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27 March 2024

**Custodian Property Income REIT plc
(the "Company" or "CREI")**

Comment on outcome of abrdn Property Income Trust Limited ("API") shareholder meetings

Further to the previous announcements by the board of directors of CREI (the "CREI Board") regarding the recommended all-share merger of API and CREI (the "Recommended Merger" or the "Transaction"), the CREI Board notes API's announcement that the total votes in favour of the resolutions proposed at the General Meeting and the Court Meeting of API (the "API Meetings") in relation to the Recommended Merger were below the minimum threshold needed to approve the resolutions to effect the Recommended Merger and as such the Recommended Merger has not been approved and the Scheme has lapsed.

Commenting on the outcome, David MacLellan, Chairman of CREI said:

"Having heeded clear calls from the market regarding the need for consolidation amongst the listed REITs, we worked with our investment manager and the API board of directors ("API Board") to negotiate what we believe to be a fair deal for all shareholders of both API and CREI. Our proposal was fully aligned with the existing investment strategies of both companies and structured on an NTA-to-NTA basis to ensure that the exchange ratio was based upon the latest respective underlying property valuations. Furthermore, it was unanimously recommended by the API Board and allowed both API and CREI shareholders to benefit from the long-term benefits of being invested in a combined business which brought together two highly complementary portfolios, with a growing and fully covered dividend.

We are therefore disappointed that despite the majority of votes cast being in favour of the Transaction at the API Meetings today, this was not enough to meet the 75% threshold required to approve the Transaction. In fact, shareholders accounting for just 14% of API's register proved sufficient to prevent the resolutions passing. These votes were, we understand, primarily from institutional investors who believe a 'managed wind-down' of API's portfolio will better protect shareholder value, despite the API Board clearly and publicly setting out the flaws in this conclusion. CREI wishes API and its shareholders every success in the future as API continues as an independent business.

The CREI Board believes it is important to note that it viewed the Transaction as an augmentation of, rather than critical to, the strategy that CREI has pursued successfully over the 10 years since it launched in 2014. Instead of gaining a jump in scale via the Recommended Merger, CREI will maintain its strategy of incremental growth and, most importantly, continue to offer CREI shareholders an attractive dividend from a highly diversified portfolio, significant rental growth potential, low costs relative to its peers, as well as a strong balance sheet with a low cost of debt.

We also maintain our conviction as to the merits of the Company's income-focused investment strategy with an emphasis on regional, below-institutional sized assets that are well-positioned to deliver rental growth. These types of assets provide a clear yield advantage over larger properties with similar tenant profiles and allow us to generate higher income returns and capital growth for CREI shareholders. In addition, the Company remains committed to fully covered dividends which the CREI Board will seek to increase on a sustainable basis going forward."

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Although CREI believes that the expectations reflected in such forward-looking statements are reasonable, CREI does not give any 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.

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