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FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

27 September 2024

abrdn Property Income Trust Limited

(an authorised closed-ended investment company incorporated in Guernsey with registration number 41352)

LEI Number: 549300HHFBWZRKC7RW84

**PROPOSED SALE
(the “Transaction”)**

abrdn Property Income Trust Limited (“**API**” or the “**Company**”) is pleased to announce that it has entered into an agreement with certain funds and accounts managed by GoldenTree Asset Management LP (“**GoldenTree**”) for the sale of the entire share capital of abrdn Property Holdings Limited (“**APH**”), a wholly-owned subsidiary of API.

The Transaction comprises the sale of 39 assets (the “**Portfolio**”), being the Company’s entire investment property portfolio, with the exception of its interest in the land at Far Ralia. API’s debt facility with RBSI will be transferred in full to GoldenTree. The cash consideration for the purchase of the Portfolio is £351m (the “**Consideration**”), and the Company will receive net proceeds after adjusting for debt and other net assets of APH and subject to normal adjustments including those arising from the completion process.

GoldenTree has paid a cash deposit of £35.1m, with the balance of the Consideration being payable in cash on completion.

The Consideration:

- represents a discount of 8.0 per cent. to API’s external valuation of the Portfolio as at 30 June 2024 of £381.6 million¹; and
- implies a pro-forma net asset value of API as at 30 June 2024 of £244 million, equivalent to 64.0 pence per share, after adjusting for costs of the Transaction (the “**Estimated Net Asset Value per Share**”).²

The Estimated Net Asset Value per Share represents:

- a discount of 12.7 per cent. to API’s net asset value per API Share of 73.3 pence as at 30 June 2024;
- a premium of 6.66 per cent. to the API Share price of 60 pence as at 26 September 2024, being the closing API Share price immediately prior to the date of this announcement; and
- a premium of 20.1 per cent. to the API Share price of 53.3 pence on 28 May 2024, being the date that API Shareholders approved the Managed Wind-Down.

It is intended that, following completion, returns of capital will be made to API Shareholders in cash from the Consideration, by way of a members’ voluntary liquidation.

¹ Excluding assets disposed of between 1 July 2024 and the date of this announcement, and the interest in the land at Far Ralia

² Including API’s external valuation of Far Ralia which as at 30 June 2024 was £10m.

Such returns will be subject to the net realisation value of Far Ralia, which API is actively marketing, adjustments arising from the completion process, the operational costs of managing API through to liquidation (including tax effects) and the liquidation costs.

Background to and reasons for the Transaction

On 28 May 2024, API Shareholders approved an amendment to the Company's investment policy to implement a Managed Wind-Down.

Under the Managed Wind-Down process, API was to be managed with the intention of realising all of the assets in its portfolio in an orderly manner, via disposals of single assets, groups of assets or the portfolio as a whole, with a view to repaying borrowings and making returns of capital to API Shareholders whilst aiming to obtain the best achievable value for API's assets at the time of their realisations.

The Transaction follows an extensive and competitive process undertaken by API and its advisers to identify a buyer for the Portfolio in an effort to balance the objectives of maximising returns for shareholders against the timeframe for disposals.

The API Board, having considered the potential alternatives including an asset-by-asset disposal, believes that the Transaction represents an effective execution of the Managed Wind-Down process. It provides greater price certainty and quicker return of proceeds for API Shareholders through realising the substantial majority of the investment portfolio in a single transaction.

The Transaction is being undertaken in accordance with the Company's Managed Wind-Down investment policy and does not require the approval of API Shareholders.

It is expected that the Company will declare the Q3 dividend of 1 penny per API Share in line with previous guidance, to be paid before distribution of sale proceeds.

Conditions and timetable

- Completion of the Transaction is anticipated to take place on 29 November 2024.
- It is intended that subject to receipt of consent from the Scottish Forestry Commission, Far Ralia will be transferred from APH to API prior to completion. Provisions have been made to complete on the sale in the event of a delay by Scottish Forestry, whilst protecting the interest of API. The Transaction is also subject to clearance under the UK National Security and Investment Act 2021.
- It is expected that following completion of the Transaction and at an appropriate point in time, API will seek API Shareholders' approval to appoint a liquidator to wind up the Company and to cancel the Company's admission to trading on the Main Market of the London Stock Exchange. Trading in API Shares will no longer be possible from that time.
- From the point that the conditions to the Transaction are satisfied, API will not continue to fulfil the relevant conditions to qualify for UK REIT status.
- The intention is to commence the returns of capital to shareholders as soon as the liquidator can do so.

Information on GoldenTree and Farran Investments

GoldenTree

- GoldenTree is an employee-owned, global asset management firm that specialises in opportunities across the credit universe in sectors such as high yield bonds, leveraged loans, private credit, distressed debt, structured credit, emerging markets, real estate, private equity and credit-themed equities.

- GoldenTree was founded in 2000 by Steve Tananbaum and is one of the largest independent global credit asset managers. GoldenTree manages nearly \$55 billion for institutional investors including leading public and corporate pensions, endowments, foundations, insurance companies and sovereign wealth funds.
- GoldenTree has over 300 employees, with offices in New York, West Palm Beach, Charlotte, Newport Beach, Dallas, London, Dublin, Munich, Singapore, Sydney, Tokyo and Dubai.

Farran Investments

- Farran Investments is a privately-owned commercial real estate specialist, whose team have acquired, funded, managed and exited over £5 billion of commercial real estate assets.
- Farran Investments, who act as an advisor to GoldenTree, is a minority co-investor in the acquisition vehicle incorporated by GoldenTree and will become the asset manager to the Portfolio following completion of the Transaction.

James Clifton-Brown, Chair of API said:

“Since the shareholder vote on 28 May 2024 to put the Company into a Managed Wind Down was passed, the Board, alongside the Investment Manager, explored the most effective means of disposing of the Company’s assets. The aims were to maximise the returns to shareholders but also to return cash to them as soon as possible. The full range of disposal strategies was considered from individual property sales to a wider transaction. Through an independent agent, Gerald Eve, the whole portfolio was marketed to potential buyers in an extensive and competitive process.

Following a second round of bids, the Board considered the GoldenTree Asset Management bid provided the best solution for shareholders, compared with the net present value of what might be achieved by way of individual sales over a longer period and represents a swift implementation of the shareholder resolution to conduct a Managed Wind Down. I would like to thank the team at abrdn who have delivered this outcome for shareholders.”

Enquiries

abrdn Property Income Trust

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