- the amendment of the API Articles in the manner described in paragraph 8 of this Part II (*Explanatory Statement*) below.

The API Resolution will require votes in favour from API Shareholders representing at least 75 per cent. of the votes cast at the API General Meeting either in person or by proxy. The vote of API Shareholders at the API General Meeting will be held by way of a poll. Each API Shareholder who is entered on the register of members of API at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each API Share so held. WHITE Forms of Proxy for use in respect of the API General Meeting may not be emailed.

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the API General Meeting will be announced by API via a Regulatory Information Service as soon as practicable after the API General Meeting.

You will find the Notice of the API General Meeting in Part XIII (*Notice of API General Meeting*) of this document.

Sanction Hearing

Under the Companies Law, the Scheme requires the sanction of the Court. The Sanction Hearing will be held at the Royal Court House, St Peter Port, Guernsey GY1 2NZ and is currently expected to be held on 28 March 2024. Any changes to the date of the Sanction Hearing will be announced promptly by API through a Regulatory Information Service.

Scheme Shareholders are entitled to attend and be heard at the Sanction Hearing to support or oppose the sanction of the Scheme, should they wish to do so, in person or represented by counsel.

CREI has confirmed that, subject to the prior satisfaction or, where applicable, waiver of the other Conditions set out in Part III of this document it will be represented by counsel at the Sanction Hearing so as to consent to the Scheme and to undertake to the Court to be bound by the Scheme.

Following the sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms on the date set out in the Court Order. This is expected to occur one Business Day after the date of the Sanction Hearing.

Upon the Scheme becoming Effective, it will be binding on all API Shareholders, irrespective of whether or not they attended or voted at the API Court Meeting or the API General Meeting and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the API Court Meeting or on the API Resolution to be proposed at the API General Meeting.

Entitlement to vote at the API Meetings

Each Scheme Shareholder or API Shareholder who is entered in API's register of members at 6.00 p.m. on 26 February 2024 will be entitled to attend, submit questions, speak and/or vote on all resolutions to be proposed at the API Court Meeting or the API General Meeting, respectively.

If either API Meeting is adjourned, only those Scheme Shareholders or API Shareholders (as applicable) on the register of members of API at 6.00 p.m. on the day which is two days before the date of the adjourned meeting will be entitled to attend (in person or by proxy), submit questions, speak and/or vote on all resolutions to be proposed at the adjourned meeting. Each eligible Scheme Shareholder or API Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be an API Shareholder. However, Scheme Shareholders and API Shareholders are strongly encouraged to appoint "the Chair of the meeting" as their proxy for each API Meeting. The Chair of the relevant API Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant API Meeting. Any other person appointed as proxy will be able to attend, submit questions, speak and vote at the relevant API Meeting.

The completion and return of a Form of Proxy, by post or by hand (or the appointment of a proxy appointment or voting instruction online, through CREST or by any other procedure described in this document) will not prevent you from attending, voting and speaking at either the API Court Meeting or the API General Meeting, or any adjournment thereof.

If you are in any doubt as to whether or not you are permitted to vote at either or both of the API Meetings (including by appointing a proxy), please call the shareholder helpline on +44 (0) 370 707 4040, or by writing to Computershare Investor Services (Guernsey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare is open between 8:30 a.m. and 5:30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Further information on the actions to be taken is set out in paragraph 18 of this Part II (*Explanatory Statement*) and on pages 8 to 11 of this document.

Modifications to the Scheme

The Scheme contains a provision for API and CREI jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be adverse to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

8 Amendments to the API Articles

It is proposed, as part of the API Resolution, to amend the API Articles to seek to ensure that any API Shares issued or transferred from treasury on or after the passing of the API Resolution and before the Scheme Record Time will be subject to and bound by the Scheme. It is also proposed to amend the API Articles so that any API Shares issued or transferred from treasury to any person other than CREI (and/or its nominee(s)) at or after the Scheme Record Time will be automatically acquired by CREI (and/or its nominee(s)) on the same terms as Scheme Shares under the Scheme (other than terms as to timing, formalities and the treatment of fractional entitlements). This seeks to

avoid any person (other than CREI (and/or its nominee(s)) holding API Shares after dealings in such shares have ceased (the final day of dealings in the API Shares is expected to be the date of the Sanction Hearing). The API Resolution set out in the notice of API General Meeting on pages 155 to 157 of this document, among other things, seeks the approval of API Shareholders for such amendment at the API General Meeting.

9 Offer-related arrangements

Confidentiality Agreement

On 10 July 2023, API and CREI entered into the **Confidentiality Agreement**, pursuant to which, amongst other things, CREI and API gave certain mutual undertakings to: (a) subject to certain exceptions, keep information relating to each other and the Merger confidential and not to disclose it to third parties; and (b) use such confidential information only in the consideration and evaluation of CREI's and API's respective businesses in relation to a possible acquisition of the entire issued and to be issued share capital of API, or of all or a material part of the assets or undertaking of API, or any transaction having substantially equivalent effect to the same (the **Purpose**). These confidentiality obligations will remain in force until the earlier of 24 months from 10 July 2023 and completion of any transaction within the meaning of the Purpose, which would include the Merger. In the Confidentiality Agreement, CREI and API also gave customary standstill undertakings in relation to each of themselves and their concert parties, all of which ceased to apply upon the release of the Announcement.

10 Current trading and prospects

API

On 29 September 2023, API published its interim results for the 6 months ended 30 June 2023. In that announcement, the Chair of API stated the following:

“With a marginally positive total return during the six-months to 30 June 2023 we have seen the beginnings of a stabilisation in the UK property market. This remains a relatively fragile position, with inflation still running well ahead of UK Government targets, and therefore the threat of further interest rate increases continues to linger.

Whilst we have seen a recovery in some sectors of the UK Real Estate market during the first half of 2023, there has been a significant divergence in returns between the sectors. The Manager's market outlook expects this to widen and continue for at least the next 12 months, with the Office sector in particular faring the worst.

Overall office demand is anticipated to continue to decrease, leading to a further weakening of investor sentiment towards the sector. The impact is likely to be most acutely felt on secondary assets as occupiers and investors alike favour “best in class” buildings. Ensuring that assets offer good levels of amenity that appeal to occupiers will be key, and the Company's strong letting activity in 2023 to date is a positive indicator that its portfolio is well positioned.

The Industrial sector is forecast to continue its recovery after the turbulence of 2022. Whilst supply levels have started to increase, with Savills reporting a June 2023 vacancy rate only marginally below the pre-Covid average, they remain at manageable levels given robust demand levels. The expectation is that this dynamic will result in more muted rental growth than has been seen over recent years.

With expectations that the squeeze on household incomes will continue, this will result in further pressure on the retail sector. Discretionary spending is anticipated to be most impacted, with food and discount retailers proving more resilient. These are the two areas where the Company has focused its retail assets, which should be a positive going forward.

Environmental, Social and Governance (ESG) factors continue to increase in importance during occupiers and investors decision-making process. The Manager's long-standing focus on this area will be important for future performance and should provide resilience within the portfolio.”

On 7 November 2023, API published its unaudited NAV for the quarter ended 30 September 2023. EPRA NTA decreased by 1.4% to £310.8m, or 81.5 pence per API Share.

On 1 February 2024 API published its unaudited NAV for the quarter ended 31 December 2023. EPRA NTA decreased by 4.2% to £297.6m, or 78.1 pence per API Share.

CREI

On 6 December 2023, CREI published its interim results for the 6 months ended 30 September 2023. In that announcement, the Chair of CREI stated the following:

“The Company’s diversified and well managed investment portfolio has shown its resilience during the Period, mitigating the risks posed by volatility in real estate investment markets and driving a continued strong operational performance. In addition, the Company’s conservative balance sheet and its longer-term fixed rate debt profile have provided insulation against the challenge of higher interest rates in the short to medium term.

...ESG considerations are now central to the asset management of our portfolio and are vital to protecting future value and income. The Company has made further pleasing progress implementing its environmental policy during the Period, improving its weighted average EPC score from C (58) to C (56) due to completing refurbishments and new lettings...

Over the last five years the Custodian Property Income REIT strategy has provided shareholders with an income return per share of 28.4p, or an annual average of 5.7p. This has always been fully covered by earnings, supported by a diverse, regional property strategy, a conservative gearing policy as well as a hands-on and detailed approach to both managing the assets themselves and buying and selling well.

Negative sentiment towards real estate investment is currently weighing against capital performance. This sentiment is driven primarily by the potential for persistent inflationary pressure to mean ‘higher-for-longer’ interest rates, uncertainty around the future of offices and the impact of the UK’s general economic outlook on discretionary consumer expenditure. However, there is depth in occupational demand and latent rental growth in the portfolio which offers the prospect of growth for existing shareholders, as sentiment improves towards the sector and gives us confidence that the Company will continue to perform well.”

11 CREI Shareholder approval and Combined Circular and Prospectus

The Merger is conditional on the approval of CREI Shareholders for the issuance and allotment of the New CREI Shares at the CREI General Meeting.

On the same date as the date of this document, CREI will post to CREI Shareholders the Combined Circular and Prospectus (for which CREI, the CREI Directors and the Proposed Directors are responsible). The Combined Circular and Prospectus summarises the background to and reasons for the Merger and includes a notice convening the CREI General Meeting on 27 February 2024, and also constitutes a prospectus for the purposes of the Prospectus Regulation in connection with the admission of the New CREI Shares to the Official List and to trading on the Main Market.

The Combined Circular and Prospectus will be available on CREI’s website at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/> and contains further information on CREI and the New CREI Shares. Copies of the Combined Circular and Prospectus will also be made available on API’s website at <https://www.abrdnpit.co.uk/en-gb/merger>.

The CREI Directors consider the Merger to be in the best interests of CREI Shareholders as a whole and unanimously recommend that CREI Shareholders vote in favour of the CREI Resolution to be proposed at the CREI General Meeting, as those CREI Directors, together with certain of Ian Mattioli’s close relatives and related trusts, who hold CREI Shares have irrevocably undertaken to do in respect of their own holdings of, in aggregate, 6,204,817 CREI Shares, representing approximately 1.41 per cent. of the issued ordinary share capital of CREI on the Latest Practicable Date.

12 The effect of the Scheme on the API Directors’ interests

The names of the API Directors and details of their interests in relevant API securities are set out in paragraphs 2.1 and 3.2 (respectively) of Part X (*Additional Information*) of this document (which is

deemed incorporated into this explanatory statement). Scheme Shares held by the API Directors at the Scheme Record Time will be subject to the Scheme.

Details of the irrevocable undertakings provided by the API Directors are set out in paragraph 7.1 of Part X (*Additional Information*) of this document.

Particulars of the letters of appointment (including termination provisions) of the API Directors are set out in paragraph 4 of Part X (*Additional Information*) of this document.

The effect of the Scheme on the interests of API Directors does not differ from its effect on the like interests of any other Scheme Shareholder.

13 Delisting of API Shares and listing of New CREI Shares

Delisting of API Shares

API Shares may only be traded on the London Stock Exchange until immediately prior to the Scheme Record Time which is expected to be at 6.00 p.m. on the date of the Sanction Hearing. Shortly before the Scheme becomes Effective, API will make an application to the FCA for the cancellation of the listing of API Shares on the premium listing segment of the Official List and for the cancellation of trading of the API Shares on the London Stock Exchange's Main Market for listed securities, which are in each case expected to take effect on the Effective Date. No transfers of API Shares will be registered after the date on which dealings in API Shares on the Main Market of the London Stock Exchange cease other than to CREI (or as CREI may otherwise direct) pursuant to the API Articles, as proposed to be amended by Special Resolution at the API General Meeting as described in paragraph 8 above.

On the Effective Date, share certificates in respect of Scheme Shares will cease to be valid. Such share certificates should be destroyed or, at the request of API, delivered up to API, or to any person appointed by API to receive the same. In addition, from 7.30 a.m. on the Effective Date, each holding of API Shares credited to any stock account in CREST will be disabled and all API Shares will be removed from CREST in due course.

Listing of New CREI Shares

It is intended that applications will be made to the FCA and to the London Stock Exchange for the New CREI Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective, and that dealings for normal settlement in the New CREI Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) on the Effective Date.

14 Settlement

Subject to the Scheme becoming Effective (and except as provided in Part X (*Additional Information*) for Overseas Shareholders) of this document), settlement of the New CREI Shares to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

Settlement in respect of API Shares held in uncertificated form (that is, in CREST)

The CREI Directors will apply for the New CREI Shares to be admitted to CREST so that settlement of transactions in New CREI Shares following Admission can take place in uncertificated form within the CREST system. For Scheme Shareholders who held their API Shares in uncertificated form at the Scheme Record Time, New CREI Shares to which the Scheme Shareholder is entitled will be issued in uncertificated form through CREST. The ISIN for the New CREI Shares will be GB00BJFLFT45.

Link Group, as receiving agent, on behalf of CREI will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholders with such Scheme Shareholder's entitlement to such New CREI Shares as soon as is reasonably practicable on the morning of admission, after the Scheme becomes Effective and in any event within 14 days of the Effective Date.

API Shares held in uncertificated form will be disabled in CREST as at 7.30 a.m. on the Business Day immediately following the Scheme Record Time.

In the case of Scheme Shareholders who hold API Shares in uncertificated form at the Scheme Record Time and who are entitled to payment in respect of fractions of New CREI Shares (other than any Scheme Shareholders who are treated as Restricted Overseas Persons), Link Group on behalf of CREI shall procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that CREI reserves the right to make payment of the said sums by cheque as set out in the paragraph below if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system in accordance with this paragraph.

Fractions of New CREI Shares will not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Instead, the fractional entitlements of Scheme Shareholders at the Effective Date to New CREI Shares shall be aggregated and CREI shall procure that the maximum whole number of New CREI Shares resulting therefrom shall be allotted and issued to a person appointed by CREI to hold such New CREI Shares on behalf of the relevant Scheme Shareholders. CREI shall procure that such New CREI Shares are sold in the market as soon as practicable after the Effective Date and that the net proceeds of the sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Scheme Shareholders (rounded down to the nearest penny) in accordance with the provisions of the Scheme. Any individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £5.00 shall not be paid to the relevant Scheme Shareholders who would otherwise be entitled to them under the Merger, but shall be retained for the benefit of the Combined Group.

In the case of Scheme Shareholders who hold API Shares in uncertificated form at the Scheme Record Time and are treated as Restricted Overseas Persons, API shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively. However, in relation to fractions of New CREI Shares, individual entitlements to amounts of less than £5.00 (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) will not be paid to the relevant Scheme Shareholders, but shall be retained by CREI.

CREI reserves the right to issue New CREI Shares to any or all Scheme Shareholders who hold API Shares in uncertificated form at the Scheme Record Time in the manner referred to below if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system in accordance with this paragraph.

All remittances sent through post will be sent at the risk of the person(s) entitled thereto.

Settlement in respect of API Shares held in certificated form (that is, not in CREST)

New CREI Shares will be allotted and issued to those Scheme Shareholders who hold their API Shares in certificated form at the Scheme Record Time. Pending the despatch of share certificates for New CREI Shares, issues of New CREI Shares will be certified against the register of members of CREI.

In the case of Scheme Shareholders who hold API Shares in certificated form at the Scheme Record Time and who are either entitled to payment in respect of fractions of New CREI Shares or are treated as Restricted Overseas Persons, CREI shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively. However, in relation to fractions of New CREI Shares, individual entitlements to amounts of less than £5.00 (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) will not be paid to the relevant Scheme Shareholders, but shall be retained for the benefit of the Combined Group.

All documents and remittances sent through the post will be sent at the risk of the person(s) entitled thereto.

Mandates and communication preferences

Under the terms of the Scheme, all mandates and other instructions, including communication preferences given to API by API Shareholders and in force at the Scheme Record Time shall, unless and until revoked, be deemed as from the Effective Date to be valid and effective mandates

or instructions to CREI in relation to the New CREI Shares, except to the extent that an API Shareholder already holds CREI Shares at the Scheme Record Time (and Computershare is able to match such holdings), in which case any mandates and instructions in relation to those existing CREI Shares will also apply to the New CREI Shares received by that API Shareholder under the terms of the Scheme. If you do not wish any mandates and other instructions, including communications preferences that you have given to CREI, to apply to your New CREI Shares, please contact Computershare before the Scheme Record Time to amend or withdraw such mandates or instructions, on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

General

All documents and remittances sent to API Shareholders will be sent at their own risk.

On and from the Effective Date, each share certificate representing a holding of Scheme Shares will have ceased to be a valid document of title and should be destroyed or, at the request of API, delivered up to API, or to any person appointed by API to receive the same for cancellation. On and from the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled. If the Scheme lapses or is withdrawn, all documents of title will be returned to API Shareholders as soon as practicable (and in any event within 14 days of such lapsing or withdrawal) and the receiving agent will immediately give instructions for the release of relevant securities held in escrow.

Except with the consent of the Panel and subject to the provisions of the sub-paragraph headed "Dividends" below, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which CREI might otherwise be, or claim to be, entitled against such Scheme Shareholder.

Dividends

If, on or after the Announcement Date and before the Effective Date any dividend, distribution or other return of capital or value is announced, declared, made or paid by API (except for the Permitted Dividends) or becomes payable by API in respect of the API Shares, CREI reserves the right to adjust the Exchange Ratio under the terms of the Merger to reflect such dividend or distribution. In such circumstances, API Shareholders will be entitled to receive and retain any such dividend or other distribution.

In such circumstances, API Shareholders will be entitled to receive and retain the amount of such dividend and/or other distribution and/or other return of value by reference to the amount by which the Exchange Ratio is so adjusted.

To the extent that any such dividend and/or distribution and/or other return of value is declared, made or paid or becomes payable and it is: (i) transferred pursuant to the Merger on a basis which entitles CREI alone to receive the dividend or distribution and to retain it; or (ii) cancelled, the Exchange Ratio under the terms of the Merger will not be subject to change in accordance with this paragraph. Any exercise by CREI of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Merger.

15 United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) of this document. Although this document contains certain tax-related information, it is intended only as a general guide and does not constitute tax advice. Accordingly, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

16 Overseas Shareholders

The availability of the Scheme and the Merger to API Shareholders who are not resident in the United Kingdom (**Overseas Shareholders**) may be affected by the laws and/or regulations of the relevant jurisdiction in which they are located. Overseas Shareholders should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you are in any doubt regarding such matters, you should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection with the Scheme and the Merger, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their API Shares with respect to the Scheme at the API Court Meeting or the API General Meeting, or to appoint another person as proxy may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This document and any accompanying documents have been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Unless otherwise determined by CREI and API or required by the Code, and permitted by applicable law and regulation, no person may vote in favour of the Merger by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this document and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

OVERSEAS SHAREHOLDERS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISERS WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF THE SCHEME.

17 Risk factors

API Shareholders should consider fully and carefully the risk factors associated with the Combined Group and the Merger which are included in the Combined Circular and Prospectus. Your attention is drawn to the "Risk Factors" section of the Combined Circular and Prospectus, which contains, *inter alia*, further information on API, CREI and the New CREI Shares. The Combined Circular and Prospectus (for which CREI, the CREI Directors and the Proposed Directors are responsible), will be available on CREI's website at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/>. A copy of the Combined Circular and Prospectus will also be made available on API's website at <https://www.abrdnpit.co.uk/en-gb/merger>.

18 Actions to be taken by API Shareholders

The documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the API Court Meeting on 28 February 2024;
- a WHITE Form of Proxy for use in respect of the API General Meeting on 28 February 2024; and

- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are an API Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated below.

Voting at the API Court Meeting and the API General Meeting

In order for the Merger to become Effective, among other things, the Scheme will require approval at the API Court Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG at 10.00 a.m. on 28 February 2024. Implementation of the Scheme will also require, among other things, the passing of the API Resolution by API Shareholders at the API General Meeting to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG at 10.15 a.m. on the same date (or as soon thereafter as the API Court Meeting shall have been concluded or adjourned). Notices of the API Court Meeting and the API General Meeting are set out in Part XII (*Notice of API Court Meeting*) and Part XIII (*Notice of API General Meeting*) of this document, respectively.

Each Scheme Shareholder or API Shareholder who is entered in API's register of members at 6.00 p.m. on 26 February 2024 will be entitled to attend, submit questions, speak and/or vote on all resolutions to be proposed at the API Court Meeting or the API General Meeting, respectively. Each eligible Scheme Shareholder or API Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be an API Shareholder. However, Scheme Shareholders and API Shareholders are strongly encouraged to appoint "the Chair of the meeting" as their proxy for each API Meeting. The Chair of the relevant API Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant API Meeting. Any other person appointed as proxy will be able to attend, submit questions, speak and vote at the relevant API Meeting.

Sending Forms of Proxy by post or by hand

You should:

- complete, sign and return the BLUE Form of Proxy for use at the API Court Meeting so as to be **received no later than 10.00 a.m. on 26 February 2024**; and
- complete, sign and return the WHITE Form of Proxy for use at the API General Meeting so as to be **received no later than 10.15 a.m. on 26 February 2024**,

or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for such adjourned meeting.

The Forms of Proxy may be returned by post or, during normal business hours only, by hand to the reception desk of API's registrar, Computershare Investor Services (Guernsey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy.

If the BLUE Form of Proxy for the API Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid. However, in the case of the API General Meeting, if the WHITE Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the WHITE Form of Proxy it will be invalid.

Scheme Shareholders and API Shareholders are entitled to appoint a proxy in respect of some or all of their API Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST as described below (but not for the avoidance of doubt by means of an online proxy appointment as described below), provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders and API Shareholders who wish to appoint more than one proxy in respect of their holding of API Shares should contact Computershare for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the API Meetings (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (participant ID: 3RA50) no later than 10.00 a.m. on 26 February 2024 in the case of the API Court Meeting and no later than 10.15 a.m. on 26 February 2024 in the case of the API General Meeting (or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

API may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, a proxy (but not multiple proxies) may be appointed electronically by logging on to the following website: <https://www.eproxyappointment.com> and following the instructions therein. You will be prompted to enter the relevant API Meeting control number (each API Meeting has a separate control number) followed by your unique shareholder reference number (**SRN**) and PIN. These can be found printed on the Forms of Proxy. Your SRN can also be found on your share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Computershare no later than 10.00 a.m. on 26 February 2024 in respect of the BLUE Form of Proxy for the API Court Meeting and no later than 10.15 a.m. on 26 February 2024 in respect of the WHITE Form of Proxy for the API General Meeting (or in the case of adjournment(s), no later than 48 hours before the time and date set for the adjourned meeting(s)).

If the BLUE Form of Proxy for the API Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid. However, in the case of the API General Meeting, if the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

Results of the API Meetings

The results of the API Court Meeting and the API General Meeting will be announced through a Regulatory Information Service and also published on API's website at <https://www.abrdnpit.co.uk/en-gb/merger> once the votes have been counted and verified.

Shareholder helpline

If you have any questions about this document, the API Court Meeting or the API General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or online, please contact API's registrar, Computershare, on +44 (0) 370 707 4040 or by writing to Computershare at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

19 Further information

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Further information regarding API and CREI is set out in Part X (*Additional Information*) of this document. Documents made available on API's and CREI's websites are listed in paragraph 16 of Part X (*Additional Information*) of this document.

Yours faithfully,

Patrick Long
Duly authorised, for and on behalf of Lazard & Co., Limited

PART III

CONDITIONS TO THE IMPLEMENTATION OF AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE MERGER

The Merger and the Scheme is subject to the Conditions and further terms set out in this Part III (*Conditions to the Implementation of and certain further terms of the Scheme and to the Merger*) of this document.

Part A

Conditions to the Scheme and Merger

- 1 The Merger will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, by no later than 11:59 p.m. (London time) on the Long Stop Date or such later date as CREI and API may, with the consent of the Panel, agree and (if required) the Court may allow.

Conditions of the Scheme

- 2 The Scheme will be conditional upon:

(a)

- (i) its approval by a majority in number representing 75 per cent. or more of the voting rights of those Scheme Shareholders (or the relevant class or classes thereof) who are on the register of members of API at the Voting Record Time, and who are present and vote, whether in person or by proxy, at the API Court Meeting and at any separate class meeting which may be required by the Court, or, in each case, at any adjournment of any such meeting; and
- (ii) such API Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the API Court Meeting set out in this document (or such later date (if any) as may be agreed between CREI and API with the consent of the Panel and (if required) that the Court may allow);

(b)

- (i) the API Resolution being duly passed by the requisite majority or majorities of API Shareholders at the API General Meeting (or any adjournment thereof); and
- (ii) the API General Meeting, or any adjournment of that meeting, being held on or before the 22nd day after the expected date of the API General Meeting set out in this document (or such later date (if any) as may be agreed between CREI and API with the consent of the Panel and (if required) that the Court may allow); and

(c)

- (i) the sanction of the Scheme by the Court (with or without modification, but subject to any such modification being on terms acceptable to CREI and API); and
- (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing set out either in (X) this document (or such later date (if any) as may be agreed between CREI and API with the consent of the Panel and, if required, that the Court may allow); or (Y) in the event that such expected date remains unknown at the time of publication of this document and this document identifies any date as indicative only, in any update announcement issued through a Regulatory Information Service pursuant to paragraph 6(a) of Appendix 7 of the Code (or such later date (if any) as may be agreed between CREI and API, with the consent of the Panel and (if required) that the Court may allow);

General Conditions

- 3 In addition, subject to: (i) the terms of Part B of this Part III; and (ii) the requirements of the Panel, CREI and API have agreed that the Merger will be conditional upon the following

Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to the Scheme being sanctioned by the Court:

- (a) the CREI Resolution being duly passed by the requisite majority at the CREI General Meeting (or at any adjournment thereof) provided that the CREI General Meeting may not be adjourned beyond the 22nd day after the expected date of the CREI General Meeting set out in the Combined Circular and Prospectus in due course (or such later date (if any) as may be agreed between CREI and API, with the consent of the Panel);
- (b) the FCA having acknowledged to CREI or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New CREI Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**Listing Conditions**")) that admission will become effective as soon as a dealing notice has been issued by the FCA and any Listing Conditions having been satisfied;
- (c) the London Stock Exchange having acknowledged to CREI or its agent (and such acknowledgement not having been withdrawn) that the New CREI Shares will be admitted to trading on the Main Market;
- (d) all material notifications, filings and/or applications which are deemed necessary by CREI and API having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Merger or the acquisition or proposed acquisition by any member of the Wider CREI Group of any shares or other securities in, or control of, any member of the Wider API Group;
- (e) all Authorisations which are deemed necessary by CREI and API in any relevant jurisdiction for or in respect of the Merger (or its implementation) or the acquisition, or proposed acquisition, of any shares or other securities (or the equivalent) in, or control of, API or any other member of the Wider API Group by CREI or any member of the Wider CREI Group, having been obtained, in terms and in a form reasonably satisfactory to CREI and API from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider CREI Group or any other member of the Wider API Group has entered into contractual arrangements, and all such Authorisations, together with all Authorisations deemed necessary by CREI and API for any member of the Wider CREI Group and any member of the Wider API Group to carry on its business, remaining in full force and effect and all filings necessary for such purpose having been made, and there being no notice or other intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same;

General regulatory

- (f) all Authorisations which are necessary in any relevant jurisdiction for or in respect of the Merger (or its implementation) or the acquisition, or proposed acquisition, of any shares or other securities (or the equivalent) in, or control of, API or any other member of the Wider API Group by CREI or any member of the Wider CREI Group, having been obtained, in terms and in a form reasonably satisfactory to CREI and API from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider CREI Group or any member of the Wider API Group has entered into contractual arrangements, and all such Authorisations, together with all Authorisations necessary for any member of the Wider CREI Group and Wider API Group to carry on its business, remaining in full force and effect and all filings necessary for such purpose having been made, and there being no notice or other intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same that, in any case to an extent which is or would be material in the context of the Wider API Group and/or the Wider CREI Group taken as a whole or in the context of the Merger:
 - (i) require, prevent or materially delay any divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the Wider CREI Group or any member

of the Wider API Group of all or any part of their respective businesses, assets or property, or impose any limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof);

- (ii) require, prevent or materially delay any divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the Wider CREI Group, of any shares or other securities (or the equivalent) in API or any member of the Wider API Group;
- (iii) impose any limitation on, or result in a material delay in, the ability of any member of the Wider CREI Group, directly or indirectly, to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in any member of the Wider API Group or the Wider CREI Group or on the ability of any member of the Wider API Group or any member of the Wider CREI Group, directly or indirectly, to hold or to exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any such member;
- (iv) make the Merger, its implementation or the acquisition or proposed acquisition of any shares or other securities (or the equivalent) in, or control or management of API or any member of the Wider API Group by CREI or any member of the Wider CREI Group void, unenforceable and/or illegal under the laws of any jurisdiction, or otherwise, directly or indirectly, prevent or prohibit, restrain, restrict, delay or otherwise interfere with the implementation of the same, or impose additional adverse conditions or obligations with respect to, or otherwise challenge, impede, interfere with the Merger (or its implementation) or such acquisition, or require material amendment to the terms of the Merger or the acquisition of any shares or other securities (or the equivalent) in, or control or management of, API by any member of the Wider CREI Group;
- (v) require (save as envisaged in the implementation of the Merger) any member of the Wider CREI Group or any member of the API Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in, or any interest in any of the assets owned by, any member of the Wider CREI Group or any member of the API Group owned by any Third Party, or to sell or offer to sell any shares or other securities (or their equivalent) or any interest in any of the assets owned by any member of the Wider CREI Group or the Wider API Group;
- (vi) limit the ability of any member of the Wider CREI Group or the Wider API Group to conduct, integrate or co-ordinate its business, or any part of it, with all or any part of the businesses of any other members of the Wider CREI Group and/or the Wider API Group;
- (vii) result in any member of the Wider CREI Group or any member of the Wider API Group ceasing to be able to carry on business under any name under which it presently carries on business; or
- (viii) otherwise materially adversely affect any or all of the business, assets, profits or prospects of any member of the Wider CREI Group or of any member of the Wider API Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Merger or the acquisition of any API Shares or otherwise intervene having expired, lapsed or been terminated (as the case may be);

Certain matters arising as a result of any arrangement, agreement etc.

- (g) save as Disclosed, there being no provision of any agreement, arrangement, lease, licence, permit, franchise or other instrument to which any member of the Wider API Group or the Wider CREI Group is a party, or by or to which any such member, or any

of its assets, is or are or may be bound, entitled or subject to, or any event or circumstance, which, in each case as a consequence of the Merger (or its implementation) or the proposed acquisition by CREI or any member of the Wider CREI Group, or otherwise of any shares or other securities (or the equivalent) in, or control or management of, API or any member of the Wider API Group, would or might reasonably be expected to result in any of the following, in any case to an extent which is or would be material in the context of the Wider API Group and/or the Wider CREI Group taken as a whole or in the context of the Merger:

- (i) any monies borrowed by, or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider API Group or the Wider CREI Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited, or being capable of becoming or being withdrawn or inhibited;
- (ii) any asset or interest of any member of the Wider API Group or the Wider CREI Group, or any asset the use of which is enjoyed by any member of the Wider API Group or the Wider CREI Group, being or falling to be disposed of or charged or ceasing to be available to any member of the Wider API Group or the Wider CREI Group, or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider API Group or the Wider CREI Group, otherwise than in the ordinary course of business;
- (iii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider API Group or the Wider CREI Group, or any such mortgage, charge, encumbrance or other security interest (wherever and whenever created, arising or having arisen) being enforced or becoming enforceable;
- (iv) any arrangement, agreement, lease, licence, permit, franchise or other instrument, or the rights, liabilities, obligations or interests of any member of the Wider API Group or the Wider CREI Group, thereunder, being, terminated, adversely modified or adversely affected or any adverse action being taken or arising thereunder or any onerous obligation or liability arising thereunder;
- (v) the rights, liabilities, obligations or interests of any member of the Wider API Group or the Wider CREI Group, in, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected other than as directed, requested and/or required by CREI or API (as applicable);
- (vi) the value of, or the financial or trading position or profits of, any member of the Wider API Group or the Wider CREI Group, being prejudiced or adversely affected; or
- (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider API Group or the Wider CREI Group, other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Merger;

Certain events occurring since 31 December 2022

- (h) save as Disclosed, no member of the Wider API Group having since 31 December 2022:
 - (i) issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue of, additional shares of any class, or securities (or the equivalent) or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities (or the equivalent) or convertible securities, or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of API Shares out of treasury,

except, where relevant, as between API and wholly-owned subsidiaries of API or between the wholly-owned subsidiaries of API;

- (ii) recommended, declared, paid or made, or proposed to recommend, declare, pay or make, any bonus, dividend or other distribution (whether payable in cash or otherwise) other than the Permitted Dividends or any dividends or other distributions (whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of API to API or any of their respective wholly-owned subsidiaries;
- (iii) except for transactions between API and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries of API, implemented, effected, authorised or proposed, or announced its intention to implement, effect, authorise or propose, any acquisition of any body corporate, partnership or business, merger, demerger, reconstruction, amalgamation, scheme, commitment or offer or disposal of assets or shares or loan capital (or the equivalent thereof);
- (iv) undertaken:
 - (A) a conversion under Part V of the Companies Law;
 - (B) an amalgamation under Part VI of the Companies Law;
 - (C) a migration under Part VII of the Companies Law; or
 - (D) an arrangement or reconstruction (other than the Scheme) under Part VIII of the Companies Law;
- (v) except for transactions between API and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries of API, acquired or disposed of or transferred, mortgaged, charged or created any security interest over any material asset (including shares in any undertaking and trade investments) or any right, title or interest in any asset, or authorised, proposed or announced any intention to do the same;
- (vi) except for transactions between API and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries of API, issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or other trade credit incurred in the ordinary course of business, or become subject to any contingent liability or incurred or increased any indebtedness or other liability (actual or contingent), which is material in the context of the Wider API Group taken as a whole;
- (vii) entered into, varied, authorised, proposed, or announced an intention to enter into or vary, any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude, or which is or which involves or could involve an obligation of a nature or magnitude which is or could reasonably be expected to be restrictive on the business of any member of the Wider API Group which, taken together with any other such transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider API Group taken as a whole;
- (viii) entered into, or materially varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement, commitment or arrangement with any director of any member of the Wider API Group;
- (ix) purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities (or the equivalent) or reduced or made any other change to any part of its share capital;
- (x) except in the ordinary course of business, waived, settled, abandoned or compromised any claim which is material in the context of the Wider API Group taken as a whole;

- (xi) made any material alteration to its memorandum or articles of incorporation or other incorporation documents, in each case other than in connection with the implementation of the Merger;
- (xii) terminated or varied the terms of any agreement or arrangement between any member of the Wider API Group and any other person in a manner which would, or might reasonably be expected to, have a material adverse effect on the financial position or prospects of the Wider API Group taken as a whole other than as directed, required and/or requested by CREI;
- (xiii) put in place any pension schemes for its directors or their dependants, or made or agreed or consented to any change to:
 - (A) the terms of the trust deeds and rules constituting the pension scheme(s) (if any) established by any member of the Wider API Group for its directors or their dependants;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xv) taken or proposed any steps or corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
- (xvii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(h); or
- (xviii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of API Shareholders at a general meeting of API in accordance with, or as contemplated by, Rule 21.1 of the Code;

No adverse change

- (i) save as Disclosed since 31 December 2022:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of the Wider API Group or Wider CREI Group taken as a whole, in each case to an extent which is or could be material in the context of the Wider API Group and/or the Wider CREI Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider API Group or Wider CREI Group or to which any member of the Wider API Group or Wider CREI Group is or may

become a party (whether as a plaintiff, defendant or otherwise) having been instituted, announced, implemented or threatened in writing by or against or remaining outstanding in respect of any member of the Wider API Group or Wider CREI Group which in any such case is or might reasonably be expected to have a material adverse effect on the Wider API Group or Wider CREI Group taken as a whole;

- (iii) no contingent or other liability of any member of the Wider API Group or Wider CREI Group having arisen or become apparent to any member of the Wider CREI Group or Wider API Group, or increased, which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider API Group or Wider CREI Group, which in any case is material in the context of the Wider API Group and/or the Wider CREI Group taken as a whole;
- (iv) no member of the Wider API Group or Wider CREI Group having conducted its business in breach of any applicable laws and regulations and which in any case is material in the context of the Wider API Group and/or the Wider CREI Group taken as a whole; and
- (v) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider API Group or Wider CREI Group which is necessary for the proper carrying on of its business and which in any case is material in the context of the Wider API Group and/or the Wider CREI Group taken as a whole;

No discovery of certain matters

- (j) save as Disclosed, CREI or API not having discovered that (in each case to an extent which is or could be material in the context of the Wider API Group and/or Wider CREI Group taken as a whole or material in the context of the Merger):
 - (i) any financial, business or other information concerning the Wider API Group or Wider CREI Group publicly announced before Announcement Date or disclosed, whether publicly or otherwise, at any time to any member of the Wider CREI Group or Wider API Group by or on behalf of any member of the Wider API Group or Wider CREI Group is materially misleading, contains any material misrepresentation of fact, or omits to state a fact necessary to make any information contained therein not misleading;
 - (ii) any member of the Wider API Group or Wider CREI Group is subject to any liability (contingent or otherwise), other than in the ordinary course of business;
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider API Group or Wider CREI Group;
 - (iv) any past or present member of the Wider API Group or Wider CREI Group has failed to comply with any applicable legislation or regulations or common law of any jurisdiction or any notice, order or requirement of any Third Party or any Authorisations relating to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment (including property) or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider API Group; or
 - (v) there is or has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous or harmful substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be

likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider API Group or Wider CREI Group;

- (vi) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property or controlled waters, currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider API Group (or on its behalf) or the Wider CREI Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto;

Anti-corruption and sanctions

- (k) CREI and API not having discovered:

- (i) any:

- (A) past or present member, director or officer of the Wider API Group or Wider CREI Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Prevention of Corruption (Bailiwick of Guernsey) Law 2003 or any other applicable anti-corruption or anti-bribery legislation, rule or regulation applicable to the Wider API Group or the Wider CREI Group or any other law, rule or regulation concerning improper payments or kickbacks; or
 - (B) person that performs or has performed services for or on behalf of the Wider API Group or the Wider CREI Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Prevention of Corruption (Bailiwick of Guernsey) Law 2003 or any other applicable anti-corruption or anti-bribery legislation, rule or regulation applicable to the Wider API Group or any other law, rule or regulation concerning improper payments or kickbacks;
- (ii) any asset of any member of the Wider API Group or Wider CREI Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule or regulation concerning money laundering or proceeds of crime or any member of the Wider API Group or Wider CREI Group is found to have engaged in activities constituting money laundering;
 - (iii) any past or present member, director or officer of the Wider API Group or Wider CREI Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct or business which would violate any economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by applicable US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs in the United Kingdom; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the UK or the European Union or any of their respective member states;

- (iv) any past or present member, director or officer of the Wider API Group or Wider CREI Group, or any other person for whom any such person may be liable or responsible:
 - (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - (B) has engaged in conduct which would violate any relevant anti-boycott law, rule or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - (C) has engaged in conduct which would violate any relevant laws, rules or regulations concerning human rights, including but not limited to any law, rule or regulation concerning false imprisonment, torture or other cruel and unusual punishment or child labour;
 - (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality or international organisation or found to have violated any applicable law, rule or regulation concerning government contracting or public procurement; or
- (v) any member of the Wider API Group or Wider CREI Group has or is engaged in any transaction which would cause CREI or any member of the Wider CREI Group (including the Wider API Group) to be in breach of any applicable law or regulation upon its acquisition of API, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs in the UK, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the UK the European Union or any of its member states.

Part B

Certain further terms of the Merger

- 1 Conditions 2(a), 2(b) and 3(a) to 3(k) (inclusive) of Part A of this Part III must each be fulfilled or (if capable of waiver) waived, no later than 11:59 p.m. (London time) immediately prior to the commencement of the Sanction Hearing (or such later date as CREI, API and the Panel and, if required, the Court may allow), failing which the Merger will lapse, or if the Merger is implemented by way of Takeover Offer, no later than as permitted by the Panel.
- 2 To the extent permitted by law and subject to the requirements of the Panel in accordance with the Takeover Code, each of CREI and API reserves the right, in its sole discretion, to waive in whole or in part all or any of the Conditions set out in Part A of this Part III, and to proceed with the Sanction Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions, except Conditions 1, 2(a)(i), 2(b)(i) and 2(c)(i), which cannot be waived. If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, CREI will make an announcement by 8.00 a.m. (London time) on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with API to extend the relevant deadline.
- 3 The Merger will lapse if the Scheme does not become Effective by no later than 11.59 p.m. (London time) on the Long Stop Date.
- 4 If CREI is required by the Panel to make a Takeover Offer for API Shares under the provisions of Rule 9 of the Code, CREI may make such alterations to any of the above Conditions and terms of the Merger as are necessary in order to comply with the provisions of that Rule.
- 5 Each of CREI and API shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of the Conditions by a date earlier than the latest date specified for the fulfilment or waiver thereof, notwithstanding that the other Conditions may, at such earlier date, have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any of such Conditions may not be capable of satisfaction or fulfilment.

- 6 The API Shares will be acquired under the Scheme, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, on or after the date of the Announcement, save for the Permitted Dividends.
- 7 The Exchange Ratio will be adjusted:
- (a) in the event that either CREI or API announces, declares, makes or pays any one or more dividends or other distributions prior to the Merger becoming Effective that is or are, in aggregate, in excess of: (i) 1.375 pence per CREI Share in respect of the CREI Q3 Dividend and, if the ex dividend date falls prior to the Merger becoming Effective, 1.375 pence per CREI Share in respect of the CREI Q4 Dividend; or (ii) 1.0 penny per API Share in respect of the API Q4 Dividend and, if the ex-dividend date falls prior to the Merger becoming Effective, 1.0 penny per API Share in respect of the API Q1 Dividend (the amount of such excess in each case being the **Excess**), in which event the adjustment to the Exchange Ratio shall be to take account of the Excess; and/or
 - (b) in the event that (i) the API Q1 Dividend is not covered by the income earned in the relevant quarter (the **API Q1 Uncovered Dividend Portion**), or (ii) the CREI Q4 Dividend is not covered by the income earned in the relevant quarter (the **CREI Q4 Uncovered Dividend Portion**), in which event the adjustment to the Exchange Ratio shall be to take account of the API Q1 Uncovered Dividend Portion and/or the CREI Q4 Uncovered Dividend Portion; and/or
 - (c) if, at the time of completion of the Merger, either CREI or API has announced, declared, made or paid the CREI Q4 Dividend or the API Q1 Dividend, respectively, but the other has not announced, declared, made or paid its corresponding dividend (a **Dividend Discrepancy**), in which case the adjustment to the Exchange Ratio shall be to take account of the Dividend Discrepancy.

In the event that any adjustment to the Exchange Ratio is required pursuant to paragraph 7(a), 7(b) and/or 7(c) of this Part B above, such adjustment will be made by reference to the relevant Rolled-Forward Unaudited EPRA NTA(s) as at 31 December 2023. Any adjustment to the Exchange Ratio referred to in this paragraph 7 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Merger. To the extent that a dividend or distribution has been declared but not paid prior to the Effective Date, and such dividend or distribution is cancelled, then the Exchange Ratio shall not be subject to change in accordance with this paragraph.

- 8 Under Rule 13.5(a) of the Code, CREI may only invoke a Condition so as to cause the Merger not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to CREI in the context of the Merger. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. The Conditions set out in Conditions 1 and 2 of Part A to this Part III above (and any Takeover Offer Acceptance Condition (as defined below) adopted on the basis specified in paragraphs 4 or 10 of this Part B) are not subject to this provision of the Code. Any Condition that is subject to Rule 13.5(a) may be waived by CREI.
- 9 Under Rule 13.6 of the Takeover Code, API may not invoke, or permit CREI to invoke a Condition unless the circumstances which give rise to the right to invoke the Condition are of material significance to the shareholders of API in the context of the Merger. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. The Conditions set out in Conditions 1 and 2 of Part A above (and any Takeover Offer Acceptance Condition (as defined below) adopted on the basis specified in paragraphs 4 or 10 of this Part B) are not subject to this provision of the Takeover Code. Any Condition that is subject to Rule 13.6 may be waived by API.
- 10 CREI reserves the right to elect to implement the Merger by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent (where necessary)). In such event,

the Merger will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the API Shares to which the Takeover Offer relates (or such lower percentage (being more than 50 per cent.) of the issued share capital of API as CREI may, subject to the rules of the Code and with the consent of the Panel, decide) as those which would apply to the Scheme (each a **Takeover Offer Acceptance Condition**). Further, if sufficient acceptances of the Takeover Offer are received and/or sufficient API Shares are otherwise acquired, it is the intention of CREI to apply the provisions of Part XVIII of the Companies Law to compulsorily acquire any outstanding API Shares to which such Takeover Offer relates.

- 11 The availability of the Merger to API Shareholders who are not resident in the United Kingdom or Guernsey may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom or Guernsey should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdictions.
- 12 The Merger is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction.
- 13 The Merger and the Scheme will be governed by the laws of Guernsey and be subject to the jurisdiction of the Court and to the conditions and further terms set out in this Part III and the full terms and conditions set out in this document. The Merger will also be subject to the applicable requirements of the Companies Law, the Court (as a result of API being incorporated in Guernsey), the GFSC, the FCA, the London Stock Exchange and the Code.
- 14 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART IV

THE SCHEME OF ARRANGEMENT

IN THE ROYAL COURT OF GUERNSEY
(ORDINARY DIVISION)

IN THE MATTER OF ABRDN PROPERTY INCOME TRUST LIMITED

AND

IN THE MATTER OF THE COMPANIES (GUERNSEY) LAW, 2008 (AS AMENDED)

SCHEME OF ARRANGEMENT

(under Part VIII of the Companies (Guernsey) Law, 2008 (as amended))

between

ABRDN PROPERTY INCOME TRUST LIMITED

and

THE SCHEME SHAREHOLDERS

(as defined below)

PRELIMINARY

A. In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

Announcement Date	19 January 2024, being the date on which the announcement made by CREI and API in respect of the Merger, in accordance with Rule 2.7 of the Code, was made;
API or the Company	abrdn Property Income Trust Limited, a non-cellular company limited by shares incorporated in Guernsey with registration number 41352;
API Court Meeting	the meeting of the Scheme Shareholders to be convened by order of the Court pursuant to section 107 of the Companies Law to consider and, if thought fit, approve the Scheme (with or without modification), including any adjournment, postponement or reconvention thereof, notice of which is contained in Part XII (<i>Notice of API Court Meeting</i>) of the document of which this Scheme forms part;
API Group	API and its subsidiary undertakings from time to time and, where the context permits, each of them;
API Q1 Dividend	in the event that the Scheme does not become Effective by the date expected that is set out in the Scheme Document but prior to the Long Stop Date, the dividend to be declared by API in respect of the quarter ended 31 March 2024;
API Q4 Dividend	the quarterly final dividend of up to 1 penny per API Share in respect of the quarter ended 31 December 2023;
API Shareholders	the holders of API Shares from time to time;
API Shares	the ordinary shares of £0.01 each in the capital of API;
associated undertaking	shall be construed in accordance with paragraph 19 of Schedule 6 to the UK Large and Medium-sized Companies and Groups

	(Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose;
Business Day	any day (excluding any Saturday or Sunday or any public holiday in England or Guernsey) on which banks in the City of London and Guernsey are generally open for business;
certificated form or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);
Code	the City Code on Takeovers and Mergers;
Combined Group	the CREI Group, including the API Group, following the Merger becoming Effective;
Companies Law	the Companies (Guernsey) Law, 2008 (as amended);
Computershare	Computershare Investor Services (Guernsey) Limited, API's registrars, of c/o The Pavilions, Bridgwater Road, Bristol, BS13 8AE;
Conditions	the conditions to the implementation of the Merger, as set out in Part A of Part III (<i>Conditions to the Implementation of the Scheme and to the Merger</i>) of the Scheme Document;
Consideration	the consideration due to Scheme Shareholders pursuant to clause 2.1 of this Scheme;
Court	the Royal Court of Guernsey;
Court Order	the order of the Court sanctioning this Scheme under the Companies Law;
CREI	Custodian Property Income REIT plc, a public limited company incorporated in England and Wales with company number 08863271 and whose registered office is at 1 New Walk Place, Leicester LE1 6RU;
CREI Group	CREI and its group undertakings from time to time;
CREI Shares	ordinary shares of £0.01 each in the capital of CREI;
CREST	the CREST system (as defined in the CREST Regulations);
CREST Manual	the CREST Manual published by Euroclear (as amended);
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations 2009 (SI 2009 No.48), (as amended);
Effective	this Scheme having become effective in accordance with its terms;
Effective Date	the date on which this Scheme becomes Effective;
Encumbrances	all liens, equities, charges, securities, interests, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever;
Euroclear	Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738;
Excluded Shares	<p>a) any API Shares registered in the name of, or beneficially owned by: (i) CREI or any member of the CREI Group; or (ii) any nominee of any of the foregoing; or</p> <p>b) any Treasury Shares,</p> <p>in each case, at the Scheme Record Time;</p>
Guernsey	the Island of Guernsey;

Guernsey Registry	the body authorised by the States of Guernsey to maintain various registers as required under Guernsey legislation and operating under the name Guernsey Registry;
holder	a registered holder and includes any person(s) entitled by transmission;
Latest Practicable Date	30 January 2024, being the last practicable date prior to publication of the Scheme Document;
Long Stop Date	30 April 2024, or such later date as may be agreed between CREI and API (with the Panel's consent and as the Court may approve, if such approval is required);
Merger	the proposed acquisition by CREI of the entire issued and to be issued share capital of API pursuant to this Scheme, and, where the context permits, any subsequent revision, variation, extension or renewal thereof;
New CREI Shares	the new CREI Shares to be allotted and issued to Scheme Shareholders pursuant to this Scheme
Panel	the UK Panel on Takeovers and Mergers;
Permitted Dividends	each of the API Q4 Dividend and API Q1 Dividend
Pounds sterling, penny, pence, p or £	the lawful currency of the United Kingdom from time to time;
Sanction Hearing	the hearing of the Court at which API will seek an order sanctioning this Scheme under section 110 of the Companies Law;
Scheme	this scheme of arrangement under Part VIII of the Companies Law between API and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition approved or imposed by the Court (where relevant) and agreed to by API and CREI;
Scheme Document	the document dated the same date as this Scheme sent by API to API Shareholders and others containing, among other things, this Scheme, an explanatory statement in compliance with section 108 of the Companies Law and the notice of the API Court Meeting;
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date or such other date and/or time as CREI and API may agree;
Scheme Shareholders	the holders of Scheme Shares at the Scheme Record Time;
Scheme Shares	the API Shares: <ul style="list-style-type: none"> (a) in issue on the date of this Scheme; (b) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, and which in each case remain in issue at the Scheme Record Time, but excluding any Excluded Shares;
subsidiary undertaking	has the meaning given in section 1162 of the UK Companies Act;

Treasury Shares	any API Shares which are held by API as treasury shares (within the meaning of the Companies Law) as at the Scheme Record Time;
UK Companies Act uncertificated or in uncertificated form	the UK Companies Act 2006 (as amended); a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
Voting Record Time	6.00 p.m. on 26 February 2024 or, if the API Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting.

and where the context so admits or requires, all references in this document to the singular include the plural and vice versa.

- B. References to clauses, sub-clauses and paragraphs are to clauses, sub-clauses and paragraphs of this Scheme.
- C. Any phrase introduced by the term 'including' or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms.
- D. The issued share capital of API as at the Latest Practicable Date was £4,068,654.19 divided into 406,865,419 shares of £0.01 each, all of which were credited as fully paid, 25,646,442 of which were held by API as Treasury Shares.
- E. As at the Latest Practicable Date, no member of the CREI Group holds any API Shares.
- F. CREI has, subject to the satisfaction or, where capable, waiver of the Conditions, agreed to appear by Counsel at the Sanction Hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to CREI and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- G. References to times are to London time.

1 Transfer of Scheme Shares

- 1.1 Upon and with effect from the Effective Date, CREI (and/or such other nominee(s) of CREI as it may determine) shall acquire all of the Scheme Shares fully paid up, free from all Encumbrances, and together with all rights or interests of any nature at the Effective Date or thereafter attached to such Scheme Shares, including, without limitation, voting rights and the right to receive and retain in full (subject to sub-clause 2.2) all dividends and other distributions (if any) authorised, declared, made or paid or which becomes payable by API made by reference to a record date falling on or after the Effective Date in respect of the Scheme Shares.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred from the Scheme Shareholders to CREI (and/or such other nominee(s) of CREI as it may determine) by means of a form or forms of transfer or other instrument or instruction of transfer or by means of CREST and, to give effect to such transfers, any person may be appointed by CREI as attorney and/or agent and/or otherwise on behalf of the holder or holders of Scheme Shares concerned, and is authorised as such attorney and/or agent and/or otherwise on behalf of the holder or holders of Scheme Shares concerned, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer of, or to procure the transfer by means of CREST or otherwise give any instructions to transfer, all of the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction so given or transfer procured shall be as effective as if it had been executed or given or procured by the holder or holders of the Scheme Shares thereby transferred. Such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to CREI (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant to such form, instrument or instruction of transfer, or by means of CREST.

- 1.3 With effect from the Effective Date and pending the registration of CREI (or its nominee(s)) as the holder of any Scheme Share to be transferred pursuant to this Scheme in the register of members of API to reflect such transfer, each Scheme Shareholder irrevocably:
- (a) appoints CREI (and/or its nominee(s)), and CREI shall be empowered to act, as attorney or, failing that, as agent and/or otherwise on behalf of each holder of any such Scheme Share to exercise on behalf of each Scheme Shareholder (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any and all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares and to receive any distribution or other benefit accruing or payable in respect thereof;
 - (b) appoints CREI (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any documents, and do all such things, as may in the opinion of CREI and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to its Scheme Shares, including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting of API as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or execute a form of proxy in respect of its Scheme Shares appointing any person nominated by CREI and/or any one or more of its directors or agents to attend any general and separate class meetings of API (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf; and
 - (c) authorises CREI (and/or its nominee(s)) to take such action as it sees fit in relation to any dealings with or disposal of such Scheme Shares (or any interest in such Scheme Shares) and authorises API and/or its agents to send to CREI (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that, from (and including) the Effective Date, no Scheme Shareholder shall be entitled to exercise (and irrevocably undertakes not to exercise) any voting rights attached to the Scheme Shares or (subject to sub-clause 2.2) any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of CREI, and shall not appoint a proxy or representative for or to attend any general meeting, separate class meeting or other meeting of API.

2 Consideration for the transfer of Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares to CREI (and/or such other nominee(s) of CREI) referred to in clause 1, CREI shall, subject as provided below, allot and issue New CREI Shares to (or for the account of) each Scheme Shareholder on the following basis:

0.78 New CREI Shares for each Scheme Share held

- 2.2 Subject to sub-clause 2.4, if any dividend or other distribution is authorised, declared, made, paid or becomes payable by API in respect of the API Shares on or after the Announcement Date and before the Effective Date (other than the Permitted Dividends), CREI shall have the right to reduce the Consideration (as set out in sub-clause 2.1 above) by an amount up to the amount of such dividend and/or distribution (as the case may be and calculated, for the avoidance of doubt, on a per Scheme Share basis), except where the Scheme Share is, or will be, acquired pursuant to the Scheme on a basis which entitles CREI to receive such dividend or distribution (as the case may be) and to retain it.
- 2.3 If CREI exercises its right referred to in sub-clause 2.3 to reduce the Consideration payable per Scheme Share by an amount up to the amount of a dividend and/or distribution (as the case may be), then: (a) Scheme Shareholders shall be entitled to receive and retain that dividend, or other distribution in respect of the Scheme Shares they hold; (b) any reference in this Scheme and this document to the Consideration payable under the Scheme shall be deemed to be a reference to the Consideration as so reduced; and (c) the exercise of such

rights shall not be regarded as constituting any revision or variation of the terms of this Scheme.

- 2.4 If and to the extent that any such dividend or other distribution is authorised, declared, made or is payable and it is cancelled in full prior to the Effective Date, the Consideration payable under the Scheme shall not be subject to change under sub-clause 2.3.
- 2.5 The New CREI Shares to be issued and allotted pursuant to this Clause 2 and the remaining provisions of this Scheme (subject to those provisions) shall be issued free from Encumbrances, credited as fully paid and will rank *pari passu* in all respects with the CREI Shares in issue at the time the New CREI Shares are issued, including in relation to the right to receive notice of, and to attend and vote at, general meetings of CREI, the right to receive and retain any dividends and other distributions declared, made or paid by reference to a record date falling after the Scheme Record Time and to participate in the assets of CREI upon a return of capital whether on a winding-up of CREI or otherwise.

3 Fractional entitlements

- 3.1 Notwithstanding Clause 2, fractions of New CREI Shares will not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Instead, the fractional entitlements of Scheme Shareholders at the Effective Date to New CREI Shares shall be aggregated and CREI shall procure that the maximum whole number of New CREI Shares resulting therefrom shall be allotted and issued to a person appointed by CREI to hold such New CREI Shares on behalf of the relevant Scheme Shareholders. CREI shall procure that such New CREI Shares are sold in the market as soon as practicable after the Effective Date and that the net proceeds of the sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Scheme Shareholders (rounded down to the nearest penny) in accordance with the provisions of this Clause 3.
- 3.2 Any individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £5.00 shall not be paid to the relevant Scheme Shareholders who would otherwise be entitled to them under this Scheme, but shall be retained for the benefit of the Combined Group.
- 3.3 For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.
- 3.4 The person appointed by CREI in accordance with Clause 3.1 shall be authorised to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he or she may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of API, CREI or the persons so appointed shall have any liability for any loss or damage arising as a result of any determination made, or the timing or terms of any sale, pursuant to Clause 3.1.

4 Share certificates and cancellation of CREST entitlements

With effect from, or as soon as practicable after, the Effective Date:

- 4.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised in the certificates and every holder of Scheme Shares shall be bound, at the request of API, to deliver up the same to API (or any person appointed by API to receive such certificates), or, as API may direct, to destroy the same;
- 4.2 API shall procure that entitlements to Scheme Shares held within CREST are disabled and Euroclear is instructed to cancel the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form;
- 4.3 following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, API's registrar, Computershare, shall (if necessary) be authorised to re-materialise entitlements to such Scheme Shares; and

- 4.4 subject to completion and delivery of any form of transfer or other instrument or instruction of transfer as may be required in accordance with clause 1 above, API will make, or procure to be made, appropriate entries in its register of members to reflect the transfer of the Scheme Shares to CREI (and/or its nominee(s)) in accordance with clause 1.

5 Issuance of New CREI Shares

- 5.1 As soon as practicable after the Effective Date, and in any event no later than 14 days after the Effective Date, CREI shall:
- (a) subject to the provisions of Clause 6 (with respect to relevant overseas shareholders) and Clause 3 (with respect to fractional entitlements), allot and issue the New CREI Shares which it is required to allot and issue to Scheme Shareholders pursuant to Clause 2, in the case of Scheme Shares which, at the Scheme Record Time, are in certificated form, procure the despatch of share certificates for such New CREI Shares to the persons entitled thereto in accordance with Clause 5.2;
 - (b) subject to the provisions of Clause 6 (with respect to relevant overseas shareholders) and Clause 3 (with respect to fractional entitlements), allot and issue the New CREI Shares which it is required to allot and issue to Scheme Shareholders pursuant to Clause 2, in the case of Scheme Shares which, at the Scheme Record Time, are in uncertificated form through CREST, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to such New CREI Shares, provided that CREI reserves the right to settle all or part of such Consideration in the manner set out in Clause 5.1(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 5.1(b);
 - (c) in the case of New CREI Shares sold pursuant to this Clause 5 (including any fractions sold pursuant to Clause 3 which are associated therewith), procure the despatch to the persons entitled thereto of cheques for the sums payable to them, respectively;
 - (d) in the case of New CREI Shares sold pursuant to this Clause 5 and issued in respect of Scheme Shares, which, at the Scheme Record Time, are in certificated form, procure the despatch to the persons entitled thereto of cheques for the sums payable to them, respectively; and
 - (e) in the case of New CREI Shares sold pursuant to this Clause 5 and issued in respect of Scheme Shares, which, at the Scheme Record Time, are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them, respectively, provided that CREI reserves the right to make payment of the said sums by cheque as set out in Clause 5.1(d) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 5.1(e).
- 5.2 All deliveries of share certificates and/or cheques pursuant to this Scheme shall be effected by sending the same by first class post (or international standard post, if overseas) in prepaid envelopes (or by such other method as may be approved by the Panel) addressed to the person entitled thereto to their address as appearing in the register of members of API or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time, and none of API, CREI or any person or nominee appointed by CREI in accordance with Clause 3 or Clause 6, or their respective agents, shall be responsible for any loss or delay in the transmission or delivery of any share certificates or cheques sent in accordance with this Clause 5, which shall be sent at the risk of the persons entitled thereto.
- 5.3 All cheques shall be in sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the monies represented thereby (except that, in the case of joint holders, CREI reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding at the Scheme Record Time).

5.4 The provisions of this Clause 5 shall be subject to any condition or prohibition imposed by law.

6 Overseas shareholders

6.1 The provisions of Clause 2, Clause 5.1(a) and Clause 5.1(b) shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is resident, located or has a registered address in a jurisdiction outside the United Kingdom or Guernsey, or whom CREI reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom or Guernsey, CREI is advised that the law of a country or territory outside the United Kingdom or Guernsey:

(a) precludes the allotment, issue and/or delivery to that Scheme Shareholder of New CREI Shares; or

(b) precludes the matters referred to in Clause 6.1(a), except after compliance by the Company or CREI (as the case may be) with any governmental or other consent or any registration, filing or other formality with which API and/or CREI is unable to comply or compliance with which API and/or CREI (as the case may be) regards as unduly onerous,

then CREI may, in its sole discretion, determine that such New CREI Shares shall not be allotted, issued and delivered to such Scheme Shareholder but shall instead be allotted, issued and delivered to a person appointed by CREI for such Scheme Shareholder on terms that such person shall, as soon as practicable following the Effective Date, sell the New CREI Shares so issued.

6.2 Any sale under Clause 6.1 shall be carried out at the best price which can reasonably be obtained at the time of sale, and the net proceeds of such sale shall be paid to such Scheme Shareholder in accordance with the provisions of Clause 5.

6.3 Neither CREI nor API will be liable to any Scheme Shareholder for any determination made pursuant to this Clause 6 or for any omission or denial made hereunder.

7 Mandates

All mandates and other instructions, including communications preferences, which have been given to API by Scheme Shareholders in respect of some or all of their Scheme Shares and which remain in force at the Scheme Record Time in respect of their Scheme Shares shall, unless and until revoked or amended, be deemed as from the Effective Date to be valid and effective mandates and/or instructions (as applicable) to CREI in relation to the New CREI Shares issued in respect thereof, except to the extent that a Scheme Shareholder already holds one or more CREI Shares at the Scheme Record Time (and Computershare is able to match such holding), in which case any mandates and instructions in relation to those existing CREI Shares will also apply to the New CREI Shares received by that Scheme Shareholder.

8 Operation of this Scheme

8.1 This Scheme shall become Effective on the Effective Date, as stated in the Court Order, which is expected to be one Business Day after the date on which this Scheme is sanctioned by the Court pursuant to Part VIII of the Companies Law at the Sanction Hearing.

8.2 Unless this Scheme has become Effective at or before 11.59 p.m. on the Long Stop Date, or such later time and date (if any) as CREI and API may agree (with the Panel's consent and as the Court may approve, if such approval is required), this Scheme shall never become Effective.

9 Modification

API and CREI may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Code. For the avoidance of doubt, no modification may be made pursuant to this clause once the Scheme has taken effect.

10 Governing law

10.1 This Scheme and all rights, obligations, disputes or claims arising from or in connection with it are governed by Guernsey law. The rules of the Code will, so far as they are appropriate, apply to this Scheme on the basis provided in the Code.

10.2 The Court shall have exclusive jurisdiction in relation to any dispute or claim of any kind whatsoever arising directly or indirectly as a result of or in connection with this Scheme, irrespective of the causes of action, including whether based on contract or tort.

Dated: 1 February 2024

PART V

FINANCIAL INFORMATION

1 API financial information incorporated by reference

The following sets out financial information in respect of API as required by Rule 24.3 of the Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code:

- the audited consolidated accounts of API for the financial year ended 31 December 2022 which are set out on pages 80 to 121 (both inclusive) of API's Annual Report and Accounts 2022, which is available from API's website at <https://www.abrdnpit.co.uk/en-gb/literature>;
- the audited consolidated accounts of API for the financial year ended 31 December 2021 which are set out on pages 59 to 92 (both inclusive) of API's Annual Report and Accounts 2021, which is available from API's website at <https://www.abrdnpit.co.uk/en-gb/literature>; and
- the unaudited condensed consolidated interim financial statements of API for the six months ended 30 June 2023 are set out on pages 31 to 47 (both inclusive) of API's interim results for the six months ended 30 June 2023, which are available from API's website at <https://www.abrdnpit.co.uk/en-gb/literature>.

2 CREI financial information

The following sets out financial information in respect of CREI as required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- the audited consolidated accounts of CREI for the financial year ended 31 March 2023 which are set out on pages 76 to 101 (both inclusive) of CREI's Annual Report and Accounts 2023, which is available from CREI's website at https://custodianreit.com/wp-content/uploads/2023/07/5400_Custodian_Property_Income_REIT_Annual_Report_2023_Hyperlinked.pdf;
- the audited consolidated accounts of CREI for the financial year ended 31 March 2022 which are set out on pages 125 to 148 (both inclusive) of CREI's Annual Report and Accounts 2022, which is available from CREI's website at https://custodianreit.com/wp-content/uploads/2022/07/5214_Custodian_REIT_Annual_Report_2022_Hyperlink.pdf; and
- the unaudited condensed consolidated interim financial statements of CREI for the six months to 30 September 2023 are set out on pages 29 to 58 (both inclusive) of CREI's interim results for the six months to 30 September 2023, which are available from CREI's website at <https://custodianreit.com/wp-content/uploads/2023/12/23-12-06-CREIT-plc-Interim-Results-RNS.pdf>.

3 Further details relating to the New CREI Shares

The New CREI Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing CREI Shares in issue at the time the New CREI Shares are issued pursuant to the Merger, including the right to receive and retain any dividends and other distributions (other than the Permitted Dividends) declared, made or paid by reference to a record date falling after the Scheme Record Time.

Applications will be made to the FCA and the London Stock Exchange for the New CREI Shares to be admitted to the premium segment of the Official List and to trading on the Main Market.

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, save for any Permitted Dividends.

The following sets out the rights attaching to the New CREI Shares being offered as consideration under the Merger. The information referred to below is incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- Summary of the articles of association of CREI contained on pages 135 to 141 (both inclusive) of the Combined Circular and Prospectus

4 Financial effect of the Merger on Scheme Shareholders

Under the terms of the Merger, Scheme Shareholders will receive 0.78 New CREI Shares in respect of each Scheme Share held. The following tables show, for illustrative purposes only, the financial effects on capital value and gross income for a holder of one Scheme Share if the Scheme becomes Effective.

Illustrative financial effect on the capital value of one API Share

The table below compares the capital value of the relevant proportion of a New CREI Share (0.78) relative to one API Share. Column (A) is based upon the Closing Price of a CREI Share and an API Share on 18 January 2024 (being the last Business Day prior to the Announcement Date). Column (B) is based on the Closing Price of a CREI Share and an API Share on the Latest Practicable Date. In assessing the financial effects of the Merger, no account has been taken of any potential liability to taxation of an API Shareholder.

	Notes	(A)	(B)
Market value of 0.78 New CREI Shares	(1)	approximately 62.1 pence	approximately 56.4 pence
Market value of one API Share		48.0 pence	55.5 pence
Illustrative increase in capital value	(1)	approximately 14.1 pence	approximately 0.9 pence
Representing an increase in capital value of approximately		29.4%	1.6%

Illustrative financial effect on the income on one API Share

The table below compares the gross dividend income on 0.78 New CREI Shares in respect of on API Share.

	Notes	
Gross dividend income on 0.78 New CREI Shares	(2)	approximately 4.3 pence
Gross dividend income on one API Share	(3)	4.0 pence
Illustrative increase in gross dividend income	(4)	approximately 0.3 pence
Representing an increase in gross dividend income of approximately		7.3%

Notes:

- No account has been taken of any costs associated with the Merger or other potential effects of the Merger. In assessing the financial effects on the capital position of the API Shareholders, no account has been taken of any potential liability to taxation of an API Shareholder, or a beneficial owner of API Shares. The attention of beneficial owners of API Shares and API Shareholders is drawn to Part VI of this document. The tax implications of the financial effects of the Merger will depend on the individual circumstances of each beneficial owner of API Shares and API Shareholders. Beneficial owners of the API Shares and API Shareholders should consult their own tax advisers.*
- Being the total dividend payable by CREI in respect of its financial year ended 31 March 2023 on 0.78 CREI Shares, based on the total dividend payable by CREI in respect of the year ended 31 March 2023 of 5.5 pence per CREI Share.*
- Being the aggregate gross dividend paid by API in respect of its financial year ended 31 December 2023, comprising 4 pence per API Share.*
- No account has been taken of any costs associated with the Merger or other potential effects of the Merger. In assessing the financial effects on the income position of the API Shareholders, no account has been taken of any potential liability to taxation of an API Shareholder, or a beneficial owner of API Shares. The attention of beneficial owners of API Shares and API Shareholders is drawn to Part VI of this document. The tax implications of the financial effects of the Merger will depend on the individual circumstances of each beneficial owner of API Shares and API Shareholders. Beneficial owners of the API Shares and API Shareholders should consult their own tax advisers.*

5 Financial effect of the Merger on CREI

On an unaudited pro forma basis and assuming completion of the Merger had occurred on 31 December 2023, the Combined Group would have had an unaudited EPRA NTA of £710.5 million at that date based on the Rolled-Forward Unaudited EPRA NTA of CREI and the Reported Unaudited EPRA NTA of API, in each case as at 31 December 2023.

With effect from the Effective Date, the earnings, assets and liabilities of the Combined Group will include the consolidated earnings, assets and liabilities of API.

6 Hard copies

In accordance with Rule 30.3 of the Code, API Shareholders may request a hard copy of this document (and any information incorporated into this document by reference) free of charge by contacting API's registrar, Computershare, on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Alternatively, a request in writing may be submitted to Computershare at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

7 No incorporation of website information

Save as expressly referred to in this document, neither the content of the API website or the CREI website, nor the content of any website accessible from hyperlinks on the API website or the CREI website, is incorporated into, or forms part of, this document.

PART VI

UNITED KINGDOM TAXATION

This Part VI (*United Kingdom Taxation*) relates generally to certain categories of API Shareholders who are solely resident in the United Kingdom and does not address the tax considerations relevant to the receipt of dividends on the Scheme Shares. API Shareholders or prospective API Shareholders who are resident or otherwise subject to taxation in a jurisdiction other than the United Kingdom should consult their own professional advisers immediately.

The summary comments set out below are based on current United Kingdom tax law as applied in England and Wales and what is understood to be HM Revenue & Customs (**HMRC**) practice (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide to certain limited aspects of the UK tax treatment of API Shareholders in respect of the Merger and apply only to API Shareholders resident and, in the case of an individual, domiciled for tax purposes in, and only in, the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold shares in API as an investment (otherwise than through an individual savings account or a pension arrangement) and who are the absolute beneficial owners thereof (**UK Holders** and each a **UK Holder**). Certain categories of API Shareholders, including (but not limited to) dealers in securities, those subject to UK tax on the remittance basis, those carrying on certain financial or insurance activities, those subject to specific tax regimes or benefiting from certain reliefs and exemptions, those connected with API or the API Group and those for whom the API Shares are employment-related securities may be subject to special rules and this summary does not apply to such shareholders.

The discussion does not address any possible tax consequences relating to an investment in New CREI Shares.

For information on the UK tax consequences of: (i) a subsequent disposal of all or any New CREI Shares acquired under the Scheme or otherwise; and (ii) dividends paid in respect of any New CREI Shares, please see Part 7 of the Combined Circular and Prospectus (for which CREI, the CREI Directors and the Proposed Directors are responsible).

API Shareholders or prospective API Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

UK tax on capital gains

A UK Holder's liability to UK tax on capital gains will depend on the individual circumstances of such UK Holder and on the form of consideration received for their API Shares, as described below.

An API Shareholder who is not resident in the UK will generally be within the charge to UK tax on capital gains in respect of a disposal of their API Shares, subject to the availability of any relief under an applicable double tax treaty, and accordingly, the summary below in relation to UK Holders is also potentially applicable to API Shareholders who are not resident in the UK.

(i) Receipt of New CREI Shares

To the extent that a UK Holder receives New CREI Shares in exchange for his/her API Shares and does not hold (either alone or together with persons connected with him/her) more than 5 per cent. of, or of any class of, shares in or debentures of API, he/she will not be treated as having made a disposal of his/her API Shares. Instead, the New CREI Shares will be treated as the same asset as those API Shares and acquired at the same time and for the same consideration as those shares. The New API Shares should therefore have the same base cost for UK capital gains tax purposes as the Scheme Shares they replace. Accordingly, except as provided below, such a UK Holder will not be subject to a liability to UK tax on capital gains on the exchange of their API Shares for New CREI Shares.

A UK Holder who holds (either alone or together with persons connected with him/her) more than 5 per cent. of, or of any class of, shares in or debentures of API will be eligible for the above treatment only if the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is an avoidance of liability to UK capital gains tax or corporation tax. UK Holders are advised that an application has not been made and is not expected to be made to HMRC for clearance under section 138 of the Taxation of Chargeable Gains Act 1992 to confirm that HMRC are satisfied that the exchange will be effected for *bona fide* commercial reasons and will not form part of any arrangements of the type described above.

(ii) Cash

To the extent that a UK Holder receives cash for his/her API Shares in respect of fractional entitlements to New CREI Shares, that UK Holder will, except in the circumstances set out in the next paragraph, be treated as disposing of API Shares which may, depending on the shareholder's individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains.

If a UK Holder receives cash (in respect of fractional entitlements to New CREI Shares) in addition to New CREI Shares, in circumstances where the amount of cash received is small in comparison with the value of his/her API Shares and the base cost attributable to his/her API Shares is equal to or greater than the amount of such cash received, the UK Holder will not be treated as having disposed of the API Shares in respect of which the cash was received. Instead, an amount equal to the amount of such cash will be deducted from the base cost of his/her New CREI Shares for the purposes of computing any chargeable gain or allowable loss on a future disposal of the New CREI Shares.

Under current HMRC practice, any cash payment of £3,000 or less or (if greater) which is 5 per cent. or less of the market value of a UK Holder's holding of API Shares should generally be treated as small for these purposes.

In all other cases where a UK Holder receives cash as a result of the sale of aggregated fractions of New CREI Shares, the UK Holder will be treated as having made a part disposal of his or her or its Scheme Shares, with the chargeable gain being computed on the basis of an apportionment of the allowable cost of the holding by reference to the market value of the holding at the time of disposal. Depending on the UK Holder's circumstances (including the availability of exemptions or allowable losses), that may give rise to a liability to capital gains tax.

UK stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT should generally be payable by UK Holders on the exchange of their Scheme Shares for New CREI Shares and/or cash under the Scheme.

PART VII
CREI VALUATION REPORTS
SECTION A – CREI KNIGHT FRANK VALUATION REPORT

Valuation Report.

Custodian Portfolio

Prepared for Custodian Property Income REIT plc.

Valuation date: 31 December 2023

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

Custodian Property Income REIT plc.

1 New Walk Place
Leicester
Leicestershire
LE1 6RU

(the "Client", "you", "your")

**abrdn Property Income
Trust Limited**

PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL
("API")

Numis Securities Limited

45 Gresham Street
London
EC2V 7BF

Lazard & Co., Limited

50 Stratton Street
London
W1J 8LL

(each an "Addressee" and together the "Addressees")

Date of issue: 01 February 2024

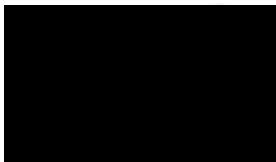
Our Ref: I: 1140121

Dear Sirs

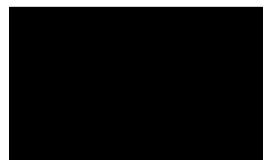
Valuation Report in respect of the properties of Custodian Property Income REIT Plc as at 31 December 2023 for inclusion in a Rule 2.7 Announcement, Scheme Document and Combined Prospectus and Circular ("Valuation Report")

Further to your instructions, we are pleased to provide our Valuation Report in respect of the properties ("Properties") set out in Appendix 1 (List of Properties) below in connection with the Client's all-share offer for the entire issued and to be issued share capital of API (the "Acquisition"). If you have any queries regarding this Valuation Report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank LLP



RICS Registered Valuer
Partner, Valuation & Advisory



RICS Registered Valuer
Associate, Valuation & Advisory



Knight Frank



knightfrank.co.uk

Your partners in property

Knight Frank LLP is a limited liability partnership registered in England and Wales with registered number OC305934. Our registered office is at 55 Baker Street, London W1U 8AN. We use the term 'partner' to refer to a member of Knight Frank LLP, or an employee or consultant. A list of members' names of Knight Frank LLP may be inspected at our registered office.

Regulated by RICS

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Appendices

Appendix 1 List of Properties

1. About this report

Engagement of Knight Frank LLP

1.1 This Valuation Report sets out our valuation, as at 31 December 2023 ("valuation date"), of the Properties ("Valuation"). This Valuation Report has been prepared in accordance with our Terms of Engagement letter dated 15 January 2024 addressed to the Addressees, and our General Terms of Business for Valuation Services (together the "Agreement").

Client

1.2 We have been instructed to prepare this Valuation Report by Custodian Property Income REIT plc.. However as set out above, this Valuation Report has also been addressed to abrdn Property Income Trust Limited, Lazard & Co., Limited and Numis Securities Limited.

Valuation standards

1.3 The Valuation has been undertaken in accordance with and complies with: (a) the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable; (b) Rule 29 of the City Code on Takeovers and Mergers (the "Code") as issued by the UK Panel on Takeovers and Mergers; (c) paragraphs 128-130 of the Financial Conduct Authority ("FCA") Primary Market Technical Note 619.1 (the "FCA Technical Note"); and (d) Rules 5.4.5 and 5.4.6 of the UK Prospectus Regulation Rules published by the FCA and item 2.7 of Annex 4 to the UK Prospectus Regulation Rules.

1.4 The Properties have been valued by a valuer who is qualified for the purposes of the Valuation in accordance with Rule 29 of the Code. For the purposes of this Valuation Report, "UK Prospectus Regulation Rules" shall mean the prospectus regulation rules made by the FCA for the purposes of part 6 of the Financial Services and Markets Act 2000.

Status and experience of valuer

Valuer and expertise

1.5 The valuers, on behalf of Knight Frank LLP, with the responsibility for this Valuation Report are Indi Sidhu MRICS ("Lead Valuer") and Kevin Morris MRICS, RICS Registered Valuers. Parts of the Valuation have been undertaken by additional valuers as listed on our file.

1.6 We confirm that the Lead Valuer and any additional valuers who value the Properties meet the requirements of the Red Book and Rule 29.3(a)(iii) of the Code in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation and prepare this Valuation Report competently and, are appropriately qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code, and are independent of the parties to the offer as required by Rule 29.3(a)(i) of the Code.

- 1.7 We confirm that we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code.

Conflicts of Interest: Declaration and Disclosures

- 1.8 For the purposes of Directive 2011/61/EU and/or any implementing legislation, laws or regulations thereof (including, but not limited to, the Alternative Investment Fund Manager's Regulations 2013) ("AIFMD") we act as the Client's valuation advisers but are not acting as "External Valuer" (as defined therein). Our role is limited to providing property valuation services in accordance with the Red Book under the terms of the Agreement; we shall not perform the valuation function referred to in Article 19 of AIFMD for the Client, and, we are not responsible for making the final determination of the value of the Properties nor for the calculation of the Net Asset Value of the Client.
- 1.9 We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation competently.
- 1.10 We confirm that we have no material interest in the Client and we have acted as an External Valuer for the purpose of valuing the Properties pursuant to the terms of our letter of engagement dated 15 January 2024;
- 1.11 This Valuation Report has been vetted as part of Knight Frank LLP's quality assurance procedures.
- 1.12 We recognise and support the RICS Rules of Conduct and have procedures for identifying conflicts of interest.

Independence

- 1.13 As set out in paragraph 1.8, Knight Frank LLP currently values the Properties, for financial reporting purposes, on behalf of the Client. The total fees for this assignment, earned by Knight Frank LLP (or other companies forming part of the same group of companies within the UK) from the Client (or other companies within the UK) is less than 5.0% of the total UK revenues. It is not anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, by the Client.

Use of this Valuation

Purpose of valuation

- 1.14 The Valuation and this Valuation Report are each provided solely for the purpose of:
- (A) inclusion in an announcement proposed to be made by the Client and API pursuant to Rule 2.7 of the Code in connection Acquisition (the "**Rule 2.7 Announcement**");
 - (B) inclusion in a scheme circular to be published by API in connection with the Acquisition (the "**Scheme Document**");
 - (C) inclusion in a combined prospectus and circular to be published by the Client in connection with the Acquisition and the issue and allotment of new shares in the capital of the Client pursuant to the terms of the Acquisition (the "**Combined Prospectus and Circular**");

- (D) inclusion and/or reference to it in any other announcements, documents and/or supplementary documents required to be released by the Client and/or API pursuant to the Code and which directly relate to the Acquisition (each a “**Code Document**”); and
 - (E) publication on the Client's website and API's website in accordance with the requirements of the Code and the UK Prospectus Regulation Rules,
- (together, the “**Purpose**”).

Reliance

- 1.15 This Valuation Report has been prepared for the Addressees only. Notwithstanding the General Terms, we acknowledge that this Valuation Report will also be used for the Purpose set out above.
- 1.16 Save for: (a) the Addressees; and (b) any responsibility arising under the Code and/or the UK Prospectus Regulation Rules to any person as and to the extent there provided, in accordance with Clauses 3 & 4 of the General Terms and to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with the UK Prospectus Regulation Rules and Rule 29 of the Code.

Disclosure & publication

- 1.17 As stated in the Agreement, this Valuation Report is confidential to the Addressees and must not be disclosed to any person other than for the Purpose without our express written consent. Other than for the Purpose, neither the whole, nor any part of this Valuation Report nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.
- 1.18 Notwithstanding paragraph 1.17 above, this Valuation Report may be disclosed as set out below:

Subject to the terms and conditions (but disregarding for these purposes clauses 4.3 to 4.6 (inclusive) of the General Terms) of the Agreement and our approval of the form and context thereof, we hereby confirm that we will authorise and consent to the disclosure of this Valuation Report:

- i. as may be required by any applicable court of competent jurisdiction or other competent judicial or governmental body or any applicable law or regulation or pursuant to government action, regulatory requirement or request;
- ii. to each Addressee's affiliates and each Addressee's affiliates' respective directors, officers, employees, agents, professional advisers, insurers, auditors and bankers that need to see the Valuation in connection with the Purpose including Custodian Capital Limited in its capacity as the Fund Manager;
- iii. in the case of each of Numis Securities Limited and Lazard & Co., Limited, in seeking to establish a defence or otherwise in connection with any actual or threatened legal or regulatory proceedings or investigation relating to the matters set out in this Letter or claims that may be brought against them arising from their roles as sponsor and/or financial advisers to the Client and/or API;
- iv. in investor presentations and other investor education materials prepared in connection with the Acquisition, and in any private discussions with Investors or other third parties in

- connection with the Acquisition; and
- v. for the Purpose.
- 1.19 It is a condition of such disclosure that each party in receipt of this Valuation Report that is not an Addressee agrees and acknowledges that this Valuation Report cannot be relied upon by them, and we do not accept any responsibility, duty of care or liability to them, whether in contract, tort (including negligence), misrepresentation or otherwise in respect of the Valuation and the information it contains. For the avoidance of doubt, nothing in the preceding sentence shall affect our responsibility, for the purposes of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules, for the information contained in this Valuation Report.
- 1.20 This Valuation Report complies with Rule 29 of the Code and we understand that the publication or reproduction by the Client and/or API of this Valuation Report and/or the information contained herein as required by Rules 26 and 29 of the Code is necessary, including in the Rule 2.7 Announcement, the Scheme Document and any Code Document.
- 1.21 For the purpose of the Code, we accept responsibility for the information within this Valuation Report and have ensured that the information contained in this Valuation Report is, to the best of our knowledge (having taken all reasonable care to ensure that such is the case), in accordance with the facts and contains no omission likely to affect its import.
- 1.22 We confirm that this Valuation Report complies with Rules 5.4.5G and 5.4.6G of the UK Prospectus Regulation Rules and paragraphs 128 to 130 of the FCA Technical Note.
- 1.23 We confirm that the information contained in the Combined Prospectus and Circular or any supplementary prospectus and/or circular (as the case may be) which is extracted from this Valuation Report is accurate, balanced and complete and is not misleading or inconsistent with this Valuation Report as prepared by us and has been properly extracted, derived or computed from this Valuation Report.
- 1.24 The Addressees agree and acknowledge that we shall have no liability for any error, omission or inaccuracy in this Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Addressees unless otherwise stated. Notwithstanding the above, we highlight the restricted nature of this instruction, in accordance with the Red Book; as a result the reliance that can be placed on the Valuation is limited.
- Verification**
- 1.25 We recommend that before any financial transaction is entered into based upon the Valuation, you obtain verification of any third-party information contained within this Valuation Report and the validity of the assumptions we have adopted.
- 1.26 We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this Valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

Limitations on liability

- 1.27 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.
- 1.28 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.29 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.
- 1.30 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

Information to be relied upon

- 1.31 We will rely on the information previously provided to us by you, or by third parties in respect of the 30 September 2023 valuation and will assume it to be correct for the purposes of the Valuation unless you inform us otherwise, subject only to any valuation that we have agreed to undertake.
- 1.32 Where we express an opinion in respect of (or which depends upon) legal issues, any such opinion must be verified by your legal advisors before any Valuation can be relied upon.
- 1.33 We are instructed to rely on floor areas and tenancy information provided by the Client. We have not read lease agreements nor verify accordance between tenancy schedule and lease terms.
- 1.34 Knight Frank LLP cannot be held liable as regards the legal description of the Properties, its use, non-compliance with statutory requirements, technological and natural risks, the areas taken into account, the existence of concealed defects, presence of asbestos, adverse ground condition, presence of soil contamination, presence of insects, noxious animals or plants, rot, or deleterious materials, etc. This Valuation Report comments on the above on the basis of Technical or Environmental reports, if provided.

Inspections

- 1.35 In our ongoing role as External Valuers, we are instructed to carry out an external and internal inspection of the Properties, and the Valuation has been prepared in accordance with our previous inspections of the Properties. Our internal inspections of all the Properties have been undertaken within the last twelve months.

Information Provided

- 1.36 In this Valuation Report we have been provided with information by the Client, its advisors and other third parties. We have relied upon this information as being materially correct in all aspects.

- 1.37 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this Valuation Report.
- 1.38 We have assumed there to be good and marketable titles to the properties. We have made oral enquiries where appropriate and have taken account, insofar as we are aware, of unusual outgoing, planning proposals and onerous restrictions or local authority intentions which affect the properties. However, this information has been provided to us on the basis that it should not be relied upon.
- 1.39 We have been supplied with details of tenure and tenancies and have valued on the basis that there are no undisclosed matters which would affect our valuation.
- 1.40 We have not undertaken any building surveys or environmental audits and are therefore unable to report that the Properties are free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of materials now suspect. No tests were carried out on any of the technical services. However, we have reflected any apparent wants of repair in our opinion of value as appropriate.
- 1.41 We have made oral enquiries where appropriate and have taken account, insofar as we are aware, of unusual outgoing, planning proposals and onerous restrictions or local authority intentions which affect the Properties.
- 1.42 We have assumed, except where we have been informed to the contrary, that there are no adverse ground or soil conditions or environmental contaminations which would affect the present or future use of the Properties and that the load bearing qualities of the site of each property are sufficient to support the buildings constructed or to be constructed thereon.
- 1.43 The Properties have been valued individually, not as part of a portfolio.

2. Valuation

Methodology

2.1 The Valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative method

2.2 In undertaking the Valuation, we have made our assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the subject properties. With the benefit of such transactions we have then applied these to the properties, taking into account size, location, aspect and other material factors.

Investment method

2.3 The Valuation has been carried out using the comparative and investment methods. In undertaking the Valuation, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, terms, covenant and other material factors.

Valuation bases

2.4 The basis of value for the Valuation as required by the Code is Market Value and therefore these valuations have been prepared on a Market Value basis.

Market Value

2.5 Market Value is defined within RICS Valuation – Global Standards as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Portfolios

2.6 In a valuation of a property portfolio, we have valued the individual properties separately and we have assumed that the individual properties have been marketed in an orderly way.

Market Value

Market Value

2.7 We are of the opinion that the aggregate Market Value of the freehold, feuhold, ownership and leasehold properties, as at the valuation date is:

£319,830,000 (Three Hundred and Nineteen Million, Eight Hundred and Thirty Thousand Pounds)

2.8 The tenure of the Properties held by the Client as at 31 December 2023 comprises the following:

	No. of Properties	Market Value
Freehold	64	£275,500,000
Leasehold	14	£44,330,000
Total	78	£319,830,000

Our opinions of value are summarised in the table below:

	Valuation 31 December 2023 £'000	Weighting by value 31 December 2023 %
Industrial	£162,500	50.81%
RW	£82,375	25.76%
Other	£30,940	9.67%
Office	£30,875	9.65%
High Street	£13,140	4.11%
Total	£319,830	100%

Location	Valuation 31 December 2023 £'000	Weighting by value 31 December 2023 %
West Midlands	£54,065	16.90%
North West	£62,125	19.42%
South East	£31,200	9.76%
East Midlands	£54,825	17.14%
South West	£46,265	14.47%
North East	£23,425	7.32%
Scotland	£41,100	12.85%
Eastern	£3,575	1.12%
Wales	£3,250	1.02%
Total	£319,830	100%

Source: Knight Frank

- 2.9 For the purposes of Rule 29.5 of the Code, we confirm that in our opinion the current valuation of the Properties as at the date of this Valuation Report would not be materially different from the valuation of the Properties as at the valuation date.
- 2.10 However we bring to your attention the potential material change in the portfolio in so far as Osprey House, Pegasus Business Park, Castle Donnington DE74 2UZ is currently under offer and is likely to be sold early in calendar year 2024. This property is therefore included within this Valuation Report but could soon be removed from the portfolio.
- 2.11 We are not aware, as a result of our role as an External Valuer of the Properties of any matter which would materially affect the Market Value of the Properties which is not disclosed in this Valuation Report (subject to the assumptions set out in this Valuation Report) and we are not aware of any matter in relation to this Valuation Report that we believe should be and has not yet been brought to the attention of the Addressees.
- 2.12 For the purposes of paragraph 130(vi) of the FCA Technical Note, we are required to explain any differences between the valuation figure in this Valuation Report and the equivalent figure reported in the Client's latest published annual or consolidated accounts. The Company's properties were valued as at 31 March 2023 for the annual report valuation of the Company. The difference between the 31 March 2023 valuation and this Valuation is attributed to changes in the market value of the Properties and the acquisition and disposal of assets between that date and the date of this report.

Responsibility

- 2.13 For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure this is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purposes of Rule 29 of the Code.
- 2.14 We accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules) for the information contained in this Valuation Report and to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and the Valuation Report makes no omission likely to affect its import.

Consent

- 2.15 Knight Frank LLP has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.7 Announcement, the Scheme Document and in the Combined Prospectus and Circular that is to be reviewed and approved by the FCA, and to the publication and reproduction of this Valuation Report in accordance with the Purpose.

We consent to the inclusion of the Valuation and this Valuation Report and any extracts or references thereto in the Combined Prospectus and Circular or any supplementary prospectus and/or circular (as the case may be) and the reference to our name in the form and context in which they are included in

the Combined Prospectus and Circular or any supplementary prospectus and/or circular (as the case may be) (subject to us first approving the form and context in which our Valuation Report will appear).

Appendix 1 List of Properties

Tenure	Property Address	Property reference	Date of Inspection
Feuhold	Menzies – Aberdeen, 6 Abbotswell Road West Tullos Ind Estate, Aberdeen, AB12 3AB	R00-173	15/02/2023
Freehold	Unit 2, Snipe Retail Park, Ash, Ashton-under-Lyne	R00-150	02/02/2023
Freehold	Southam Road, Banbury, OX16 2R	R00-115	14/03/2023
Freehold	Part of Plot S, Stratton Bus Park, Biggleswade	R00-051	25/04/2023
Long Lease	Unit 10, Albert Reach, Bristol, Bristol	R00-091	12/04/2023
Freehold	Unit 1, Centrum 100, Burton, D, Burton	R00-137	01/02/2023
Freehold	Unit A, Wellington Road Retail Park, Burton	R00-155	17/11/2023
Freehold	55 Westburn Drive, Cambuslang	R00-087	28/02/2023
Freehold	90 Queen Street, Cardiff	R00-154	21/07/2023
Freehold	Unit 1 St Nicholas Gate Retail, Carlisle	R00-159	14/02/2023
Long Lease	Osprey House, Pegasus Business Park, Castle Donnington, DE74 2UZ	R00-120	21/02/2023
Freehold	Unit 1, Willowbridge Way, Wakefield, Castleford	R00-049	02/02/2023

Tenure	Property Address	Property reference	Date of Inspection
Long Lease	Wienerberger House, Royal Bus, Cheadle	R00-121	28/02/2023
Long Lease	Container Components, Holmewood Industrial Park, Chesterfield	R00-206	23/11/2022
Freehold	Orchard Business Park, Coventry	R00-032	10/01/2023
Freehold	Homebase, Holt Road, Cromer	R00-198	23/11/2022
Freehold	Unit 7, Badby Park, Daventry	R00-136	28/07/2023
Freehold	DFS Droitwich, Roman Way Retail Park, Droitwich, WR9 9AY	R00-204	19/01/2023
Freehold	47B George St, Edinburgh, EH2	R00-007	16/11/2022
Freehold	Opus Aspect, Chester Road, Erdington	R00-047	09/02/2023
Long Lease	2 Campsie Drive, Glasgow Airport, Glasgow	R00-100	01/11/2022
Freehold	Unit 1 & 2, Eastern Avenue, Gloucester	R00-142	13/02/2023
Ownership	Thornbridge Distribution Centre, Grangemouth	R00-200	14/02/2023
Freehold	GF Yellow Wing GW House Grove Park, Leicester, LE19 1SY	R00-035	28/01/2023
Freehold	Market Street, Guildford, GU1 4LB	R00-109	09/02/2023
Freehold	1 Livingstone Boulevard, Hamilton, G72 0BP	R00-052	01/02/2023
Long Lease	Harrison Court Hilton Industrial Est, Hilton, DE65 5UR	R00-182	25/04/2023

Tenure	Property Address	Property reference	Date of Inspection
Freehold	Telford Way, Kettering, NN16 8UN	R00-093	19/01/2023
Freehold	Penrhyn Court, Knowsley	R00-184	19/01/2023
Freehold	The Old Knutsford Library, Brook Street, Knutsford, WA16 8BN	R00-004	21/02/2023
Freehold	Units A and B, National Court, Leeds, LS10 1PS	R00-084	17/11/2023
Freehold	489 Aylestone Road, Leicester	R00-061	07/06/2023
Freehold	Stephenson Road, Lincoln, LN6 3QU	R00-101	07/06/2023
Freehold	Total Fitness, Whisby Road, Lincoln, LN6 3TA	R00-163	09/02/2023
Freehold	East Avenue, Linwood	R00-175	19/01/2023
Long Lease	Units 1 – 4, The Beat, Liverpool	R00-138	19/01/2023
Freehold	2 Todd Square, Houstoun Estate Livingston	R00-153	02/12/2022
Freehold	VW Loughborough	R00-172	02/02/2023
Long Lease	Unit 4, The Furrows, The Furrows Merlin Park Trafford Park Manchester, M32 0SZ	R00-041	18/01/2023
Freehold	60 Fountain Street, Manchester, M2 2FE	R00-186	28/04/2023
Freehold	DFS Measham, Tamworth Road, Measham, DE12 7DU	R00-205	09/02/2023

Tenure	Property Address	Property reference	Date of Inspection
Feuhold	5 Brittain Way, Motherwell	R00-207	19/01/2023
Feuhold	Menzies, 1 Claylands Road, Newbridge – Edinburgh	R00-174	21/02/2023
Freehold	Unit D1, Loscoe Close, Normanton, WF6 1TW	R00-094	05/09/2023
Freehold	Starbucks, The Portal Queens Drive, Nottingham, NG2 1AL	R00-181	16/01/2023
Freehold	1 Dunsil Road, Moorgreen Industrial Park Newthorpe, Nottingham, NG16 3TN	R00-199	17/11/2023
Freehold	Springfield Road Retail Park, Hucknall Lane, Bulwell, Nottingham	R00-202	23/11/2022
Freehold	DX Parcel Depot, Harrington Way, Nuneaton	R00-053	10/02/2023
Freehold	Willow Court Minns Business Park, Oxford	R00-183	25/10/2023
Freehold	Unit A, Coypool Road, Plymouth	R00-145	24/10/2022
Freehold	AGO, Harbour Road, Portishead, Bristol, BS20 7AJ	R00-039	24/10/2022
Freehold	Phase II, Mustad Way Portishead	R00-079	25/10/2022
Freehold	226-238 Commercial Road, Portsmouth	R00-110	17/11/2022
Freehold	Alto House, Ravensbank Drive, Redditch	R00-072	25/10/2022
Freehold	Parkwood Health & Fitness, Salisbury	R00-151	02/02/2023
Freehold	Synergy Health, Sheffield Parkway, Sheffield, S9 4WU	R00-020	02/02/2023

Tenure	Property Address	Property reference	Date of Inspection
Freehold	Parkway 1 Business Centre, Sheffield	R00-126	02/02/2023
Freehold	Foundry House, Sheffield	R00-168	10/11/2022
Freehold	28 & 29A Pride Hill, Shrewsbury	R00-062	02/12/2022
Long Lease	Audi Shrewsbury	R00-166	02/12/2022
Long Lease	TJ Vickers Shrewsbury	R00-164	31/01/2023
Freehold	Westbury House, 701-705 Warwick Rd, Solihull	R00-082	31/01/2023
Long Lease	19-23 Palmerston Road, South Sea, Portsmouth	R00-065	25/10/2022
Freehold	Unit E, DHL, Estuary Commerce Park, Speke, L24 8RF	R00-054	19/01/2023
Freehold	County Road Retail Park, Swindon	R00-123	11/10/2022
Freehold	302 Relay Park, Tamworth	R00-118	23/11/2022
Freehold	Sainsbury's, Anthony Road, Torpoint, PL11 2JW	R00-078	25/10/2023
Long Lease	Unit 1 & 5, Abbey Sands, Torquay, TQ2 5FB	R00-103	25/10/2022
Freehold	Unit 1, Leacroft Road, Warrington, WA3 6PJ	R00-112	10/02/2023
Freehold	1 Chesford Grange, Warrington, WA1 4RQ	R00-070	10/02/2023

Tenure	Property Address	Property reference	Date of Inspection
Long Lease	The Dome Roundabout, NW Avenue, Watford	R00-027	01/02/2023
Freehold	Hawthorns Business Park, Halford Lane, West Bromwich, B66 1BB	R00-124	17/11/2022
Freehold	26 Kings Hill Avenue, Kings Hill, West Malling, ME19 4AE	R00-113	28/01/2023
Freehold	Unit 1 Jubilee Close Retail Park, Weymouth	R00-171	11/10/2023
Freehold	127-128 High Street, Winchester, SO23 9AX	R00-201	23/11/2023
Freehold	Unit One, Road One, Winsford, CW7 2RL	R00-122	24/01/2023
Freehold	Menzies Distribution Centre, George Cayley, Clifton, York	R00-187	21/02/2023
Freehold	Units 1&2, Clifton Moor Retail Park, York	R00-203	21/02/2023

SECTION B – CREI SAVILLS VALUATION REPORT

Project Utah

Report and Valuation

1 February 2024

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1. Valuation Report

- 1.1. Addressees**
- Custodian Property Income REIT plc (“Custodian REIT”)
1 New Walk Place
Leicester
LE1 6RU
- Numis Securities Limited (“Deutsche Numis”)
45 Gresham Street
London
EC2V 7BF
- abrdn Property Income Trust Limited (“API”)
PO Box 255
Trafalgar Court, Les Banques
St Peter Port
Guernsey
- Lazard & Co Limited (“Lazard”)
50 Stratton Street
London
W1J 8LL
- ██████████
- 1.2. Project Name**
- Project Utah
- 1.3. Instructions and Purpose of Valuation**
- In accordance with our instructions received from Custodian Property Income REIT plc (“Custodian REIT”) and our terms of engagement dated 15 January 2024 with Custodian REIT, we have undertaken valuations (the “Valuations”) of the freehold and leasehold interests in the properties described in Schedule 2 (the “Properties” and each being a “Property”) (together, the “Portfolio”) in connection with a recommended all-share offer by Custodian REIT for API (the “Transaction”). Custodian REIT has expressly instructed us not to disclose certain information which is considered commercially sensitive, namely the individual values of the properties.
- This report (the “Report”) has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, together the “Red Book”. The Report has been prepared in accordance with and complies with: (a) the requirements of Rule 29 of the City Code on Takeovers and Mergers (the “Code”); (b) Rules 5.4.5G and 5.4.6G of the prospectus regulation rules made by the Financial Conduct Authority (“FCA”) for the purposes of Part 6 of the Financial Services and Markets Act 2000 (the “Prospectus Regulation Rules”); and (c) paragraphs 128-130 of the FCA Primary Market Technical Note 619.1 (the “FCA Technical Note”). We understand that this Report is required for: (i) inclusion in an announcement proposed to be made by Custodian REIT and API pursuant to Rule 2.7 of the Code in connection the “Transaction (the “Announcement”);(ii) inclusion in a scheme circular to be published by API in connection with the Transaction (the “Scheme Document”); (iii) inclusion in a combined prospectus and circular to be published by Custodian REIT in connection with the Transaction and the issue and allotment of new shares in the capital of Custodian REIT pursuant to the terms of the Transaction (the “Combined Prospectus and Circular”); (iv).inclusion and/or reference to it in any other announcements, documents and/or supplementary documents

required to be released by Custodian REIT and/or API pursuant to the Code and which directly relate to the Transaction (each a "Code Document"); and (v) publication on Custodian REIT's website and API's website in accordance with the requirements of the Code and the Prospectus Regulation Rules

1.4. Terms of Reference

The Portfolio comprises 80 Properties, fifteen of which are held on a leasehold basis, whilst the remainder are held on a freehold / heritable basis. The Properties are all held for investment purposes and are located throughout the UK. The properties have been inspected within the last 12 months. All the Properties are identified on the attached schedule at **Section 2** of this Report.

Custodian REIT has provided us with floor areas for the Properties, which we understand were calculated in accordance with the current RICS Property Measurement and upon which we have relied. We have not remeasured the office properties in the portfolio in accordance with International Property Measurement Standard (IPMS) 3 – Offices and therefore our Valuations are based on Net Internal Areas as defined in the RICS Property Measurement. We have been provided with legal documents for the Properties and tenancy schedules provided by Custodian REIT. In addition to this, we have received updates from Custodian REIT specialist advisors. We confirm that we have considered sustainability features relevant to the Properties and the implications these could have on our Valuations.

1.5. Conflicts of Interest

In accordance with the RICS professional statement on Conflicts of Interest (1st Edition, March 2017), we are not aware of any conflict of interest preventing us from providing you with an independent valuation of the properties in accordance with the RICS Red Book. We confirm that we undertake valuations of the Properties on behalf of Custodian REIT for accounts purposes on a quarterly basis, the last of which was as at 30 September 2023. We confirm we are acting as an "external valuer" as defined in the RICS Red Book.

1.6. Date of Valuation and Changes to Value since the Valuation Date

Our opinions of value are as at 31 December 2023 (the "Valuation Date"). The importance of the Valuation Date must be stressed as property values can change over a relatively short period. We note the following between the Valuation Date and the date of this Report:

- 1 Pride Place, Pride Park, Derby sold on 5 January 2024.
- Milton Keynes – Massmould, Bradbourne Drive, Milton Keynes sold on 19 January 2024.

These properties have been included in this Report. However, we note that both properties have now been removed from the portfolio.

For the purposes of Rule 29.5 of the Code, and with the exception of the sale of the two above properties, we confirm that there is no material difference between the values of the remaining properties stated in this Report and the values that would be stated were the Valuation Date the date of this Report. Nor do we believe that market conditions have changed sufficiently to materially alter the Valuations reported as at the Valuation Date. As a result, we confirm for the purpose of Rule 29.5 of the Code and paragraph 130(iv) of the FCA Technical Note that an updated valuation as at the date of this Report would not be materially different from the Valuations as at the Valuation Date.

1.7. Valuer Details

These Valuations have been prepared by a number of valuers under the supervision of Tom Priest MRICS and James Daffern MRICS (the "Lead Valuers"), both of whom are RICS Registered Valuers. We confirm that the Lead Valuers are appropriately qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code, meet the requirements of the Red Book and Rule 29.3(a)(iii) of the Code in having sufficient current knowledge of the relevant markets and the necessary skills and understanding to undertake the Valuations competently in accordance with Rule 29 of the Code and Rules 5.4.5G and 5.4.6G of the Prospectus Regulation Rules. We confirm that the Lead Valuers are independent of the parties to the Transaction as required by Rule 29.3(a)(i) of the Code, and confirm that we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code.

We are required by RICS regulations to disclose the following:

- Tom Priest MRICS and James Daffern MRICS commenced supervision of the Valuation of this Portfolio in June 2021, when Savills (UK) Limited was instructed to provide quarterly valuations;
- In the financial year ending 31 December 2023, the total fees earned from the Addressees, and connected parties, was less than 5% of Savills (UK) Limited's turnover.

1.8. Basis of Valuation

Our Valuations have been prepared on the basis of Market Value, the definition of which is as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Our Valuations have been arrived at predominantly by reference to market evidence for comparable property. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property, nor have we allowed for any adjustment to any of the properties' income streams to take into account any tax liabilities that may arise. Our Valuations are exclusive of VAT (if applicable). We have excluded from our Valuations any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers.

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant EEC legislation, insofar that the latter is applicable.

We have made no variation from standard assumptions.

1.9. Market Conditions

The UK economy continues to maintain a watch over inflationary pressures amid sluggish economic growth. In the first half of 2023, the UK witnessed a modest expansion, leading the IMF to upgrade their forecasts and dismiss the possibility of a recession in 2023, however, to combat inflation, the Bank of England consistently raised interest rates from late 2021, reaching a high of 5.25% in August 2023. Concerns remain as to whether the economy will fall into recession in 2024, and despite the economy growing by 0.3% in November 2023, if overall the economy shrinks between October and December 2023, it will be deemed to be in recession.

Whilst further increases cannot be ruled out, the prospect of further interest rate hikes in the short term appear to have subsided as inflation has gradually reduced over the course of the year, with UK inflation rate for November 2023 being its lowest level in 2 years, at 3.9%, albeit this remains above the Government and Bank of England target. As a result of these increases, borrowing costs have increased, surpassing prime real estate yields although the financial markets have begun to price in an anticipated reduction in interest rates, which is considered to indicate a turning point in the market.

The commercial real estate market felt the impact of these developments and experienced a sharp correction in prices. Many sales were withdrawn as vendors' price expectations were not met, while buyers have adopted an opportunistic pricing approach. Real estate lenders continue to exercise caution when it comes to financing new lending opportunities, except for the most exceptional assets and sponsors. In the meantime, in several commercial real estate sectors there is a positive occupational market which has offered encouragement to investors in seeking out properties with good underlying fundamentals and where there is the opportunity to deliver attractive returns in the medium to longer term.

Consequently, transactional volumes and liquidity significantly declined over 2022 and 2023, leading to a scarcity of comparable evidence to inform the valuation process. Market sentiment has gained increased importance in making informed assessments, given the limited availability of data. Notably, a divided market is emerging, differentiating "best in class" properties from those facing challenges due to locational factors and the overall quality of the real estate. Stakeholders in the market, including occupiers, investors, and lenders, are attaching heightened significance to environmental, social, and governance (ESG) considerations and the associated costs, in their decision making.

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance are expected to further impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets where more significant declines can be anticipated as real estate markets and values continue to recalibrate to elevated levels in the of cost of capital, subdued transaction volumes and a cautious lending environment. We anticipate improved market sentiment during H1 2024, albeit the planned General Election curtails the prospects for a sustained return to growth this year.

It is therefore important to recognise that our valuation has been prepared against the backdrop outlined above. Moreover, investor behaviour can change quickly during such periods of heightened volatility. As such, the conclusions set out in this report are only valid at the valuation date and we would recommend that the value of the property is kept under regular review. For the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards.

1.10. Market Value

We are of the opinion that the aggregate Market Value of the Properties in the Portfolio, as at 31 December 2023, is:

TOTAL	£281,940,000
--------------	---------------------

(TWO HUNDRED AND EIGHTY ONE MILLION NINE HUNDRED AND FORTY THOUSAND POUNDS)

The total valuation figure reported is the aggregate total of the individual Properties and not necessarily a figure that could be achieved if the Portfolio was sold as a single holding. Our Valuations include standard purchaser's costs but do not include costs of realisation.

For the purposes of paragraph 130(vi) of the FCA Technical Note, we are required to comment on any differences between the valuation figure in this Report and the valuation figures reported in Custodian REIT's latest published annual or consolidated accounts.

For the purposes of paragraph 130(vi) of the FCA Technical Note, we are required to comment on any differences between the valuation figure in this Report and the valuation figures reported in Custodian REIT's latest published annual or consolidated accounts. The Company's properties were valued as at 31 March 2023 for the annual report valuation of the Company. The difference between the 31 March 2023 valuation and this Valuation is attributed to changes in the market value of the Properties and the disposal of assets between that date and the date of this Report.

The Market Value of the Properties split by property type (based on Custodian REIT categorisations) is as follows:

	Valuation 31 December 2023 (£m)	Valuation 31 December 2023 (%)
Retail	£25,540,000	9.06%
Retail Warehouse	£43,775,000	15.53%
Offices	£34,925,000	12.39%
Industrial	£143,325,000	50.84%
Other	£34,375,000	12.19%
Total	£281,940,000	100%

The Market Value of the Properties split by region (based on Custodian REIT categorisations) is as follows:

	Valuation 31 December 2023 (£m)	Valuation 31 December 2023 (%)
East Anglia	£16,130,000	5.72%
East Midlands	£35,900,000	12.73%
North East	£31,950,000	11.33%
North West	£41,640,000	14.77%
Scotland	£35,470,000	12.58%
South East	£47,750,000	16.94%
South West	£16,850,000	5.98%
Wales	£1,850,000	0.66%

West Midlands	£54,400,000	19.29%
Total	£281,940,000	100%

The tenure of the Properties held by Custodian REIT as at the Valuation Date comprises the following:

	No. of Properties	Market Value
Freehold	65	£243,565,000
Leasehold	15	£38,375,000
Total	80	281,940,000

1.11. Confidentiality

In accordance with the recommendations of the RICS, this Report is provided solely for the purpose stated in this Report. It is confidential to and for the use only of the parties to whom it is addressed, and no responsibility is accepted to any third party for the whole nor any part of its contents. Any such parties rely upon this Report at their own risk. Save as referred to in this Report neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

Notwithstanding the above, we understand that the Report is for inclusion in the Announcement, Scheme Document and the Combined Prospectus and Circular and any further documents or announcements to be published by Custodian REIT and/or API in accordance with the Transaction. We consent to the publication and reproduction of the Report as required (including in the Announcement, the Scheme Document and the Combined Prospectus and Circular) subject to the provisions of our Terms of Engagement.

1.12. Portfolio Valuation General Assumptions and Conditions

All valuation advice has been carried out on the basis of the *General Assumptions and Conditions* set out in Section 3.

1.13. Reliance

This Report is addressed to and capable of being relied upon by:

- Custodian REIT
- Deutsche Numis
- API
- Lazard

(together, the **Addressees**) provided that, in relying on this Report, each of the Addressees acknowledges and agrees that our liability under or in connection with this report to any one, or more, or all of the Addressees and any other party who becomes entitled to rely on the report is limited to £20,000,000 (Twenty Million Pounds) in the aggregate (the "Aggregate Limit"). Further and without prejudice to the above, our maximum liability with respect to any single property contained in this report shall be limited to an amount equal to 20% (twenty percent) of the reported Value of that property (the "Per Property Limit"). For the avoidance of doubt, the Per Property Limit is not in addition to the Aggregate Limit, rather, where claims relate to multiple

properties, the Per Property Limit for each Property will apply until the Aggregate Limit is reached, above which we will have no further liability.

Notwithstanding the above, we acknowledge that this Report will also be for the use of the shareholders of Custodian REIT and API for the specific Purpose set out in this Valuation.

This Report is subject to the terms and conditions set out in our Terms of Engagement dated 15 January 2024.

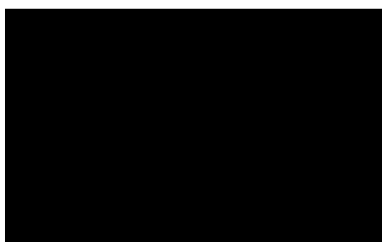
1.14. Responsibility


For the purposes of the Code, we are responsible for this Report and accept responsibility for the information contained in this Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purpose of Rule 29 of the Code. We understand that the publication or reproduction by Custodian REIT and/or API of this Report and/or the information contained herein as required by Rules 26 and 29 of the Code is necessary, including in the Announcement, the Scheme Document and any other announcements, documents and/or supplementary documents required to be released by Custodian REIT and/or API pursuant to the Code and which directly relate to the Transaction.

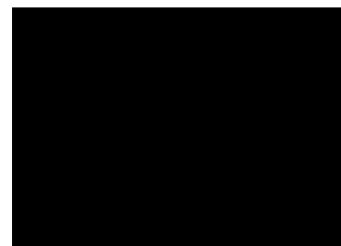
We accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules) for the information contained in this Report and to the best of our knowledge, the information contained in this Report is in accordance with the facts and this Report makes no omission likely to affect its import.


We confirm that we are not aware, as a result of our role as an External Valuer of the Properties of any matter which would affect the Market Value of the properties which is not disclosed in this Report (subject to any assumptions set out in this Report) in order to make this Report materially accurate and not misleading and we are not aware of any matter in relation to this Report that we believe should be and has not yet been brought to the attention of the Addressees of this Report.

1.15. Signatories




RICS Registered Valuer
Director




RICS Registered Valuer
Director

For and on behalf of Savills Advisory Services Limited, a subsidiary of Savills Plc

Regulated by RICS
Registered in England No. 06215875
Registered Office: 33 Margaret Street, London, W1G 0JD

1.16. Date of Report

1 February 2024

2. Schedule of Properties

Report and Valuation

Project Utah



Known as	Description	Tenure	Date of inspection
Pride Park	1 Pride Place, Pride Park, Derby, DE24 8QR	Freehold	24/05/2023
Bardon	Units E/F, Bardon, Coalville, LE67 1FL	Freehold	01/06/2023
Avonmouth	Unit M3, RD Park, BS11 0QL - Ref:1100-CU197	Freehold	24/05/2023
Sheffield	Unit 2 Sheffield, 3 Europa Drive, S9 1XT	Long Leasehold	04/08/2023
Triangle Retail Park	Triangle Retail Park (HUT 341), Lubbesthorpe	Long Leasehold	09/06/2023
Crewe	Counterpoint, Crewe, CW1 6EH	Freehold	10/02/2023
Oldbury	Brades Road, Oldbury	Freehold	04/06/2023
Ermine Business Park	Lancaster Way, Ermine Business Park, PE29 6XU	Freehold	16/10/2023
Jewellery Quarter	37/38 Frederick St, Jewellery Quarter, B1 3HH	Long Leasehold	04/06/2023
Portsmouth	109 Commercial Road, Portsmouth, PO	Freehold	20/10/2023
Redhill	105-107 Brighton Road, Redhill, RH1 6PS	Freehold	13/05/2023
Glasgow	98 Argyle Street, Glasgow, G2 9BQ	Freehold	31/05/2023
Bath	GF Bath, Bluecoat House, Bath, BA1 1EY	Long Leasehold	02/08/2023
Speke - PSL	PSL, Unit C Estuary Commerce Park, L24 8RF	Long Leasehold	26/05/2023
Castleford - MKM	Castleford - MKM	Freehold	01/06/2023
Colchester	2 Long Wyre Street, Colchester	Freehold	27/06/2023
Southampton	54 Above Bar Street, Southampton	Long Leasehold	07/02/2023
High Wycombe	46/50a High Street, Frogmoor, High Wycombe	Freehold	24/10/2023
Milton Keynes	Staples Unit, Milton Keynes, MK9 1AN	Freehold	28/02/2023
Doncaster	3 Carriage Way, White Rose Way, DN4 5NT	Freehold	01/06/2023
Gillingham	Beechings Way, Gillingham, ME8 6PS	Long Leasehold	22/06/2023
Leeds - Cardinal House	9 Manor Road, Leeds, LS11 9AH	Freehold	01/06/2023
Leeds - David Street	40 David Street, Leeds, LS11 5QJ	Freehold	01/06/2023
Milton Keynes - Massmould	Bradbourne Drive, Milton Keynes, MK7 8AT	Freehold	28/02/2023
Salford - Zeus	Zeus Building, Unit 4, Salford, M27 8UJ	Freehold	10/02/2023
Grantham	Discovery Retail Park, London Road	Freehold	19/05/2023
Plymouth	Unit 2, Langage Science Park, PL7 5BQ	Freehold	30/07/2023
Glasgow - West George St	250 West George St, Lower Ground Floor	Freehold	31/05/2023
Normanton	Unit B, Centre 31, Foxbridge Way, WF6 1TN	Freehold	01/06/2023
Ashby	Unit 16, Ashby Park, LE65 1JF	Freehold	09/06/2023
Warwick - Tournament Fields	Warwick - Tournament Fields	Freehold	01/06/2023
Chester - Eastgate	6 Eastgate Row South, CH1 1LF	Freehold	11/11/2023
Farnborough	21/21A Invincible Road, Farnborough, GU14 7QU	Long Leasehold	01/11/2023
St Albans	37 Market Place, St Albans, AL3 5DL	Freehold	29/03/2023
Taunton	61 East Street, Taunton, TA1 3LX	Freehold	28/09/2023
Cannock	Kingswood Lakeside, Cannock, WS11 8LD	Freehold	04/06/2023

Report and Valuation

Project Utah



Birmingham - Lancaster House	Lancaster House, Birmingham	Freehold	05/07/2023
Stevenage	Cromer House, Caxton Way, Stevenage, SG1 2DF	Freehold	29/03/2023
Crewe - Phoenix Leisure Park	Phoenix Leisure Park, Crewe, CW1 3AJ	Freehold	29/05/2023
Colchester	High Street/Trinity Square, Colchester	Freehold	27/06/2023
Redditch - Ravensbank Business Park	Ravens Eight, Redditch, B98 9EX	Freehold	01/06/2023
Winnersh	Unit 2, Gazelle Close, Reading, RG41 5HH	Freehold	01/04/2023
Perth	Unit 1, St Catherines Leisure Park, PH1 5XA	Freehold	25/05/2023
Chester	4 Eastgate Row	Freehold	11/11/2023
Warrington - Life Tech	Unit 4 Kingsland Grange, Warrington, WA1 4KW	Freehold	05/06/2023
Irlam, Manchester	Irlam Wharf Road, Irlam, M44 5PN	Freehold	26/05/2023
Atherstone	Units 18-39 Holly Lane Ind Est CV9 2QX	Long Leasehold	09/06/2023
Kettering - Venture Business Park	Unit 2200, Kettering Venture Park, NN15 6XR	Freehold	09/06/2023
Leighton Buzzard	Vimy Road, LU7 1ER	Freehold	16/10/2023
Bedford - Telford Way	Window Ware Unit, Telford Way, MK42 0PQ	Freehold	03/06/2023
Stoke	George Eastham Avenue, Stoke	Freehold	03/05/2023
Shrewsbury	Pride Hill, Shrewsbury, SY1 1DN	Freehold	29/06/2023
Chester Ernest/Lakeland	10 Eastgate Street	Freehold	11/11/2023
York	Units 5 & 6 Centurion Park, YO30 4WW	Freehold	28/03/2023
Langley Mill	Warburtons Unit, Access 26, Langley Mill	Freehold	24/05/2023
Eurocentral	Plot L, Woodrow, Eurocentral, ML1 4YG	Freehold	31/05/2023
Sheldon	Unit A, Wells Green Retail Park, B26 3JA	Freehold	09/06/2023
Plymouth - Transit Way	Unit A, Transit Way, Plymouth	Freehold	30/07/2023
Maypole	Druids Lane, Maypole	Freehold	01/06/2023
Worcester	55&56 High St&4/5 St Swithin's St -0257-CU264	Freehold	18/11/2023
Leicester - Matalan	Beaumont Way, Beaumont Leys, Leicester	Long Leasehold	09/06/2023
Team Valley	401 Princesway, Team Valley Trading Estate	Long Leasehold	11/05/2023
Bellshill	4 Rosehall Road, Bellshill Industrial Estate	Freehold	31/05/2023
Hilton - Derby	1 Lowman Way, Hilton, Derby, DE65 5LJ	Freehold	03/06/2023
Stratford	Ground Floor, The Grove, Stratford, E15 1EL	Long Leasehold	18/11/2023
Evesham	Unit 1, Evesham Shopping Centre, Worcester Rd	Freehold	02/06/2023
Ipswich - Menzies	Bluestem Road, Ransomes Europark, IP3 9RR	Freehold	22/02/2023
Norwich - Menzies	Memorial Way, Broadlands Business Park	Freehold	22/02/2023
Swansea - Menzies	Mill Stream Way, Central Business Park	Long Leasehold	04/07/2023
Weybridge - Menzies	Units 1-3 Campbell Centre, Avro Way	Freehold	30/09/2023
Dundee - Menzies	Lockheed Close, Preston Farm Industrial Estate	Freehold	25/05/2023
Mayflower House	Mayflower House, Team Valley Trading Estate, Gateshead	Long Leasehold	11/05/2023
Duloch Park	Duloch Park, Dumfermline, KY11 4QX	Freehold	25/05/2023

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Monteith House	Monteith House, 11 George Square, Glasgow	Freehold	25/05/2023
Lakeside 5500	Lakeside 5500, Cheadle	Long Leasehold	26/05/2023
Arthur House, Manchester	Arthur House, Chorlton Street, Manchester	Freehold	26/05/2023
Gloucester	108 Eastern Avenue Retail Park, Gloucester	Freehold	02/06/2023
Lochside House	Lochside House, Edinburgh	Freehold	01/06/2023
Burnside Industrial Centre	Burnside Industrial Centre, Aberdeen	Freehold	25/05/2023
Kew Retail Park	Kew Retail Park, Southport	Freehold	05/07/2023

3. Portfolio Valuation General Assumptions and Conditions

General Assumptions

Our reports and valuations are carried out on the basis of the following General Assumptions:

Tenure and Tenancies

That the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the Freehold Title. We will not inspect the Title Deeds or Land Registry Certificate and shall rely upon information provided by you or your solicitor relating to both tenure and tenancy data. Should there be any mortgages or charges, we have assumed that the Properties would be sold free of them.

Condition and Repair

That the buildings are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair. Our inspection of the properties and this report do not constitute a building survey. Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our Valuation materially.

That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We will not carry out any investigations into these matters.

That the properties are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice.

That the buildings have been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful.

That the properties are connected or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage. Sewers, mains services and roads giving access to the Properties have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.

Environmental Risks

That the properties have not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.

That there are no adverse site or soil conditions, that the properties are not adversely affected by the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.

That the properties are free from environmental hazards, including infestation from invasive plants such as Japanese Knotweed. This assumption is made in recognition of the fact that identifying Japanese knotweed is problematic and cannot be guaranteed. This is partly because during the early stages of its annual life cycle some of the classic visual characteristics are not distinctive and during the winter months the plant sheds its leaves and suffers die back. It is also possible that Japanese knotweed has

received a herbicide-based treatment which has removed all visible above ground signs but may not have killed the below ground rhizome (root) which, in turn, may lead to new growth and the spread of the plant in time.

Floor Areas

That any floor areas provided by a third party and assigned to Savills (UK) Limited, have been measured in accordance with the current RICS Property Measurement. This is the basis on which we will carry out measured surveys as instructed.

Development Opportunity

In situations where a property is in the course of development, we reflect its physical condition and the costs remaining to be spent at the valuation date. We have considered the cost estimates provided by the professional advisors involved in the project.

In the case of properties where we have been asked to value the site under the special assumption that the properties will be developed, there are no adverse site or soil conditions, that the properties are not adversely affected by the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

General Conditions

Our reports and valuations are carried out on the basis of the following General Conditions:

1. We have not made any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the properties. No allowance has been made for any expenses of realisation.
2. Our valuations are exclusive of VAT (if applicable).
3. Excluded from our valuations is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
4. Our valuations are prepared in accordance with the latest edition of the RICS Valuation – Professional Standards (“the Red Book”) on the basis of Market Value, unless instructed otherwise. Any such deviation is expressly stated in our terms of engagement.
5. Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Market Values.
6. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EEU legislation, insofar that the latter is applicable.
7. That we have been supplied with all information likely to have an effect on the value of the properties and that the information supplied to us and summarised in this report is both complete and correct.
8. Our valuations are based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability. It is often provided in verbal form. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.
9. The files which we hold relating to all of our property valuations may be subject to monitor and audit by the RICS under its conduct and disciplinary regulations.

Tom Priest MRICS

Director

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Director

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PART VIII
API VALUATION REPORT

abrnd Property Income Trust Limited ("API")

PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Lazard & Co., Limited

50 Stratton Street
London
W1J 8LL

Custodian Property Income REIT plc ("Custodian")

1 New Walk Place
Leicester
Leicestershire
LE1 6RU

Numis Securities Limited

45 Gresham Street
London
EC2V 7BF

(each an "Addressee" and together the "Addressees")

Date of issue: 01 February 2024

Dear Sir/Madam,

**abrnd Property Income Trust Limited
Valuation as at 31 December 2023**

Under the terms of the Engagement Letter dated 16 January 2024 ("Engagement Letter") we have valued the freehold and leasehold properties as listed below ("Properties"), as at 31 December 2023, for the purposes set out below.

The Valuation and this Valuation Report are each provided solely for the purpose (the "Purpose") of:

- a) inclusion in any announcement (including an announcement made under Rule 2.7 of the City Code on Takeovers and Mergers (the "Code")), scheme document, offer document, response circular or any other document or supplementary circular (the "Code Documentation", and "Code Document" shall mean any one of them) that may be published or made available by API or Custodian in connection with a possible offer or offer for API or merger by API with another party in accordance with the Code (the

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Your partners in property

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“Proposed Transaction”) and any further document which API or Custodian is required to publish under the Code; and

- b) (i) publication on API’s website; and (ii) the website of any other party required in accordance with the Code.

Basis of Valuation

Our valuation has been undertaken by us as qualified valuers and in accordance with the current edition of RICS Valuation – Global Standards, which incorporate the International Valuation Standards. References to the “Red Book” refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below.

The valuation (as defined in the General Terms) and this Valuation Report, each as applicable to the Purpose (as defined above), together with and Code Documentation (as defined above) comply with Rule 29 of the Code as issued by The Takeover Panel. We understand that the publication or reproduction by API or Custodian of this Valuation Report and/or the information contained herein as required by Rules 26 and 29 of the Code will be necessary, including in any Code Document.

The properties have been valued individually on the basis of Market Value which is set out in the RICS Valuation – Professional Standards VPS 4 (4) as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

In our opinion the adoption of the required Market Value basis does not result in any material difference in the value reported from that derived under the definition of Fair Value in accordance with the RICS Valuation – Professional Standards VPS4 (1.5) Fair Value and VPGA 1 Valuations for Inclusion in financial statements which adopt the definition of Fair Value adopted by the International Accounting Standards Board:

“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

Valuation Methodology

The basis for the Valuation as required by the Code is Market Value as defined in the Red Book. Additionally, in relation to any Properties comprising land being developed or with immediate development potential (as referred to in Note 3 to Rule 29.4 of the Code), this Valuation Report includes (in relation to those Properties) the additional matters set out in Note 3 to Rule 29.4

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

The Valuer’s opinion of Market Value was primarily derived using recent comparable market transactions on arm’s length terms, where available, and appropriate valuation techniques (the Investment Method (as defined in the RICS Red Book)).

The Properties have been valued individually and not as part of a portfolio. Disposal as a portfolio, or by other prudent lotting, may result in either a premium or discount, depending upon market conditions. Our report does not seek to address this.

Valuation

The Properties have been categorised as investment properties in accordance with the individual values ascribed.

We are of the opinion that the aggregate of the Market Values of the Freehold, Heritable and Long Leasehold interests in the Properties, as at 31 December 2023 was:

£ 439,185,037

(Four Hundred and Thirty Nine Million, One Hundred and Eighty Five Thousand and Thirty Seven Pounds)

Taxation and Costs

No account has been taken in our valuations for any liability for tax (including Value Added Tax) on either the rental income, or the notional sale prices, or any gains which may be realised on disposal.

We have made a deduction from our valuations to reflect notional purchasers' acquisition costs in accordance with normal practice.

Our valuation reflects full liability for UK Stamp Duty as applicable at the valuation date.

Valuation Assumptions

As agreed with API, our valuations are based on information provided by them, upon which we have relied, and which has not been verified by us. Our assumptions (as defined in the RICS Red Book) relating to this information are set out below.

Our valuations assume that the Properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoings or restrictions.

We have not inspected title deeds to the Properties, although copies of leases and other relevant documentation relating to individual properties, where made available to us, have been fully considered, together with other information supplied to us by API. We have assumed that this information is comprehensive and correct.

When considering the covenant strength of individual tenants we have not carried out credit enquiries but have reflected in our valuations our general understanding of purchasers' likely perceptions of tenants' financial status.

Our valuations are based on measurements which have been provided by API. We have assumed that these measurements have been undertaken in accordance with the current RICS Code of Measuring Practice.

The adoption of IPMS (International Property Measurement Standards), for the office sector, became mandatory with effect from 1st January 2016 for all RICS members replacing NIA (Net Internal Area) as set out under the current Code of Measurement Practice (Sixth Edition). It has been agreed with API that until the new definition

of measurement has been adopted by the leasing market, rental analysis for the office sector will continue to be shown on a net internal area basis. As or when buildings are re-measured, we will present our analysis on a dual basis, namely IPMS and NIA.

Minimum Energy Efficiency Standards are the standards set out by the Government for let properties in England and Wales. Buildings that have an EPC rating of F and G must be brought up to standard before they are let subject to some conditions, exemptions and relief. This commenced from 1 April 2018 for all new lettings and they apply to all continuing lettings from 1 April 2020 for domestic buildings and from 2023 for non-domestic buildings.

There is currently no standard approach to either the provision or the interpretation of ESG-related data and property benchmarking. In arriving at our opinion of value, we have therefore interpreted the information available to us as we consider market participants would reflect this.

For Scottish properties, the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force in Scotland in 2016 and does not incorporate a “ban” on new lettings. Owners are encouraged to carry out improvements, or improve efficiency through monitoring emissions from a building via creating an Action Plan. The Action Plan procedure will apply to the sale or letting of larger buildings, with a floor area >1,000 sq m. This only applies to buildings that are subject to a new sale or lease and buildings constructed to building standards applicable from March 2002, or otherwise meeting those standards, are exempt.

Where we have been provided with the EPC rating, we have taken into account any capital expenditure that API have provided to us to improve the demise to meet the standards, to enable the property to be let.

Town Planning and Highways

We have made oral enquiries of the appropriate Town Planning and Highways Authorities in respect of matters affecting the properties, where considered appropriate, although this information was provided to us on the basis that it should not be relied upon.

We have assumed that each of the properties has been constructed, or is being constructed, and occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

We have not seen planning consents and, except where advised to the contrary, have assumed that the properties have been erected and are being occupied and used in accordance with all requisite consents and that there are no outstanding statutory notices.

Repairs

We have not carried out building surveys on the portfolio and are therefore unable to report that the properties are free from any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of materials now suspect. No tests were carried out on any of the technical services.

Other than as referred to below, we have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the buildings constructed or to be constructed thereon.

Environmental

We have not carried out any investigation into past or present uses of either the properties or any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the subject properties. We understand that the fund has established procedures for inspections of newly acquired properties to be carried out with particular reference to environmental matters, and that any such matters identified receive appropriate attention.

Unless we have been provided with information to the contrary, we have assumed that the properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future uses of the properties.

Where we have received, from the fund, evidence regarding contamination we have reflected this in our valuations but unless otherwise stated have assumed that the cost of any decontamination work would be immaterial thereto. Should it be established subsequently that contamination exists at any of the properties or on any neighbouring land or that the properties have been or are being put to a contaminative use this might reduce the values now reported.

In all cases, we have assumed that, unless notified by API to the contrary, there have not been any material changes to the information provided by them.

Inspections

We confirm the Properties have been inspected within the last 12 months.

Compliance and Independence

We confirm that Knight Frank LLP meets the requirements of API in the role of External Valuer (as defined in the RICS Red Book), having been appointed in September 2015. In accordance with VPS3 of the Red Book, the valuers on behalf of Knight Frank LLP, with the responsibility for this report is Emily Miller MRICS, RICS Registered Valuer (the "Lead Valuer"). Parts of this valuation have been undertaken by additional valuers as listed on our file.

We confirm that the valuers and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

Additionally, the Lead Valuer and any additional valuers who value the Properties are qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code and have sufficient current knowledge of the property market and the necessary skills to prepare this Valuation Report as required by Rule 29.3(a)(iii) of the Code.

Further, we confirm that in relation to Knight Frank LLP's preceding financial year the proportion of the total fees paid by the fund to the total fee income of Knight Frank LLP was less than 5%.

Under the Terms of Engagement letter dated 30 September 2015, Knight Frank prepared a Valuation Report on the Portfolio, for which a fee was payable, for inclusions in a public prospectus in connection with a placing and open offer of ordinary shares to be traded on the London Stock Exchange.

We recognise and support the RICS Rules of Conduct and have procedures for identifying conflicts of interest. We are providing an objective and unbiased valuation.

We confirm that we do have a material connection or involvement giving rise to a potential conflict of interest, as set out below:

- we have valued the Properties for API within the last two years for accounts purposes

We have previously disclosed this to API and API have confirmed that notwithstanding this matter that it is content for us to proceed with this instruction. We confirm that we have had no previous material interest in API or material connection or involvement with any of the Properties other than as set out above, and accordingly are in a position to provide an objective and unbiased valuation.

Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

General

For the purposes of Rule 29.5 of the Code, we confirm that there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of this Rule 2.7 Announcement.

Knight Frank has given and has not withdrawn its consent to the inclusion of this Valuation Report in this Rule 2.7 Announcement published by the Client and Custodian in the form and context in which it is included.

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purpose of Rule 29 of the Code. Knight Frank has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.7 Announcement.

This Valuation Report and our valuations therein have been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect them.

Save for (a) the addressees and (b) any responsibility to any person arising under Rule 29.4 of the Code, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, or arising out of, or in accordance with this Valuation Report or our statement required by and given solely for the purposes of complying with Rule 29.4 of the Code.

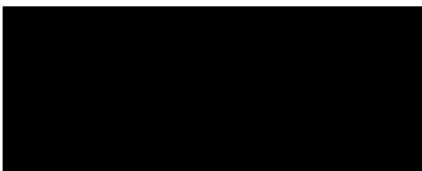

Save as set out below, neither the whole or any part of the valuation report nor any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear, except as set out below.

This Valuation Report will be included in the relevant Code Documentation to be published by API or Custodian. We will review the sections of the relevant Code Documentation relating to the Valuation and this Valuation Report and the Addressees agree not to publish any Code Document containing this Valuation Report until they have received a consent letter (in the form set out in Annex 2 of our engagement letter) from us. We further hereby consent to this Valuation Report being made available on API's website (and the website of any other party referred to in any Code Document) in accordance with the Code.

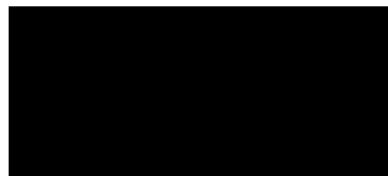

Knight Frank has given and not withdrawn its consent to the inclusion of this Valuation Report in the Code Documentation published by API or Custodian in the form and context in which it is included.

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such in the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.

Yours faithfully

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RICS Registered Valuer
Partner, Valuation & Advisory
For and on behalf of Knight Frank LLP

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RICS Registered Valuer
Partner, Valuation & Advisory
For and on behalf of Knight Frank LLP

Appendix I

Schedules of Investment Properties

Property Address	Property reference
Ocean Trade Centre, Aberdeen	C5285
Badentoy North, Aberdeen	C5768
Unit 14 Interlink Park, Bardon	C5201
21 Gavin Way, Birmingham	C5538
3 Elliot Way, Birmingham	C5726
Unit 4 Easter Park, Bolton	C5172
Garonor Way, Bristol	B5675
Kings Business Park, Bristol	C5714
3 Earlstrees Road, Corby	C5676
Bastion Point, Dover	B5673
2 Brunel Way, Fareham	C5583
85 Fullarton Drive, Glasgow	C5746
Unit 4 Monkton Business Park, Hebburn	C5587
Villiers Road, Knowsley	C5787
Mount Farm, Milton Keynes	C5534
Walton Summit, Preston	B5680
Symphony, Rotherham	C5507
Cosford Lane, Rugby	B5677
Tempsford Road, Sandy	C5742
Whitehorse Business Park, Shellingford	C5734
Stadium Way, St. Helens	C5783
Tetron 141, Swadlincote	C5512
Tetron 93, Swadlincote	C5525
Opus 9, Warrington	B5681
Rainhill Road, Washington	C5715

Property Address	Property reference
Alston Road, Washington	C5784
54 Hagley Road, Birmingham	C5763
One Station Square, Bracknell	C5730
Explorer, Crawley	C5427
160 Causewayside, Edinburgh	C5767
Monck Street, London	C5394
15 Basinghall Street, London	C5747
101 Princess Street, Manchester	C5721
The Pinnacle, Reading	C5719
82-84 Eden Streety, Kingston-upon-Thames	B5686
Howard Town Retail Park, Glossop	C5517
B&Q, Halesowen	C5773
Victoria Shopping Park, Hednesford	B5683
Olympian Way, Leyland	C5477
The Point Retail Park, Rochdale	B5685
Morrisons, Welwyn Garden City	C5788
Grand National Leisure Park, Aintree	C5737
Building 3000 Birmingham Business Park, Birmingham	C5750
Hollywood Green, London	C5113
Far Ralia, Newtonmore	C5782
Motor Point, Yarm Road, Stockton-on-Tees	C5786

PART IX

QUANTIFIED FINANCIAL BENEFITS STATEMENT

Paragraph 5 of Part II (*Explanatory Statement*) of this document contains statements of estimated cost synergies arising from the Merger (together, the **Quantified Financial Benefits Statement**).

A copy of the Quantified Financial Benefits Statement is set out below:

The CREI Directors, having reviewed and analysed the potential cost savings of the Combined Group, as well as taking into account factors they can influence, believe the Combined Group can deliver shareholder value through the expected realisation of approximately:

- £1.0 million of pre-tax recurring run-rate cost synergies by the end of the first year following the Effective Date (the **Recurring Cost Synergies**); and
- £2.1 million of additional non-recurring pre-tax cost synergies during the Transition Period (the **Transition Period Cost Synergies**).

The Recurring Cost Synergies are expected to be realised principally from:

- *Management fees: unification of investment management under Custodian Capital, delivering an estimated £0.5 million of annualised run-rate cost synergies derived from lower management and administrative fees charged on the API investment properties (the **Management Fee Savings**); and*
- *Corporate and administrative: rationalisation of duplicated listing, administration and operational expenses delivering at least an estimated non-recurring £0.5 million of annualised run rate cost synergies.*

The additional Transition Period Cost Synergies are expected to be realised principally from:

- *Amended management fee tiers: reduction in the management fees payable by CREI to Custodian Capital for the Transition Period delivering an estimated £0.3 million of annualised run rate cost synergies (£0.6 million total estimated cost synergies) through the consolidation of the first two fee tiers into one fee tier, such that the consolidated fee tier will be calculated as a fee of 0.75 per cent. in respect of the NAV of the Combined Group which is less than or equal to £500 million (rather than a fee of 0.90 per cent. in respect of NAV up to £200 million and 0.75 per cent. up to £500 million) (the **Amended Management Fee Tier Savings**); and*
- *Partial management fee waiver: Custodian Capital has agreed to waive its management fee in relation to the NAV attributable to API for the first nine months following completion of the Merger (the **Partial Management Fee Waiver Savings**), delivering an estimated £1.5 million of cost synergies in the first year following the Effective Date.*

In order to achieve the Management Fee Savings, the Amended Management Fee Tier Savings and the Partial Management Fee Waiver Savings, it is estimated that API will incur one-off costs of between £1.5 million and £2.0 million in connection with the termination of the API Investment Management Agreement. These costs will be incurred within the first year following the Effective Date and have been reflected as a cost to API within the Exchange Ratio. The CREI Directors expect that any costs incurred in the realisation of the other cost synergies will be immaterial.

Other potential adverse effects of the Merger have been considered and were determined by the CREI Directors to be immaterial for the analysis.

The identified cost savings will accrue as a direct result of the Merger and would not be achieved on a standalone basis.

These statements relating to identified cost savings and estimated savings relate to future actions or circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Bases of belief and principal assumptions

Following initial discussion regarding the Merger, a team of Custodian Capital staff has evaluated and assessed the potential synergies available arising from the Merger.

The team which comprises of senior Custodian Capital personnel, worked to identify, challenge, and quantify potential synergies as well as the potential costs to achieve and timing of such synergies. The Custodian Capital team has performed a bottom-up analysis of costs included in the API financial information and sought to include in the synergy analysis those costs which the team believes will be either reduced or eliminated from within the Combined Group.

The Management Fee Savings and Amended Management Fee Tier savings are based on applying Custodian Capital's tiered fee structure, including the proposed amended fee tiers in the Transition Period, and assumptions regarding the *pro forma* NAV of the Combined Group. The Partial Management Fee Waiver is based upon excluding the NAV attributable to API from the *pro forma* NAV of the Combined Group in calculating fees payable to Custodian Capital for the first nine months following the Effective Date.

In general, the synergy assumptions related to the corporate and administrative synergies have in turn been risk adjusted, exercising a degree of prudence in the calculation of the estimated synergy benefits set out above.

The cost bases used as the basis for the quantified financial benefits exercise are the CREI and API full year expenses for the twelve-month period to 30 September 2023, and the independent CREI and API property valuations as at 31 December 2023.

The CREI Directors have, in addition, made the following assumptions:

- The value of the Combined Group property portfolio remaining at or above the 31 December 2023 independent property valuation of £1.0 billion.
- CREI retains its status as a UK-REIT.
- There will be no material impact on the underlying operations of either CREI or API or their ability to continue to conduct their businesses.
- There will be no material change to macroeconomic, political, regulatory or legal conditions in the markets or regions in which CREI or API operate that will materially impact on the implementation or costs to achieve the proposed cost savings.
- There will be no change in tax legislation or tax rates or other legislation in the UK or Guernsey that could materially impact the ability to achieve any benefits.

Reports

As required by Rule 28.1(a) of the Code, RSM, as reporting accountants to CREI for the purposes of the Quantified Financial Benefits Statement, has provided a report stating that, in their opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition, Deutsche Numis as financial adviser to CREI for the purposes of the Quantified Financial Benefits Statement has provided a report stating that, in its opinion, the Quantified Financial Benefits Statement has been prepared with due care and consideration.

Copies of these reports were included in Part B and Part C of Appendix 5 to the Announcement. Each of RSM and Deutsche Numis has given and not withdrawn its consent to the publication of their respective reports in the Announcement in the form and context in which it is included.

The CREI Directors confirm that the Quantified Financial Benefits Statement remains valid. As required by Rule 27.2(d)(ii) of the Code, each of RSM and Deutsche Numis has confirmed that their respective reports dated 19 January 2024 and produced in connection with the Quantified Financial Benefits Statement continue to apply. Such reports were issued solely to comply with Rule 28.1(a) of the Code and do not form part of this document.

PART X

ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The API Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in, or incorporated by reference into, this document (including any expressions of opinion) other than the information for which responsibility is taken by the CREI Directors pursuant to paragraphs 1.2 below. To the best of the knowledge and belief of the API Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The CREI Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in, or incorporated by reference into, this document (including any expressions of opinion) relating to CREI, themselves and their respective close relatives, related trusts of and other connected persons and persons acting in concert (as such term is defined in the Code) with CREI, including but not limited to the synergy potential of the Merger (including the information (and expressions of opinion) contained in the Quantified Financial Benefits Statement set out in Part IX (*Quantified Financial Benefits Statement*)) to this document. To the best of the knowledge and belief of the CREI Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 API Directors and CREI Directors

2.1 The API Directors and their respective positions are:

Name	Position
James Clifton-Brown	Independent Non-Executive Chair
Jill May	Senior Independent Non-Executive Director
Mike Balfour	Independent Non-Executive Director
Michael Bane	Independent Non-Executive Director
Sarah Slater	Independent Non-Executive Director

The registered office of API and the business address of each of the API Directors is PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL. The Administrator and Secretary of API is Northern Trust International Fund Administration Services (Guernsey) Limited.

2.2 The CREI Directors and their respective positions are:

Name	Position
David MacLellan	Independent Non-Executive Chair
Elizabeth McMeikan	Senior Independent Non-Executive Director
Chris Ireland	Independent Non-Executive Director
Hazel Adam	Independent Non-Executive Director
Malcolm Cooper	Independent Non-Executive Director
Ian Mattioli	Non-Executive Director

The registered office of CREI and the business address of each of the CREI Directors is 1 New Walk Place, Leicester, LE1 6RU. The Company Secretary of CREI is Ed Moore.

3 Interests and dealings in relevant securities

Definitions used in this section

3.1 For the purposes of this paragraph 3 and paragraph 13 below:

- (a) **acting in concert** has the meaning given to it in the Code;
- (b) **close relative** has the meaning given to it in the Code;
- (c) **control** (and derivatives thereof) has the meaning given to it in the Code;
- (d) **dealing** has the meaning given to it in the Code;
- (e) **derivative** has the meaning given to it in the Code;
- (f) **disclosure period** means the period beginning on 19 January 2023 (being the date that is 12 months before the start of the offer period) and ending on the Latest Practicable Date;
- (g) **financial collateral arrangements** are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (h) **interest** or **interests** in relevant securities shall have the meaning given to it in the Code and references to interests of the Relevant CREI Persons or interests of the API Directors in relevant securities shall include all interests of any other person whose interests in such securities the Relevant CREI Persons or, as the case may be, the API Directors, are taken to be interested in pursuant to Part 22 of the UK Companies Act;
- (i) **Note 11 arrangement** means any indemnity or other dealing arrangement, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant API securities which may be an inducement to deal or refrain from dealing;
- (j) **offer period** means the period starting on 19 January 2024 and ending on the Latest Practicable Date;
- (k) **relevant API securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of API including equity share capital of API (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (l) **relevant CREI securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of CREI including equity share capital of CREI (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (m) **relevant securities** means relevant CREI securities and relevant API securities; and
- (n) **short position** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

Interests and dealings in relevant API securities

API

3.2 As at the Latest Practicable Date, the API Directors (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant API securities:

API Director	Number of API Shares
James Clifton-Brown	21,500
Jill May	128,592
Mike Balfour	125,000
Sarah Slater	20,000

- 3.3 As at the Latest Practicable Date, the persons acting in concert with API held the following interests in, or rights to subscribe in respect of, relevant API securities:

Name	Number of API Shares
abrdn Fund Managers Limited	955,414

- 3.4 Save as disclosed above, as at the close of business on the Latest Practicable Date, neither API, nor any API Director, nor, so far as API is aware, any person acting in concert (within the meaning of the Code) with it, nor any person with whom API or any person acting in concert with API has a Note 11 arrangement has: (i) any interest in or right to subscribe for any relevant API securities; (ii) any short positions in respect of relevant API securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant API securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).
- 3.5 Other than the irrevocable undertakings described in paragraph 7.1 of this Part X (*Additional Information*), during the offer period, no dealings in relevant API securities by API Directors, their close relatives, related trusts and their connected persons have taken place.
- 3.6 During the offer period, no dealings in relevant API securities by persons acting in concert with API or any person with whom API has a Note 11 arrangement have taken place.

CREI

- 3.7 As at the Latest Practicable Date, the persons acting in concert with CREI held the following interests in, or rights to subscribe in respect of, relevant API securities:

Name	Number of API Shares
MW and its multi-asset fund clients managed by the MW Investments team on a discretionary basis ⁽¹⁾	20,924,067

(1) Ownership incorporates the control of voting rights through acting as discretionary investment manager on behalf of individual retail investors holding the beneficial interest.

- 3.8 Save as disclosed above, as at the close of business on the Latest Business Practicable Date, neither CREI nor any CREI Director, nor, so far as CREI is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has a Note 11 arrangement has: (i) any interest in or right to subscribe for any relevant API securities, (ii) any short positions in respect of relevant API securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant API securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

- 3.9 The following dealings in relevant API securities by persons acting in concert with CREI have taken place during the disclosure period:

Dealings by MW and its multi-asset fund clients managed by the MW Investments team on a discretionary basis

<u>Dealing from</u>	<u>Dealing to</u>	<u>Nature of dealing</u>	<u>Number of API shares</u>	<u>Max price per share</u>	<u>Min price per share</u>
<i>Nine months prior to offer period (quarterly intervals)</i>					
19/01/2023	18/04/2023	Purchase	230,609	0.69	0.47
19/01/2023	18/04/2023	Sale	377,805	0.69	0.47
19/04/2023	18/07/2023	Purchase	356,936	0.57	0.47
19/04/2023	18/07/2023	Sale	11,887,298	0.56	0.47
19/07/2023	18/10/2023	Purchase	420,700	0.53	0.45
19/07/2023	18/10/2023	Sale	12,178,790	0.52	0.45
<i>Three months prior to offer period (monthly intervals)</i>					
19/10/2023	18/11/2023	Purchase	353,984	0.52	0.46
19/10/2023	18/11/2023	Sale	44,826	0.50	0.46
19/11/2023	18/12/2023	Purchase	260,074	0.51	0.47
19/11/2023	18/12/2023	Sale	4,897	0.51	0.48
19/12/2023	19/01/2024	Purchase	13,403	0.53	0.51
19/12/2023	19/01/2024	Sale	2,464,362	0.53	0.48

- 3.10 During the disclosure period, no dealings in relevant API securities by CREI or CREI Directors, their close relatives, related trusts and their connected persons have taken place.

- 3.11 Save as disclosed above, during the disclosure period, no dealings in relevant API securities by persons acting in concert with CREI or any person with whom CREI has a Note 11 arrangement have taken place.

Interests and dealings in relevant CREI securities

API

- 3.12 As at the Latest Practicable Date, the persons acting in concert with API held the following interests in, or rights to subscribe in respect of, relevant CREI securities:

<u>Name</u>	<u>Number of CREI Shares</u>
abrdrn Fund Managers Limited	802,101

- 3.13 Save as disclosed above, as at the Latest Practicable Date, neither API, nor any API Director, nor, so far as API is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has a Note 11 arrangement has: (i) any interest in or right to subscribe for any relevant CREI securities; (ii) any short positions in respect of relevant CREI securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant CREI securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

- 3.14 During the offer period, no dealings in relevant CREI securities by API or API Directors, their close relatives, related trusts and their connected persons have taken place.

- 3.15 During the offer period, no dealings in relevant CREI securities by persons acting in concert with API or any person with whom API has a Note 11 arrangement have taken place.

CREI

- 3.16 As at the Latest Practicable Date, the CREI Directors, their close relatives and related trusts (who are all presumed to be acting in concert with CREI for the purposes of the Code) held

the following interests in, or rights to subscribe in respect of, relevant CREI securities and expected to have up to the following interests immediately prior to the Effective Date:

CREI Director	Number of CREI Shares
Elizabeth McMeikan	20,400
Chris Ireland	50,345
Hazel Adam	19,566
Malcolm Cooper	45,000
Ian Mattioli MBE ⁽¹⁾	1,370,552
MW Trustees Limited ⁽²⁾	1,715,339
Clare Mattioli ⁽¹⁾	837,554
Laura Mattioli	1,493,457
Alexandra Dariani	652,604

Notes:

(1) Ian Mattioli MBE and Clare Mattioli are both interested in 100,000 CREI Shares held by the Ian and Clare Mattioli Charitable Trust in respect of which they are the sole beneficiaries. For the purposes of disclosure in this Document, these 100,000 CREI Shares have been counted as part of Ian Mattioli MBE's interests only.

(2) MW Trustees Limited is a trustee for certain family trusts in respect of which Ian Mattioli MBE and members of his family are beneficiaries.

3.17 As at the Latest Practicable Date, save for the CREI Directors, their close relatives and related trusts whose interests in, or rights to subscribe in respect of, relevant CREI securities are described in paragraph 3.16 above, persons acting in concert with CREI held the following interests in, or rights to subscribe in respect of, relevant CREI securities and expected to have up to the following interests immediately prior to the Effective Date:

Name	Relationship to CREI	Number of CREI Shares
MW and its multi-asset fund clients managed by the MW Investments team on a discretionary basis ⁽¹⁾	Parent company of the CREI Investment Manager	14,774,502
Richard Shepherd-Cross ⁽²⁾	Director of the CREI Investment Manager	521,381
Ed Moore ⁽²⁾	Director of the CREI Investment Manager	102,596
Michael Wright ⁽²⁾	Director of the CREI Investment Manager	152,622
William Nixon ⁽²⁾	Director of the CREI Investment Manager	3,007

Notes:

(1) Ownership incorporates the control of voting rights through acting as discretionary investment manager on behalf of individual retail investors holding the beneficial interest.

(2) Including CREI Shares held by close relatives.

3.18 Save as disclosed above, as at the close of business on the Latest Practicable Date, neither CREI nor any CREI Director, nor, so far as CREI is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has a Note 11 arrangement has: (i) any interest in or right to subscribe for any relevant CREI securities; (ii) any short positions in respect of relevant CREI securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant CREI securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

3.19 The following dealings in relevant CREI securities by CREI Directors, their close relatives, related trusts and their connected persons have taken place during the disclosure period:

Name	Date	Nature of dealing	Number of CREI Shares	Price per CREI Share (pence)
Ian Mattioli MBE	6 March 2023	Purchase of CREI Shares	150,000	93.7
Laura Mattioli	10 March 2023	Purchase of CREI Shares	65,000	89.0

3.20 Save as disclosed above and in respect of the irrevocable undertakings referred to in paragraph 7 below, during the disclosure period, no dealings in relevant CREI securities by CREI or CREI Directors, their close relatives, related trusts and their connected persons have taken place.

3.21 The following dealings in relevant CREI securities by persons acting in concert with CREI have taken place during the disclosure period:

Dealings by MW and its multi-asset fund clients managed by the MW Investments team on a discretionary basis

Dealing from	Dealing to	Nature of dealing	Number of CREI shares	Max price per share	Min price per share
<i>Nine months prior to offer period (quarterly intervals)</i>					
19/01/2023	18/04/2023	Purchase	316,089	0.94	0.85
19/01/2023	18/04/2023	Sale	383,562	0.94	0.86
19/04/2023	18/07/2023	Purchase	298,548	0.95	0.83
19/04/2023	18/07/2023	Sale	121,280	0.94	0.83
19/07/2023	18/10/2023	Purchase	222,912	0.89	0.79
19/07/2023	18/10/2023	Sale	109,971	0.89	0.80
<i>Three months prior to offer period (monthly intervals)</i>					
19/10/2023	18/11/2023	Purchase	42,213	0.90	0.85
19/10/2023	18/11/2023	Sale	1,281,964	0.92	0.81
19/11/2023	18/12/2023	Purchase	1,847	0.90	0.90
19/11/2023	18/12/2023	Sale	1,284,079	0.89	0.84
19/12/2023	19/01/2024	Purchase	—	0.00	0.00
19/12/2023	19/01/2024	Sale	739,089	0.88	0.85

3.22 Save as disclosed above, during the disclosure period, no dealings in relevant CREI securities by persons acting in concert with CREI or any person with whom CREI has a Note 11 arrangement have taken place.

General

3.23 Save as disclosed in this paragraph 3 above, as at the Latest Practicable Date:

- (a) no member of the API Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant API securities nor has any member of the API Group dealt for value in any relevant API securities during the offer period;
- (b) neither API, nor any person acting in concert with it, had a Note 11 arrangement with any other person

3.24 Save as disclosed in this paragraph 3 above, as at the Latest Practicable Date:

- (a) no member of the CREI Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any

right to require another person to take delivery of relevant API securities nor has any member of the CREI Group dealt for value in any relevant API securities during the disclosure period;

- (b) no member of the CREI Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant CREI securities nor has any member of the CREI Group dealt for value in any relevant CREI securities during the disclosure period;
- (c) none of the CREI Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant API securities, nor has any such person dealt for value in any relevant API securities during the disclosure period;
- (d) none of the CREI Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant CREI securities, nor has any such person dealt for value in any relevant CREI securities during the disclosure period;
- (e) no person deemed to be acting in concert with CREI had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant API securities, nor has any such person dealt for value in any relevant API securities, during the disclosure period;
- (f) no person deemed to be acting in concert with CREI had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant CREI securities, nor has any such person dealt for value in any relevant CREI securities, during the disclosure period;
- (g) no person who has a Note 11 arrangement with CREI had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant API securities, nor has any such person dealt for value in any relevant API securities during the disclosure period;
- (h) no person who has a Note 11 arrangement with CREI had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant CREI securities, nor has any such person dealt for value in any relevant CREI securities during the disclosure period;
- (i) neither CREI nor any person acting in concert with it, has borrowed or lent any relevant API securities, save for any borrowed shares which have been either on-lent or sold; and
- (j) neither CREI nor any person acting in concert with it, has borrowed or lent any relevant CREI securities, save for any borrowed shares which have been either on-lent or sold.

3.25 Save as disclosed in this document, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the resolutions to be proposed at the General Meeting.

3.26 Save as disclosed in this document, as at the Latest Practicable Date, none of: (i) CREI or any person acting in concert with CREI; or (ii) API or any person acting in concert with API, has, in either case, any arrangement in relation to relevant securities.

3.27 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between CREI or any person acting in concert with it and any of the API Directors or the recent directors, shareholders or recent shareholders of API having any connection with or dependence upon or which is conditional upon the Merger.

3.28 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any API Shares to be acquired by CREI pursuant to the

Scheme will be transferred to any other person, however CREI reserves the right to transfer any such shares to any member of the CREI Group.

3.29 No relevant API securities have been redeemed or purchased by API during the disclosure period.

3.30 No relevant CREI securities have been redeemed or purchased by CREI during the disclosure period.

4 Directors' emoluments and letters of appointment

CREI

4.1 The emoluments of the CREI Directors will otherwise not be affected by the Merger.

API

4.2 The API Directors have entered into letters of appointment with API, as follows:

(a) James Clifton-Brown, Non-Executive Chair

James Clifton-Brown was appointed as a non-executive director with effect from 17 August 2016 and is entitled to receive an annual fee of £50,000. James Clifton-Brown is currently the non-executive chair of the API Board. James' term of appointment and reappointment is subject to the provisions of the API Articles, as detailed in paragraph 4.4 below. James was reappointed as the non-executive chair at the annual general meeting of API on 14 June 2023 and he currently sits on the property valuation committee, management engagement committee, nomination committee, remuneration committee and sustainability committee.

James' appointment may be terminated by API by way of a summary notice without any obligation to pay compensation if he is removed as a non-executive director by resolution passed at a general meeting and if his appointment is terminated in accordance with the API Articles, amongst other circumstances.

(b) Jill May, Non-Executive Director

Jill May was appointed as a non-executive director with effect from 12 March 2019 and is entitled to receive an annual fee of £37,000 for the year of 2023. Jill's term of appointment and reappointment is subject to the provisions of the API Articles, as detailed in paragraph 4.4 below. Jill was reappointed as a non-executive director at the annual general meeting of API on 14 June 2023 and she currently sits on the audit committee, property valuation committee, management engagement committee, nomination committee, remuneration committee and sustainability committee.

Jill's appointment may be terminated by API by way of a summary notice without any obligation to pay compensation if she is removed as a non-executive director by resolution passed at a general meeting and if her appointment is terminated in accordance with the API Articles, amongst other circumstances.

(c) Mike Balfour, Non-Executive Director

Mike Balfour was appointed as a non-executive director with effect from 10 March 2016 and is entitled to receive an annual fee of £41,500. Mike's term of appointment and reappointment is subject to the provisions of the API Articles, as detailed in paragraph 4.4 below. Mike was reappointed as a non-executive director at the annual general meeting of API on 14 June 2023 and he currently sits on the audit committee, property valuation committee, management engagement committee, nomination committee, remuneration committee and sustainability committee.

Mike's appointment may be terminated by API by way of a summary notice without any obligation to pay compensation if he is removed as a non-executive director by resolution passed at a general meeting and if his appointment is terminated in accordance with the API Articles, amongst other circumstances.

(d) Michael Bane, Non-Executive Director

Michael Bane was appointed as a non-executive director with effect from 1 February 2022 and is entitled to receive an annual fee of £37,000. Michael's term of appointment

and reappointment is subject to the provisions of the API Articles, as detailed in paragraph 4.4 below. Michael was reappointed as a non-executive director at the annual general meeting of API on 14 June 2023 and he currently sits on the audit committee, property valuation committee, management engagement committee, nomination committee, remuneration committee and sustainability committee.

Michael's appointment may be terminated by API by way of a summary notice without any obligation to pay compensation if he is removed as a non-executive director by resolution passed at a general meeting and if his appointment is terminated in accordance with the API Articles, amongst other circumstances.

(e) Sarah Slater, Non-Executive Director

Sarah Slater was appointed as a non-executive director with effect from 27 November 2019 and is entitled to receive an annual fee of £37,000. Sarah's term of appointment and reappointment is subject to the provisions of the API Articles, as detailed in paragraph 4.4 below. Sarah was reappointed as a non-executive director at the annual general meeting of API on 14 June 2023 and she currently sits on the audit committee, property valuation committee, management engagement committee, nomination committee, remuneration committee and sustainability committee.

Sarah's appointment may be terminated by API by way of a summary notice without any obligation to pay compensation if she is removed as a non-executive director by resolution passed at a general meeting and if her appointment is terminated in accordance with the API Articles, amongst other circumstances.

- 4.3 Pursuant to each letter of appointment (in accordance with the API Articles), the directors must be reappointed on a yearly rolling basis at the next general meeting of API following their appointment. The API Articles state that at each general meeting, one third of the directors appointed at the time of the general meeting must retire from office and be reappointed. The selected retiring directors are those who have been longest in office since their last appointment or reappointment. In the event that there is a clash of directors taking the number of directors up for retirement and reappointment above the required number pursuant to the API Articles, lots shall be drawn. API has historically included the reappointment of each of its directors at its annual general meeting, rather than selecting directors for reappointment.

General

- 4.4 Save as disclosed above:

- (a) there are no service contracts or letters of appointment between any API Director or any person who has been proposed as a director of API and any member of the API Group; and
- (b) no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document.

- 4.5 Save as set out in this document, the effect of the Scheme on the interests of API Directors does not differ from its effect on the like interests of any other Scheme Shareholder.

5 Market Quotations

API

The following table lists the Closing Price for API Shares on: (a) the first trading day of each of the six months prior to the date of this document, (b) 18 January 2024 (being the last Business Day prior to the commencement of the Offer Period), and (c) the Latest Practicable Date:

Date	API Share price (p)
1 August 2023	51.4
1 September 2023	47.0
2 October 2023	49.5
1 November 2023	47.5
1 December 2023	47.8

Date	API Share price (p)
2 January 2024	52.5
18 January 2024	48.0
Latest Practicable Date	55.5

CREI

The following table lists the Closing Price for CREI Shares on: (a) the first trading day of each of the six months prior to the date of this document, (b) 18 January 2024 (being the last Business Day prior to the commencement of the Offer Period), and (c) the Latest Practicable Date:

Date	CREI Share price (p)
1 August 2023	87.3
1 September 2023	80.9
2 October 2023	82.3
1 November 2023	82.5
1 December 2023	86.9
2 January 2024	88.0
18 January 2024	79.6
Latest Practicable Date	72.3

6 Material Contracts

6.1 API material contracts

Save as disclosed below, neither API, nor any of its subsidiary undertakings has, during the period commencing on 19 January 2022 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any contract which are outside the ordinary course of business and which are or may be considered material:

(a) Amendment and Restatement Deed relating to RBSI facilities

The API Group extended its £165 million debt facility with Royal Bank of Scotland International Limited (**RBSI**) in an amendment and restatement deed between (1) abrdn Property Holdings Limited (as Borrower), (2) abrdn APIT (General Partner) Limited acting in its capacity as general partner of abrdn (APIT) Limited Partnership and abrdn (APIT) Nominee Limited (as Guarantors), (3) RBSI (as Original Lender, Arranger, Agent and Security Trustee), and (4) Natwest Markets Plc (as Hedging Counterparty) dated 7 October 2022 (**Amendment and Restatement Deed**).

Prior to amendment under the Amendment and Restatement Deed, the facility consisted of a £110 million term loan payable at 1.375% plus SONIA and two Revolving Credit Facilities (**RCF**) of £35 million payable at 1.45% plus SONIA and £20 million payable at 1.60% plus SONIA.

The Amendment and Restatement Deed provided for a three year term loan of £85 million (which is fully drawn) and a single RCF of £80 million (**2022 Revolving Facility**); both payable at 1.5% plus SONIA. The new facility commenced on 27 April 2023. All facilities are due to expire in April 2026.

The Amendment and Restatement Deed provides for certain events of default which would entitle RBSI to terminate the facility and demand repayment of all sums due. One such event includes a financial undertaking relating to the LTV percentage. The Amendment and Restatement Deed provides that the LTV percentage is calculated as the loan amount less the amount of any sterling cash deposited within the security of RBSI divided by the gross secured property value, and that this percentage should not exceed 55% to maturity.

API has also entered into an interest rate cap of 3.96% on the SONIA rate applied to the term loan component of the facilities.

The parties to the Amendment and Restatement Deed subsequently entered into an amendment and consent letter dated 18 January 2024 (the **Amendment and Consent Letter**)

which, inter alia, documented the terms on which RBSI as Agent and Security Trustee consented to the Merger and amended the terms of the Amendment and Restatement Deed with effect from the Effective Date, such that the margin in relation to the 2022 Revolving Facility will now be payable at 1.75% per annum plus SONIA.

(b) Investment management agreement fee arrangement

API appointed abrdn Fund Managers Limited (formerly Aberdeen Standard Fund Managers Limited) (**Investment Manager**) as its alternative investment fund manager with effect from 10 December 2018, and API has agreed a reduction in the fee payable to the Investment Manager. In respect of the year ended 31 December 2022, the Investment Manager was entitled to an annual fee equal to 0.70% of gross asset value up to £500 million and 0.60% of gross asset value over £500 million. With effect from 1 January 2023, the Investment Manager is entitled to 0.60% of gross asset value up to £500 million and 0.50% of gross asset value over £500 million. The management agreement with the Investment Manager is terminable by either party on not less than one year's notice.

6.2 CREI material contracts

Save as disclosed below, neither CREI, nor any of its subsidiary undertakings has, during the period commencing on 19 January 2022 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any contract which is outside the ordinary course of business and which is or may be considered material:

(a) Amended and Restated Investment Management Agreement

- (i) An amended and restated investment management agreement dated 19 January 2024, together with a side letter thereto also dated 19 January 2024, between CREI and Custodian Capital, pursuant to which Custodian Capital will, with effect from the Effective Date, continue to be appointed on an exclusive basis as investment manager to CREI and as CREI's alternative investment fund manager. For the avoidance of doubt, if the Merger does not become Effective the terms of the Amended and Restated Investment Management Agreement will not take effect and the Existing Investment Management Agreement (summarised in paragraph 6.2(b) below) shall continue until terminated in accordance with its terms.
- (ii) Under the Amended and Restated Investment Management Agreement, Custodian Capital has responsibility for, without limitation:
 - (A) general property management of the properties held by CREI, including inspecting the state of repair and condition of the properties, instructing on any appropriate works or repair and considering energy saving systems or procedures and administrative systems to ensure that the properties adhere to all health and safety requirements and/or regulations, managing relationships between CREI and any occupational tenants, managing rent reviews, lease renewals and its letting strategy and advising on, and managing, the refurbishment of vacant properties;
 - (B) sourcing and assisting with the acquisition of properties that fall within CREI's investment policy and managing all aspects of the process of acquisition or disposal in relation to a property, or any part thereof, including negotiating and agreeing terms in respect of any such acquisition or disposal;
 - (C) developing and implementing an asset management strategy to deliver added value;
 - (D) collecting rents and conducting general administration of the service charge and insurance arrangements provided for under the leases;
 - (E) obtaining buildings insurance for the properties;
 - (F) arranging senior and subordinated debt (if required) to optimise the capital structure and support the acquisition process;
 - (G) coordinating with third parties providing services to CREI; and
 - (H) direct marketing of CREI to Mattioli Woods' wealth management consultants to enable advised clients of companies within the Mattioli Woods group to participate

in new share issues (being issues of new shares in the capital of CREI other than through a share-for-share exchange to enable a corporate acquisition).

- (iii) In addition, Custodian Capital calculates the Net Asset Value of the CREI Shares on a quarterly basis and these calculations are reported to CREI Shareholders in CREI's interim financial statements and annual accounts and/or by RIS.
- (iv) The services provided by Custodian Capital to CREI pursuant to the Amended and Restated Investment Management Agreement are divided into four categories: (1) Investment Management Services, (2) Asset Management Services, (3) Administrative Services and (4) Marketing Services, as each such term is more fully defined and described in the Amended and Restated Investment Management Agreement.
- (v) Custodian Capital's appointment pursuant to the Amended and Restated Investment Management Agreement will commence on the Effective Date and shall continue in force until it is terminated by either party serving at least one year's prior written notice on the other party, save that such notice may not be served prior to the conclusion of the Transition Period. Following the conclusion of the Transition Period, CREI shall be entitled to request the separate provision of the Investment Management Services, Asset Management Services and Administrative Services and may, by serving at least one year's prior written notice to Custodian Capital, terminate the provision of each or any of the Investment Management Services, Asset Management Services and/or Administrative Services (and terminate the ongoing payment of the Investment Management Fee, Asset Management Fee and/or Administrative Fee (as applicable)) separately (as each such term is more fully defined and described below and in the Amended and Restated Investment Management Agreement).
- (vi) Under the terms of the Amended and Restated Investment Management Agreement, the fees payable to Custodian Capital by CREI shall be as follows:
 - (A) a management fee, payable quarterly in arrears, calculated as:
 - 1) for the duration of the Transition Period: (a) 0.75 per cent. of the Net Asset Value as at the relevant Quarter Day being lower than or equal to £500 million, divided by 4; plus (b) 0.65 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £500 million but lower than or equal to £750 million, divided by 4; plus (c) 0.55 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £750 million, divided by 4; and
 - 2) following the conclusion of the Transition Period: (a) 0.90 per cent. of the Net Asset Value as at the relevant Quarter Day being less than or equal to £200 million, divided by 4; plus (b) 0.75 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £200 million but lower than or equal to £500 million, divided by 4; plus (c) 0.65 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £500 million but lower than or equal to £750 million, divided by 4; plus (d) 0.55 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £750 million, divided by 4,save that Custodian Capital shall waive that part of its management fee that shall be calculated by reference to the net asset value of API's portfolio from the Effective Date until the end of the third Quarter (it being agreed and acknowledged that if the first Quarter is a partial Quarter, the revised fee basis contemplated hereunder shall apply to the whole that Quarter);
 - (B) an administrative fee, payable quarterly in advance, calculated as: (a) 0.125 per cent. of the Net Asset Value as at the relevant Quarter Day being less than or equal to £200 million, divided by 4; plus (b) 0.115 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £200 million but lower than or equal to £500 million, divided by 4; plus (c) 0.02 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £500 million but lower than or equal to £750 million, divided by 4; plus (d) 0.015 per cent. of the

Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £750 million, divided by 4, provided that the Administrative Fee shall never be less than £70,000 per quarter in the first year and that such minimum amount will be increased each year in line with the retail price index; and

- (C) a marketing fee calculated as 0.25 per cent. of the aggregate gross proceeds of any new share issue (being an issue of new shares in the capital of CREI other than through a share-for-share exchange to enable a corporate acquisition, and therefore not including the Merger) which involves the direct marketing of CREI to Mattioli Woods' wealth management consultants to enable advised clients of Mattioli Woods to participate in such issue, as calculated by CREI's broker acting in connection with the relevant new share issue and reported to the CREI Board.
- (vii) For the purposes of paragraphs (vi)(A) and (vi)(B) above, the "Net Asset Value" of CREI shall be the Net Asset Value reported to the CREI Board, including for the avoidance of doubt a reasonable accrual of the asset management fee payable in respect of the relevant quarter, as calculated by Custodian Capital. If the audited financial statements of CREI in respect of any financial year show that the Net Asset Value in respect of that year is or was less than or more than that upon which the management fee and administrative fee has been calculated then the CREI Board and Custodian Capital shall meet to discuss the same and, acting reasonably and in good faith, shall agree a retrospective adjustment (if appropriate) to the investment management fee, asset management fee and administrative fee to reflect the same.
- (viii) As explained in Part I (*Letter from the Chair of abrdn Property Income Trust Limited*) of this document, in connection with Custodian Capital's additional work on the Merger, CREI shall also pay Custodian Capital a one-off project fee of £350,000 (exclusive of VAT), which shall reduce to £75,000 (exclusive of VAT) if the Merger does not become Effective.
- (ix) Custodian Capital has appointed Richard Shepherd-Cross as the "Key Director" and Ed Moore, Alex Nix and Tom Donnachie as the "Key Managers", being responsible for the delivery by Custodian Capital of the services pursuant to the Amended and Restated Investment Management Agreement. The Key Director shall devote no less than 75 per cent. of his working time to his role as Key Director of Custodian Capital for and on behalf of CREI and the Key Managers shall each devote as much time as is reasonably considered necessary to fulfil their respective roles as Key Managers of Custodian Capital acting for and on behalf of CREI. If the Key Director or any of the Key Managers resigns from Custodian Capital or their membership of or employment by Custodian Capital is terminated, Custodian Capital shall immediately notify CREI (a **Notification**).
- (x) CREI may terminate the Amended and Restated Investment Management Agreement at any time by notice in writing to Custodian Capital in the following circumstances:
 - (A) a material breach by Custodian Capital of its obligations under the Amended and Restated Investment Management Agreement which is not remedied within 20 business days (or such longer period as may be agreed by both parties acting reasonably in regard to the relevant breach and giving a reasonable period in which to remedy the same if not possible within 20 business days) of such breach having been notified to Custodian Capital, which at the time of the giving of the notice was not of such seriousness as to fall within (B);
 - (B) Custodian Capital commits breaches of the Amended and Restated Investment Management Agreement which are individually or cumulatively of such seriousness as to permit CREI as a matter of law to treat the Amended and Restated Investment Management Agreement as repudiated by breach;
 - (C) CREI receives a Notification in respect of two Key Managers and neither relevant Key Manager is replaced by an alternative employee within 90 days of the relevant Key Manager ceasing to be employed (any such replacement to be approved in writing in advance by the CREI Board);
 - (D) CREI receives a Notification regarding the Key Director and the Key Director is not replaced by an alternative managing officer within 180 days of the Key Director

ceasing to be employed (any such replacement to be approved in writing in advance by the CREI Board);

- (E) if a force majeure event has continued for a continuous period of ninety (90) days; and
 - (F) in the event of Custodian Capital's fraud or gross negligence, or the withdrawal or failure to obtain any licence, consent, authorisation or permission required by it for the provision of the services required pursuant to the Amended and Restated Investment Management Agreement, or in the case of its insolvency.
- (xi) Unless otherwise agreed between CREI and Custodian Capital, the Amended and Restated Investment Management Agreement shall automatically terminate with immediate effect upon an insolvency event of CREI.
 - (xii) Custodian Capital shall be entitled to terminate the Amended and Restated Investment Management Agreement immediately if there is a material breach of the Amended and Restated Investment Management Agreement by CREI and the breach is not remedied on or before the date falling 20 business days after notice in writing of the breach is served upon CREI.
 - (xiii) CREI and Custodian Capital have agreed that the CREI Board, in consultation with Custodian Capital, intends to conduct an internal review of the scope of the company secretarial services provided as part of the Administrative Services pursuant to the terms of the Amended and Restated Investment Management Agreement. Following such review, CREI and Custodian Capital will seek agreement (which shall not be unreasonably withheld) to vary the scope of such services and, following any adjustment, CREI and Custodian Capital shall cooperate in good faith and use reasonable efforts to ensure that the relevant services may be transitioned smoothly to any new services provider.
 - (xiv) The Amended and Restated Investment Management Agreement is governed by the laws of England.

(b) Existing Investment Management Agreement

- (i) An investment management agreement entered into between CREI and Custodian Capital dated 22 June 2020, as amended by a side letter dated 8 June 2023, pursuant to which Custodian Capital has been appointed on an exclusive basis as investment manager to CREI and as CREI's alternative investment fund manager.
- (ii) Under the Existing Investment Management Agreement, Custodian Capital has responsibility for, without limitation:
 - (A) general property management of the properties held by CREI, including inspecting the state of repair and condition of the properties, instructing on any appropriate works or repair and considering energy saving systems or procedures and administrative systems to ensure that the properties adhere to all health and safety requirements and/or regulations, managing relationships between CREI and any occupational tenants, managing rent reviews, lease renewals and its letting strategy and advising on, and managing, the refurbishment of vacant properties;
 - (B) sourcing and assisting with the acquisition of properties that fall within CREI's investment policy and managing all aspects of the process of acquisition or disposal in relation to a property, or any part thereof, including negotiating and agreeing terms in respect of any such acquisition or disposal;
 - (C) developing and implementing an asset management strategy to deliver added value;
 - (D) collecting rents and conducting general administration of the service charge and insurance arrangements provided for under the leases;
 - (E) obtaining buildings insurance for the properties;
 - (F) arranging senior and subordinated debt (if required) to optimise the capital structure and support the acquisition process; and

- (G) coordinating with third parties providing services to CREI.
- (iii) In addition, Custodian Capital calculates the Net Asset Value of the CREI Ordinary Shares on a quarterly basis and these calculations are reported to CREI Shareholders by an RIS announcement as soon as practicable after the end of the relevant quarter.
- (iv) The services provided by Custodian Capital to CREI pursuant to the Existing Investment Management Agreement are divided into three categories: (1) Investment Management Services, (2) Asset Management Services and (3) Administrative Services, as each such term is more fully defined and described in the Existing Investment Management Agreement.
- (v) Custodian Capital's appointment pursuant to the Existing Investment Management Agreement commenced on 1 June 2020 and shall continue in force until it is terminated by either party serving at least one year's prior written notice on the other party. CREI shall be entitled to request the separate provision of the Investment Management Services, Asset Management Services and Administrative Services and may, by serving at least one year's prior written notice to Custodian Capital, terminate the provision of each or any of the Investment Management Services, Asset Management Services and/or Administrative Services (and terminate the ongoing payment of the Investment Management Services Fee, Asset Management Services Fee and/or Administrative Services Fee (as applicable)) separately (as each such term is more fully defined and described below and in the Existing Investment Management Agreement).
- (vi) In consideration of the provision of the services to CREI under the Existing Investment Management Agreement, CREI pays the following fees to Custodian Capital:
- (A) a management fee, payable quarterly in arrears, calculated as: (a) 0.90 per cent. of the Net Asset Value as at the relevant quarter day (being 31 March, 30 June, 30 September and 31 December (each a **Quarter Day**) being less than or equal to £200 million (i.e. £1.8 million), divided by 4; plus (b) 0.75 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £200 million but lower than £500 million, divided by 4; plus (c) 0.65 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £500 million but lower than £750 million, divided by 4; plus (d) 0.55 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £750 million, divided by 4; and
- (B) an administrative fee, payable quarterly in advance, calculated as: (a) 0.125 per cent. of the Net Asset Value as at the relevant Quarter Day being less than or equal to £200 million, divided by 4; plus (b) 0.115 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £200 million but lower than £500 million, divided by 4; plus (c) 0.02 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £500 million but lower than £750 million, divided by 4; plus (d) 0.015 per cent. of the Net Asset Value as at the relevant Quarter Day to the extent it is in excess of £750 million, divided by 4, provided that the Administrative Fee shall never be less than £70,000 per quarter in the first year and that such minimum amount will be increased each year in line with the retail price index.

For the purposes of paragraphs (vi)(A) and (vi)(B) above, the **Net Asset Value** of CREI shall be the Net Asset Value reported to the CREI Board, including for the avoidance of doubt a reasonable accrual of the management fee payable in respect of the relevant quarter, as calculated by Custodian Capital. If the audited financial statements of CREI in respect of any financial year show that the Net Asset Value in respect of that year is or was less than or more than that upon which the administrative fee has been calculated then CREI and Custodian Capital shall meet to discuss the same and, acting reasonably and in good faith, shall agree a retrospective adjustment (if appropriate) to the administrative fee to reflect the same.

- (vii) Custodian Capital has appointed Richard Shepherd-Cross as the "Key Director" and Ed Moore, Alex Nix and Tom Donnachie as the "Key Managers", being responsible for the delivery by Custodian Capital of the services pursuant to the Existing Investment

Management Agreement. Richard Shepherd-Cross shall devote no less than 75 per cent. of his working time to his role as Key Director of Custodian Capital for and on behalf of CREI and Ed Moore, Alex Nix and Tom Donnachie shall each devote as much time as is reasonably considered necessary to fulfil their respective roles as Key Managers of Custodian Capital acting for and on behalf of CREI. If the Key Director or any of the Key Managers resigns from Custodian Capital or their membership of or employment by Custodian Capital is terminated, Custodian Capital shall immediately notify CREI (a **Notification**).

- (viii) CREI may terminate the Existing Investment Management Agreement at any time by notice in writing to Custodian Capital in the following circumstances: (a) a material breach by Custodian Capital of its obligations under the Existing Investment Management Agreement which is not remedied within 20 business days (or such longer period as may be agreed by both parties acting reasonably in regard to the relevant breach and giving a reasonable period in which to remedy the same if not possible within 20 business days) of such breach having been notified to Custodian Capital, which at the time of the giving of the notice was not of such seriousness as to fall within (b); (b) Custodian Capital commits breaches of the Existing Investment Management Agreement which are individually or cumulatively of such seriousness as to permit CREI as a matter of law to treat the Existing Investment Management Agreement as repudiated by breach; (c) CREI receives a Notification in respect of two Key Managers and neither relevant Key Manager is replaced within 90 days by an alternative employee approved by CREI; (d) CREI receives a Notification regarding the Key Director and the Key Director is not replaced within 180 days by an alternative managing officer approved by CREI; and/or (e) in the event of Custodian Capital's fraud or gross negligence, or the withdrawal or failure to obtain any licence, consent, authorisation or permission required by it for the provision of the services required pursuant to the Existing Investment Management Agreement, or in the case of its insolvency.
- (ix) Unless otherwise agreed between CREI and Custodian Capital, the Existing Investment Management Agreement shall automatically terminate with immediate effect upon an insolvency event of CREI.
- (x) Custodian Capital shall be entitled to terminate the Existing Investment Management Agreement immediately if there is a material breach of the Existing Investment Management Agreement by CREI and the breach is not remedied on or before the date falling 20 business days after notice in writing of the breach is served upon CREI.
- (xi) The Existing Investment Management Agreement is governed by the laws of England.

(c) Aviva Facility Agreement

- (i) The Aviva Facility Agreement originally dated 5 April 2017 and amended and restated on 22 December 2020 and further amended and restated on 15 June 2022 between CREI as the borrower, Aviva Commercial Finance Limited as lender, Aviva Commercial Finance Limited as agent of the other finance parties and Aviva Commercial Finance Limited as security agent for the secured parties.
- (ii) The Aviva Facility Agreement relates to a facility of £75 million comprising:
 - (A) a £35 million loan repayable on 6 April 2032, with fixed annual interest of 3.02 per cent.;
 - (B) a £15 million loan repayable on 3 November 2032 with fixed annual interest of 3.26 per cent.; and
 - (C) a £25 million loan repayable on 3 November 2032 with fixed annual interest of 4.10 per cent.
- (iii) Interest is payable on each loan on each interest payment date (being 10 April, 10 July, 10 October and 10 December in each year), and on termination of each loan.
- (iv) The purpose of the facility is to refinance the cost of acquiring certain properties, payment of fees, costs, expenses and taxes incurred by CREI in connection with such acquisitions, and the general working capital purposes of the CREI Group.

- (v) The Aviva Facility is secured against a discrete pool of assets of the CREI Group.
- (vi) Under the Aviva Facility Agreement, CREI has given standard representations, warranties and covenants to Aviva and the agreement contains events of default, which include (amongst other things) cross default provisions, and conditions precedent to funding which are normal for a facility of this type.
- (vii) Financial covenants pursuant to the terms of the Aviva Facility Agreement include that CREI must ensure: (i) a maximum loan to value ratio of 50 per cent; (ii) historical interest cover of at least 250 per cent. at all times; (iii) projected interest cover of at least 250 per cent. at all times; and (iv) overall gearing does not exceed 35 per cent.
- (viii) The Aviva Facility Agreement is governed by English law.

(d) Revolving Credit Facility Agreement

- (i) The revolving credit facility agreement dated 17 September 2019 between CREI as the borrower, Lloyds Bank plc as mandated lead arranger, Lloyds Bank plc as lender, Lloyds Bank plc as agent of the other finance parties and Lloyds Bank plc as security agent for the secured parties.
- (ii) The agreement relates to a £50 million revolving credit facility with interest of between 1.62 per cent. and 1.92 per cent. above SONIA, determined by reference to the prevailing LTV ratio of a discrete security pool of assets. Interest is payable on each interest payment date (being 10 January, 10 April, 10 July and 10 October in each year) and on termination.
- (iii) The Revolving Credit Facility was originally entered into for an initial term of three years but on 10 November 2023 CREI and Lloyds Bank plc agreed to extend the term of the Revolving Credit Facility for a further three years so as to expire in November 2026. The facility limit can be increased to £75 million with the approval of Lloyds Bank plc.
- (iv) The Revolving Credit Facility Agreement is secured against a discrete pool of assets of the CREI Group.
- (v) Under the Revolving Credit Facility Agreement, CREI has given standard representations, warranties and covenants to Lloyds Bank and the agreement contains events of default, which include (amongst other things) cross default provisions, and conditions precedent to funding which are normal for a facility of this type.
- (vi) Financial covenants pursuant to the terms of the Revolving Credit Facility Agreement include that CREI must ensure: (i) a maximum loan to value ratio of 50 per cent.; and (ii) interest cover of at least 200 per cent. at all times.
- (vii) The Revolving Credit Facility Agreement is governed by English law.

Confidentiality Agreement

See paragraph 9 of Part II (*Explanatory Statement*) of this document for further details on the Confidentiality Agreement.

7 Irrevocable undertakings

7.1 API Directors' Irrevocable Undertakings

The following API Directors have each given an irrevocable undertaking to vote (or procure the voting) in favour of the Scheme at the API Court Meeting and in favour of the API Resolution to be proposed at the API General Meeting (or, in the event that the Merger is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer) in respect of the following API Shares in which they are beneficially interested:

Name	Number of API Shares in respect of which undertaking is given	Percentage of API's issued ordinary share capital as at the Latest Practicable Date
James Clifton-Brown	21,500	0.01
Jill May	128,592	0.03
Mike Balfour	125,000	0.03
Sarah Slater	20,000	0.01
Total	295,092	0.08

These irrevocable undertakings also extend to any further API Shares acquired by the API Directors.

These irrevocable undertakings will continue to be binding if a higher competing offer is made for API.

The irrevocable undertakings from the API Directors listed above will cease to be binding if:

- (a) any resolution to be proposed at the API Court Meeting and the API General Meeting is not approved by the requisite majority of API Shareholders; or
- (b) the Scheme, or Takeover Offer (as applicable) has not become Effective, or become or been declared unconditional in all respects (as the case may be), on or before the Long Stop Date (or such later time or date as agreed between API and CREI with the approval of the Court and/or the Panel, if required); or
- (c) the Scheme or Offer, as applicable, lapses or is withdrawn in accordance with its terms; or
- (d) any competing offer for the entire issued and to be issued share capital of API becomes or is declared unconditional (if implemented by way of a takeover offer) or, if proceeding by way of a scheme of arrangement, becomes effective in accordance with its terms.

7.2 Letter of intent

CREI has received non-binding letters of intent from the following API Shareholders to vote (or procure the vote) in favour of the Scheme at the API Court Meeting and the API Resolution to be proposed at the API General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to procure the acceptance of such Takeover Offer) in respect of their beneficial holdings of API Shares representing in aggregate approximately 10.01 per cent. of API's total issued share capital as at the close of business on the Latest Practicable Date:

Name	Number of API Shares	Percentage of API's issued ordinary share capital as at the Latest Practicable Date
Brooks Macdonald Asset Management	11,376,425	2.98
Wise Funds Limited	5,883,956	1.54
Mattioli Woods	20,909,289	5.48
Total	38,169,670	10.01

7.3 CREI Directors' Irrevocable Undertakings

The following CREI Directors, together with certain of Ian Mattioli's close relatives and related trusts, who hold CREI Shares have given irrevocable undertakings to vote in favour of the CREI Resolution at the CREI General Meeting in respect of the following CREI Shares in which they are beneficially interested:

Name	Number of CREI Shares in respect of which undertaking is given	Percentage of CREI's issued ordinary share capital as at the Latest Practicable Date
Elizabeth McMeikan	20,400	0.00
Chris Ireland	50,345	0.01
Malcolm Cooper	45,000	0.01
Hazel Adam	19,566	0.00
Ian Mattioli MBE	1,370,552	0.31
MW Trustees Limited	1,715,339	0.39
Clare Mattioli	837,554	0.19
Laura Mattioli	1,493,457	0.34
Alexandra Dariani	652,604	0.15
Total	6,204,817	1.41

1. MW Trustees Limited is a trustee for certain family trusts in respect of which Ian Mattioli MBE and members of his family are beneficiaries.

2. The irrevocable undertakings provided by Ian Mattioli MBE and Clare Mattioli both include 100,000 CREI Shares held by the Ian and Clare Mattioli Charitable Trust. However, for the purposes of disclosure in this document these 100,000 CREI Shares have been counted as part of Ian Mattioli MBE's irrevocable undertaking only.

The irrevocable undertakings from the CREI Directors listed above will cease to be binding if:

- (a) the Merger terminates, lapses or is withdrawn in accordance with its terms; or
- (b) the Scheme has not become effective, or the Takeover Offer has not been declared unconditional in all respects (as the case may be), in accordance with the requirements of the

Takeover Code by 6.00 p.m. on the Long Stop Date or such later time or date as agreed between API and CREI with the approval of the Court and/or the Panel, if required.

8 Offer-related fees and expense

8.1 CREI fees and expenses

The aggregate fees and expenses expected to be incurred by CREI in connection with the Merger (excluding any applicable VAT) are expected to amount to approximately £5.91 million. The aggregate fees and expenses consist of the following categories:

Category	Amount (£) (excluding applicable VAT and other taxes)
Financial and corporate broking advice	3,500,000
Legal advice	720,000
Registrar fees	25,000
Accounting and tax advice	695,000
Public relations advice	94,000
Other professional services	210,000
Other costs and expenses	667,000
Total	5,911,000

Notes:

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Merger becomes Effective. The total does not include disbursements.
- (2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.
- (3) "Other costs and expenses" includes, among other things, document fees payable to the Panel.

8.2 API fees and expenses

The aggregate fees and expenses expected to be incurred by API in connection with the Merger (excluding any applicable VAT) are expected to amount to approximately £6.01 million. The aggregate fees and expenses consist of the following categories:

Category	Amount (£) (excluding applicable VAT and other taxes)
Financing arrangements	433,500
Financial and corporate broking advice	3,875,000
Legal advice	990,000
Registrar fees	29,000
Accounting and tax advice	375,000
Other professional services	297,500
Other costs and expenses	10,000
Total	6,010,000

Notes:

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Merger becomes Effective. The total does not include disbursements.
- (2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the Latest Practicable Date prior to the publication of this document and an estimate of the further time required.

9 Ratings

9.1 No rating agency has publicly accorded to API any current credit rating or outlook.

9.2 No rating agency has publicly accorded to CREI any current credit rating or outlook.

10 Persons acting in concert

10.1 In addition to the CREI Directors and the members of the Wider CREI Group and the directors and officers of the members of the Wider CREI Group, the persons who, for the purposes of the Code, are acting in concert with CREI in respect of the Merger and who are required to be disclosed are:

<u>Name</u>	<u>Registered Office</u>	<u>Relationship with CREI</u>
Custodian Capital Limited, together with each company it controls	1 New Walk Place, Leicester LE1 6RU	CREI Investment Manager
Mattioli Woods, together with each member of the MW Group controlled by it	1 New Walk Place, Leicester LE1 6RU	Parent of the CREI Investment Manager
MW and its multi-asset fund clients managed by the MW Investments team on a discretionary basis	1 New Walk Place, Leicester LE1 6RU	Parent of the CREI Investment Manager
Ed Moore	c/o 1 New Walk Place, Leicester LE1 6RU	Director of the CREI Investment Manager
Richard Shepherd-Cross	c/o 1 New Walk Place, Leicester LE1 6RU	Director of the CREI Investment Manager
Numis Securities Limited	45 Gresham Street, London EC2V 7BF	Connected Adviser

10.2 In addition to the API Directors and the members of the API Group, the persons who, for the purposes of the Code, are acting in concert with API in respect of the Merger and who are required to be disclosed are:

<u>Name</u>	<u>Registered Office</u>	<u>Relationship with API</u>
abrdn Fund Managers Limited	280 Bishopsgate, London EC2M 4AG	Investment Manager
Lazard & Co., Limited	50 Stratton Street, London, W1J 8LL	Connected Adviser
Winterflood Securities Limited	The Atrium Building, Cannon Bridge, 25 Dowgate, London, EC4R 2GA	Connected Adviser

10.3 For the purposes of this paragraph 10, **Connected Adviser** has the meaning given to it in the Code.

11 No significant change

11.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of API since 30 June 2023, being the date to which API's last unaudited consolidated interim results were prepared.

11.2 Save as disclosed below, there has been no significant change in the financial or trading position of CREI since 30 September 2023, being the date to which CREI's last unaudited consolidated interim results were prepared:

- (a) on 10 November 2023, CREI and Lloyds Bank plc agreed to extend CREI's Revolving Credit Facility for a term of three years, with options to extend the term by a further year on each of the first and second anniversaries of the renewal. The Revolving Credit

Facility includes and 'accordion' option with the facility limit initially set at £50 million, which can be increased up to £75 million subject to Lloyd Bank plc's agreement.

12 Consents

- 12.1 Lazard, Deutsche Numis and Winterflood have each given and not withdrawn their written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 12.2 Knight Frank has given and not withdrawn its consent to the publication of the CREI Knight Frank Valuation Report and the API Valuation Report in this document in the form and context in which they are included.
- 12.3 Savills has given and not withdrawn its consent to the publication of the CREI Savills Valuation Report in this document in the form and context in which it is included.

13 Other information

- 13.1 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between CREI, any member of the CREI Group nor (as far as CREI is aware) any person acting in concert with any of them and any of the directors, recent directors, shareholders or recent shareholders of API, or any person interested or recently interested in API Shares, having any connection with or dependence on or which is conditional upon the outcome of the Merger.
- 13.2 There is no agreement, arrangement or understanding pursuant to which the beneficial ownership of any of the API Shares to be acquired by CREI will be transferred to any other person, save that CREI reserves the right to transfer any such shares to any other member of the CREI Group.
- 13.3 Save with the consent of the Panel and as disclosed in this document, issuance of the New CREI Shares to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which CREI may otherwise be, or claim to be, entitled against any such Scheme Shareholder.
- 13.4 Save as disclosed in this document, there is no agreement or arrangement to which CREI or any member of the CREI Group is a party which relates to the circumstances in which it may or may not invoke a Condition to the Scheme.

14 Incorporation by reference

- 14.1 Parts of other documents are incorporated by reference in, and form part of, this document.
- 14.2 Part V (*Financial Information*) of this document sets out which sections of the documents referred to are incorporated into this document.
- 14.3 Recipients of this document may request hard copies of the information incorporated into this document by reference by contacting Computershare, on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare is open between 8:30 a.m. and 5:30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Alternatively, a request in writing may be submitted to Computershare at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.
- 14.4 Hard copies of the information incorporated into this document by reference will not be sent to recipients of this document unless specifically requested.

15 Valuation Reports

CREI Valuation Reports

15.1 For the purposes of Rule 29.5 of the Code, the CREI Board confirms that each of Knight Frank and Savills has confirmed to it that an updated valuation of CREI's property portfolio as at the date of this document would not be materially different from the valuation given by each of Knight Frank and Savills as at 31 December 2023 and contained in the CREI Knight Frank Valuation Report and the CREI Savills Valuation Report respectively, set out in Part VII (*Valuation Reports*) of this document.

15.2 In the event that CREI's property portfolio was to be sold at the valuations contained in the CREI Valuation Reports, any gains realised on such disposals may be subject to taxation in the UK. Generally, qualifying disposals by a REIT of assets held for the purpose of a property rental business should be exempt from UK corporation tax. However there are specific rules which can result in assets held as part of the property rental business being subject to tax on disposal (for example when a property is materially developed and sold within three years of completion of that development). In connection with the Merger it is not contemplated that the aforementioned liability to taxation will crystallise.

API Valuation Report

15.3 For the purposes of Rule 29.5 of the Code, the API Board confirms that Knight Frank has confirmed to it that an updated valuation of API's property portfolio as at the date of this document would not be materially different from the valuation given by Knight Frank as at 31 December 2023 and contained in the API Valuation Report set out in Part VIII (*Valuation Reports*) of this document.

15.4 In the event that API's property portfolio was to be sold at the valuations contained in the API Valuation Report, any gains realised on such disposals may be subject to taxation in the UK. Generally, qualifying disposals by a REIT of assets held for the purpose of a property rental business should be exempt from UK corporation tax. However there are specific rules which can result in assets held as part of the property rental business being subject to tax on disposal (for example where a property is developed since acquisition, with costs of the development exceeding 30 per cent. of the fair value of the property at the date of acquisition and joining the REIT regime, then disposed of within three years of the completion of the development, with completion being post entry into the REIT regime). In connection with the Merger it is not contemplated that the aforementioned liability to taxation will crystallise.

16 Documents published on a website

Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier), the following documents will be available on API's website at <https://www.abrdnpit.co.uk/en-gb/merger> and CREI's website at <https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/> (subject to, in each case, any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (a) the articles of incorporation of API and articles of association of CREI;
- (b) the articles of incorporation of API as proposed to be amended pursuant to the API Resolution;
- (c) the financial information relating to CREI referred to in paragraph 2 of Part V (*Financial Information*) of this document;
- (d) the financial information relating to API referred to in paragraph 1 of Part V (*Financial Information*) of this document;
- (e) the Announcement;
- (f) this document and the Forms of Proxy;
- (g) the Combined Prospectus and Circular;
- (h) each of the Valuation Reports;

- (i) a letter from RSM confirming that its report in connection with the Quantified Financial Benefits Statement (as referred to in Part IX (*Quantified Financial Benefits Statement*)) continues to apply, as required by Rule 27.2(d) of the Code;
- (j) a letter from Deutsche Numis confirming that its report in connection with the Quantified Financial Benefits Statement (as referred to in Part IX (*Quantified Financial Benefits Statement*)) continues to apply, as required by Rule 27.2(d) of the Code;
- (k) the announcement to be released on a Regulatory Information Service in connection with the publication of this document on the date hereof;
- (l) the Amended and Restated Investment Management Agreement;
- (m) the Confidentiality Agreement;
- (n) the irrevocable undertakings and letters of intent referred to in paragraph 7 above; and
- (o) the consent letters referred to in paragraph 12 above.

The content of the websites (including the content of any other website accessible from hyperlinks on such websites) referred to in this document is not incorporated into and does not form part of this document save as specified in paragraphs 1 and 2 of Part V (*Financial Information*) of this document.

17 Sources of information and bases of calculation

Unless otherwise stated, the following constitute the sources of information and bases of calculations in this document:

- 17.1 Property portfolio and valuation information relating to CREI is from the valuation reports as at 31 December 2023 produced by Knight Frank and Savills as set out in Part VII to this document.
- 17.2 Property portfolio and valuation information relating to API is from the valuation report as at 31 December 2023 produced by Knight Frank as set out in Part VIII to this document.
- 17.3 Financial information relating to CREI has been extracted or derived (without adjustment) from the unaudited management accounts for CREI as at 30 September 2023 and CREI's RNS announcement on 31 October 2023 "*Second quarter trading update shows rental growth supporting fully covered dividends and stable values*".
- 17.4 Financial information relating to API has been extracted or derived (without adjustment) from the unaudited management accounts for API as at 30 September 2023, API's RNS announcement on 7 November 2023 "*Unaudited Net Asset Value as at 30 September 2023*", and API's RNS announcement on 1 February 2024 "*Unaudited Net Asset Value as at 31 December 2023*".
- 17.5 All Closing Prices for the API Shares and the CREI Shares are derived from the Daily Official List as at 30 January 2024 (being the Latest Practicable Date).
- 17.6 All volume-weighted average prices are derived from data provided by Bloomberg for the relevant time periods.
- 17.7 API's issued share capital consists of 381,218,977 API Shares as at the Latest Practicable Date (excluding 25,646,442 shares held in treasury), with no outstanding options or rights to convertible securities.
- 17.8 CREI's issued share capital consists of 440,850,398 CREI Shares as at the Latest Practicable Date, with no outstanding options or rights to convertible securities.
- 17.9 The average discount to EPRA NTA per share is based on the daily Closing Price and the EPRA NTA per share (or EPRA NAV per share, prior to the introduction of EPRA NTA) as at the last quarterly balance sheet date on any given day.

17.10 CREI's Rolled-Forward Unaudited EPRA NTA as at 31 December 2023 has been calculated as follows:

£'000 unless stated	EPRA NTA as at 30 September 2023	Adjustment for Disposals ⁽²⁾	Adjustment for 31 December 2023 Valuation ⁽³⁾	Rolled-Forward Unaudited EPRA NTA as at 31 December 2023
Property value ⁽¹⁾	609,150	(550)	(6,830)	601,770
Cash	6,697	—	—	6,697
Bank loans	(183,689)	529	(3,047)	(186,207)
Other net liabilities	(9,378)	—	—	(9,378)
EPRA NTA⁽⁴⁾	422,780	(21)	(9,877)	412,882
Total diluted shares ('000) ⁽⁵⁾	440,850			440,850
EPRA NTA per share (pence)	95.9			93.7

Notes:

- (1) Investment property value represents the market value as per Knight Frank / Savills valuation of the CREI portfolio.
- (2) Represents proceeds from the disposal of CREI's interest in Chesham (announced by CREI on 13 November 2023).
- (3) 31 December 2023 revaluation adjustment for the market valuation of investment properties as per Knight Frank / Savills valuation, adjusted for estimated capital expenditure of £3 million.
- (4) The CREI Directors confirm that the aggregate of other movements in EPRA NTA between 30 September 2023 and 31 December 2023 is not material.
- (5) Total diluted shares as at 30 September 2023.

17.11 API's Rolled-Forward Unaudited EPRA NTA as at 31 December 2023 was calculated as follows:

£'000 unless stated	EPRA NTA as at 30 September 2023	Adjustment for Disposals ⁽⁴⁾	Adjustment for 31 December 2023 Valuation ⁽⁵⁾	Rolled-Forward Unaudited EPRA NTA as at 31 December 2023
Property value ⁽¹⁾	449,629	(6,550)	(3,894)	439,185
Cash	5,742	—	—	5,742
Bank loans	(139,310)	6,126	(7,272)	(140,456)
Other net liabilities ⁽²⁾	(5,301)	—	—	(5,301)
EPRA NTA⁽³⁾	310,760	(424)	(11,166)	299,170
Total diluted shares ('000)	381,219			381,219
EPRA NTA per share (pence)	81.5			78.5

Notes:

- (1) Consists of investment property, land and lease incentives as per the Knight Frank valuation of the API portfolio.
- (2) Consists of other assets / (liabilities) and the EPRA adjustment (which removes the fair value of derivatives).
- (3) The API Directors confirmed that the aggregate of other movements in EPRA NTA between 30 September 2023 and 31 December 2023 was not material.
- (4) Represents the change in property value and net proceeds associated with the disposal of the Cullen Square asset (announced by API on 20 December 2023).
- (5) 31 December 2023 revaluation adjustment for the market valuation of investment properties as per Knight Frank valuation of the API portfolio, adjusted for estimated capital expenditure of £7 million.

17.12 API has a Reported Unaudited EPRA NTA as at 31 December 2023 of £297.6 million, equivalent to 78.1 pence per API share, as set out in API's RNS announcement on 1 February 2024 "Unaudited Net Asset Value as at 31 December 2023". The difference of £1.5 million, or 0.4 pence per API share, between the Reported Unaudited EPRA NTA and the Rolled-Forward Unaudited EPRA NTA as at 31 December 2023 is due to variance between the actual and rolled-forward balances of cash, bank loans and other net liabilities.

PART XI

DEFINITIONS

Admission	admission of the New CREI Shares to be issued pursuant to the Merger (i) to trading on the Main Market becoming effective in accordance with the LSE Admission Standards; and (ii) to listing on the Premium segment of the Official List becoming effective in accordance with the Listing Rules;
Amended and Restated Investment Management Agreement	the amended and restated investment management agreement dated 19 January 2024, together with the side letter thereto also dated 19 January 2024, between CREI and Custodian Capital, the terms of which are summarised in paragraph 6.2(a) of Part X (<i>Additional Information</i>) of this document and shall take effect from the Effective Date;
Announcement	the announcement of a recommended firm intention to make an offer for the entire issued share capital of API pursuant to Rule 2.7 of the Code made by CREI and API on the Announcement Date;
Announcement Date	19 January 2024;
API	abrdrn Property Income Trust Limited, a non-cellular company limited by shares incorporated in Guernsey with registration number 41352;
API Articles	the articles of incorporation of API (as amended);
API Court Meeting	the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders to be convened by order of the Court pursuant to section 107 of the Companies Law to consider and, if thought fit, approve the Scheme (with or without modification), including any adjournment, postponement or reconvention thereof, notice of which is contained in Part XII (<i>Notice of API Court Meeting</i>) of this document;
API Directors or API Board	the board of directors of API;
API General Meeting	the extraordinary general meeting (or any adjournment, postponement or reconvention thereof) of API Shareholders to be convened for the purpose of considering and, if thought fit, approving the API Resolution, notice of which is contained in Part XIII (<i>Notice of API General Meeting</i>) of this document;
API Group	API and its group undertakings from time to time;
API Investment Manager or abrdrn Fund Managers	abrdrn Fund Managers Limited, a private limited company with company number 00740118;
API Meetings	the API Court Meeting and the API General Meeting and Meeting means either of them;
API Q1 Dividend	has the meaning given to it in paragraph 8 of Part I (<i>Letter from the Chair of abrdrn Property Income Trust</i>) of this document;
API Q1 Uncovered Dividend Portion	has the meaning given to it in paragraph 8 of Part I (<i>Letter from the Chair of abrdrn Property Income Trust</i>) of this document;
API Q4 Dividend	has the meaning given to it in paragraph 8 of Part I (<i>Letter from the Chair of abrdrn Property Income Trust</i>) of this document;
API Resolution	the special resolution to be proposed by API at the API General Meeting relating to the Scheme, approving the implementation of the Scheme and the amendment of the API Articles;
API Shareholders	the holders of API Shares from time to time;

API Shares	the ordinary shares of £0.01 each in the capital of API;
API Valuation Report	the valuation report prepared by Knight Frank in relation to API's property portfolio in accordance with Rule 29 of the Code and contained in Part VIII (<i>API Valuation Report</i>) of this document;
associated undertaking	shall be construed in accordance with paragraph 19 of Schedule 6 to the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose;
Aviva Facility Agreement	the facility agreement dated 5 April 2017, and amended and restated on 22 December 2020 and further amended and restated on 15 June 2022, entered into between, <i>inter alia</i> , CREI and Aviva Commercial Finance Limited as lender, the terms of which are summarised in paragraph 6.2(c) of Part X (<i>Additional Information</i>) of this document;
Business Day	any day (excluding any Saturday or Sunday or any public holiday in England or Guernsey) on which banks in the City of London and Guernsey are generally open for business;
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);
Closing Price	the closing middle market quotation for an API Share or a CREI Share, as applicable, on the day to which such price relates, as derived from the Daily Official List on any particular date;
Code	the City Code on Takeovers and Mergers;
Combined Circular and Prospectus	the combined circular and prospectus published by CREI dated the date of this document under the Prospectus Regulation in respect of the New CREI Shares to be issued to Scheme Shareholders in connection with the Merger and for the purpose of Admission;
Combined Group	the CREI Group, including the API Group, following the Merger becoming Effective;
Companies Law	the Companies (Guernsey) Law, 2008 (as amended);
Completion	completion of the Merger;
Computershare	Computershare Investor Services (Guernsey) Limited, API's registrars, of c/o The Pavilions, Bridgwater Road, Bristol, BS13 8AE;
Conditions	the conditions to the implementation of the Merger (including the Scheme), as set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Merger</i>) of this document or, if applicable, in the Offer Document and Condition means any of them;
Confidentiality Agreement	the confidentiality agreement entered into between CREI and API in relation to the Merger dated 10 July 2023, a summary of which is contained in paragraph 9 of Part II (<i>Explanatory Statement</i>) of this document;
Court	the Royal Court of Guernsey;
Court Order	the order of the Court sanctioning the Scheme under the Companies Law;
CREI	Custodian Property Income REIT plc, a public limited company incorporated in England and Wales with company number 08863271 and whose registered office is at 1 New Walk Place, Leicester LE1 6RU;

CREI Directors or CREI Board	the board of directors of CREI;
CREI General Meeting	the general meeting of CREI Shareholders to be convened in connection with the Merger, notice of which is set out in the Combined Circular and Prospectus, to consider, and if thought fit, approve the CREI Resolution, including any adjournment thereof;
CREI Group	CREI and its group undertakings from time to time;
CREI Knight Frank Valuation Report	the valuation report prepared by Knight Frank in relation to part of CREI's property portfolio in accordance with Rule 29 of the Code and contained in Section A of Part VII (<i>CREI Valuation Reports</i>) of this document;
CREI Q3 Dividend	has the meaning given to it in paragraph 8 of Part I (<i>Letter from the Chair of abrdn Property Income Trust</i>) of this document;
CREI Q4 Dividend	has the meaning given to it in paragraph 8 of Part I (<i>Letter from the Chair of abrdn Property Income Trust</i>) of this document;
CREI Q4 Uncovered Dividend Portion	has the meaning given to it in paragraph 8 of Part I (<i>Letter from the Chair of abrdn Property Income Trust</i>) of this document;
CREI Resolution	the ordinary resolution to be proposed at the CREI General Meeting to approve the issue of the New CREI Shares in connection with the Merger;
CREI Savills Valuation Report	the valuation report prepared by Savills in relation to part of CREI's property portfolio in accordance with Rule 29 of the Code and contained in Section B of Part VII (<i>CREI Valuation Reports</i>) of this document;
CREI Shareholders	the holders of CREI Shares from time to time;
CREI Shares	ordinary shares of £0.01 each in the capital of CREI and, as the context may require, may include Existing CREI Shares and New CREI Shares;
CREI Valuation Reports	together, the CREI Knight Frank Valuation Report and the CREI Savills Valuation Report;
CREST	the CREST system (as defined in the CREST Regulations);
CREST Applications Host	the communication hosting system operated by Euroclear;
CREST Manual	the CREST Manual published by Euroclear (as amended);
CREST Proxy Instruction	has the meaning given to it on page 9;
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations 2009 (SI 2009 No.48) (as amended);
Custodian Capital or CREI Investment Manager	Custodian Capital Limited, a private limited company incorporated in England and Wales with company number 06504305;
Daily Official List	the daily official list of the London Stock Exchange;
Dealing Disclosure	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;
Deutsche Numis	Numis Securities Limited;
Disclosed	in respect of API, information disclosed by, or on behalf of, API (i) in API's annual report and audited financial statements for the financial year ended 31 December 2022, (ii) in the interim results of API for the six month period ended 30 June 2023, (iii) in the Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, API before the publication of the Announcement; and/or (v) as otherwise fairly disclosed in

writing to CREI or its officers, employees, agents or professional advisers prior to the date of the Announcement by, or on behalf of, API or its officers, employees, agents or professional advisers (in their capacity as such), including in the virtual data room, prior to 5.00 p.m. on 16 January 2024, operated on behalf of API and which CREI and its advisers are able to access in respect of the Merger; and

in respect of CREI, (a) information disclosed by, or on behalf of, CREI (i) in CREI's annual report and audited financial statements for the 12 months ended 31 March 2023, (ii) in the interim results of CREI or the six month period ended 30 September 2023, (iii) in the Announcement, (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, API before the publication of the Announcement; and/or (v) as otherwise fairly disclosed in writing to API or its officers, employees, agents or professional advisers prior to the date of the Announcement by, or on behalf of, CREI or its officers, employees, agents or professional advisers (in their capacity as such), including in the virtual data room, prior to 5.00 p.m. on 16 January 2024, operated on behalf of CREI and which API and its advisers are able to access in respect of the Merger;

Dividend Discrepancy has the meaning given to it in paragraph 8 of Part I of this document;

Effective either:

(a) if the Merger is implemented by way of Scheme, the Scheme having become effective pursuant to its terms; or

(b) if the Merger is implemented by way of Takeover Offer (with the Panel's consent), the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Code;

Effective Date the date upon which the Merger becomes Effective;

EPRA European Public Real Estate Association;

EPRA Topped-Up Net Initial Yield the current annualised rent, net of costs, adjusted for the expiration of rent free periods and other unexpired lease incentives, expressed as a percentage of capital value (adding notional purchasers costs), calculated in line with EPRA guidance;

ERV estimated rental value;

Euroclear Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738;

Exchange Ratio 0.78 New CREI Shares for each API Share;

Excluded Shares (a) any API Shares registered in the name of, or beneficially owned by: (i) CREI or any member of the CREI Group; or (ii) any nominee of any of the foregoing; or

(b) any Treasury Shares,
in each case, at any relevant time;

Existing CREI Shares the 440,850,398 existing CREI Shares in issue as at the date of this document;

FCA the UK Financial Conduct Authority or its successor from time to time;

Forms of Proxy either or both (as the context demands) of the BLUE Form of Proxy in relation to the API Court Meeting and the WHITE Form of

	Proxy in relation to the API General Meeting which accompany this document;
FSMA	the Financial Services and Markets Act 2000 (as amended);
holder	a registered holder and includes any person entitled by transmission;
Irrevocable Undertakings	the irrevocable undertakings to vote or procure votes in favour of the Scheme at the API Court Meeting and the API Resolution to be proposed at the API General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), as detailed in paragraph 7 of Part X (<i>Additional Information</i>) of this document;
ISIN	International Securities Identification Number;
Knight Frank	Knight Frank LLP;
Latest Practicable Date	30 January 2024, being the last practicable date prior to publication of this document;
Lazard	Lazard & Co., Limited;
Link Group	the trading name of Link Market Services Limited, the receiving agent for the Scheme and the CREI Share registrar;
Listing Rules	the listing rules issued by the FCA pursuant to Part 6 of FSMA;
London Stock Exchange	London Stock Exchange plc;
Long Stop Date	30 April 2024, or such later date as may be agreed between CREI and API (with the Panel's consent and as the Court may approve, if such consent and/or approval is required);
LTV	loan-to-value ratio, being the outstanding amount of a loan as a percentage of property value;
Main Market	the London Stock Exchange's main market for listed securities;
Mattioli Woods	Custodian Capital's parent company, Mattioli Woods plc, a public limited company incorporated in England and Wales with company number 03140521;
Merger	the acquisition of the entire issued and to be issued share capital of API by CREI to be implemented by way of the Scheme or, should CREI so elect (with the consent of the Panel) by way of a Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
MW Clients	the individual private clients of Mattioli Woods;
MW Group	MW and its group undertakings from time to time;
NAV	net asset value;
New CREI Shares	the new CREI Shares to be allotted and issued to Scheme Shareholders pursuant to the Merger;
NTA	net tangible asset value;
Offer Document	should the Merger be implemented by means of a Takeover Offer, the document to be sent or made available to API Shareholders which will contain, amongst other things, the terms and conditions of the Merger;
Offer Period	the offer period (as defined in the Code) relating to API which commenced on 19 January 2024 and ending on the earlier of the Effective Date and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);

Official List	the Official List of the FCA;
Opening Position Disclosure	has the same meaning as in Rule 8 of the Code;
Overseas Shareholders	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom and Guernsey;
Panel	the UK Panel on Takeovers and Mergers;
PID	property income distribution;
Proposed Directors	Jill May and Sarah Slater (being those API Directors who are anticipated to join the CREI Board as non-executive directors with effect from completion of the Merger);
Prospectus Regulation	the Prospectus Regulation (EU) 2017/1129 as retained as part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time;
Quantified Financial Benefits Statement	has the meaning given to it in Part IX (<i>Quantified Financial Benefits Statement</i>) of this document;
Regulatory Information Service	an information service authorised from time to time by the London Stock Exchange for the purposes of disseminating regulatory announcements;
REIT	a company or group to which Part 12 of the CTA 2010 applies (including, where relevant, a REIT Group);
REIT Group	a REIT and its group undertakings from time to time;
relevant securities	shall be construed in accordance with the Code;
Reported Unaudited EPRA NTA	the reported, unaudited EPRA NTA of API as at 31 December 2023, as more specifically shown in paragraph 17.12 of Part X (<i>Additional Information</i>) of this document;
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to API Shareholders in that jurisdiction;
Restricted Overseas Person	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, a Restricted Jurisdiction;
Revolving Credit Facility Agreement	the revolving credit facility agreement dated 17 September 2019 entered into between, <i>inter alia</i> , CREI and Lloyds Bank plc as lender, the terms of which are summarised in paragraph 6.2(d) of Part X (Additional Information) of this document;
Rolled-Forward Unaudited EPRA NTA	the rolled-forward, unaudited EPRA NTA of each of CREI and API as at 31 December 2023, as more specifically shown in paragraphs 17.10 and 17.11 of Part X (<i>Additional Information</i>) of this document;
RSM	RSM UK Corporate Finance LLP;
Sanction Hearing	the hearing of the Court at which API will seek an order sanctioning the Scheme under section 110 of the Companies Law;
Savills	Savills Advisory Services Limited;
Scheme	the scheme of arrangement proposed to be made under Part VIII of the Companies Law between API and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court (where relevant) and

	agreed to by API and CREI, as set out in Part IV (<i>The Scheme of Arrangement</i>) of this document;
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date or such other date and/or time as CREI and API may agree;
Scheme Shareholder(s)	the holder of Scheme Shares from time to time;
Scheme Shares	the API Shares: <ul style="list-style-type: none"> (a) in issue at the date of this document; (b) (if any) issued after the date of this document and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, In each case at any relevant date or time, but excluding any Excluded Shares;
Substantial Interest	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of: (a) the total voting rights conferred by the equity share capital of such undertaking; or (b) the relevant partnership interest;
Takeover Offer	should (subject to the consent of the Panel) the Merger be implemented by way of a takeover offer (which shall be an offer for the purposes of section 337 of the Companies Law), the offer to be made by or on behalf of CREI to acquire the entire issued and to be issued share capital of API on the terms and subject to the conditions to be set out in the related offer document and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
Third Party	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, professional or investigative body or authority (including any antitrust or merger control authority), court, trade agency, professional association, institution, works council, employee representative body or any other similar body or person whatsoever in any jurisdiction;
Transition Period	the period of two years following the Effective Date;
Treasury Shares	any API Shares which are held by API as treasury shares (within the meaning of the Companies Law) at any relevant time;
UK Companies Act	the UK Companies Act 2006 (as amended);
United Kingdom or UK uncertificated or in uncertificated form	United Kingdom of Great Britain and Northern Ireland; a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United States or US	the United States of America, its territories and possessions, all areas subject to its jurisdiction or any subdivision thereof, any state of the United States of America and the District of Columbia;
Valuation Reports	together, the CREI Valuation Reports and the API Valuation Reports;
VAT	value added tax or any similar sales or turnover tax;

Voting Record Time	6.00 p.m. on 26 February 2024 or, if the API Court Meeting and/or the API General Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting;
Wider API Group	API and its parent undertakings and its and such parent undertakings' subsidiary undertakings, API and their respective associated undertakings, and any other body corporate, partnership, joint venture or person in which API and all such undertakings (aggregating their interests) have a Substantial Interest;
Wider CREI Group	CREI and its parent undertakings and its and such parent undertakings' subsidiary undertakings, CREI and their respective associated undertakings, and any other body corporate, partnership, joint venture or person in which CREI and all such undertakings (aggregating their interests) have a Substantial Interest; and
Winterflood	Winterflood Securities Limited

All references to time in this document are to London (UK) time unless otherwise stated.

All references to **pounds, pounds Sterling, Sterling, £, pence, penny** and **p** are to the lawful currency of the United Kingdom.

A reference to **includes** shall mean **includes without limitation**, and references to **including** and any other similar term shall be construed accordingly.

For the purposes of this document, **equity share capital, group undertaking, subsidiary, subsidiary undertaking**, and **undertaking** have the meanings given by the UK Companies Act.

All references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

References to the singular include the plural and vice versa.

PART XII

NOTICE OF API COURT MEETING

IN THE ROYAL COURT OF GUERNSEY
(ORDINARY DIVISION)

IN THE MATTER OF ABRDN PROPERTY INCOME TRUST LIMITED

(incorporated in Guernsey with registration number 41352)

and

IN THE MATTER OF PART VIII OF THE COMPANIES (GUERNSEY) LAW, 2008 (AS AMENDED)

NOTICE IS HEREBY GIVEN that, by an order dated 1 February 2024 made under section 107 of the Companies Law (Guernsey), 2008 (as amended) (the **Companies Law**) in the above matter (the **Order**), the Royal Court of Guernsey (the **Court**) has directed abrdn Property Income Trust Limited (the **Company** or **API**) to convene a meeting (the **API Court Meeting**) of the Scheme Shareholders (as defined in the Scheme of Arrangement (as defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part VIII of the Companies Law between API and the Scheme Shareholders (the **Scheme of Arrangement**) and that such meeting will be held at 10.00 a.m. on 28 February 2024 at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be published pursuant to section 108 of the Companies Law are incorporated in the document of which this notice forms part (the **Scheme Document**). Capitalised terms used but not defined in this Notice shall have the meaning given to them in the Scheme Document (unless otherwise stated).

At the API Court Meeting, the following resolution will be proposed:

“That the Scheme of Arrangement between the Company and the Scheme Shareholders, a print of which has been produced to this meeting and, for the purposes of identification signed by the Chair hereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court, and agreed by the Company and CREI, be approved.”

Voting on the resolution to approve the Scheme of Arrangement will be by poll, which shall be conducted as the Chair of the API Court Meeting may determine.

Scheme Shareholders entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, as their proxy to attend and vote in their stead.

Appointment of proxies

Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the API Court Meeting as soon as possible, using any of the methods (by post, by hand, online or through CREST) set out below. Scheme Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. Any other person appointed as proxy will be able to attend, submit questions speak and vote at the API Court Meeting.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST or as described below (but not, for the avoidance of doubt, by means of an online proxy appointment as described below), provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders who wish to appoint more than one proxy in respect of their holding of Scheme Shares should contact Computershare for further BLUE Forms of Proxy. Alternatively, you may photocopy the BLUE Form of Proxy enclosed with this notice.

The completion and return of the BLUE Form of Proxy (by post or by hand), or transmission of a proxy appointment or voting instruction through CREST or online or by any other procedure

described in this document, will not prevent you from voting and speaking at the API Court Meeting, or any adjournment thereof, if you are entitled to and wish to do so.

Sending BLUE Forms of Proxy by post

You should complete, sign and return the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) enclosed with this notice for use at the API Court Meeting so as to be **received no later than 10.00 a.m. on 26 February 2024**. In the event of adjournment(s) of the API Court Meeting, the Form of Proxy (together with any power of attorney or other authority as above) should be received no later than 48 hours before the time and date set for the adjourned meeting(s).

The Form of Proxy may be returned by post or, during normal business hours only, by hand to the reception desk of API's registrar, Computershare Investor Services (Guernsey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. For your convenience, a prepaid envelope (for use in the UK only) has been provided with respect to the BLUE Form of Proxy.

If the BLUE Form of Proxy for the API Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid.

Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the API Court Meeting (or any adjournment(s) thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (participant ID: 3RA50) **no later than 10.00 a.m. on 26 February 2024** (or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

API may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

As an alternative to completing and returning the printed BLUE Form of Proxy, a proxy (but not multiple proxies) for the API Court Meeting may be appointed electronically by logging on to the following website: <https://www.eproxyappointment.com> and following the instructions therein. You will be prompted to enter the API Court Meeting control number followed by your unique shareholder

reference number (**SRN**) and PIN. These can be found printed on the Form of Proxy for the API Court Meeting. Your SRN can also be found on your share certificate. For an electronic proxy appointment for the API Court Meeting to be valid, the appointment must be received by Computershare **no later than 10.00 a.m. on 26 February 2024** (or in the case of adjournment(s), no later than 48 hours before the time and date set for the adjourned meeting(s)). Full details of the procedure to be followed to appoint a proxy online are given on the website above.

If the BLUE Form of Proxy for the API Court Meeting is not lodged by the relevant time, a copy of the completed and signed BLUE Form of Proxy may be handed to the Chair of the API Court Meeting at any time before the time that the API Court Meeting is due to commence and it will still be valid.

Joint holders

In the case of joint holders of Scheme Shares, only the joint holder who has been elected to represent the holders may tender a vote, whether in person, or by proxy. Where no such election has been made, only the most senior holder will be entitled to tender a vote, whether in person or by proxy. For this purpose, seniority will be determined by the order in which the names stand in the register of members of API in respect of the relevant joint holding.

Voting Record Time

Entitlement to attend and vote (including by proxy) at the API Court Meeting and the number of votes which may be cast at the API Court Meeting will be determined by reference to the register of members of API at 6.00 p.m. on 26 February 2024 or, if the API Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned API Court Meeting (the **Voting Record Time**). Changes to the register of members after the Voting Record Time will be disregarded in determining the rights of any person to attend and vote (including by proxy) at the API Court Meeting or any adjournment thereof.

Corporate representatives

Any Scheme Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the API Court Meeting, who may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of API, provided that two or more representatives do not do so in relation to the same Scheme Shares. If two or more representatives purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed James Clifton-Brown or, failing him, Jill May or, failing her, any other director of API who is present at the API Court Meeting, to act as Chair of the API Court Meeting and has directed the Chair to report the result of the API Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

By order of the API Board

Northern Trust International Fund Administration Services (Guernsey) Limited

PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Dated: 1 February 2024

PART XIII

NOTICE OF API GENERAL MEETING

ABRDN PROPERTY INCOME TRUST LIMITED

(Incorporated in Guernsey with registration number 41352)

NOTICE IS HEREBY GIVEN that a general meeting of abrdn Property Income Trust Limited (the **Company** or **API**) will be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG at 10.15 a.m. on 28 February 2024 (or as soon thereafter as the API Court Meeting (as defined in Part XI (*Definitions*) of the document of which this notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

Unless the context otherwise requires, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document of which this notice forms part.

SPECIAL RESOLUTION

THAT:

- A. For the purpose of giving effect to the scheme of arrangement dated 1 February 2024 between the Company and the Scheme Shareholders (as defined in such scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chair of this meeting, in its original form or subject to such modification, addition or condition as may be approved or imposed by the Court (where relevant) and agreed by the Company and CREI (the **Scheme**), the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- B. For the purpose of giving effect to the Scheme, with effect from the passing of this resolution, the articles of incorporation of the Company be and are amended by the adoption and inclusion of the following new Article 38 after Article 37:

“38. Scheme of Arrangement

- 38.1 In this Article 38, the **Scheme** means the scheme of arrangement dated 1 February 2024, between the Company and the Scheme Shareholders (as defined in the Scheme) under Part VIII of the Companies (Guernsey) Law, 2008 and as approved by the Scheme Shareholders at the meeting convened by the Court (as defined in the Scheme) and as may be modified or amended in accordance with its terms, and (save as otherwise defined in this Article), expressions defined in the Scheme shall have the same meanings in this Article.
- 38.2 Notwithstanding either any other provision of these Articles or the terms of any resolution passed by the Company in general meeting, if the Company issues or transfers from treasury any API Shares (other than to Custodian Property Income REIT plc (**CREI**), any subsidiary of CREI, any parent undertaking of CREI or any subsidiary of such parent undertaking or any nominee(s) of CREI (each a **CREI Company**) on or after the adoption of this Article 38 and before the Scheme Record Time (as defined in the Scheme), such API Shares shall be issued or transferred from treasury subject to the terms of the Scheme and shall be Scheme Shares for the purposes of the Scheme and the original or any subsequent holder of such API Shares shall be bound by the Scheme accordingly.
- 38.3 Notwithstanding any other provision of these Articles or the terms of any resolution passed by the Company in its general meeting, if any shares are issued or transferred from treasury to any person (other than a CREI Company or its nominee(s)) (a **New Member**) at or after the Scheme Record Time (as defined in the Scheme) (the **Post-Scheme Shares**), such Post-Scheme Shares shall, subject to the Scheme becoming Effective, be immediately transferred to CREI (or such person as CREI may direct) (the **Purchaser**) by the New Member (or any

subsequent holder or any nominee of such New Member or any such subsequent holder) in consideration for the issue to the New Member (subject as hereinafter provided) of such number of New CREI Shares (the **Consideration Shares**) for each Post-Scheme Share (together with the payment in cash in respect of fractional entitlements, as described in Article 38.6) as the relevant New Member would have been entitled to pursuant to the Scheme had each Post-Scheme Share been a Scheme Share (as defined in the Scheme) and the New Member been the holder thereof at the Scheme Record Time.

- 38.4 If, in respect of any New Member who is resident, located or has a registered address in a jurisdiction outside the United Kingdom or Guernsey or whom CREI reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom or Guernsey or CREI is advised that the law of a country or territory outside the United Kingdom or Guernsey: (i) precludes the allotment, issue and/or delivery to that New Member of Consideration Shares; or (ii) precludes the matters referred to in (i) except after compliance by the Company or CREI (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company and/or CREI is unable to comply or compliance with which the Company and/or CREI (as the case may be) regards as unduly onerous, then CREI may, in its sole discretion, either: (a) determine that such Consideration Shares shall not be allotted, issued and delivered to such New Member, but shall instead be allotted, issued and delivered to a person appointed by CREI for such New Member on terms that such person shall, as soon as practicable following the allotment and issue of such New CREI Shares, sell the New CREI Shares so issued; or (b) determine that such Consideration Shares shall not be allotted, issued and delivered to such New Member, but instead a cash amount equal to the value of the Consideration Shares shall be paid to the New Member as soon as practicable, save that any fractional cash entitlements shall be rounded down to the nearest whole penny. In the event that the Consideration Shares are to be sold pursuant to part (a) of this Article 38.4, the Company shall appoint a person to act, and who shall be authorised, as attorney or agent for the New Member pursuant to this Article and such person shall be authorised on behalf of such New Member to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member and to give such instructions and to do all other things which he or she may consider necessary or expedient in connection with such sale. The net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid to the persons entitled thereto in due proportion as soon as practicable following such sale, save that any fractional cash entitlements shall be rounded down to the nearest whole penny.
- 38.5 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under Article 38.3 above shall be adjusted by the Board in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to reflect such reorganisation or alteration. References in this Article to shares shall, following such adjustment, be construed accordingly.
- 38.6 No fraction of a Consideration Share shall be allotted, issued or transferred to a New Member pursuant to this Article. Any fraction of a Consideration Share to which a New Member would otherwise have become entitled shall be aggregated with the fractional entitlements of any other New Members whose shares are being transferred under this Article on the same date and the maximum whole number of Consideration Shares resulting therefrom shall be allotted and issued to a person appointed by CREI to hold such Consideration Shares on behalf of the relevant New Members. Such Consideration Shares shall then be sold in the market as soon as practicable after the Effective Date, or, if later, their allotment and issue, and the net proceeds of sale (after the deduction of all commissions and expenses incurred

in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in sterling in due proportion to the persons entitled thereto (rounded down to the nearest penny). However, individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £5.00 shall not be paid to the relevant New Members who would otherwise be entitled to them, but shall be retained for the benefit of the Combined Group.

- 38.7 To give effect to any transfer of Post-Scheme Shares required by this Article, the Company may appoint any person as attorney and/or agent for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member to transfer the Post-Scheme Shares to the Purchaser or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that such attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of the Purchaser or its nominee(s) and the Company may give a good receipt for the purchase price of the Post-Scheme Shares and may register the Purchaser or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the Post-Scheme Shares. CREI shall, subject to Article 38.4, allot and issue or transfer the Consideration Shares to the New Member (and send a cheque in respect of any fractional entitlements in accordance with Article 38.6 and in circumstances where the provisions in Article 38.4 applies) as soon as practicable and in any event within 45 business days of the issue of the Post-Scheme Shares to the New Member.
- 38.7 If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) clause 8.2 of the Scheme (or such later date, if any, as CREI and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this Article 38 shall be of no effect.
- 38.8 Notwithstanding any other provision of these Articles, neither the Company nor the Board shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date of the Scheme other than to the Purchaser or its nominee(s) pursuant to the Scheme.”

By order of the Board

Northern Trust International Fund Administration Services (Guernsey) Limited
Administrator & Secretary

Dated 1 February 2024

Registered office:
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Notes:

1. Entitlement to attend and vote

Pursuant to API's articles of incorporation and Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009 (the **CREST Regulations**), only holders of ordinary shares of £0.01 each in the capital of API on the register of members of API as at 6.00 p.m. on 26 February 2024 (each, an **API Shareholder**) are entitled to attend and vote (in person or by proxy) at this meeting in respect of the number of shares in the capital of API registered in their names at that time and may appoint a proxy to vote instead of them. Changes to entries on register of members of API after 6.00 p.m. on 26 February 2024 (the **Voting Record Time**) shall be disregarded in determining the rights of any person to attend and vote at this meeting. Should the API General Meeting be adjourned to be so entitled members must have been entered on the register of members of API by 6.00 p.m. on the date that is two days before the date of the adjourned API General Meeting or, if API gives notice of the adjourned API General Meeting, at the time specified in such notice.

2. Appointment of proxies

API Shareholders are strongly encouraged to submit proxy appointments and instructions for the API General Meeting as soon as possible, using any of the methods (by post, by hand, online or through CREST) set out below. API Shareholders are also strongly encouraged to appoint "the Chair of the meeting" as their proxy. Any other person appointed as proxy will be able to attend, submit questions, speak and vote at the API General Meeting.

API Shareholders are entitled to appoint a proxy in respect of some or all of their API Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST as described below (but not for the avoidance of doubt by means of an online proxy appointment as described below), provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. API Shareholders who wish to appoint more than one proxy in respect of their holding of API Shares should contact Computershare for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

Each API Shareholder present by proxy will be entitled to one vote for each ordinary share which he/she represents. An API Shareholder may appoint more than one proxy in relation to this meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of API but must attend the meeting in person for the API Shareholder's vote to be counted. Appointing a proxy does not prevent a member from attending the API General Meeting in person and voting in person under the arrangements set out in these notes if he or she is entitled to do so and so wishes.

Sending Forms of Proxy by post or by hand

You should complete, sign and return the WHITE Form of Proxy for use at the API General Meeting so as to be received **no later than 10.15 a.m. on 26 February 2024**. In the event of adjournment(s) of the API General Meeting, the WHITE Form of Proxy should be returned no later than 48 hours before the time and date set for the adjourned meeting(s). If the WHITE Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy, it will be invalid.

The WHITE Form of Proxy may be returned by post or, during normal business hours only, by hand to the reception desk of API's registrar, Computershare Investor Services (Guernsey) Limited, at c/o at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the WHITE Forms of Proxy.

Electronic appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the API General Meeting (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in

accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (participant ID: 3RA50) **no later than 10.15 a.m. on 26 February 2024** or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

API may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

As an alternative to completing and returning the printed WHITE Form of Proxy, a proxy (but not multiple proxies) for the API General Meeting may be appointed electronically by logging on to the following website: <https://www.abrdnpit.co.uk/en-gb/merger> and following the instructions therein. You will be prompted to enter the API General Meeting control number followed by your unique shareholder reference number (**SRN**) and PIN. These can be found printed on the Form of Proxy for the API General Meeting. Your SRN can also be found on your share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Computershare **no later than 10.15 a.m. on 26 February 2024** (or in the case of adjournment(s), no later than 48 hours before the time and date set for the adjourned meeting(s)). If the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

3. Joint holders

In the case of joint holders of Scheme Shares, only the joint holder who has been elected to represent the holders may tender a vote, whether in person, or by proxy. Where no such election has been made, only the most senior holder will be entitled to tender a vote, whether in person or by proxy. For this purpose seniority will be determined by the order in which the names stand in the register of members of API in respect of the relevant joint holding.

4. Corporate representatives

A member of API which is a corporation may authorise a person or persons to act as its representative(s) at this meeting, and each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of API, provided that they do not do so in relation to the same shares. If two or more representatives purport to vote in respect of the same shares, then if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way. In other cases, the power is treated as not exercised.

5. Voting on a poll and announcement of results

Voting on the resolution will be conducted by way of a poll rather than a show of hands. As soon as practicable following the API General Meeting, the results of the voting at the meeting and the numbers of all votes cast for and against and the number of votes actively withheld in respect of

the resolution will be announced via a Regulatory Information Service and also placed on API's website at <https://www.abrdnpit.co.uk/en-gb/merger>.

6. Issued share capital and voting rights

As at 30 January 2024 (being the last practicable date prior to the date of publication of this notice), API's issued share capital consisted of 406,865,419 ordinary shares, carrying one vote each, of which 25,646,442 ordinary shares were held as treasury shares. Therefore, the total voting rights in API as at such date was 381,218,977 ordinary shares, carrying one vote each.

7. Communications

You may not use any electronic address provided either in this notice or in any related documents (including the enclosed WHITE Form of Proxy) to communicate with API for any purposes other than those expressly stated.

