

Appendix 5 CREI QUANTIFIED FINANCIAL BENEFITS STATEMENT

Part A

Paragraph 3 of this Announcement contains statements of the estimated cost savings and synergies expected to arise 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 £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 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 has 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 Takeover Code, RSM UK Corporate Finance LLP, as reporting accountants to CREI, and Deutsche Numis, as financial advisers to CREI, have provided the opinions required under that Rule. Copies of these reports are included at Parts B and C of this Appendix 5. Each of RSM UK Corporate Finance LLP, and Deutsche Numis has given and not

withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

These statements are not intended as a profit forecast and should not be interpreted as such. These statements of estimated synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the estimated synergies 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. Neither the Quantified Financial Benefits Statement nor any other statement in this Announcement should be construed as a profit forecast or interpreted to mean that CREI's earnings in the first full year following the Effective Date, or in any subsequent period, will necessarily match or be greater than or be less than those of CREI or API for the relevant preceding financial period or any other period.

Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.