

European Assets Trust PLC

Report and Accounts for the half-year
ended 30 June 2021

BMO



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Company Overview

- The Company's objective is to achieve long-term growth of capital through investment in quoted small and medium sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted with dividends paid out of current year revenue profits and the Distributable Reserve.
- Through its aim to pay Shareholders a dividend of 6% based on the Net Asset Value ('NAV') on 31 December each year, the Company has offered an attractive level of yield – both in absolute terms and relative to other asset classes. Investors seeking long-term capital appreciation meanwhile can choose to reinvest dividends in order to enhance their growth potential.
- The Board seeks to manage liquidity in the Company's shares through its ability to issue or buyback shares dependant on the extent of any share premium or discount. This is designed to reduce the volatility of the Company's share price relative to its Net Asset Value.
- With an Ongoing Charges ratio of 0.95%[†] the Company compares favourably with open-ended investment companies and many other investment trusts. The cumulative benefits of low costs are very significant for long-term investors.

[†] Year ended 31 December 2020 – calculated with reference to the basis recommended by the Association of Investment Companies ('AIC').

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Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

The Company's shares are excluded from the UK Financial Conduct Authority's ('FCA's') restrictions which apply to non-mainstream pooled investments as the Company's portfolio is wholly made up of shares, which are not themselves issued by other investment funds. The Company conducts its affairs so that its shares can be recommended by financial advisers to ordinary retail investors in accordance with the FCA rules relating to non-mainstream investment products and intends to continue to do so.

Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Board's current view and on information known to it at the date of this document. Nothing should be construed as a profit forecast.

Financial Highlights



13.4%

NAV performance 2.9% ahead of benchmark

The Company recorded a Sterling Net Asset Value per share total return⁽¹⁾ of 13.4% for the six-month period to 30 June 2021. This was ahead of the EMIX Smaller European Companies (ex UK) Index (the 'Benchmark') which returned 10.5%. Further analysis of the performance is provided in the Chairman's Statement and Investment Manager's Review.



17.6%

Share price performance 7.1% ahead of benchmark

The Sterling share price total return⁽¹⁾ for the six-month period was 17.6% with the price ending the period at 137p, having reached a record high of 138.75p during the period. The discount* to NAV ended the period at -6.3%, a reduction in comparison to -9.4% at 31 December 2020.

⁽¹⁾ Total Return – the return to Shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or Net Asset Value in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 31 December 2020.

Summary of Performance

Investing in European small and medium sized companies to deliver attractive returns

Total Return for the six months ended 30 June	2021		2020	
	Sterling	Euro	Sterling	Euro
Net asset value total return per share*	13.4%	18.2%	(3.5%)	(10.1%)
Share price total return*	17.6%	22.7%	(8.6%)	(14.8%)
EMIX Smaller European Companies (ex UK) Index	10.5%	15.2%	(3.5%)	(10.1%)

Capital Return	30 June 2021		31 December 2020	
	Sterling	Euro	Sterling	Euro
Total assets (less current liabilities) - millions	£526.4	€613.2	£478.0	€534.0
Net asset value per share*	£1.46	€1.70	£1.33	€1.48
Share price per share	£1.37	€1.60 [†]	£1.20	€1.34 [†]
EMIX Smaller European Companies (ex UK) Index	758.52	883.59	693.83	775.14

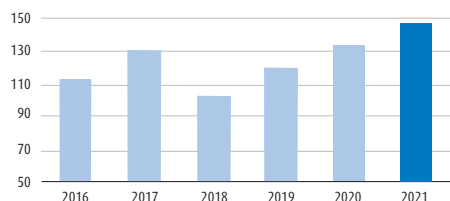
Discount*	30 June 2021	31 December 2020
Discount per share (in Sterling terms)	6.3%	9.4%

Distributions per share	2021	2020
Dividends paid per share – as at 30 June	4.00p	3.51p
Dividends announced for the year	8.00p	7.02p

* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 31 December 2020.

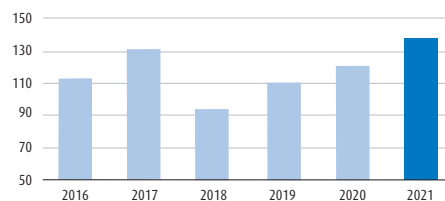
[†] London Stock Exchange prices are converted in to Euros using the relevant exchange rate at the period end.

NET ASSET VALUE PER SHARE AS AT 30 JUNE 2021 (COMPARATIVES 31 DECEMBER) - PENCE[†]



Source: BMO Investment Business Limited

SHARE PRICE AS AT 30 JUNE 2021 (COMPARATIVES 31 DECEMBER) - PENCE[†]



Source: BMO Investment Business Limited

[†] European Assets Trust NV prior to the migration effective 16 March 2019.

* Prior year comparatives adjusted for the ten for one stock split effective 3 May 2018.

Chairman's Statement

Fellow shareholders,

Since my last report to you, social and economic conditions have remained challenging and difficult. At the time of writing, the rollout of vaccines in the United Kingdom and throughout continental Europe, albeit at a slower pace, provide hope that a return to more normal conditions is underway. I and the entire Board very much hope that you, our fellow Shareholders, are continuing to manage through these uncertain times as well as possible.

This report is for the six-month period ended 30 June 2021. European Assets Trust PLC ('the Company') recorded a Sterling net asset value ('NAV') total return during this period of 13.4%, exceeding the total return of our benchmark, the EMIX Smaller European Companies (ex UK) Index of 10.5% for the same period. With the share price discount reducing to 6.3% at the period end in comparison to 9.4% as at 31 December 2020, the Sterling share price return for the period was an impressive 17.6%. Taking account of the ten for one stock split in 2018 the Company achieved a record share price of 138.75p during the period.

This pleasing performance is, in large part, a result of the hard work done last year during the depths of the pandemic. In our annual report, we noted higher portfolio turnover, that was uncharacteristic of our long-term approach to investing. As discussed at the time, this was because the managers were taking advantage of a rare opportunity to add some high-quality smaller companies, many of them global leaders in their field, at exceptionally attractive prices. This produced a good performance last year and the contribution from many of these companies has continued to spearhead the strong total returns for the first half. Our portfolio trading activity this year has now normalised, a good indication of the confidence the Manager has in the Company's holdings. While our market sector is anticipating the recovery from the crisis, investors are grappling with the pace and sustainability of this recovery and what this means for stock selection. We are not selecting stocks based on a prediction of economic outcomes, but on the performance

prospects of the businesses we hold. We will continue to execute this philosophy and process, just as we did last year.

Operations

The continuing impact of the pandemic on the investment and operational performance of the Company has been monitored actively by the Board. It has been pleasing to note that the home working arrangements implemented by BMO Investment Business Limited, ("the Manager") and many of the Company's suppliers have been very effective. As a consequence, there has been no impact upon service delivery and operations.

The Annual General Meeting of the Company was held on 13 May 2021. Due to travel and gathering restrictions arising from the pandemic, Shareholders were not able to attend physically. However, Shareholders were able to view online a presentation by Sam Cosh and Lucy Morris and participate in a live question and answers session with them and me. I would like to thank those Shareholders who participated, and I look forward to a resumption of our normal practices in 2022 and, if possible, with the additional facility of online attendance for those Shareholders unable to travel.

Since March 2020 the Board has met by videoconference with representatives of the Manager and with other advisers attending. Although this has worked well, I am pleased to report that at our most recent Board meeting, most Directors were able to attend physically which I consider a welcome step towards a return to our pre-pandemic practices. In addition, the London and Edinburgh offices of the Manager have reopened recently, initially on a limited basis.

Dividends

One consequence of the pandemic has been a reduction in the dividend income the Company receives from its investment holdings. Many of the companies held within the investment portfolio have reduced or even cancelled

the dividends they pay to their shareholders. While we have seen some rebound in dividend receipts during the first half of this year, our total dividend income remains subdued. Notwithstanding the reduced dividend distributions from some of our portfolio companies, we remain confident of the continuation of our dividend policy of paying an annual dividend equivalent to six per cent of the Company's NAV at the end of the preceding year. To fund its dividends the Company can use a combination of current year profits and the Distributable Reserve. As at 30 June 2021 the Company had a Distributable Reserve of £335.8 million.

Ownership of the Manager

On 12 April 2021 BMO announced that it had reached an agreement to sell its asset management business in Europe, the Middle East and Africa. This sale would include the Manager of this Company. Subject to completion, it will become part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial, Inc. Details have not yet been finalised and published but both firms have confirmed the importance of maintaining the stability and continuity of the teams which presently support this Company.

The Board is monitoring this situation closely and welcomes this assurance of stability and continuity. We will ensure that Shareholders are kept informed of developments.

Outlook

The majority of the first half of the year has been characterised by optimism of an economic and social recovery following the widespread vaccination programmes. While Europe initially lagged in this regard, it is catching up fast and politicians and central bankers appear determined not to do anything to stall the recovery. Monetary and fiscal policy remain extremely supportive despite growing inflationary pressures. The level and duration of these pressures is the preoccupying debate in the markets, with bond yields moving accordingly. Though the authorities are clear that they believe any inflationary spike will

be transitory, the debate is likely to dominate market commentary into the second half. This will not distract the investment team from executing their philosophy and process. We are fortunate that our stock research is conducted in a large diverse region of opportunities. It allows us to uncover high quality niche opportunities at attractive prices, and this is what will drive our long-term returns.

Jack Perry CBE

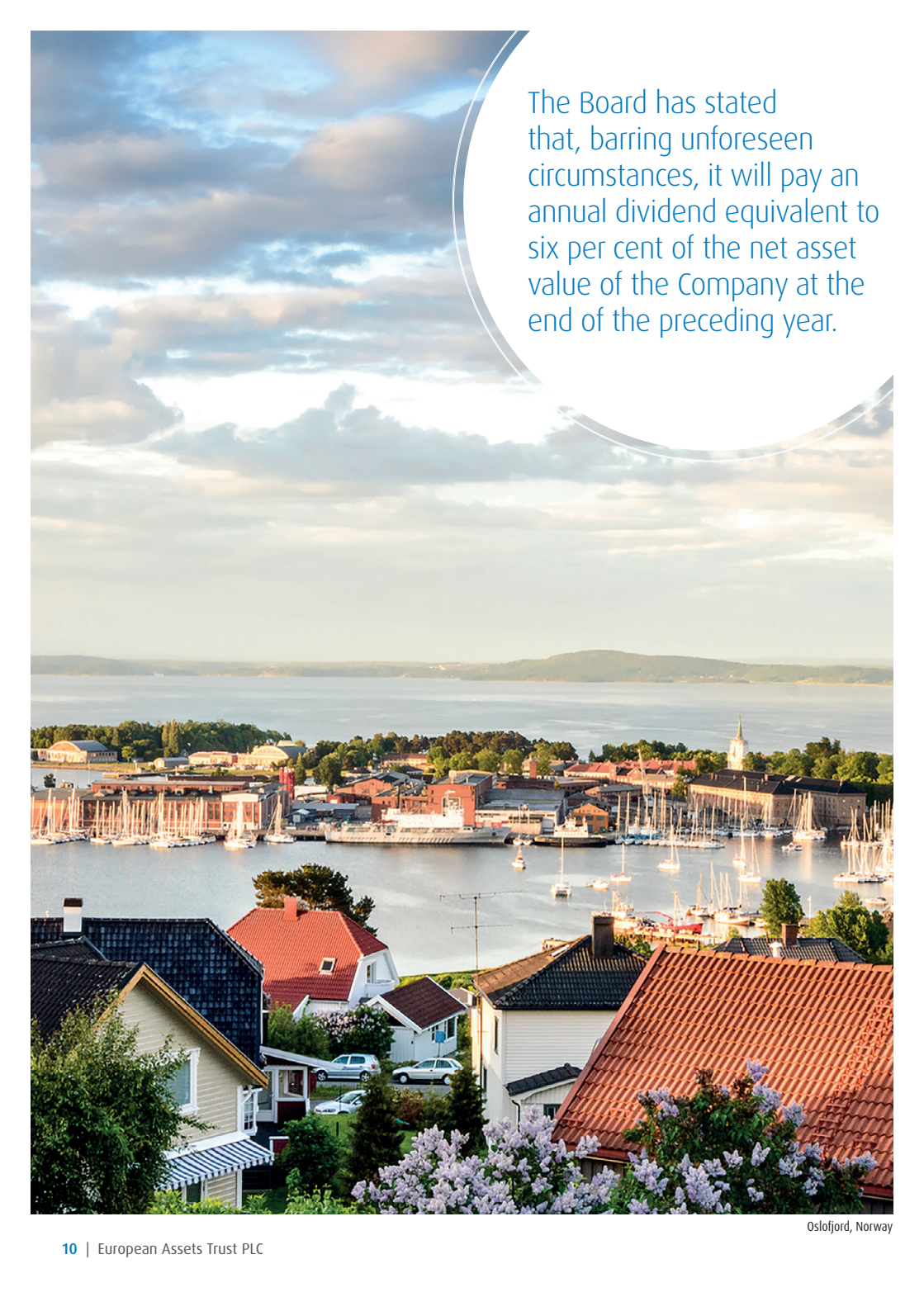
Chairman

Investment Portfolio

Company	Nature of Business	Valuation £'000	% of Total Assets	Country of Incorporation
flatexDEGIRO	Online Broker	17,520	3.3%	Germany
Vidrala	Manufacturer and Supplier of Glass Containers	17,172	3.3%	Spain
Ringkjøbing Landbobank	Regional Banking	15,847	3.0%	Denmark
Lectra	Provider to the Fashion, Automotive and Furniture Industries	15,110	2.9%	France
Gerresheimer	Glass and Plastic Containers	14,999	2.8%	Germany
Global Fashion	Online Fashion Retailer	14,259	2.7%	Germany
Norma	Plastic and Metal Based Components	13,897	2.6%	Germany
Storebrand	Long-term Savings and Insurance	13,690	2.6%	Norway
Nordic Semiconductor	Market Leader in Low Power Bluetooth Semiconductor Design	13,625	2.6%	Norway
Cancom	Information Technology Services Provider	13,603	2.6%	Germany
Ten largest investments		149,722	28.4%	
Wizz Air	Budget Airline	13,556	2.6%	Switzerland
Dometic	Manufacturer of Cooling Equipment	13,331	2.5%	Sweden
SpareBank	Banking	13,113	2.5%	Norway
HelloFresh	Home Meal Kit Provider	13,090	2.5%	Germany
Stratec	Manufacturer of Invitro Diagnostic Instrumentation and Consumables	13,087	2.5%	Germany
Interpump	Industrial Producer of Fluid Movement Pumps and Hydraulic Components	12,881	2.4%	Italy
SIG Combibloc	Systems and Consumables Provider for Aseptic Packaging	12,429	2.4%	Switzerland
Alten	Outsourced Engineering and R&D Provider	12,094	2.3%	France
Atea	Value Added IT Hardware and Software Reseller	12,066	2.3%	Norway
ASM International	Semiconductor Equipment	12,032	2.3%	Netherlands
Twenty largest investments		277,401	52.7%	
Azimut	Asset Management	11,932	2.3%	Italy
Marr	Food Service Provider	11,556	2.2%	Italy
MIPS	Helmet Safety	11,418	2.1%	Sweden
Elekta	Global Provider of Precision Radiation Medicine Solutions	11,327	2.1%	Sweden
Takeaway.com	Online Food Delivery Marketplace	11,179	2.1%	Netherlands
Sdiptech	Industrial Consolidator Focused on Sustainability	11,100	2.1%	Sweden
Fluidra	Swimming Pool Equipment and Maintenance	11,052	2.1%	Spain
IMCD	Speciality Chemical Distributor	11,028	2.1%	Netherlands
Sligro Food Group	Food and Beverage Provider	10,997	2.1%	Netherlands
Verallia	Glass Bottle Manufacturer	10,531	2.0%	France
Thirty largest investments		389,521	73.9%	
Forbo	Flooring, Adhesives and Conveyor Belts	10,521	2.0%	Switzerland
Scout24	Digital Real Estate Marketplace	10,473	2.0%	Germany
Karnov	Mission Critical Information Provider to the Legal Industry	10,425	2.0%	Sweden
Coor	Provider of Integrated Facilities Management and Consulting Services	9,654	1.8%	Sweden
Marel	Solutions for Poultry, Fish and Meat Processing Industries	9,535	1.8%	Iceland
SimCorp	Provider of Highly Specialised Software for the Investment Management Industry	9,476	1.8%	Denmark
Royal Unibrew	Nordic and Baltic Beverage Producer	8,780	1.7%	Denmark
Indutrade	Niche Industrial Conglomerate	8,303	1.6%	Sweden
Amorim	Cork Product Producer	8,258	1.6%	Portugal
Fjordkraft	Norwegian Electricity Retailer for Consumers and Businesses	7,790	1.5%	Norway
Forty largest investments		482,736	91.7%	

Investment Portfolio (continued)

Company	Nature of Business	Valuation £'000	% of Total Assets	Country of Incorporation
Carasent	Cloud Healthcare Software Provider	7,569	1.4%	Norway
Cairn Homes	House Builder	7,299	1.4%	Ireland
V Zug	Luxury Household Appliance Manufacturer and Service Provider	6,759	1.3%	Switzerland
CTS Eventim	Concerts and Ticketing	6,710	1.3%	Germany
Patrizia	Real Estate Asset Manager	6,704	1.3%	Germany
Symrise	Speciality Chemicals	6,619	1.2%	Germany
Avanza Bank	Swedish Savings and Investment Platform	5,993	1.1%	Sweden
Remy Cointreau	Cognac Producer	5,744	1.1%	France
Rational	Specialist in Hot Food Preparation for Professionals	4,618	0.9%	Germany
Total investments		540,751	102.7%	
Net current liabilities		(14,360)	(2.7%)	
Total assets less current liabilities		526,391	100.0%	



The Board has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of the net asset value of the Company at the end of the preceding year.

Oslofjord, Norway

Investment Manager's Review

It has been a strong half year for equity markets, and we are pleased to report a good performance from the portfolio with our NAV total return above the benchmark for the six-month period ended 30 June 2021. Our share price outperformed this as our discount narrowed over the period.

This excellent result was achieved despite the depreciation of the Euro and most other continental European currencies against Sterling which benefitted from the perception that the UK would see a faster recovery due to the speed in which it is vaccinating its population.

This year has seen investors pulled in two directions by contrasting themes. The first quarter was dominated by rising expectations of a strong recovery precipitated by widespread vaccination programmes. This was supported by encouraging economic data and increased inflation expectations leading to rising bond yields. In this environment more cyclically sensitive stocks or those ascribed to the 'value' style took market leadership. However, towards the end of the period, with the emergence of the 'Delta' COVID-19 strain, some indications that the acceleration in economic activity was stalling, and that the increase in inflation is potentially more transitory, leadership shifted back towards the more predictable earnings qualities of 'growth' stocks. The debate around economic activity, inflation and bond yields will likely continue through the year with market leadership swinging between styles depending on which point of view is in ascendance.

In terms of what contributed to this strong performance, our technology holdings led the way. Within the sector our semiconductor stocks performed particularly strongly. The longer-term themes of digitalisation and interconnectivity were supported by economic recovery driving unusually strong demand for semiconductors. Nordic Semiconductor, the global leader in low power Bluetooth chip design, and ASM International, the Dutch listed supplier of equipment that is integral in the production of semiconductors, both announced good results and excellent forward-looking statements.

Financials were our second-best contributing sector. While our more traditional holdings in the sector did well, performance was led by the online broker flatexDEGIRO, whose key differentiator is their technology platform. This gives them advantages over traditional providers of brokerage both in the quality of the product and the scalable, efficient cost structure. This means that the company is taking share aggressively in a buoyant market and producing outstanding results.

Another strong contributor was a new holding, Sdiptech, the Swedish listed industrial consolidator focusing on sustainable businesses. We were fortuitous in buying the stock when it was weak following lacklustre full year results. However, the shares performed well following the announcement that they had sold off some lower quality, legacy businesses and recycled the capital into much better companies with attractive long-term growth prospects. Other performers of note were the Swedish listed helmet technology company MIPs, the swimming pool consumables supplier, Fluidra, and the leading Dutch food services business Sligro.

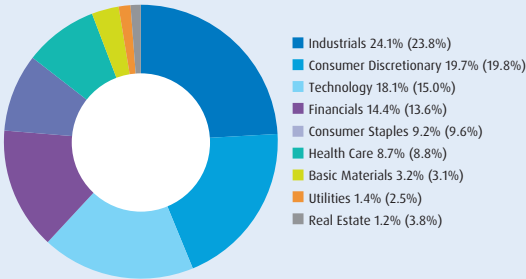
In terms of disappointing detractors, our holdings in both the healthcare and materials sectors lagged a strong market. No stock stood out but, with the exception of SIG Combibloc, the Swiss supplier of aseptic packaging, the stocks in these sectors in aggregate delivered lacklustre returns. This is particularly the case in materials where we hold staple businesses in contrast to the leadership in the sector that came from 'deep cyclicals'.

Our poorest performer was Fjordkraft, the Norwegian energy retailer. They have suffered during the COVID-19 pandemic as their usual sales effort, which is needed to offset the natural churn of their customer base, has been restricted. Rising energy prices also impacted their margins. We have sold the stock in recognition that the business model was not as strong as we initially conceived.



Gamla Stan, Stockholm, Sweden

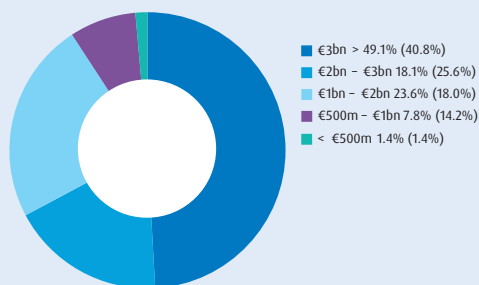
Portfolio Split by Sector as at 30 June 2021



Source: BMO Investment Business Limited
Comparatives in brackets as at 31 December 2020.

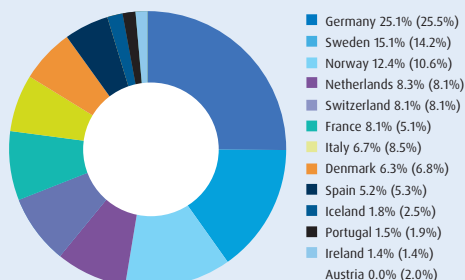
Following a year of elevated portfolio activity, we have returned to more normalised levels this year. In addition to Sdiptech, we have added two new holdings. Atea, is a Norwegian listed, IT hardware and software value added reseller. They benefit from the digitalisation needs of their client base. They expect to see profits improve as they transition to more value-added services and turn around their loss-making Danish business. We also bought a position in Verallia, a French glass bottling business. Attractively valued, we see improving profitability in a supportive environment as they drive efficiencies through their business. We funded these acquisitions through the sale of CA Immobilien, the Austrian real estate business, who received a bid, and through Cerved, the Italian credit information company, following a review that concluded that the outlook for the business was deteriorating.

**Portfolio Split by Market Capitalisation
as at 30 June 2021**



Source: BMO Investment Business Limited

**Portfolio Split by Country
as at 30 June 2021**



Source: BMO Investment Business Limited

Following a strong first half, we do not anticipate making significant changes to the portfolio. We are pleased that our stock selection is delivering, and rather than be distracted by the style swings in the market, and the debate over inflation and bond yields, we will continue to focus on the process of acquiring good businesses at sensible valuations. We believe this is the best way to deliver attractive shareholder returns over the long term.

Sam Cosh

Lead Investment Manager
BMO Investment Business Limited

Condensed Statement of Comprehensive Income

Notes	Half-year ended 30 June 2021 (Unaudited)		
	Revenue £'000s	Capital £'000s	Total £'000s
Gains/(losses) on investments held at fair value through profit or loss	-	78,711	78,711
Foreign exchange gains/(losses)	7	824	831
Income	5,778	-	5,778
Management fees	(357)	(1,427)	(1,784)
Other expenses	(496)	(4)	(500)
Profit/(loss) before finance costs and taxation	4,932	78,104	83,036
Finance costs	(21)	(87)	(108)
Profit/(loss) before taxation	4,911	78,017	82,928
Taxation	(731)	-	(731)
Profit/(loss) for the year and total comprehensive income	4,180	78,017	82,197
² Earnings per share – pence	1.16	21.67	22.83

The total column of this statement represents the Company's Income Statement and Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The supplementary revenue returns, and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All income is attributable to the equity holders of European Assets Trust PLC.

Half-year ended 30 June 2020 (Unaudited) (Restated)			Year ended 31 December 2020 (Audited)		
Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
-	(44,206)	(44,206)	-	63,376	63,376
(2)	(1,351)	(1,353)	134	(1,464)	(1,330)
2,751	-	2,751	3,934	-	3,934
(284)	(1,136)	(1,420)	(582)	(2,329)	(2,911)
(533)	(70)	(603)	(904)	(116)	(1,020)
1,932	(46,763)	(44,831)	2,582	59,467	62,049
(6)	(23)	(29)	(19)	(76)	(95)
1,926	(46,786)	(44,860)	2,563	59,391	61,954
(252)	-	(252)	(413)	-	(413)
1,674	(46,786)	(45,112)	2,150	59,391	61,541
0.47	(13.00)	(12.53)	0.60	16.49	17.09

Condensed Statement of Changes in Equity

Notes			Share capital £'000s
	Half-year ended 30 June 2021 (Unaudited)		
	Balance at 31 December 2020		37,506
	Movement during the half-year ended 30 June 2021		
5	Interim dividends distributed and reinvested		-
	Total comprehensive income		-
	Cumulative translation adjustment		-
	Balance as at 30 June 2021		37,506
	Half-year ended 30 June 2020 (Unaudited) (Restated)		
	Balance at 31 December 2019		37,493
	Movement during the half-year ended 30 June 2020		
	Interim dividends distributed and reinvested		7
5	Total comprehensive income		-
	Cumulative translation adjustment		-
	Balance as at 30 June 2020		37,500
	For the year ended 31 December 2020 (Audited)		
	Balance at 31 December 2019		37,493
	Movement during the year ended 31 December 2020		
5	Interim dividends distributed and reinvested		13
	Total comprehensive income		-
	Cost associated with share issues		-
	Cumulative translation adjustment		-
	Balance as at 31 December 2020		37,506

Distributable reserve £'000s	Capital reserve £'000s	Revenue reserve £'000s	Cumulative translation reserve £'000s	Total shareholders' funds £'000s
346,054	88,462	-	5,982	478,004
(10,222)	-	(4,180)	-	(14,402)
-	78,017	4,180	-	82,197
-	-	-	(19,408)	(19,408)
335,832	166,479	-	(13,426)	526,391

369,191	28,942	-	(17,484)	418,142
(10,961)	62	(1,674)	-	(12,566)
-	(46,786)	1,674	-	(45,112)
-	-	-	30,045	30,045
358,230	(17,782)	-	12,561	390,509

369,191	28,942	-	(17,484)	418,142
(23,122)	129	(2,150)	-	(25,130)
-	59,391	2,150	-	61,541
(15)	-	-	-	(15)
-	-	-	23,466	23,466
346,054	88,462	-	5,982	478,004

Condensed Statement of Financial Position

Notes		30 June 2021 (Unaudited) £'000s	30 June 2020 (Restated) (Unaudited) £'000s	31 December 2020 (Audited) £'000s
	Non-current assets			
6	Investments at fair value through profit or loss	540,751	386,278	499,946
	Current assets			
	Other receivables	2,745	2,407	2,276
6	Derivative financial instruments held at fair value through profit or loss	547	-	-
	Cash and cash equivalents	8,196	2,918	2,950
	Total current assets	11,488	5,325	5,226
	Current liabilities			
	Other payables	(94)	(95)	(315)
6	Derivative financial instruments held at fair value through profit or loss	-	(999)	-
3	Bank Loan	(25,754)	-	(26,853)
	Total current liabilities	(25,848)	(1,094)	(27,168)
	Net current (liabilities)/assets	(14,360)	4,231	(21,942)
	Net assets	526,391	390,509	478,004
	Capital and reserves			
	Share capital	37,506	37,500	37,506
	Distributable reserve	335,832	358,230	346,054
	Capital reserve	166,479	(17,782)	88,462
	Revenue reserve	-	-	-
	Cumulative translation reserve	(13,426)	12,561	5,982
	Total shareholders' funds	526,391	390,509	478,004
4	Net asset value per ordinary share – pence	146.19	108.47	132.75

Condensed Statement of Cash Flows

Notes	30 June 2021 (Unaudited) £'000s	30 June 2020 (Restated) (Unaudited) £'000s	31 December 2020 (Audited) £'000s
	Cash flows from operating activities before dividends received and interest paid		
7	(2,288)	(2,057)	(3,785)
	Dividends received	2,499	3,431
	Interest paid	(29)	(67)
	Cash flows from operating activities	413	(421)
	Investing activities		
	Purchase of investments	(103,541)	(204,728)
	Sale of investments	106,702	195,377
	(Increase)/decrease in securities purchased for future settlement	999	-
	Other capital expenses	(67)	(116)
	Cash flows from investing activities	4,093	(9,467)
	Cash flows before financing activities	4,506	(9,888)
	Financing activities		
5	Equity dividends distributed	(12,566)	(25,130)
	Costs associated with share issues	-	(15)
3	Drawdown of bank loan	-	26,853
	Cash flows from financing activities	(12,566)	1,708
	Net movement in cash and cash equivalents	(8,060)	(8,180)
	Cash and cash equivalents at the beginning of the period	11,516	11,516
	Effect of movement in foreign exchange	(1,353)	(1,330)
	Translation adjustment	815	944
	Cash and cash equivalents at the end of the period	2,918	2,950
	Represented by:		
	Cash at bank	755	811
	Short term deposits	2,163	2,139
	8,196	2,918	2,950

Notes to the Condensed Financial Statements

1. Basis of preparation

The financial statements of the Company have been prepared on a going concern basis under the historical cost convention modified to include fixed asset investments and derivatives at fair value, and in accordance with the Companies Act 2006, International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

Where presentational guidance set out in the 2018 amended Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

All of the Company's operations are of a continuing nature. The functional currency of the Company is the Euro whilst as previously announced the Company has made a voluntary change in presentational currency with effect from 1 January 2020 to Pound Sterling as a result of the migration from the Netherlands to the United Kingdom.

All transactions during the period are translated on the date of execution and the Statement of Financial Position as at the period end date.

The prior interim comparatives have been restated following a change of approach to the translation from Euro to Pound Sterling, as adopted for the 2020 year end Report and Accounts. The previous interim financial statements were produced by applying an average foreign exchange rate for the period to transactions. This approach has been changed to transactions being translated using the applicable exchange rate on the date of execution.

The accounting policies applied in the condensed set of financial statements are set out in the Company's annual report for the year ended 31 December 2020.

2. Earnings per share

Earnings per ordinary share attributable to Shareholders reflects the overall performance of the Company in the period. Net revenue recognised in the first six months is not necessarily indicative of the total likely to be received in the full accounting year.

	Half-year ended 30 June 2021 £'000s	Half-year ended 30 June 2020 (Restated) £'000s	Year ended 31 December 2020 £'000s
Revenue return	4,180	1,674	2,150
Capital return	78,017	(46,786)	59,391
Total return	82,197	(45,112)	61,541

	Number	Number	Number
Weighted average ordinary shares in issue	360,069,279	359,991,264	359,844,520
Earnings per share - pence	22.83	(12.53)	17.09

There have been no diluting factors to earnings per share during these reporting periods.

3. Borrowings

In March 2020 the Company entered into at €45 million multi-currency revolving loan facility with RBS International expiring March 2021. In March 2021 this facility was extended on revised terms to March 2022. The covenants for this facility have all been met during the period. The interest rate on amounts drawn down and commitment fees payable on undrawn amounts are based on commercial terms agreed with RBS International.

As at 30 June 2021 the facility was €30 million drawn.

4. Net Asset Value per ordinary share

	30 June 2021	30 June 2020	31 December 2020
Net asset value per share – pence	146.19	108.47	132.75
Net assets attributable at the period end – (£'000s)	526,391	390,509	478,004
Number of ordinary shares in issue at the period end	360,069,279	360,004,731	360,069,279

5. Dividends

The level of dividend paid by the Company each year is determined in accordance with the Company's distribution policy. The Company has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to 6 per cent of the net asset value at the end of the preceding year. The dividend is funded from a combination of current year net profits and the Distributable Reserve.

The Company distributed the following interim dividends to shareholders:

	30 June 2021 £'000	30 June 2020 (Restated) £'000	31 December 2020 £'000
First of four interims for the year ended 31 December 2020 of 1.755 pence per share	–	6,317	6,317
Second of four interims for the year ended 31 December 2020 of 1.755 pence per share	–	6,318	6,318
Third of four interims for the year ended 31 December 2020 of 1.755 pence per share	–	–	6,318
Fourth of four interims for the year ended 31 December 2020 of 1.755 pence per share	–	–	6,319
First of four interims for the year ended 31 December 2021 of 2.000 pence per share	7,201	–	–
Second of four interims for the year ended 31 December 2021 of 2.000 pence per share	7,201	–	–
	14,402	12,635	25,272

6. Fair Value of Investments

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of a listed investment is the last traded price which is equivalent to the bid price on applicable markets.

The financial assets designated as valued at fair value through profit or loss are all categorised as Level 1 in the above hierarchy.

All of the Company's investments are categorised as Level 1 for the periods reported.

Derivative financial instruments comprise Forward Currency Contracts entered into for the purpose of hedging the Company's Euro to Pound Sterling exposure arising as a result of payment of the quarterly dividends.

7. Reconciliation of total return before taxation to net cash flows from operating activities

	30 June 2021 £'000	30 June 2020 £'000	31 December 2020 £'000
Net return on ordinary activities before taxation	82,928	(44,860)	61,954
Adjustments for non-cash flow items, dividend income and interest expense:			
(Gains) / losses on investments	(78,711)	44,207	(63,376)
Foreign exchange movements	(831)	1,353	1,330
Non-operating expenses of a capital nature	4	70	116
Dividend income receivable	(5,778)	(2,751)	(3,934)
Interest payable	108	29	95
(Increase) / decrease in other debtors	(3)	(125)	12
(Decrease) / increase in other creditors	(5)	20	18
	(85,216)	42,803	(65,739)
Net cash flows from operating activities (before dividends received and interest paid)	(2,288)	(2,057)	(3,785)

8. Reconciliation of liabilities arising from financing activities

	Bank loans £'000
Opening financial liabilities at 31 December 2020	26,853
Non-cash flows:	
Translation adjustment	(1,099)
Closing financial liabilities at 30 June 2021	25,754

9. Going Concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have also considered the Company's objective, high distribution policy, the current cash position of the Company, the availability of the loan facility and compliance with its covenants and the operational resilience of the Company and its service providers.

The global economy continues to suffer disruption due to the effects of the COVID-19 pandemic and the Directors have given serious consideration to the consequences for this Company. The Company has a €45 million multi-currency loan facility with RBSI. As at 30 June 2021 €30 million was drawn down.

The Company has a number of banking covenants and at present the Company's financial position does not suggest that any of these are close to being breached. The primary risk is that there is a very substantial decrease in the net asset value of the Company in the short to medium term.

As at 2 August 2021, the latest practicable date before the publication of this report, borrowings amounted to €30 million. This is compared to a net asset value of €635.3 million. In accordance with its investment policy the Company is invested mainly in readily realisable listed securities. These can be realised if necessary, to repay the loan facility and fund the cash requirements for future dividend payments.

The Company operates within a robust regulatory environment. The Company retains title to all assets held by the Custodian. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

The Directors have noted that home working arrangements have been implemented at the Manager and many of the Company's key suppliers without any impact upon service delivery and operations.

The Company's annual dividend, which is declared in Sterling, is determined by reference to the year-end net asset value. The Company manages any Sterling/Euro exchange rate exposure which may arise from the declaration of a Sterling denominated dividend by entering into specific matched forward currency hedging contracts. As at 30 June 2021 the Company had a Distributable Reserve of £335.8 million.

The Company in common with many investment companies has, as a result of the pandemic, suffered a reduction in dividend income. The amount of this reduction, while significant, has not had a material impact on either net asset value or distributable reserves.

As at 30 June 2021 the Company had net current liabilities of £25.8 million. The Company invests in listed securities which can be realised to fund any short-term cash shortfall that may arise.

Based on this information the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

10. Related party transactions

During the six-month period to 30 June 2021, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company.

In July 2021 the Company acquired a holding in Mister Spex, an omnichannel eyewear retailer based in Germany with operations throughout Europe at a cost of €11.8 million. Stuart Paterson is a member of the Supervisory Board of Mister Spex and excludes himself from Board discussions on this investment.

11. Results

The results for the half-year ended 30 June 2021 and 30 June 2020, which are unaudited, constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2020; the report of the independent auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The abridged financial statements shown above for the year ended 31 December 2020 are an extract from those accounts.

By order of the Board
BMO Investment Business Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY
3 August 2021

Directors' Statement of Principal Risks and Uncertainties

Most of the Company's principal risks and uncertainties are market related and no different from those of other investment trusts investing in listed equities. They are described in more detail under the heading "Principal Risks and Changes in the Year" within the Strategic Report in the Company's Report and Accounts for the year ended 31 December 2020.

The principal risks identified in the Report and Accounts for the year ended 31 December 2020 were:

- Poor absolute and/or relative performance;
- Failure to comply with regulations;
- Investment strategy and objective;
- Failure of the Manager or the loss of key investment management staff; and
- Service provider failure.

Since the beginning of 2020 the global economy has suffered considerable disruption due to the effects of the COVID-19 pandemic. The Directors have reviewed and amended, where appropriate, the key risk matrix for the Company which identifies the risks that the Company is exposed to, the controls in place and the actions being taken to mitigate them.

It is also noted that:

- An analysis of the performance of the Company since 1 January 2021 is included within the Chairman's Statement and the Investment Manager's Review beginning on pages 6 and 11 respectively.

- The Board has noted that home working arrangements have been implemented at the Manager and many of the Company's key suppliers without any impact upon service delivery and operations.
- The Company has a €45 million multi-currency loan facility with RBSI. As at 30 June 2021 €30 million was drawn down.
- Note 9 to the financial statements on page 23 details the Board's consideration for the continued applicability of the principle of Going Concern when preparing this report.

On behalf of the Board

Jack Perry CBE

Chairman

3 August 2021

Directors' Statement of Responsibilities in Respect of the Half-Yearly Financial Report

In accordance with Chapter 4 of the Disclosure Guidance and Transparency Rules, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable International Financial Reporting Standards on a going concern basis, and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half-yearly report includes a fair review of the development and performance of the Company and important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Directors' Statement of Principal Risks and Uncertainties on page 25 is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.

On behalf of the Board

Jack Perry CBE

Chairman

3 August 2021

How to Invest

One of the most convenient ways to invest in European Assets Trust PLC is through one of the savings plans run by BMO Investments.

BMO ISA

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

BMO Junior ISA (JISA)*

A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to BMO.

BMO Lifetime ISA (LISA)

For those aged 18-39, a Lifetime ISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

BMO Child Trust Fund (CTF)*

If your child already has a CTF you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to BMO.

BMO General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

BMO Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

Charges

Annual management charges and other charges apply according to the type of plan.

Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing charges

£12 per fund (reduced to £0 for deals placed through the online BMO Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits.

Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest into.

How to Invest

To open a new BMO plan, apply online at bmogam.com/apply

Online applications are not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name but paper applications are available at bmoinvestments.co.uk/documents or by contacting BMO.

New Customers

Call: **0800 136 420**** (8.30am – 5.30pm, weekdays)

Email: info@bmogam.com

Existing Plan Holders

Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)


Email: investor.enquiries@bmogam.com

By post:
BMO Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: Barclays Stockbrokers, EQI, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre

 bmoinvestments.co.uk

 facebook.com/bmoinvestmentsuk

 0345 600 3030, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.



BMO Asset Management Limited

BMO Asset Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of BMO Global Asset Management EMEA of which the ultimate parent company is the Bank of Montreal. 737510_L56_05/21_UK

Information for Shareholders

Net asset value and share price

The Company's Net Asset Value per share is released daily, on the working day following the calculation date, to the London Stock Exchange. The current share price of European Assets Trust PLC is shown in the investment trust section of the stock market page in most leading newspapers, and from the website www.europeanassets.co.uk

Performance information

Information on the Company's performance is provided in the half-yearly and final reports which are sent to Shareholders in August and March respectively. More up-to-date performance information is available on the Internet at www.europeanassets.co.uk. This website also provides a monthly update on the Company's geographic spread and largest holdings, along with comments from the Fund Manager.

AIC

European Assets Trust PLC is a member of the AIC, which publishes a monthly statistical information service in respect of member companies. The publication also has details of ISA and other investment plans available. For further details, please contact the AIC on 020 7282 5555, or visit the website: theaic.co.uk

Common reporting standards

Tax legislation requires investment fund companies to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated Shareholders and corporate entities who have purchased shares in investment trusts. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register are sent a certification form for the purpose of collecting this information. For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-account-holders.

Availability of report and accounts

The Company's report and accounts are available on the Internet at www.europeanassets.co.uk. Printed copies may be obtained by writing to the Company Secretary, Exchange House, Primrose Street, London, EC2A 2NY or at info@bmogam.com. Alternatively, the Company Secretary can be contacted on 020 7628 8000.

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0345 600 3030^{*}.

Warning to Shareholders – Beware of Share Fraud.

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from fca.org.uk to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ("FCA") on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice





If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at fca.org.uk/scams where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

^{*} Calls may be recorded or monitored for training and quality purposes.

European Assets Trust PLC

Interim Report 2021

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