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4 March 2024

Custodian Property Income REIT plc

(the "Company" or "CREI")

Update on recommended all-share merger with abrdn Property Income Trust Limited ("API") (the "Recommended Merger")

CREI Board reaffirms its conviction that its Recommended Merger with API remains the optimum outcome for shareholders in both companies

Further to the previous announcement by the board of directors of CREI (the "**CREI Board**") on 22 February 2024 regarding the recommended all-share merger of API and CREI, the CREI Board provides an update reaffirming its belief in the compelling strategic and financial rationale of the Recommended Merger. The CREI Board also notes the announcement by Urban Logistics REIT ("**ULR**") on 20 February 2024 regarding its indicative share-for-share offer for API (the "**ULR Indicative Offer**") and sets out below what it believes are the key factors API Shareholders should consider when assessing the credibility of the ULR Indicative Offer and future of the API business.

Summary highlights:

- The Recommended Merger represents a superior offer and premium to the ULR Indicative Offer on both an undisturbed (+5%) and current share price (+6%) valuation. Furthermore, over the twelve months prior to the announcement of the Recommended Merger (the "**Recommended Merger Announcement**")[1], CREI has traded at an approximate 11% discount to published net asset value ("**NAV**") compared with approximately 27% for ULR[2]. The CREI Board believes firmly that the current CREI share price materially undervalues the Company and is confident in the potential following completion of the Recommended Merger for a restoration of the superior relative valuation at which the CREI Shares have historically traded.
- CREI and API have complementary portfolios and the Recommended Merger will not require shareholders in either API or CREI to undertake a shift in investment strategy or risk-return profile.
- The Recommended Merger provides API Shareholders with a superior income proposition offering a 7.3% uplift in their annual dividend, a fully covered quarterly dividend[3] and an aim of a growing dividend on a sustainable basis as the earnings of the Combined Group grow. ULR's Indicative Offer implies a 10.9% reduction in annual dividends for API Shareholders[4] which would continue to be paid semi-annually and is estimated on a recurring earnings basis to be uncovered[5].
- The Recommended Merger does not expose API Shareholders to the risk of value erosion and loss of future rental reversion from the disposal of a significant quantity of non-core assets indicated in the ULR Indicative Offer or a wholescale sell down of the API portfolio.
- The CREI Board believes the ULR Indicative Offer, if made, introduces several material execution risks for API shareholders both in the transaction itself and subsequent strategy implementation.
- ULR's near term refinancing requirements present a clear risk to earnings and dividend growth.
- The CREI Board expects that the board of directors of API (the "API Board") has appraised and continues to appraise a managed winding-down of API as an alternative to the Recommended Merger. The CREI Board believes that the returns potentially available to API Shareholders from the Recommended Merger are superior to those from a managed winding-down, with the latter potentially involving value erosion from the sale of assets into a suboptimal property market, deterioration in the share price and share trading liquidity in light of declining investor interest, reducing earnings, and an increasing cost burden and portfolio concentration.

API has already recommended the Recommended Merger following a comprehensive review of strategic options

As detailed in the Recommended Merger Announcement, in light of the challenges faced by API, including its relatively small scale and low level of dividend cover, the API Board undertook a comprehensive review of strategic options in Q3 2023. During this review, the CREI Board was in discussions with API Board and had been over the course of several months. Having assessed a wide range of options in detail, the API Board provided API Shareholders with a unanimous recommendation of the Recommended Merger over alternative strategic options which the CREI Board expects would have included a managed winding-down.

The CREI Board remains firm in its agreement with the outcome of the API Board's review and continues to believe that the Recommended Merger would bring together two complementary portfolios, with aligned strategies to create a differentiated REIT benefitting from enhanced diversification, share liquidity, a fully covered and sustainable dividend for the Combined Group's shareholders. The CREI and API Boards set out the background to, and reasons for, the Recommended Merger in previous documentation, which can be found here https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/.

Conclusion

The CREI Board strongly advises API Shareholders not to take any action with regards to the ULR Indicative Offer and to vote in favour of the Scheme at the API Court Meeting and API General Meeting, adjourned to 20 March 2024.

A video briefing in support of this announcement is intended to be published on CREI's website, *https://custodianreit.com, in the coming days*.

Enquiries

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Further compelling rationale

The CREI Board sets out further rationale below to support the Recommended Merger over alternative strategic options available to the API Board, including the ULR Indicative Offer and a managed wind-down.

Superior offer valuation of the Recommended Merger

On an undisturbed basis[6] and using the closing prices per CREI Share and per ULR Share of 72.7 pence and 116.6 pence respectively on 1 March 2024 (being the last Business Day prior to this announcement), the Recommended Merger implied offer valuation is superior to the ULR Indicative Offer, as set out below.

Implied offer values

	(i) undisturbed basis		(ii) as at the latest practicable date prior to the date of this announcement	
	Recommended Merger	**ULR Indicative Offer**	**Recommended Merger**	**ULR Indicative Offer**
Implied offer value (per API Share)	62.1p	59.2p	56.7p	53.5p
Implied premium of the Recommended Merger to the ULR Indicative Offer	4.9%		5.9%	

Over the twelve months prior to the Recommended Offer Announcement[1], CREI traded at an approximate 11% discount to its published NAV versus ULR which has traded at an approximate 27% discount to its published NAV[2]. The CREI Board believes that the current CREI share price materially undervalues the Company and the short-term volatility is not reflective of the expected medium and long-term value of the Recommended Merger for the Combined Group. The CREI Board is therefore confident in the potential for the Combined Group to re-rate back to the historical premium share rating of CREI and, over time, to trade at an improved rating following completion of the Recommended Merger.

The Company was granted Shareholder authority to repurchase CREI Shares at the 2023 AGM and the Company confirms, in accordance with the disclosure in CREI's Combined Circular and Prospectus, that the Company may seek to address any significant discount to NAV at which the CREI Shares continue to trade by purchasing its own shares in the market on an ad hoc basis. Investors should note that the repurchase of CREI Shares is entirely at the discretion of the CREI Board which would exercise its authority to buy back CREI Shares only if it believes it would result in an increase in earnings per CREI Share or an increased NAV per CREI Share (or both) and would be likely to promote the success of the Company for the benefits of CREI Shareholders as a whole.

CREI and API have complementary strategies

Based on API's stock market announcements and published investment policy, the CREI Board believes that API Shareholders invested in API on the basis that they desired access to a generalist UK property portfolio, diversified across sectors, with an income-focused strategy that is primarily achieved through exposure to below institutional sized assets. This approach is highly aligned with CREI and its intentions for the Combined Group. The CREI Board considers that the enhanced diversification of the combined portfolios will allow the Combined Group to better contend with the significant challenges facing the wider real estate sector which the CREI Board believes continue to impact investor sentiment, real estate capital values, transaction volumes and equity market liquidity, and which the CREI Board believes would pose a significant risk to a specialist portfolio, like ULR.

Based on ULR's stock market announcements and published investment policy, the CREI Board believes that ULR shareholders invested in ULR on the basis that they were targeting a 'pure play' on exposure to logistics real estate, acquiring only 'last mile' assets which are well located close to urban areas[7] and the ULR Indicative Offer states the combined group would *"focus on the last-mile / last-touch mid-box area of UK logistics"*. The ULR Indicative Offer also references the retention of API's retail warehouse portfolio and the CREI Board notes that none of ULR's half year report for the six months ended 30 September 2023 dated 9 November 2023, its Annual Report for the financial year ended 31 March 2023 dated 22 June 2023, or its published investment strategy mention an intention to invest in this asset class.

The CREI Board notes the API portfolio weighting to industrials is only 48% (as a % of API's portfolio by income as at 31 December 2023)[8]. The ULR specialist investment strategy for the combined group therefore would reflect a material divergence from the current API strategy. The CREI Board notes that this strategic shift would result in API Shareholders being invested in a strategy that is different from the strategy which they specifically invested in API to achieve.

The CREI Board considers the continued diversified approach of the Combined Group to be a fundamental attraction of the Recommended Merger and one that would be a key differentiator for the Combined Group amongst the wider sector of LSE listed REITs. The CREI Board believes the challenges the wider listed property sector has faced over the last 18 months highlight the merits of CREI's differentiated approach and operational robustness, which has contributed to CREI's strong historical performance relative to its peers[9].

The Recommended Merger is a superior income proposition for API Shareholders with a 7.3% uplift in dividend

In the view of the CREI Board, 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. CREI currently pays a quarterly dividend at an aggregate annualised level of 5.5 pence per share (representing a 5.9% yield on NAV[10]) which is fully covered by recurring earnings, with cover of approximately 102% for its financial year to 31 March 2023[11]. Following the Recommended Merger, CREI is expected to continue paying a fully covered quarterly dividend in line with CREI's existing policy and practice since IPO, which would result in a 7.3% uplift in annual dividends payable to API Shareholders[4].

ULR currently pays a semi-annual dividend at an aggregate annualised level of 7.6 pence per share[12] (representing a lower yield on NAV of 4.7%[13]) which is not covered by recurring earnings, with cover of approximately 91% for its financial year to 31 March 2023[14]. The CREI Board notes that continuation of the existing ULR dividend policy following completion of the ULR Indicative Offer would imply a 10.9% reduction in annual dividends payable to API Shareholders which would continue to be paid on an uncovered basis, and a 20.4% reduction compared to annual dividends expected to be payable to API Shareholders following the Recommended Merger. Furthermore, the ULR Indicative Offer includes a 2.45 pence per share special dividend payable to ULR shareholders for the 3-month period to 31 December 2023. This payment reflects a greater than pro-rata dividend expected for the relevant period which API Shareholders would not benefit from as it is payable only to existing ULR shareholders[15].

ULR's near term refinancing requirements present a clear risk to earnings and dividend growth

The two principal drivers of earnings per share in a property investment company are rental income and cost of debt. The CREI portfolio delivered an EPRA topped up net initial yield ("**NIY**")[16] of 6.4% as at 30 September 2023, which is comfortably in excess of its weighted average cost of debt of 4.2%[17], thereby enhancing earnings. The near-term expiry of fixed rate debt at CREI is limited to a £20m fixed rate loan that expires in 2025. The CREI Board believes that based on current gilt rates it would be possible to re-finance this quantum at a rate below the EPRA topped up NIY of the portfolio, which would maintain the aforementioned accretion to earnings.

By contrast, the ULR portfolio delivered an EPRA topped up NIY of only 5.0% as at 30 September 2023, which is also in excess of its weighted average cost of debt of 4.1%[18], thereby enhancing earnings albeit insufficiently to cover the prevailing rate of dividend. The near-term finance cost risk of ULR also falls in 2025 when its £151m term loan facility and associated interest rate swaps expire. This is a significantly greater amount of borrowing that needs to be refinanced and potentially hedged and the CREI Board believes that based on current re-financing rates this would present a risk to the earnings of ULR given that it is likely that a market rate hedge for this portion of ULR's debt would be at a higher rate than the EPRA topped up NIY of 5.0%.

Potential value erosion from "value optimising" asset disposals

The CREI Board believes the continuation of its diversified approach will allow the Combined Group to undertake sales and acquisitions across all sectors, in line with the ongoing routine disposal programmes of both companies, where and when there are opportunities to optimise shareholder value, as evidenced by CREI's most recent disposal update on 28 February 2024. The CREI Board believes this will prevent potential value erosion from required sale of assets in the near or medium term, where conditions may be suboptimal for such activity in certain sectors of the market.

In contrast, the ULR Indicative Offer is stated to involve a *"value optimisation approach for all of the assets outside Logistics and Retail Warehouses"* and such assets represented 41% of API's portfolio by income as at 31 December 2023[8]. Given the current challenging conditions for the UK real estate sales market, the CREI Board believes that such an approach would be unlikely to maximise value for API Shareholders, particularly by reference to the office sector which comprised approximately 25% of API's portfolio by income as at 31 December 2023[8].

Furthermore, the CREI Board notes the estimated rental value of the API portfolio is £7.0m above the current contracted rent, representing significant reversionary potential in the portfolio[19]. The CREI Board expects a sector-led disposal programme of API assets by ULR to restrict the extent to which API Shareholders would be able to capture this potential latent value.

Significant execution risk in the ULR Indicative Offer

The CREI Board believes the ULR Indicative Offer introduces material execution risks for API Shareholders, including:

Material change in investment strategy for ULR shareholders – the CREI Board notes that 52% of the API portfolio (as a % of API's portfolio by income as at 31 December 2023[8]) does not represent industrial properties and therefore is not within the scope of the ULR published investment policy[20]. Furthermore, the ULR Indicative Offer suggests that following the transaction, the ULR strategy will not solely focus on industrial properties but will also incorporate retail warehousing (noting the change to investment strategy retail warehousing presents in itself referred to above). The CREI Board believes execution of the ULR Indicative Offer is therefore likely to require a material change to ULR's published investment policy to broaden its remit beyond industrials assets only, which will require FCA and ULR shareholder approval. In contrast the Recommended Merger is within the scope of CREI's investment policy and CREI only requires its shareholders to vote in favour of the single share allotment resolution to be proposed at the adjourned CREI General Meeting to implement the Recommended Merger.

Cost and transaction risks – The CREI Board considers the additional reciprocal due diligence and documentation requirements in considering and implementing the ULR Indicative Offer would incur unnecessary significant additional costs for API Shareholders, particularly given that the Recommended Merger followed a thorough strategic review of API's options by the API Board. Furthermore, the CREI Board believes the Recommended Merger represents a superior strategic and financial fit for API Shareholders in comparison to the ULR Indicative Offer. The CREI Board believes that further execution risk will be introduced through the requirement for extensive shareholder documentation, including the potential requirement for a prospectus and circular from ULR, significant additional transaction costs and the requirement for ULR shareholder approvals.

API shareholder returns potentially available from a managed winding-down of API are inferior to those from the Recommended Merger

The CREI Board believes that the API shareholder returns potentially available from a managed winding-down of the API portfolio are inferior to those from the Recommended Merger, with the managed wind-down potentially involving the following:

Value erosion from the sale of assets in the near term where conditions may be suboptimal for such activity. Consistent with the above observations about the asset disposals in the ULR Offer, the CREI Board believes that current and anticipated market conditions are not conducive to a wholesale programme of disposals, with the offices sector being a particular area of concern. While the CREI Board acknowledges that the property market is cyclical and an orderly managed wind-down may therefore over time be seen as a route to fair value, it believes that the below-institutional sized property segment in which API's portfolio is invested does not tend to benefit from the early stages of a cyclical recovery phase. Typically, this segment of the market is dominated by debt funded buyers, so the CREI

Board would not consider it an optimal time to dispose of properties until interest rates have fallen and commercial property debt costs look more attractive. Additionally, operating such a programme for API as a public investment company may be particularly challenging given its transparency to the market and the likelihood therefore of opportunistic buyers seeking to extract value.

Potentially prolonged process. The CREI Board anticipates that a prolonged period would be required for a winding-down to deliver material distributions to API Shareholders. Factors in this assessment include the practical processes to realise assets even where such assets are deemed saleable (including preparation of property for sale, appointment of agents, coordination of auction process, and completion conditions including financing), the requirement for a market recovery in respect of certain sectors to which API's portfolio is significantly exposed, and the fact that distributions to API shareholders are likely to require consent from API's bank lender given that API's £85 million term loan is due to expire in 2026 or would have been refinanced before a managed wind-down is completed. Additionally, the CREI Board anticipates that API would through a winding-down process be exposed to increasing portfolio concentration with a growing focus over time on a rump of residual assets which, often regardless of their ability to produce income, have proven unsaleable for fair value.

Potential for reducing income in the medium term. The CREI Board anticipates that this could occur, for example, due to an increasing expense ratio as the costs of administrating a public company are to a significant extent fixed, and also earnings being depleted by proceeds of disposals being used to pay down attractively priced debt. API's current disposal pipeline is estimated to be sufficient to repay the majority of its relatively expensive RCF[21], and the CREI Board believes that this may act as an impediment to significant capital returns in the meantime as disposal proceeds will likely need to be retained to maintain loan covenant compliance.

The CREI Board believes that the above are explanatory factors for the market trend for property and other alternative asset investment companies which are placed into a managed winding-down process to trade at relatively wide discounts to NAV and for their shares to experience declining secondary market liquidity.

Sources and Bases of Information

1. The API Board and CREI Board made the Recommended Merger Announcement on 19 January 2024. Data for the twelve months to 18 January 2024 (being the latest practicable date prior to the Recommended Merger Announcement).
2. Source: Latest company announcements and Bloomberg.
3. Based on the 0.78 Exchange Ratio and CREI's target dividend of 5.5 pence per share compared to API's current annual dividend of 4.0 pence per share. 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.
4. Based on the 0.469 exchange ratio and ULR's target dividend of 7.6 pence per share compared to API's current annual dividend of 4.0 pence per share.
5. Based on historical ULR adjusted earnings and dividends.
6. Based upon the closing price per CREI Share of 79.6 pence on 18 January 2024 (being the latest practicable date prior to the announcement of the Recommended Merger) and the closing price per ULR Share of 128.6 pence on 19 February 2024 (being the date prior to the announcement of the ULR Indicative Offer) adjusted downwards for the ULR special dividend of 2.45 pence per ULR share.
7. Source: https://www.urbanlogisticsreit.com/about-us/our-unique-business-model/.
8. Data as per the Scheme Document in relation to the Recommended Merger published by API on 1 February 2024. Income relates to aggregate of passing rent for occupied assets and estimated rental value for vacant assets.
9. Data as per the CREI Rule 2.7 presentation. https://custodianreit.com/proposed-all-share-merger-with-abrdn-property-income-trust-limited/.
10. Based on 31 December 2023 NTA of 93.3 pence per CREI share and annualised dividend target of 5.5 pence per CREI share.
11. Based on CREI FY2023 earnings per share of 5.60 pence and dividend per share of 5.50 pence.

12. Source: ULR results for the six months ended 30 September 2023. Based on 3.25 pence per share dividend for 6-month period ended 30 September 2023 and expected 4.35 pence per share dividend for 6-month period ending March 2024.
13. Based on 30 September 2023 NTA of 161.69 pence per ULR share and annualised dividend target of 7.6 pence per ULR share.
14. Based on ULR FY2023 adjusted earnings per share of 6.93 pence and dividend per share of 7.60 pence.
15. ULR target dividend for the 6-month period ending 31 March 2024 is 4.35 pence per ULR share. ULR special dividend for the 3-month period ended 31 December 2023 is 2.45 pence per ULR share.
16. 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.
17. Source: CREI results for the six months ended 30 September 2023
18. Source: ULR results for the six months ended 30 September 2023.
19. Source: API 'Unaudited Net Asset Value as at 31 December 2023' RNS announcement published on 1 February 2024. Based upon portfolio value as at 31 December 2023.
20. *"The Company intends to achieve the investment objective by investing in and growing a diversified portfolio of primary and secondary grade industrial and logistics properties within the UK, and by engaging in active asset management to leverage and enhance returns. The Company will invest in assets that comprise an interest in freehold or leasehold property (other than by way of security), which meet the following criteria:*
    - *UK industrial or logistics properties (typically single let);*
    - *modern (typically post-1980) constructions; and*
    - *representing average lot value across the portfolio at acquisition of up to £15 million (increased by RPI from admission)"*

Source: ULR annual report (2023) p136.

21. Relative to API's term loan facility. The margin on both API's RCF and term loan is 150bps (over SONIA) and API entered into an interest rate cap of 4% on the SONIA rate applied to the term loan portion. Source: API 'Unaudited Net Asset Value as at 31 December 2023' RNS announcement published on 1 February 2024.

Important Notices

*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 Recommended Merger and/or any other matter referred to in this announcement 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 Recommended Merger, the contents of this announcement, or any other matters referred to in this announcement. 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 announcement, any statement or other matter or arrangement referred to herein or otherwise.*

Further information

Capitalised terms used in this announcement, unless otherwise defined, shall have the meanings given to them in the Scheme Document in relation to the Recommended Merger published by API on 1 February 2024.

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.
No person should construe the contents of this announcement as legal, financial or tax advice. If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under FSMA if

you are resident in the United Kingdom, or another appropriately authorised independent financial adviser, if you are in a territory outside the United Kingdom.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Forward-looking statements

This announcement, oral statements made regarding the Recommended Merger, and other information published by CREI and API contain statements about CREI, API and/or the Combined Group that are or may be deemed to be "forward-looking statements". All statements other than statements of historical facts included in this announcement, may be forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of CREI and 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 announcement include statements relating to the expected effects of the Recommended Merger on CREI and API, the expected timing and scope of the Recommended Merger and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of CREI's or API's or the Combined Group's operations and potential synergies resulting from the Recommended Merger.

Although CREI and API believe that the expectations reflected in such forward-looking statements are reasonable, neither CREI nor API can give assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Recommended 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 disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Recommended Merger not being realised as a result of changes in general economic and market conditions in the countries in which CREI and 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 this announcement 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 each of 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.

Disclosure Requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 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) of the Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day (as defined in the Code) 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 (as defined in the Code) 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 per cent. 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(s), save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the business day (as defined in the Code) 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 of the Code.

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 of the Code).

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.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available, 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/ by no later than 12 noon (London time) on the first Business Day following the date of this announcement.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments.