

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("UK MAR"). ON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

16 April 2025

For Immediate Release

abrdn Diversified Income and Growth plc

Commencement of Secondary Sales Process

The Board of abrdn Diversified Income and Growth plc (the "**Company**") announces its intention to appoint Campbell Lutyens & Co. Ltd ("**Campbell Lutyens**") as an independent broker to market the Company's remaining portfolio of private market assets pursuant to a secondary sales process (the "**Secondary Sales Process**").

Following careful consideration of the various strategic options available to the Company in respect of its managed wind-down (the "**Managed Wind-Down**"), the Board believes that a Secondary Sales Process offers the best opportunity to optimise the value of the Company's investments whilst progressively returning cash to shareholders in a timely manner. In reaching this conclusion, the Board has been particularly mindful of the expected timeline for the natural maturity of the Company's private markets portfolio (which is expected to occur between 2025 and 2033).

In addition to generating opportunities for timely liquidity from the Company's portfolio, the appointment of Campbell Lutyens and commencement of the Secondary Sales Process will enable the Company to market-test demand for its assets. Given the diversified nature of the Company's remaining portfolio, it is unlikely that any one buyer will be found for the entire portfolio and therefore the process is expected to involve sales to multiple interested parties.

Once indicative pricing has been obtained (which, for the avoidance of doubt, the Board still expects to be at a material discount to the underlying net asset values), the ultimate decision whether to proceed with any given secondary sale will remain with the Board, which (together with its advisers) will assess the pricing against the quantum and likelihood of near-term returns expected from the relevant assets. Returns to shareholders will also be optimised through the Company continuing to exercise near-term redemption mechanics within the underlying fund documentation where available.

Background

As announced on 26 February 2025, the Company was previously in exclusive and confidential discussions with a third party regarding a potential transaction in relation to all or substantially all of the remaining portfolio (the "**Third Party Offer**"). The consideration for the Third Party Offer was principally payable in listed shares plus a cash element. The Board considered the Third Party Offer to be credible and worthwhile for the Company to explore given the relative certainty and deliverability that a sale of the entire portfolio would provide for shareholders (avoiding the risks and costs of a protracted managed wind-down process) and the indicative pricing range in the initial offer letter. However, after careful

consideration of the final terms of the Third Party Offer, and the alternative options available to the Company, the Board has resolved not to proceed with the Third Party Offer as it does not consider the terms to be sufficiently attractive to merit a Board recommendation. In particular, both elements of the consideration would have been at a discount which the Board believes would be lower than the price that could be achieved through a secondary market sale, whilst the share element would also leave shareholders exposed to current market volatility and potential liquidity issues.

Since shareholders approved the Managed Wind-Down in February 2024, the Board has continued to assess all options on the basis of, among other things, the quantum expected to be delivered to shareholders (on a net present value basis), timing, relative certainty of execution and the nature of the consideration. Whilst it is not able to recommend the Third Party Offer, the Board believes that proceeding with an open-market sales process should provide shareholders with more certainty than a managed wind-down process over a longer time period.

Whilst secondary sales are still being transacted at discounts to carrying value, the Board also notes recent improvements in secondary market conditions (notwithstanding the current macroeconomic volatility), with secondary fundraising momentum supporting demand. Campbell Lutyens has strong market knowledge and experience (including in respect of private equity, private credit and infrastructure) and has shown enthusiasm to support the Company during its Managed Wind-Down. Campbell Lutyens has over 60 professionals dedicated to the secondaries market and has advised on more than \$135 billion in transaction volume across over 350 secondary portfolio sales and advisory mandates.

Next Steps

The Board and Campbell Lutyens intend to commence the Secondary Sales Process as soon as possible with a view to obtaining indicative pricing from potential purchasers over the next few months. That said, there can be no certainty as to the precise quantum or timing for the completion of any realisations or returns of capital arising out of the Secondary Sales Process at this time. In particular, the process is not guaranteed to result in a complete solution in respect of the Company's entire portfolio (with there being a risk that the Company may not be able to find buyers for all of its investments at sufficiently attractive prices).

The Company remains committed to returning the net proceeds of any realisations to shareholders progressively in an efficient and fair manner (which accounts for, among other things, the UK tax consequences for shareholders and the composition of the Company's shareholder register). In particular, following Court approval confirming the cancellation of the amount standing to the credit of its capital redemption reserve on 28 March 2025, the Company is well-placed to continue returning cash to shareholders progressively, by way of its B share scheme, during the Secondary Sales Process (subject to consideration of the Company's liabilities, any remaining undrawn fund commitments and general working capital requirements).

The Board will provide further updates, as appropriate, in due course.

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Important information

This announcement is released by the Company and the information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of UK MAR. Upon the publication of this announcement via a Regulatory Information Service, such information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is abrdn Holdings Limited, the Company Secretary.

For the avoidance of doubt, it is not expected that the City Code on Takeovers and Mergers would apply to the Third Party Offer or the Secondary Sales Process.

The Company's LEI number is 2138003QINEGCHYGW702.