

abrdn Property Income Trust Limited ("API")

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

Date of issue: 19 January 2024

Dear Sir/Madam,

abrdn 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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Regulated by RICS

“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, outgoing 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.

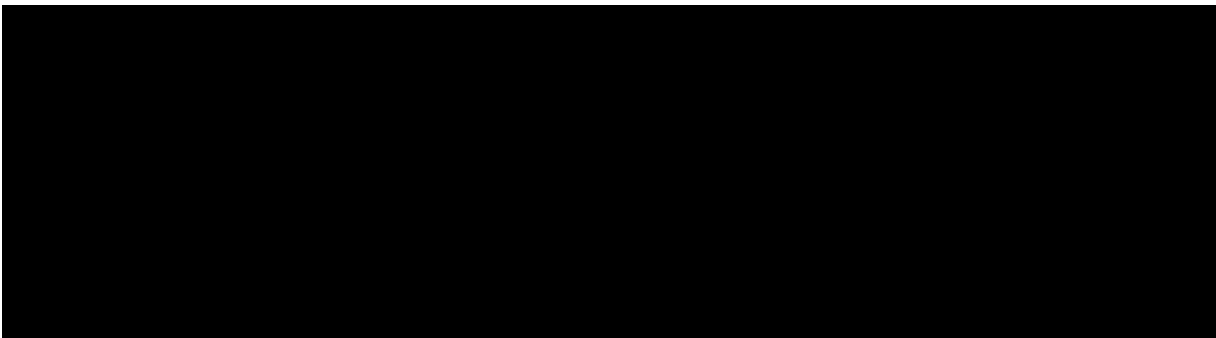
Save as set out below, neither the whole or any part of the valuation report nor any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval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



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