abrdn European Logistics Income plc

Realising assets in the Company's portfolio in an orderly manner

Half Yearly Report
30 June 2024

eurologisticsincome.co.uk

The Company

The Company, whose shares are admitted to the Official List of the Financial Conduct Authority and to trading on the main market of London Stock Exchange plc, is a UK investment trust with the investment objective of realising all existing assets in the Company's portfolio in an orderly manner.

Investment Objective

At a General Meeting of the Company held on 23 July 2024 shareholders approved a new investment objective and investment policy. The new investment objective is to realise all existing assets in the Company's portfolio in an orderly manner.

Full details of the new investment policy are contained in the Circular to Shareholders dated 5 July 2024, which is available for download on the Company's website: **eurologisticsincome.co.uk**

Company Benchmark

The Company does not have a benchmark.

Investment Manager

The Company has appointed abrdn Fund Managers Limited (the "AIFM" or "aFML") as the Company's alternative investment fund manager for the purposes of the AIFM Rules. The AIFM has delegated portfolio management to the Danish branch of abrdn Investments Ireland Limited as Investment Manager (the "Investment Manager"). Pursuant to the terms of the Management Agreement, the AIFM is responsible for portfolio and risk management on behalf of the Company and carries out the on-going oversight functions and supervision to ensure compliance with the applicable requirements of the AIFM Rules. The AIFM and the Investment Manager are both legally and operationally independent of the Company and are wholly owned subsidiaries of abrdn plc.

Website

Details on the Company and its portfolio, together with up to date information including the latest share price can be found at: **eurologisticsincome.co.uk**.

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Highlights

Net asset value total return (EUR) for the half year to 30 June 2024 (%)[1,2]	IFRS net asset value (€'000)	Net asset value per share (¢)[1]
(0.8)	368,224	89.3
Year ended 31 December 2023: (17.1)	31 December 2023: 384,928	31 December 2023: 93.4

Share price total return (GBP) for the half year to 30 June 2024 (%)[1]	Discount to net asset value per share (%)[1]	Ordinary dividend per share for the half year to 30 June 2024 (¢)[5]
(0.7)	(20.6)	1.41
Year ended 31 December 2023: (3.5)	31 December 2023: (24.1)	Year ended 31 December 2023: 5.64

Total assets (€'000)	IFRS earnings per share for the half year to 30 June 2024 (¢)	Portfolio valuation (€'000)[3]
667,405	(4.1)	607,347
31 December 2023: 693,892	Year ended 31 December 2023: (19.8)	31 December 2023: 633,806

Number of properties	Average lease length excl breaks (Years)	Gearing (%)[1,4]
25	7.8	37.9
31 December 2023: 26	31 December 2023: 8.4	31 December 2023: 38.7

Average building size (sqm)	All-in fixed interest rate (%)	EPRA net tangible assets per share (¢)[1]
20,531	2.02	91.1
31 December 2023: 20,940	31 December 2023: 2.00	31 December 2023: 95.7

[1] Alternative Performance Measurements – see glossary on pages 31 to 36.
[2] Excluding provision for liquidation costs. Total return including provision for liquidation costs is (4.3%).
[3] 31 December 2023 includes Meung-sur-Loire, sold in March 2024 for €17.5m.
[4] Excluding adjustments in relation to liquidation costs. Gearing including liquidation costs is 38.6%.
[5] Paid on 5 July 2024. Although the payment relates to the half year ended 30 June 2024, under IFRS, the distribution is recognised when paid and it will be accounted for in the year ended 31 December 2024.

Company Overview and Financial Calendar

abrdn European Logistics Income plc (the "Company" or "ASLI") is an investment trust invested in quality European logistics real estate. The new investment objective is to realise all existing assets in the Company's portfolio in an orderly manner. The Company owns a portfolio of assets diversified by both geography and tenant throughout Europe, predominantly targeting well located assets at established distribution hubs and within population centres.

The Company is characterised by:

- A diverse portfolio of assets across five countries
- A continued focus on ESG and green performance
- Investment in the liquid urban logistics and mid-box segment of the real estate logistics market
- Modest gearing parameters
- Durable indexed income returns
- Local abrdn transaction and asset managers across Europe

Financial Calendar

27 September 2024	Payment of second interim distribution for year ending 31 December 2024
27 September 2024	Announcement of unaudited half yearly results
October 2024	Half Yearly Report posted to Shareholders
27 December 2024	Payment of third interim distribution for year ending 31 December 2024*
24 March 2025	Payment of fourth interim distribution for year ending 31 December 2024*
April 2025	Announcement of Annual Financial Report for the year ending 31 December 2024
May 2025	Annual Report available online (and posted to those registered Shareholders who have requested hard copies)
June 2025	Annual General Meeting in London
June 2025	Payment of first interim distribution for the year ending 31 December 2025*

* The quantum and payment of any distribution will depend on the sales programme and the level of income received which will decrease as assets are sold.

Chairman's Statement

Overview

I am pleased to present the Company's half yearly report for the six months ended 30 June 2024, a period that has seen significant change regarding the future of the Company.

Following the commencement of the strategic review announced by the Board in late 2023, which was driven by both the persistent discount to NAV at which the share price traded and the uncovered dividend, the Company's financial adviser, Investec Bank engaged with a significant number of interested parties with a view to facilitating a proposal which would fulfil the strategic review's objective of maximising returns for shareholders. Following a period of due diligence, eleven interested parties submitted initial indicative proposals in the first quarter of 2024. Submissions included proposals regarding all-share mergers, changes to the investment management arrangements and recapitalisation schemes and cash offers for the portfolio or the Company as a whole. Reflecting continued shareholder feedback, the Board and Investec focused efforts on those submissions proposing a cash offer for the portfolio or the Company.

As part of the detailed strategic review, the Company's investment manager also provided the Board with an analysis of, and a proposal involving, a managed disposal of the portfolio in a timely manner. The analysis comprised a range of detailed disposal scenarios for the entire portfolio over an illustrative period of 12-24 months. It also considered the impact of likely disposal costs, local applicable capital gains taxes, the ongoing running costs of the Company and the optimal approach to repaying or maximising the value of the Company's fixed cost debt.

On 20 May 2024, following the detailed review of the options available to the Company and after consultation with its advisers, as well as taking into account feedback received from a number of larger shareholders, the Board announced that it would be in the best interests of shareholders as a whole to recommend a managed wind-down of the Company.

At a fundamental level, the Board believes that there is potential to dispose of the Company's assets in the direct property market at higher values than those implied by the share price. The indicative potential value from the managed wind-down was materially in excess of the net value achievable from the indicative cash offers received during the review, all of which were subject to a number of preconditions and all of which represented material discounts to the Company's net asset value.

On 24 June 2024, on the recommendation of the Board, shareholders voted against the continuation of the Company at the annual general meeting and on 23 July 2024 voted in favour of the new Investment Policy to implement a managed wind-down of the Company. Under the approved managed wind-down process, the Company's investment objective was changed and is now 'to realise all existing assets in the Company's portfolio in an orderly manner'.

Sales will be managed with the intention of realising all the assets held in the portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to shareholders whilst aiming to obtain the best achievable value for the Company's assets at the time of their realisation. Realisations may take the form of the disposals of single assets or groups of assets.

The Company will seek to return cash to shareholders in an efficient and fair manner that accounts for, among other things, the UK tax consequences for shareholders and the composition of the Company's shareholder register. The Company has recently received court approval to cancel the full amount standing to the credit of its share premium account. On completion of the cancellation, £269.5 million will be applied to a separate special distributable reserve and should be available for capital distributions. An initial return of capital is expected by early 2025 at the latest.

Tony Roper
Chairman

The Investment Manager is in the process of arranging a number of assets for sale and is seeing good levels of initial interest, reflecting the quality of assets within the Company's portfolio. Comprising 25 modern logistics warehouses in established locations across five countries, the portfolio was carefully assembled by our Investment Manager with an increasing focus on urban logistics. These assets are well-located, close to established distribution hubs and population centres and provide the Company with robust tenant diversification. The greater focus on such assets in a market with low vacancy rates, new development constraints and with CPI rent increases feeding through, convinced us of the positioning of our portfolio of standing investments and we are hopeful that this should be reflected in the demand that we see from parties interested in these assets.

In June, the European Central Bank (ECB) cut the deposit rate for the first time in five years from 4.00% to 3.75%, which was followed by a further 25 basis points cut in September. The primary drivers behind this decision are weakening inflationary pressures and sluggish economic growth across the eurozone. Eurozone annual inflation fell to 2.2% in August 2024, its lowest level since July 2021 with core inflation, excluding volatile components like energy and food, slightly decreased from 2.9% to 2.8%. Further cuts may follow in December and throughout 2025, with inflation and economic forecasts set to be revised.

A lowering of interest rates should be an encouraging sign. Despite relatively low levels of capital raising for real estate strategies generally, private equity has notably been deploying capital into logistics. Institutions, pension funds and core investors have been inactive, but it is likely the denominator effect limiting new real estate allocations is easing with 'dry powder' likely to begin to be deployed as expectations of better returns rise for good quality assets.

Added to very low levels of construction activity, high construction costs, restrictive financing terms and availability, lack of sites and planning authority support, the Company's portfolio of assets should attract considerable interest.

Further details on the Company's portfolio are provided in the Investment Manager's Review that follows.

Results

The unaudited Net Asset Value ("NAV") per share as at 30 June 2024 was 89.3 euro cents (GBp – 75.6p), compared with the 93.4 euro cents (GBp – 81.2p) at the end of 2023, reflecting, with the interim dividends declared, a NAV total return of -4.3% in Euro terms (-6.4% in sterling terms).

Following the shareholder vote against continuation and approval of the managed wind-down process, the Company no longer prepares its net asset value on the going concern basis of accounting. IFRS offers little guidance on the preparation of the financial statements on a basis other than going concern and how they might differ from those prepared on a going concern basis. In seeking to provide the most prudent, relevant and reliable financial information to Shareholders the Board has made provision in the financial statements for the period of £13.6 million representing the estimated costs at this stage of the disposal of the property portfolio, the early repayment of bank debt and the winding up of the Company and its underlying SPV's at the appropriate times. The Board and the Investment Manager will discuss the appropriate accounting treatment with the Company's auditors in advance of the publication of the statutory financial statements for the year ending 31 December 2024.

Excluding the accrued costs associated with the realisation of the portfolio, the NAV returns were -0.8% in Euro terms (-2.9% in sterling terms).

As at 30 June 2024, the Company's closing Ordinary share price was 60.0p (31 December 2023 – 61.6p).

Rent collection

The Company's rent collection remains robust, despite the continued economic pressures, with 98% of the expected rental income for the half year ended 30 June 2024 collected.

Dividend

In February the Board announced that, following the decision to implement the strategic review of the Company and to maintain maximum flexibility in terms of outcomes, it was not declaring a fourth interim distribution for the year ended 31 December 2023. In aggregate total distributions of 4.23 euro cents were paid in respect of the 2023 financial year. The equivalent sterling rate paid was 3.68 pence.

First and second interim distributions of 1.41 and 0.90 euro cents (equivalent to 1.21 pence and 0.77 pence respectively) have been declared in respect of the year ending 31 December 2024 with payments on 5 July and 27 September 2024 respectively.

As the portfolio asset disposal programme continues, the income generated by the Company will diminish. As a result, the Company's ability to maintain the previous levels and frequency of distributions will also decrease.

Distributions will be required to ensure that the Company's investment trust status is maintained through the process and may take the form of either dividend income or "qualifying interest income" which may be designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investments trusts.

Revolving credit facility/ financing

At the end of the period, the Company's fixed rate debt facilities totalled €248.5 million at an average all-in interest rate of 2.02%, with the earliest refinancing of debt due in mid-2025. The loan-to-value (LTV) was 38.6%. The increase in LTV in the last quarter is largely attributable to the reduction in the portfolio value due to the recognition of estimated disposal costs. Excluding these provisions, the LTV was 37.9%.

The Company's non-recourse loans range in maturities between 0.9 and 4.6 years with interest rates ranging between 1.10% and 3.11% per annum.

Subsequent to the end of the period, the Company partially repaid €2.9 million of the variable loan with ING Spain in July and reduced the hedging exposure by the same amount. This repayment reduced the LTV to 38.3% (37.6% excluding the costs associated with the planned realisation of the portfolio) and the all-in interest rate to 1.99%.

During the period, and cognisant of the new investment objective which does not foresee future asset purchases, the Company cancelled its €70 million Revolving Credit Facility ("RCF") at the parent Company level provided by Investec Bank. The facility provided flexibility in the acquisition of new properties and helped to avoid immediate cash drag on investment returns but is no longer required.

Whilst in wind-down, the actual level of gearing will fluctuate as assets are sold and debt repaid in the most efficient manner possible. The maximum LTV permitted under the Company's prospectus is 50%. Banking covenants continue to be reviewed by the Investment Manager and the Board on a regular basis.

Board composition

Diane Wilde did not stand for re-election at the last AGM and retired from the Board. The Board consists of the remaining three Directors and with an eye to costs, it is expected that this will continue as the Company is wound down.

Outlook

Notwithstanding the decision to put the Company into managed wind-down, which was supported by shareholders, the prospects for the logistics sector have significantly improved. This follows a period of higher interest rates which had resulted in increased debt costs and significant yield expansion. As greater visibility emerges in terms of the future macroeconomic backdrop, we believe the combination of strong underlying market fundamentals and positive structural drivers will attract capital to the European logistics sector.

The European logistics occupier market remains active with good leasing momentum, in part a reflection that Europe is at a much earlier stage of its supply chain reconfiguration and that e-commerce penetration still some way behind the UK. The recent Savills European Real Estate Logistics Census indicated that the reshoring trend, whilst expected to be a slow burn, when combined with nearshoring as well as diversifying supplier bases and routing, is likely to have a persistent and significant impact on real estate requirements. This should lead to a sustained increase in take-up over the long term together with the continued growth in the European ecommerce story.

The Company's portfolio remains characterised by assets in well-located markets in proximity to significant population hubs with good transport links underpinned by low vacancy rates across Europe. The improving economic environment and the expected lower interest rate environment should encourage strong interest in the Company's portfolio which is underpinned by a diversified tenant base and regular indexed income. The Investment Manager has been preparing and completing detailed diligence on a number of assets and these are now with agents gauging market demand. Later in the year I hope to be in a position to update shareholders on the sales process and expected capital return timetable.

Tony Roper

Chairman

26 September 2024

Investment Manager's Review

European logistics update

Market backdrop

The European logistics sector is forecast to be entering a new phase of growth. Following significant declines in capital values of between 20% and 30%, yields have stabilised and continued rental growth is driving higher valuations in certain areas. Investment activity has picked up, reaching €17 billion in the first half of 2024, a 6% increase compared to the same period last year. Logistics comprised 24% of total real estate investment in Europe during the first half of the year, up from 16% in 2017, reflecting investor preference for the sector. Rental growth and heightened investment competition are now anticipated to have a positive impact on valuations in 2025 and 2026.

Momentum looks to be building as sentiment towards real estate improves, with the September 2024 INREV Confidence Indicator survey marking the fourth straight quarterly rise in investor and manager confidence. Logistics is attracting new capital, as shown by the Property Market Analysis Q3 Investor Intentions Survey, where interest in logistics rose to a net positive balance of 33%, up from 7% in 2023, ranking just behind residential, which stands at 43%.

As fundamentals improve and interest starts to pick up in the logistics sector, our on-the-ground transaction managers are working closely with local agents in seeking buyers for the first tranche of assets prepared for sale. abrdn's asset managers are equally working hard to ensure that properties are in the best condition or, where additional works are forecast to add value, these are progressed.

The whole management team is very focused on a sensible sales programme seeking to deliver value in a timely manner.

Economic performance

2024 GDP growth forecasts for the Eurozone rose to 0.8% in March but have since declined mainly due to weakness in German manufacturing and the automotive sector, while consumers and the service sector have benefited from real income growth and robust labour market conditions. France, Spain, Portugal, and Italy showed stronger economic performance in early 2024, with Spain's August manufacturing PMI hitting a two-year high of 52.6.

Although softer economic conditions might dampen rental growth, they should also contribute to lower interest rates as central banks seek further rate cuts. By September 2024, the Euribor 5-year swap rate had declined to 2.27%, marking a two-year low. Consequently, borrowing costs have decreased significantly, rendering debt accretive to returns once again. Current market data from CBRE indicates that average logistics yields stand at 5.4%, creating a debt yield spread of around 180 basis points.

The reduction in debt costs and fixed income yields is likely to enhance the attractiveness of logistics investments in the coming months.

Occupier demand

Overall logistics take-up for the first half decreased to 8.8 million square metres, down 5% less on the same period last year. However, it should be noted that a significant number of new leasing deals have come from the pre-let market. This data set can often take time to filter into conventional supply/demand statistics, which may be exaggerating the perceived dampening in take-up data. In markets with higher vacancy rates, such as Madrid, take-up levels were close to last year's (-3%). Conversely, in markets with lower vacancy rates, like France, there was a larger decline (-25%), partially due to tight supply. Construction activities are generally still subdued due to higher development costs, steep development financing rates and the high rate of developer insolvencies across Europe, which will constrain further supply and bolster real rental growth.

The rental growth story has been the market's most robust aspect. European logistics rents grew by 6.8% over the year to March 2024, with the strongest performers including Paris, which saw a 15% rise, and Venlo (11%). According to BNP Paribas, energy-efficient buildings are attracting higher demand and commanding higher rents compared to those that are less efficient.

Supply

In August 2024, new construction orders in Europe dropped by 18% compared to the previous year, which is likely to mean a supply crunch in the coming years.

As the economy decelerated and new completions were finalised last year, overall vacancy rates have increased slightly to 6%. although they remain well below the long-term average, with weaker secondary properties in less desirable locations that have been vacated as tenants relocate to more modern buildings in better areas suffering the most.

Considering the limited supply and ongoing demand, we predict strong real rental growth for modern European logistics properties. We are forecasting that rents will increase by an average of 3.4% annually over the next three years. Urban areas are likely to experience the highest growth due to mismatches between demand and supply caused by competing popular residential projects and a shortage of industrially zoned land. However, modern warehouses in logistics hubs remain scarce and should attract considerable interest from potential tenants.

E-commerce

Despite a post-pandemic dip in e-commerce, demand remains strong from both online-only and traditional retailers adopting multichannel strategies. Retail and e-commerce made up 30% of logistics activity last year, and with online sales rebounding, we expect an uptick. E-commerce appeals to consumers with price transparency and variety. French retail sales grew by 1% in June 2024, recovering from the trend of "retail revenge" where shoppers again preferred in-store experiences after the pandemic. We predict growth across most markets as shopping habits return to pre-pandemic norms.

Near-shoring

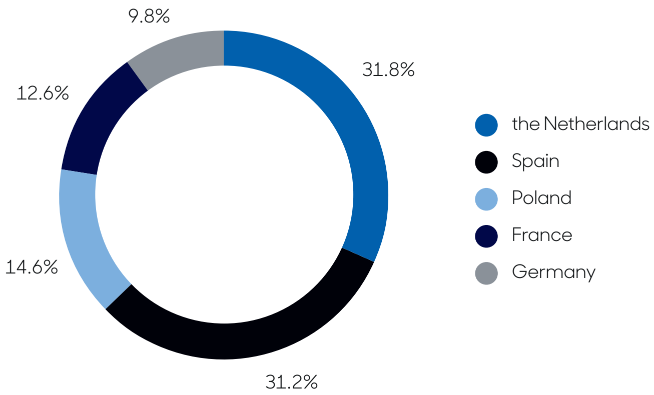
Near-shoring is expected to become an increasing driver of demand for warehouse space, particularly in central and eastern Europe and in hubs where labour costs are lower. In 2023, more companies mentioned near-shoring in their earnings calls than any previous year since 2010 and according to data from FDI Intelligence, more foreign capital was pledged to manufacturing projects in European near-shoring destinations in 2023 than ever before, an increase of 62% on the pre-pandemic average. With global supply chain risks very much exposed during the global pandemic and more recently with the conflict in the Middle East, companies are likely to continue to diversify and shorten their supply chains, bringing manufacturing back home and providing new sources of occupier demand for space in Europe.

Attractive assets with growth potential

Our original pan-European portfolio strategy was defined by the assets in which we invested and their locations, where we think growth will be strongest. The ability to readily re-let a warehouse to another tenant (liquidity) is hugely important and a component of the drivers for growth in the future.

Diversification was another important consideration and we have 25 assets spread across five European countries, and leased to 48 tenants, with no tenant accounting for more than 10.4% of the total rent roll. At the end of June 2024, as can be seen in the chart below, the portfolio was 31.8% weighted towards the Netherlands (by portfolio value), closely followed by Spain (31.2%), Poland (14.6%), France (12.6%) and Germany (9.8%).

Country allocations (based on valuations as at 30 June 2024)



The Netherlands represents the portfolio's largest country exposure with seven Dutch assets in the portfolio. The Gateway function with Rotterdam, the largest seaport in Europe, gives the Netherlands a strategic location in Europe and represents the starting point for large transport corridors leading to Belgium, Germany, France and beyond. As a result it has the second highest logistics stock per capita, just behind Belgium. The combination of a densely populated country and a fierce ongoing debate around the impact of further construction on the environment and biodiversity makes it even harder to find locations for new logistics developments, leaving current warehousing highly sought after.

Spain represents the second-largest country exposure with one urban logistic warehouse in Barcelona and ten in Madrid. Madrid is the third largest city in Europe after London and Paris, with the urban profile of these warehouses again making them highly attractive.

Following the disposal of the non-strategic vacant asset in Meung-sur-Loire in Q1 2024 we now have four warehouses in France, providing further diversification to this large economy.

The three warehouses in Poland provide higher yields than other regions. The Polish market has actually been amongst the strongest growing European logistics markets, benefiting from low labour costs. Its immediate proximity to Ukraine has not impacted the portfolio. With Poland a member of NATO, its historically strong links to Ukraine have led to increased warehouse take-up as some Ukrainian companies have required extra storage there.

Finally, the two multi-let assets in Germany are located in the densely populated Frankfurt Rhine-Main region and have performed very well since being acquired.

Property portfolio

Country	Property	Built	WAULT incl breaks (years)	WAULT excl breaks (years)	% of Fund
France	Avignon	2018	10.2	10.2	7.9
France	Bordeaux	2005	4.6	7.6	1.7
France	Dijon	2004	5.5	8.5	1.3
France	Niort	2014	7.5	10.5	1.7
Germany	Erlensee	2018	3.6	3.6	5.8
Germany	Florsheim	2015	3.7	3.7	4.0
Poland	Krakow	2018	2.6	2.6	5.0
Poland	Lodz	2020	3.5	4.1	4.8
Poland	Warsaw	2019	4.0	4.0	4.7
Spain	Barcelona	2019	2.0	5.0	2.7
Spain	Madrid	1999	2.8	5.8	1.7
Spain	Gavilanes 1A	2019	5.8	5.8	4.7
Spain	Gavilanes 1B	2019	–	–	2.2
Spain	Gavilanes 2A	2020	2.1	12.1	2.1
Spain	Gavilanes 2B	2020	1.0	2.0	1.6
Spain	Gavilanes 2C	2020	1.0	3.0	1.6
Spain	Gavilanes 3A, B, C	2019	2.7	4.7	5.2
Spain	Gavilanes 4	2022	12.8	22.8	9.4
The Netherlands	Den Hoorn	2020	5.8	5.8	7.8
The Netherlands	Ede	1999 / 2005	9.2	9.2	4.2
The Netherlands	Horst	2005	8.2	8.2	1.5
The Netherlands	Oss	2019	10.0	10.0	2.5
The Netherlands	s Heerenberg	2009 / 2011	7.4	7.4	4.5
The Netherlands	Waddinxveen	1983/ 1994/ 2002/ 2018 /2022	9.4	9.4	6.5
The Netherlands	Zeewolde	2019	10.0	10.0	4.9
Total			**6.5**	**7.8**	**100**

Indexed rental income

One of the key benefits of investing in Continental European real estate, compared to the UK, is the annual indexation clause typically seen in leases. The majority of the portfolio's contracts have upward-only indexation clauses, sometimes with a cap. Across the portfolio, c. 60% of rent is fully indexed with no caps. The affordability of rents for our tenants with what had been increasingly high indexation on the back of high inflation is an important consideration. As a landlord, we feel our position is strong at this juncture, with the logistics businesses of many tenants critical to their success. Rent may actually often be a small portion of overall operating expenses for companies, meaning that the impact on the business of indexation increases may be limited, especially where companies have pricing power in their particular markets.

Portfolio activity/asset management

In March 2024, the Company completed the sale of its vacant asset in Meung -sur-Loire, France, for €17.5 million. This disposal reduced the exposure to a capex and opex-intensive asset, particularly in the context of physical sustainability improvements necessary to future-proof the building.

On the leasing front, in February, the issue of Arrival's lease in Gavilanes, Madrid, was finally resolved with a surrender of the struggling EV manufacturer's lease at nil premium. This released 27,165 sqm of vacant space back to the Spanish portfolio affording us full control. Phase 3 comprises 3 units of 16,500 sqm, 5,131 sqm and 5,534 sqm respectively.

With full autonomy over the leasing strategy, the team immediately re-let Unit 3B (5,131 sq m) to Method Logistics on a 3-years-plus-2 lease at ERV.

Furthermore, MCR (our existing tenant at Gavilanes 2B, with a June 2025 break option) has now contracted on a surrender of Gavilanes 2 (7,718 sqm) in order to double its footprint at the park and take Unit 3A (16,500 sqm). This is an excellent result by our Spanish team where we have extended MCR on a new 7-year term, at an ERV of €1,039,500 p.a. in the largest of the former Arrival units. Notwithstanding the positive impact of re-letting the largest of the three vacant units, the deal to MCR allows an existing tenant to be retained, in an appropriate unit for an additional six years.

Following on from MCR's expansion into Unit 3A, Unit 2B is now under offer to Molecor who will take on the 7,718 sq m unit on a 5-year deal at ERV.

Unit 1B, (11,264 sq m) remains vacant. A refreshed marketing campaign is underway by the newly appointed leasing brokers on Units 1B and 3C (5,564 sq m).

In Krakow, a lease renewal was completed with IDC Polonia, extending the term for a further three years to May 2027 at €190k per annum.

Also in Poland, at Lodz, EGT completed a lease renewal to remain in occupation for a further three years until March 2027 at c.€85k per annum.

In Warsaw, active discussions continue on lease renewals with Spedimex (now part of ID Logistics) and DBK Logistics to extend both leases on 5-year terms.

Similarly, at Erlensee, Germany, complex negotiations continue with Bergler (one of the estate's largest occupiers) looking to expand into two units where existing tenants may vacate. This initiative aims to convert existing lease expiries in 2024 and 2027 into a secure ten-year term until 2034.

ESG

The Company's GRESB 2023 award of a 5-STAR rating placed the Company first against six peers; an exceptional result. The Company has repeatedly delivered year-on-year improvement, from 84 points in 2021, to 86 points in 2022, and 89 points in 2023.

The starting point was strong thanks to modern characteristics of the portfolio and the installation of solar panels on ten of the buildings. Syzygy and Longevity were appointed to advise on the installation of landlord operated photovoltaic (PV) systems in France, the Netherlands and Spain, whilst in Germany there has been positive engagement on PV projects at Florsheim and Erlensee.

The Company progressed with the analysis and monitoring work on meeting net zero by 2050. The Verco pathway analysis using the 2022 data comparison against the 2020 baseline, confirmed that the Company remained on track in terms of progress towards a net zero carbon target by 2050.

With the conclusion of the Strategic Review, the Company has begun the process of executing a managed wind-down. Accordingly, in order to reduce unnecessary central costs and overheads, projects such as GRESB accreditation, the Keepfactor tenant survey and the Verco NZC pathway analysis projects will all cease.

Of course, ESG remains a key factor in the day-to-day asset management of the portfolio to the extent that where improvements can be made cost effectively, or are necessary to improve an asset's liquidity, then we will run an individual cost benefit analysis before committing funds.

Outlook and Next Steps

The improving outlook described above, combined with the mid-2024 turning point in the wider real estate cycle with expectations of lower interest rates and cost of debt, mean our expected forecast returns have increased for European logistics. With Eurozone CPI now at 2.8% and expected to fall below 2% by 2026, the headline policy rate is forecast to fall from today's 3.5% to 2.25%.

The portfolio consists of a well-diversified group of assets across five major European countries. As rates decrease further and fundamentals remain positive, we see greater interest returning to the real estate logistics sector. This provides a supportive backdrop as we start to deliver the new investment objective voted on and approved by shareholders in July. With the summer holidays now over and much of the early stage groundwork completed for a sales process, we have commenced the next phase of the wind-down process. Interest in certain assets post the strategic review has been high and contacts have been made and reinforced to enable our transaction teams on the ground to seek buyers at best value. While negotiations and detailed due diligence take time, there is no doubt that the logistics market is seeing increasing activity.

The team is working hard to ready assets for sale and in certain instances where asset management initiatives are already underway or plans are deemed to offer value, these are being progressed. As mentioned above, work continues on lease extensions and tenant activity which we believe will add value before a sale takes place.

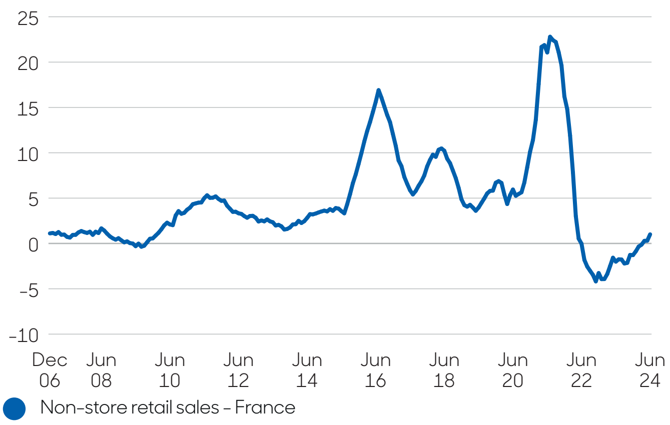
We will continue to hold discussions with various interested parties, appoint agents and use our teams on the ground around Europe to seek both on and off market buyers at sensible prices to allow the Company to start returning capital to shareholders at the earliest possible time in 2025.

Economic and policy rate forecasts

	GDP (%)				CPI (%)				Policy Rate (%, year end)			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
Eurozone	0.6	0.7	1.2	1.2	5.4	2.4	2.2	1.9	4.0	3.3	2.5	2.3
Global	3.2	3.1	3.2	3.2	6.9	5.9	4.6	3.8				

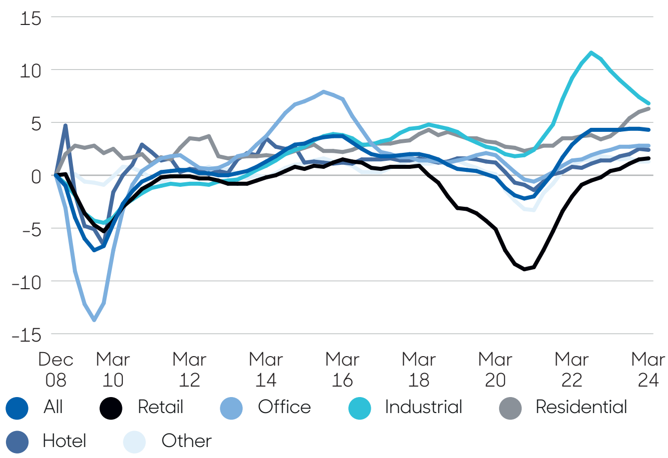
Source: abrdn Global Macro Research August 2024.

Non-store retail sales - France (% p.a.)



Source: LSEG, INSEE, abrdn June 2024.

European market rental growth by sector (% p.a.)



Source: MSCI European Quarterly Index, abrdn March 2024.

Loan portfolio as at 30 June 2024

Country	Property	Lender	Share in total	Loan €'000	End date Loan	Remaining Years	All-in fixed interest rate (incl margin)
Germany	Erlensee	DZ Hyp	7%	17,800	31-Jan-29	4.6	1.62%
Germany	Florsheim	DZ Hyp	5%	12,400	30-Jan-26	1.6	1.54%
France	Avignon	BayernLB	9%	22,000	12-Feb-26	1.6	1.57%
The Netherlands	Ede + Oss + Waddinxveen	Berlin Hyp	18%	44,200	06-Jun-25	0.9	1.35%
The Netherlands	sHeerenberg	Berlin Hyp	4%	11,000	27-Jun-25	1.0	1.10%
The Netherlands	Den Hoorn + Zeewolde	Berlin Hyp	17%	43,200	14-Jan-28	3.5	1.38%
Spain	Madrid Gavilanes 1 + 2 + 3	ING Bank	18%	44,000	07-Jul-25	1.0	2.72%
Spain	Madrid Gavilanes 4 + Madrid + Barcelona	ING Bank	22%	53,863	16-Sep-25	1.2	3.11%
Total			**100%**	**248,463**		**1.8**	**2.02%**

Troels Andersen
Fund Manager
abrdn Investments Ireland Limited
26 September 2024

Interim Board Report
Disclosures

Principal risks and uncertainties

The principal risks and uncertainties considered as affecting the Company were set out on pages 15 to 19 of the Annual Report and Financial Statements for the year ended 31 December 2023 (the "2023 Annual Report") together with details of the management of the risks and the Company's internal controls.

The approval by Shareholders of the new investment objective and policy at the general meeting held on 23 July 2024 to facilitate a managed wind-down of the Company has changed the emphasis of these risks.

High level risks can be summarised as follows:

- Strategic Risks;
- Investment and Asset Management Risks;
- Financial Risks (including gearing, liquidity and FX risk);
- Regulatory Risks;
- Operational Risks (including service providers and business continuity).

During the process of the managed wind-down the Board will pay particular attention to the risks concerning the timing of asset sales, repayment of bank debt and the covenants associated with such debt and its expiry dates, renewal of leases, asset management initiatives and management of vacancy together with tenant relationships and the shareholder base.

The Board also has a process in place to identify emerging risks. If any of these are deemed to be significant, these risks are categorised, rated and added to the Company's risk matrix. In this regard, the Board is mindful of ongoing geopolitical events which continue to cause market volatility across Europe and the World.

Related party transactions

aFML acts as Alternative Investment Fund Manager, abrdn Investments Ireland Limited acts as Investment Manager and abrdn Holdings Limited acts as Company Secretary to the Company; details of the management fee arrangements can be found in the related party note on page 30. Details of the transactions with the Manager including the fees payable to abrdn plc group companies are also disclosed in note 16 of this Half Yearly Report.

Going concern

The Directors, as at the date of this report, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.
The Board announced the conclusion of its Strategic Review on 20 May 2024. At the Annual General Meeting held on 24 June 2024 and in accordance with the Board's recommendation, the resolution concerning the continuation of the Company was not passed.
At the General meeting held on 23 July 2024 Shareholders overwhelmingly voted in favour of a change in the Company's Investment Policy in order to facilitate a managed wind-down. The process for an orderly realisation of the Company's assets and a return of capital to shareholders has begun. The Company is therefore now preparing its financial statements on a basis other than going concern. Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the winding down period and to meet all liabilities as they fall due, given the Company is now in managed wind-down the Directors consider it appropriate to adopt a basis other than a going concern in preparing these financial statements.

Directors' Responsibility Statement

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and gives a true and fair view of the assets, liabilities, financial position and net return of the Company as at 30 June 2024; and
- the Interim Board Report (constituting the interim management report) includes a fair review of the information required by rule 4.2.7R of the UK Listing Authority Disclosure Guidance and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and rule 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period).

Tony Roper

Chairman

26 September 2024

Property Portfolio

Property Portfolio as at 30 June 2024

	Property	Tenure	Principal Tenant
1	France, Avignon (Noves)	Freehold	Biocoop
2	France, Gevrey	Freehold	Dachser
3	France, La Creche	Freehold	Dachser
4	France, Bruges	Freehold	Dachser
5	Germany, Erlensee	Freehold	Bergler
6	Germany, Flörsheim	Freehold	Ernst Schmitz
7	Poland, Krakow	Freehold	Lynka
8	Poland, Lodz	Freehold	Compal
9	Poland, Warsaw	Freehold	DHL
10	Spain, Barcelona	Freehold	Mediapost
11	Spain, Madrid (Coslada)	Freehold	DHL
12	Spain, Madrid, Gavilanes, 1A	Freehold	Talentum
13	Spain, Madrid, Gavilanes, 1B	Freehold	Vacant
14	Spain, Madrid, Gavilanes, 2A	Freehold	Carrefour
15	Spain, Madrid, Gavilanes, 2B	Freehold	MCR
16	Spain, Madrid, Gavilanes, 2C	Freehold	ADER
17	Spain, Madrid, Gavilanes, 3A, 3B, 3C (two buildings)	Freehold	Vacant, Method, Vacant
18	Spain, Madrid, Gavilanes 4 (two buildings)	Freehold	Amazon
19	The Netherlands, Den Hoorn	Leasehold	Van der Helm
20	The Netherlands, Ede	Freehold	AS Watson (Kruidvat)
21	The Netherlands, Horst	Freehold	Limax
22	The Netherlands, Oss	Freehold	Orangeworks
23	The Netherlands, 's Heerenberg	Freehold	JCL Logistics
24	The Netherlands, Waddinxveen	Freehold	Combilo International
25	The Netherlands, Zeewolde	Freehold	VSH Fittings

Condensed Consolidated Statement of Comprehensive Income

		Half year ended 30 June 2024 Unaudited			Half year ended 30 June 2023 Unaudited			Year ended 31 December 2023 Audited		
	Notes	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
REVENUE										
Rental income		15,306	–	15,306	16,994	–	16,994	33,435	–	33,435
Property service charge income		4,006	–	4,006	3,866	–	3,866	8,095	–	8,095
Other operating income		158	–	158	331	–	331	540	–	540
Total Revenue	2	**19,470**	**–**	**19,470**	**21,191**	**–**	**21,191**	**42,070**	**–**	**42,070**
GAINS ON INVESTMENTS										
(Losses)/gains on disposal of investment properties	9	–	(230)	(230)	–	133	133	–	133	133
Losses on revaluation of investment properties	9	–	(20,412)	(20,412)	–	(47,606)	(47,606)	–	(106,878)	(106,878)
Total Income and gains/(losses) on investments		**19,470**	**(20,642)**	**(1,172)**	**21,191**	**(47,473)**	**(26,282)**	**42,070**	**(106,745)**	**(64,675)**
EXPENDITURE										
Investment management fee		(1,386)	–	(1,386)	(1,685)	–	(1,685)	(3,193)	–	(3,193)
Direct property expenses		(590)	–	(590)	(1,682)	–	(1,682)	(3,155)	–	(3,155)
Property service charge exposure		(4,006)	–	(4,006)	(3,866)	–	(3,866)	(8,095)	–	(8,095)
SPV property management fee		(199)	–	(199)	(166)	–	(166)	(232)	–	(232)
Impairment loss on trade receivables		(217)	–	(217)	31	–	31	(1,237)	–	(1,237)
Other expenses	3	(2,638)	(205)	(2,843)	(2,079)	–	(2,079)	(3,583)	–	(3,583)
Total expenditure		(9,036)	(205)	(9,241)	(9,447)	–	(9,447)	(19,495)	–	(19,495)
Net operating return before finance costs		**10,434**	**(20,847)**	**(10,413)**	**11,744**	**(47,473)**	**(35,729)**	**22,575**	**(106,745)**	**(84,170)**
FINANCE COSTS										
Finance costs	4	(5,721)	(915)	(6,636)	(4,253)	(110)	(4,363)	(8,002)	(110)	(8,112)
Gains arising from the derecognition of derivative financial instruments		–	–	–	–	313	313	–	313	313
Effect of fair value adjustments on derivative financial instruments		–	18	18	–	529	529	–	(1,706)	(1,706)
Effect of foreign exchange differences		(93)	(390)	(483)	117	(37)	80	(67)	(146)	(213)
Net return before taxation		**4,620**	**(22,134)**	**(17,514)**	**7,608**	**(46,778)**	**(39,170)**	**14,506**	**(108,394)**	**(93,888)**
Taxation	5	(90)	900	810	(598)	7,775	7,177	(1,327)	13,414	12,087
Net return for the period		**4,530**	**(21,234)**	**(16,704)**	**7,010**	**(39,003)**	**(31,993)**	**13,179**	**(94,980)**	**(81,801)**
Total comprehensive return for the period		**4,530**	**(21,234)**	**(16,704)**	**7,010**	**(39,003)**	**(31,993)**	**13,179**	**(94,980)**	**(81,801)**
Basic and diluted earnings per share	6	**1.1¢**	**(5.2¢)**	**(4.1¢)**	**1.7¢**	**(9.5¢)**	**(7.8¢)**	**3.2¢**	**(23.0¢)**	**(19.8c)**

The accompanying notes are an integral part of the Financial Statements.
The total column of the Condensed Statement of Comprehensive Income is the profit and loss account of the Company.

Condensed Consolidated Balance Sheet

	Notes	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
NON-CURRENT ASSETS				
Investment properties	9	615,713	711,293	636,187
Deferred tax asset	5	3,367	4,038	4,896
Total non-current assets		**619,080**	**715,331**	**641,083**
CURRENT ASSETS				
Investment property held for sale	9	–	–	17,500
Trade and other receivables	10	18,466	14,371	14,682
Cash and cash equivalents		26,624	23,182	18,061
Other assets		1,527	1,406	876
Derivative financial assets	15	1,708	3,924	1,690
Total current assets		**48,325**	**42,883**	**52,809**
Total assets		**667,405**	**758,214**	**693,892**
CURRENT LIABILITIES				
Bank loans	13	55,200	–	–
Lease liability	11	659	550	659
Wind-down provision		1,120	–	–
Trade and other payables	12	16,131	16,439	16,353
Total current liabilities		**73,110**	**16,989**	**17,012**
NON-CURRENT LIABILITIES				
Bank loans	13	193,263	255,959	256,524
Lease liability	11	23,503	21,951	23,694
Deferred tax liability	5	9,305	16,955	11,734
Total non-current liabilities		**226,071**	**294,865**	**291,952**
Total liabilities		**299,181**	**311,854**	**308,964**
Net assets		**368,224**	**446,360**	**384,928**
SHARE CAPITAL AND RESERVES				
Share capital	14	4,717	4,717	4,717
Share premium		269,546	269,546	269,546
Special distributable reserve		152,099	164,851	152,099
Capital reserve		(85,434)	(8,223)	(64,200)
Revenue reserve		27,296	15,469	22,766
Equity shareholders' funds		**368,224**	**446,360**	**384,928**
Net asset value per share (cents)	**8**	**89.3¢**	**108.3¢**	**93.4¢**

Company number: 11032222
The accompanying notes are an integral part of the Financial Statements.

Condensed Consolidated Statement of Changes in Equity

Half year ended 30 June 2024 (unaudited)	Notes	Share capital €'000	Share premium €'000	Special distributable reserve €'000	Capital reserve €'000	Revenue reserve €'000	Total €'000
Balance at 31 December 2023		4,717	269,546	152,099	(64,200)	22,766	384,928
Total comprehensive return for the period		–	–	–	(21,234)	4,530	(16,704)
Balance at 30 June 2024		**4,717**	**269,546**	**152,099**	**(85,434)**	**27,296**	**368.224**
Half year ended 30 June 2023 (unaudited)							
Balance at 31 December 2022		4,717	269,546	164,851	30,780	20,083	489,977
Total comprehensive return for the period		–	–	–	(39,003)	7,010	(31,993)
Interim Distributions paid	7	–	–	–	–	(11,624)	(11,624)
Balance at 30 June 2023		**4,717**	**269,546**	**164,851**	**(8,223)**	**15,469**	**446,360**
Year ended 31 December 2023 (audited)							
Balance at 31 December 2022		4,717	269,546	164,851	30,780	20,083	489,977
Total comprehensive return for the year		–	–	–	(94,980)	13,179	(81,801)
Dividends paid	7	–	–	(12,752)	–	(10,496)	(23,248)
Balance at 31 December 2023		**4,717**	**269,546**	**152,099**	**(64,200)**	**22,766**	**384,928**

The accompanying notes are an integral part of the Financial Statements.

Condensed Consolidated Statement of Cash Flows

	Notes	Half year ended 30 June 2024 Unaudited €'000	Half year ended 30 June 2023 Unaudited €'000	Year ended 31 December 2023 Audited €'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net return for the period before taxation		(17,514)	(39,170)	(93,888)
Adjustments for:				
Losses on revaluation of investment properties	9	20,412	47,606	106,878
Losses/(gains) on disposal of investment properties		230	–	(133)
Decrease in land leasehold liability		191	136	272
Increase in trade and other receivables		(4,432)	(1,921)	(2,300)
Increase in trade and other payables		168	300	10
Increase in provisions		1,120	–	–
Change in fair value of derivative financial instruments		(18)	(529)	1,706
Result arising from the derecognition of derivative financial instruments		–	(313)	(313)
Finance costs	4	5,721	4,363	8,112
Tax paid		(124)	(508)	(1,092)
Cash generated by operations		5,754	9,964	19,252
Net cash inflow from operating activities		**5,754**	**9,964**	**19,252**
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure and costs of disposal		(54)	(399)	(898)
Disposal of investment properties	9	17,500	18,500	18,500
Derivative financial instruments		–	313	–
Net cash inflow from investing activities		**17,446**	**18,414**	**17,602**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	7	–	(11,624)	(23,248)
Bank loans interest paid		(3,637)	(3,026)	(5,202)
Early termination fees		–	–	(110)
Bank loans repaid		(11,000)	(10,808)	(10,808)
Proceeds from derivative financial instruments		–	–	313
Net cash outflow from financing activities		**(14,637)**	**(25,458)**	**(39,055)**
Net increase/(decrease) in cash and cash equivalents		8,563	2,920	(2,201)
Opening balance		18,061	20,262	20,262
Closing cash and cash equivalents		26,624	23,182	18,061
REPRESENTED BY				
Cash at bank		**26,624**	**23,182**	**18,061**

The accompanying notes are an integral part of the Financial Statements.

Notes to the Financial Statements

1. Accounting policies

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with UK adopted International Financial Reporting Standard ("IFRS") IAS 34 'Interim Financial Reporting', and with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and are consistent with the accounting policies set out in the statutory accounts of the Group for the year ended 31 December 2023 unless stated otherwise in this Half Year Report.

The Unaudited Condensed Consolidated Financial Statements for the half year ended 30 June 2024 do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2023. These were prepared in accordance with IFRS, which comprises standards and interpretations approved by the International Accounting Standards Board ('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 United Kingdom, and the Listing Rules of the UK Listing Authority. The financial information in this Report does not comprise statutory accounts within the meaning of Section 434-436 of the Companies Act 2006. Those financial statements have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006. The financial information for the half year ended 30 June 2024 and 30 June 2023 has not been audited or reviewed by the Company's auditor.

Going Concern

In November 2023, the Board initiated a Strategic Review recognising that abrdn European Logistics Income plc (the "Company") faced a number of challenges, at both a macro and company specific level. Following a detailed review of the options available to the Company and after consultation with its advisers, as well as taking into account feedback received from a number of larger Shareholders, the Board concluded that it would be in the best interests of Shareholders to proceed with a managed wind-down of the Company. At the Annual General Meeting held on 24 June 2024, in accordance with the Board's recommendation, the resolution concerning the continuation of the Company was not passed by the shareholders. At the General Meeting on 23 July 2024, the revised Investment Policy for the managed wind-down was overwhelmingly approved by the Shareholders. As the process of managed wind-down has started, the financial statements have been prepared on a basis other than going concern.

IFRS offers little guidance on the preparation of the financial statements on a basis other than going concern and how they might differ from those prepared on a going concern basis. The AIC SORP notes that where the financial statements are prepared on a basis other than going concern the significance of the difference between the valuation of Company's assets and liabilities on a going concern basis and the estimated value of the assets and liabilities on a realisation basis should be considered, with any differences being recognised in the financial statements.

Provision has been made to reflect the costs associated with the realisation of the assets, the return of capital to shareholders and estimated amounts to fully liquidate all subsidiaries of the Company and the Company itself.

The AIC SORP also notes that, where the Company is approaching a wind-up and a provision for liquidation expenses has been made, the Board needs to consider why those expenses have been/are going to be incurred and whether the circumstances meet the maintenance or enhancement test for allocating them to capital. It may also be the case that certain of the costs should be treated as being related to the disposal of the assets. Certain expenses, such as disposal costs, are incurred as part of the process of buying and selling investments and it is considered that such expenses are capital in nature.

The liquidation expenses provided for in the financial statements are in relation to the disposal of the assets and the ultimate costs of returning capital to shareholders. Thus, these have been included within the Capital column of the Condensed Consolidated Statement of Comprehensive Income.

2. Revenue

	Half year ended 30 June 2024 Unaudited €'000	Half year ended 30 June 2023 Unaudited €'000	Year ended 31 December 2023 Audited €'000
Rental income	15,306	16,994	33,435
Property service charge income	4,006	3,866	8,095
Other income	158	331	540
Total revenue	**19,470**	**21,191**	**42,070**

Included within rental income is amortisation of rent free periods granted.

3. Other expenses

Other expenses for half year ended 30 June 2024 included €1.2m of costs associated with the Strategic Review, of which €0.5m was incurred on technical and environmental due diligence of properties. Other expenses also include €205,000 as estimated amounts to fully liquidate all subsidiaries of the Company and the Company itself.

4. Finance costs

	Half year ended 30 June 2024 Unaudited			Half year ended 30 June 2023 Unaudited			Year ended 31 December 2023 Audited		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Interest on bank loans	2,591	–	2,591	2,798	–	2,798	5,478	–	5,478
Amortisation of loan costs	2,939	–	2,939	1,257	–	1,257	2,129	–	2,129
Bank interest	191	–	191	198	–	198	395	–	395
Early loan repayment cost	–	915	915	–	110	110	–	110	110
Total finance costs	**5,721**	**915**	**6,636**	**4,253**	**110**	**4,363**	**8,002**	**110**	**8,112**

As the financial statements have been prepared on a basis other than going concern, the unamortised balance of capitalised borrowing cost of €2.1m has been expensed during the period. Finance costs also include provisions for costs related to early repayment of bank loans of €915,000.

5. Taxation

The Company is resident in the United Kingdom for tax purposes. The Company is approved by HMRC as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010. In respect of each accounting year for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company is, however, liable to UK Corporation tax on its income. The Company is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting year referred to as the "streaming" regime. Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting year. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting year. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2010.

(a) Tax charge in the Group Statement of Comprehensive Income

	Half year ended 30 June 2024 Unaudited			Half year ended 30 June 2023 Unaudited			Year ended 31 December 2023 Audited		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Current taxation:									
Overseas taxation	90	–	90	598	–	598	1,327	440	1,767
Deferred taxation:									
Overseas taxation	–	(900)	(900)	–	(7,775)	(7,775)	–	(13,854)	(13,854)
Total taxation	**90**	**(900)**	**(810)**	**598**	**(7,775)**	**(7,177)**	**1,327**	**(13,414)**	**(12,087)**

(b) Tax in the Group Balance Sheet

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Deferred tax assets:			
On tax losses	3,025	3,700	4,740
On other temporary differences	342	338	156
	3,367	**4,038**	**4,896**

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Deferred tax liabilities:			
Differences between tax and derivative valuation	426	–	422
Differences between tax and property revaluation	8,879	16,955	11,312
Total taxation on return	**9,305**	**16,955**	**11,734**

6. Earnings per share (Basic and Diluted)

	30 June 2024 Unaudited	30 June 2023 Unaudited	31 December 2023 Audited
Revenue net return attributable to Ordinary shareholders (€'000)	4,530	7,010	13,179
Weighted average number of shares in issue during the period	412,174,356	412,174,356	412,174,356
Total revenue return per ordinary share	**1.1¢**	**1.7¢**	**3.2¢**
Capital return attributable to Ordinary shareholders (€'000)	(21,234)	(39,003)	(94,980)
Weighted average number of shares in issue during the period	412,174,356	412,174,356	412,174,356
Total capital return per ordinary share	**(5.2¢)**	**(9.5¢)**	**(23.0¢)**
Basic and diluted earnings per ordinary share	**(4.1¢)**	**(7.8¢)**	**(19.8c)**

Earnings per share is calculated on the revenue and capital loss for the period (before other comprehensive income) and is calculated using the weighted average number of shares in the period of 412,174,356 shares (2023: 412,174,356 shares).

7. Distributions

	Half year ended 30 June 2024 Unaudited €'000	Half year ended 30 June 2024 Unaudited €'000	Year ended 31 December 2023 Audited €'000
Dividends paid	–	11,624	23,248
Total dividend paid	**–**	**11,624**	**23,248**

To maintain maximum flexibility during the Strategic Review, the board decided to forgo declaring a fourth interim distribution for the year ended 31 December 2023, which has historically been declared in February and paid in March each year.

First quarterly interim dividend for 2024 of 1.41¢ (1.21p) per Share was paid on 5 July 2024 to shareholders on the register on 7 June 2024. The distribution was split 1.19¢ (1.02p) dividend income and 0.22¢ (0.19p) qualifying interest income. Although the payment relates to the half year ended 30 June 2024, under International Financial Reporting Standards, the distribution is recognised when paid and it will be accounted for in the year ended 31 December 2024.

8. Net asset value per share

	30 June 2024 Unaudited	30 June 2023 Unaudited	31 December 2023 Audited
Net assets attributable to shareholders (€'000)	368,224	446,360	384,928
Number of shares in issue	412,174,356	412,174,356	412,174,356
Net asset value per share (cents)	**89.3¢**	**108.3¢**	**93.4¢**

The Company announced a NAV per share of 87.9p on 23 August 2024 as at 30 June 2024. This included the deduction of the first interim dividend of 1.41c per share declared on 23 May 2024 with the ex-dividend date of 6 June 2024. As detailed in note 7, per the International Financial Reporting Standards this distribution will be accounted for in the year ending 31 December 2024, and represents the difference between the two NAVs.

9. Investment properties

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Opening carrying value	636,187	776,616	776,616
Acquisition costs, disposal costs and capital expenditure	2	262	329
Disposal of investment property	–	(18,500)	(18,500)
Disposal at cost	–	388	–
Gains on disposal of investment properties	–	133	133
Right of use asset reassessment	–	–	1,988
Valuation losses	(7,962)	(47,453)	(106,935)
Provision for disposal costs under non going concern basis	(12,450)	–	–
Movements in lease incentives	(64)	(18)	328
Decrease in leasehold liability	–	(135)	(272)
Transfer to Investment property held for sale	–	–	(17,500)
Total carrying value	**615,713**	**711,293**	**636,187**

The fair value of investment properties amounted to €607,347,000 (31 December 2023: €633,806,000). The difference between the fair value and the value per the Condensed Consolidated Balance Sheet as at 30 June 2024 consists of accrued income relating to the pre-payment for rent-free periods recognised over the life of the lease of €3,346,000 (31 December 2023: €4,472,000), lease asset relating to future use of the leasehold at Den Hoorn of €24,162,000 (31 December 2023: €24,353,000) and recognition of estimated property disposal costs of €12,450,000 (31 December 2023: €nil) due to changes in the basis of preparation of financial statements to a basis other than going concern. The rent incentive balance is recorded separately in the financial statements as a current asset and the lease asset is offset by an equal and opposite lease liability.

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Opening carrying value including Investment property held for sale	17,500	–	–
Transfer from Investment property	–	–	17,500
Disposal costs	230	–	–
Disposal of investment property	(17,500)	–	–
Losses on disposal of investment properties	(230)	–	–
Total carrying value	**–**	**–**	**17,500**

On 27 March 2024 the Group completed the sale of the warehouse in Meung-sur-Loire for €17,500,000 realising a loss of €230,000. The property was classified as an investment property held for sale.

10. Trade and other receivables

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Trade debtors	8,101	9,420	11,197
Held with Registrar	5,812	–	–
Bad debt provisions	(183)	(563)	(1,821)
Lease incentives	3,346	4,696	4,472
VAT receivable	706	240	270
Tax receivables	678	572	562
Other receivables	6	6	2
Total receivables	**18,466**	**14,371**	**14,682**

Amounts Held with Registrar relate to the first interim distribution that was transferred to the Registrar before 30 June 2024 but not paid to the Shareholders until 5 July 2024.

Lease incentives include accrued income resulting from the spreading of lease incentives and/or minimum lease payments over the term of the lease. A proportion of this balance relates to periods over one year.

11. Leasehold liability

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Maturity analysis – contractual undiscounted cash flows			
Less than one year	659	550	659
One to five years	2,636	2,200	2,636
More than five years	25,889	24,790	26,218
Total undiscounted lease liabilities	**29,184**	**27,540**	**29,513**
Lease liability included in the Condensed Consolidated Balance Sheet			
Current	659	550	659
Non – Current	23,503	21,951	23,694
Total lease liability	**24,162**	**22,501**	**24,353**

12. Trade and other payables

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Rental income received in advance	4,126	4,174	3,994
Tenant deposits	3,781	4,532	4,008
Trade payables	3,669	3,079	4,729
Accruals	2,322	1,957	1,681
Management fee payable	1,386	1,685	729
VAT payable	847	957	1,172
Accrued acquisition and development costs	–	55	40
Total payables	**16,131**	**16,439**	**16,353**

13. Bank loans

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
External bank loans payable in less than one year	55,200	–	–
External bank loans payable in greater than one year	193,263	255,959	256,524
Total payables	**248,463**	**255,959**	**256,524**

The total drawdown of the bank loans amounted to €248,462,500. There is no difference in the principal balance of drawn down loans and the carrying value in the Condensed Consolidated Statement of Financial Position due to release of unamortised capitalised borrowing costs in full to the Condensed Consolidated Statement of Comprehensive Income during the reporting period, due to the change in basis of preparation of financial statements.

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Opening balance	256,524	265,532	265,532
Bank loans repaid	(11,000)	(10,808)	(10,808)
Amortisation of capitalised borrowing costs	2,939	1,257	2,129
Capitalised borrowing costs	–	(22)	(329)
Closing balance	**248,463**	**255,959**	**256,524**

Due to change in basis of preparation of financial statements the unamortised capitalised borrowing costs presented as a part of bank loans in the Condensed Consolidated Balance Sheet were fully amortised in the Condensed Consolidated Statement of Comprehensive Income for half year to 30 June 2024.

14. Share capital

	30 June 2024 Unaudited €'000	30 June 2023 Unaudited €'000	31 December 2023 Audited €'000
Opening balance	4,717	4,717	4,717
Closing balance	**4,717**	**4,717**	**4,717**

Ordinary Shareholders participate in all general meetings of the Company on the basis of one vote for each Share held. Each Ordinary share has equal rights to dividends and equal rights to participate in a distribution arising from a winding up of the Company. The Ordinary Shares are not redeemable.

The total number of Shares authorised, issued and fully paid is 412,174,356. The nominal value of each Share is £0.01 and the amount paid for each Share was £1.00.

15. Financial instruments and investment properties

Fair value hierarchy

IFRS 13 requires the Group to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

Level 1 – quoted prices in active markets for identical investments;

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.); and

Level 3 – significant unobservable inputs.

The following table shows an analysis of the fair values of investment properties recognised in the balance sheet by level of the fair value hierarchy:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
30 June 2024 (unaudited)				
Investment properties	–	–	615,713	615,713
30 June 2023 (unaudited)				
Investment properties	–	–	711,293	711,293
31 December 2023 (audited)				
Investment properties			636,187	636,187
Investment properties held for sale	–	–	17,500	17,500

The lowest level of input is the underlying yields on each property which is an input not based on observable market data.

The following table shows an analysis of the fair values of derivative financial instruments recognised in the balance sheet by level of the fair value hierarchy:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
30 June 2024 (unaudited)				
Interest rate swaps and caps	–	1,708	–	1,708
30 June 2023 (unaudited)				
Interest rate swaps and caps	–	3,924	–	3,924
31 December 2023 (audited)				
Interest rate swaps and caps	–	1,690	–	1,690

The lowest level of input for interest rate swaps and caps are current market interest rates and yield curve over the remaining term of the instrument.

Derivatives are measured at fair value calculated by reference to forward exchange rates for contracts with similar maturity profiles.

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
30 June 2024 (unaudited)				
Bank loans	–	248,463	–	248,463
30 June 2023 (unaudited)				
Bank loans	–	247,075	–	247,075
31 December 2023 (audited)				
Bank loans	–	253,667	–	253,667

Bank loans are measured at amortised cost. The fair value is estimated using discounted cash flows with the current interest rates and yield curve applicable to each loan. Due to wind-down of Company it is estimated that all loans will be repaid by the end of 2025. As of result bank loans' fair value is considered to be the same as amortised cost as at 30 June 2024.

16. Related party transactions

The Company's Alternative Investment Fund Manager ('AIFM') throughout the period was abrdn Fund Managers Limited ("aFML"). Under the terms of a Management Agreement dated 17 November 2017 the AIFM is appointed to provide investment management, risk management and general administrative services including acting as the Company Secretary. The agreement is terminable by either the Company or aFML on not less than 12 months' written notice.

Under the terms of the agreement portfolio management services are delegated by aFML to abrdn Investments Ireland Limited ("aIIL"). The total management fees charged to the Consolidated Statement of Comprehensive Income during the period were €1,386,000 and €1,386,000 was payable at the period end. Under the terms of a Global Secretarial Agreement between aFML and abrdn Holdings Limited ('aHL'), company secretarial services are provided to the Company by aHL.

For the half year to 30 June 2024, the Directors of the Company received fees for their services totalling £84,000 equivalent to €98,000.

17. Post balance sheet events

On 5 July 2024 the Company repaid €2.8m of the ING loan. In order to match the principal and notional amount of hedging the Company partially terminated €2.8m CAP and €23,000 interest rate swap realising a gain in total amount of €13,000.

At the 23 July 2024 General Meeting the Shareholders approved the revised investment policy and management fees due to aFML to ensure that these arrangements are appropriately aligned with the objective of maximising the value realised from disposal of the Company's assets in a timely manner. Effective 1 August 2024 the Company shall pay lower management fees of 0.5% (reduced from 0.75%) and additional disposal fees between 0.65% and 0.75% depending on the net disposal proceeds realised on sale of investment properties. In addition, with effect from 23 July 2024, the Management Agreement became terminable by the Company or aFML on not less than three months' notice with such notice not to be served before 31 March 2025.

Second quarterly interim dividend for 2024 of 0.90¢ (0.77p) per Share is payable on 27 September 2024 to shareholders on the register on 6 September 2024. The distribution is split 0.78¢ (0.67p) dividend income and 0.12¢ (0.10p) qualifying interest income.

On 23 July 2024 shareholders approved in General Meeting the cancellation of the amount standing to the credit of the Company's Share Premium account. Subsequently, on 24 September 2024, the Court issued a sealed order confirming the proposal to cancel the Share Premium account and the cancellation is expected to become effective shortly.

18. Ultimate parent company

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

19. Half yearly report

This Half yearly report was approved by the Board and authorised for issue on 26 September 2024.

Glossary of Terms and Definitions and Alternative Performance Measures

abrdn	The brand of the investment businesses of abrdn plc
abrdn plc group	The abrdn plc group of companies
AIC	Association of Investment Companies
AIC SORP	Association of Investment Companies Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued November 2014 and updated July 2022
AIFMD	The Alternative Investment Fund Managers Directive
AIFM	The alternative investment fund manager, being aFML
Alternative performance measures	Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The alternative performance measures that have been adopted by the Company are in line with general comparable measures used widely across the investment trust industry such as the level of discount/premium, NAV/Share price total return and ongoing charges which are each explained more fully below. The Company's applicable financial framework includes IFRS and the AIC SORP
Annual rental income	Cash rents passing at the Balance Sheet date
aFML or AIFM or Manager	abrdn Fund Managers Limited
aIIL or the investment manager	abrdn Investments Ireland Limited is a wholly owned subsidiary of abrdn plc and acts as the Company's investment manager
Asset cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security
Contracted rent	The contracted gross rent receivable which becomes payable after all the occupier incentives in the letting have expired
Covenant strength	This refers to the quality of a tenant's financial status and its ability to perform the covenants in a lease

[1] Defined as an Alternative Performance Measure.

Dividend cover[1]

The ratio of the Company's net profit after tax (excluding the below items) to the dividends paid

	As at 30 June 2024 €'000	As at 31 December 2023 €'000
Earnings per IFRS income statement	(16,704)	(81,801)
Adjustments to calculate dividend cover:		
Net changes in the value of investment property	20,412	106,878
(Losses)/gains on disposal of investment property	230	(313)
Gains on termination of derivative financial instruments	–	(133)
Capitalised finance costs	–	110
Tax on disposal of investment property		440
Deferred taxation	(900)	(13,854)
Wind-down provision[2]	3,236	–
Effect of fair value adjustments on derivative financial instruments	(18)	1,706
Effects of foreign exchange differences	483	213
Profits (A)	6,739	13,246
Dividend (B)[3]	5,812	23,248
Dividend Cover (A)/(B)	115.9%	57.0%

[2] Includes €2.1m release of unamortised capitalised borrowing costs as at 30 June 2024, released to Condensed Consolidated Statement of Comprehensive Income as a result of change of basis of preparation of financial statements.

[3] Paid on 5 July 2024. Although the payment relates to the half year ended 30 June 2024, under IFRS, the distribution is recognised when paid and it will be accounted for in the year ended 31 December 2024.

Discount to net asset value per share[1]

The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the NAV per share. The opposite of a discount is a premium

	Half year ended 30 June 2024	Year ended 31 December 2023
Share price (A)	60.0p	61.6p
NAV (B)	75.6p	81.2p
Discount (A-B)/B	(20.6%)	(24.1%)

Earnings per share

Profit for the period attributable to shareholders divided by the average number of shares in issue during the period

[1] Defined as an Alternative Performance Measure.

EPRA	European Public Real Estate Association
EPRA earnings per share[1]	Earnings per share calculated in line with EPRA best practice recommendations

	30 June 2024 €'000	31 December 2023 €'000
Earnings per IFRS income statement	(16,704)	(81,801)
Adjustments to calculate EPRA Earnings, exclude:		
Changes in value of investment properties	20,412	106,878
(Losses)/gains on disposal of investment properties	230	(133)
Tax on profits on disposals	–	440
Deferred tax	(900)	(13,854)
Gains on termination of financial instruments	–	(313)
Early loan repayment costs	915	110
Changes in fair value of financial instruments	(18)	1,706
EPRA Earnings	3,935	13,033
Weighted average basic number of shares ('000)	412,174	412,174
EPRA Earnings per share (cents)	1.0¢	3.2¢

EPRA net tangible assets per share[1]	A set of standardised NAV metrics prepared in compliance with EPRA best practice recommendations

	30 June 2024 €'000	31 December 2023 €'000
IFRS NAV	368,224	384,928
Exclude:		
Fair value of financial instruments	(1,708)	(1,690)
Deferred tax adjustment in relation to fair value gain on investment property[2]	8,879	11,312
	375,395	394,550
Shares in issue at period end ('000)	412,174	412,174
EPRA NAV (Net tangible assets) per share (cents)	91.1	95.7

[2] Excludes deferred tax adjustments on other temporary differences, recognised under IFRS.

ERV	The estimated rental value of a property, provided by the property valuers

[1] Defined as an Alternative Performance Measure.

Europe	The member states of the European Union, the European Economic Area ("EEA") and the members of the European Free Trade Association ("EFTA") (and including always the United Kingdom, whether or not it is a member state of the European Union, the EEA or a member of EFTA)
Gearing[1]	Calculated as gross external bank borrowings dividend by total assets

	As at 30 June 2024 €'000	As at 31 December 2023 €'000
Bank loans	248,463	259,462
Gross assets	667,405	693,892
Exclude IFRS 16 right of use asset	(24,162)	(24,353)
Exclude provision for disposal costs[2]	12,450	–
Adjusted gross assets	655,693	669,539
Gearing	37.9%	38.7%

[2] See note 9 for details.

Green leases	Agreements between a landlord and a tenant as to how a building is to be occupied, operated and managed in a sustainable way
Group	The Company and its subsidiaries
Gross assets	The aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
FRC	Financial Reporting Council
IFRS	International Financial Reporting Standards
Index linked	The practice of linking the review of a tenant's payments under a lease to a published index, most commonly the Retail Price Index (RPI) but also the Consumer Price Index (CPI) and French Tertiary Activities Rent Index (ILAT)
Key information document or KID	The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation requires the AIFM, as the Company's PRIIP "manufacturer," to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the AIFM to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed
Lease incentive	A payment used to encourage a tenant to take on a new lease, for example by a landlord paying a tenant a sum of money to contribute to the cost of a tenant's fit-out of a property or by allowing a rent free period

[1] Defined as an Alternative Performance Measure.

Leverage	For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other. At the period end actual level of leverage was 167.6% (2023: 164.7%)
Near-shoring	Near-shoring involves relocating a company's operations to a neighbouring or nearby country, usually within the same region or continent in order to capitalise on geographic proximity, cultural similarities, and potential cost advantages while maintaining some of the benefits associated with offshoring, such as lower labour costs
Net asset value total return (EUR) per share[1]	The return to shareholders, expressed as a percentage of opening NAV, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in NAV. Dividends are assumed to have been reinvested on the ex-dividend date, excluding transaction costs

	Half year ended 30 June 2024	Year ended 31 December 2023
Opening NAV	93.4¢	118.9¢
Dividend[2]	1.41¢	–
Movement in NAV	(5.5¢)	(25.5¢)
Closing NAV	89.3¢	93.4¢
% movement in NAV (excl dividend)	(5.9%)	(21.4%)
Impact of reinvested dividends	1.6%	4.3%
NAV total return	(4.3%)	(17.1%)
Impact of wind down provision	3.5%	0.0%
NAV total return (excluding liquidation provisions)	(0.8%)	(17.1%)

[2] Paid on 5 July 2024. Although the payment relates to the half year ended 30 June 2024, under IFRS, the distribution is recognised when paid and it will be accounted for in the year ended 31 December 2024.

Net asset value or NAV per share[1]	The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share
Ongoing charges ratio[1]	Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the industry standard
Passing rent	The rent payable at a particular point in time
PIDD	The pre-investment disclosure document made available by the AIFM in relation to the Company

[1] Defined as an Alternative Performance Measure.

Premium to net asset value per share[1]	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share. The opposite of a premium is a discount
Prior charges	The name given to all borrowings including long and short-term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital, irrespective of the time until repayment
Portfolio fair value	The market value of the company's property portfolio, which is based on the external valuation provided by Savills (UK) Limited
The Royal Institution of Chartered Surveyors (RICS)	The global professional body promoting and enforcing the highest international standards in the valuation, management and development of land, real estate, construction and infrastructure
Share price total return (GBP) per share[1]	The return to shareholders, expressed as a percentage of opening share price, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in share price. Dividends are assumed to have been reinvested on the ex-dividend date, excluding transaction costs

	Half year ended 30 June 2024	Year ended 31 December 2023
Opening Share Price	61.6p	68.5p
Movement in share price	(1.6p)	(6.9p)
Closing share price	60.0p	61.6p
% increase/(decrease) in share price	(2.6%)	(10.1%)
Impact of reinvested dividends	1.9%	6.6%
Share price total return	(0.7%)	(3.5%)

SPA	Sale and purchase agreement
SPV	Special purpose vehicle
Total assets	Total assets less current liabilities (before deducting prior charges as defined above)
WAULT	Weighted Average Unexpired Lease Term. The average time remaining until the next lease expiry or break date

[1] Defined as an Alternative Performance Measure.

Investor Information

Investment Objective

The Company's investment objective is to realise all existing assets in the Company's portfolio in an orderly manner.

Benchmark Index

The Company does not have a Benchmark.

Keeping You Informed

For internet users, detailed data on the Company (including price, performance information and a monthly fact sheet) is available from the Company's website (**eurologisticsincome.co.uk**) and the TrustNet website (**trustnet.com**). You can register for regular email updates by visiting **eurologisticsincome.co.uk** or by activating the QR Code below using the camera on your smart phone:

SCAN ME

abrdn Social Media Accounts

'X'/(Twitter): **@abrdnTrusts**

LinkedIn: **abrdn Investment Trusts**

Investor Warning

The Board has been made aware by abrdn that some investors have received telephone calls from people purporting to work for the Manager, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares. These callers do not work for abrdn and any third party making such offers has no link with abrdn. abrdn never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact abrdn's investor services centre using the details provided below.

Shareholder Enquiries

Registered Shareholders

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Equiniti Limited, via their website **shareview.co.uk** or Tel: +44 (0) 371 384 2030. Lines are open Monday to Friday (excluding public holidays in England & Wales).

General Enquiries

Any general enquiries about the Company should be directed to the Company Secretary, abrdn European Logistics Income plc, 280 Bishopsgate, London EC2M 4AG or by email at **CEF.CoSec@abrdn.com**.

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional advised private clients and institutional investors who are seeking exposure to unlisted European logistics real estate and who understand and are willing to accept the risks of exposure to unlisted securities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found in the 'Literature' section of the Company's website: **eurologisticsincome.co.uk**.

How to invest in abrdn European Logistics Income plc and other abrdn managed investment trusts

Shareholders are reminded that the Company is now in managed wind down. That means that the Company will be managed with the intention of realising all the assets in its portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to Shareholders whilst aiming to obtain the best achievable value for the Company's assets at the time of their realisations.

A range of leading investment platforms and share dealing services let you buy and sell abrdn-managed investment trusts. Many of these platforms operate on an 'execution-only' basis. This means they can carry out your instruction to buy or sell a particular investment trust. But they may not be able to advise on suitable investments for you. If you require advice, please speak to a qualified financial adviser (see below).

A note about the abrdn Investment Trust Savings Plans (the 'Plans')

The abrdn Investment Trusts ISA, Share Plan and Investment Plan for Children (the "Plans") closed in December 2023. All investors with a holding or cash balance in the Plans at that date transferred to interactive investor ("ii"), an abrdn group company. ii communicated with Plan holders in late November 2023 to set up account security to ensure that investors would continue to access their holdings via ii following the closure of the Plans.

Former abrdn Plan holders should contact ii for any ongoing support with their ii accounts on 0345 646 1366, or +44 113 346 2309 if calling from outside the UK. Lines are open 8.00am to 5.00pm Monday to Friday. Alternatively, Plan holders can access the website at **ii.co.uk/abrdn-welcome**.

Platform providers

Platforms featuring abrdn managed investment trusts include:

- interactive investor: **www.ii.co.uk/investment-trusts**
- AJ Bell: **www.ajbell.co.uk/markets/investment-trusts**
- Barclays Smart Investor: **www.barclays.co.uk/smart-investor**
- Charles Stanley Direct: **www.charles-stanley-direct.co.uk**
- Fidelity: **www.fidelity.co.uk**
- Halifax: **www.halifax.co.uk/investing**
- Hargreaves Lansdown: **www.hl.co.uk/shares/investment-trusts**

The companies above are shown for illustrative purposes only. Other platform providers are available. The links above direct you to external websites operated by each platform provider. abrdn is not responsible for the content and information on these third-party sites.

Flexibility

Many investment platform providers will allow you to buy and hold abrdn Investment Trust shares within an Individual Savings Account (ISA), Junior ISA or Self Invested Personal Pension (SIPP), all of which have potential tax advantages. Most will also allow you to invest on both a lump sum and regular savings basis.

Costs and service

It is important to choose the right platform for your needs, so take time to research what each platform offers before you make your decision, as well as considering charges. When it comes to charges, some platforms have flat fee structures while others levy percentage-based charges. Typically, you will also pay a fee every time you buy and sell shares, so you need to bear in mind these transaction costs if you are trading frequently. There may also be additional charges for ISA and SIPP investments.

Can I exercise my voting rights if I hold my shares through an investment platform?

Yes, you should be able to exercise your right to vote by contacting your platform provider. Procedures differ, but some platforms will automatically alert you when new statutory documents are available and then allow you to vote online. Others will require you to contact them to vote. Your chosen platform provider will provide further guidance.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at **pimfa.co.uk**.

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit **unbiased.co.uk**.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or at **https://register.fca.org.uk/** or email: **register@fca.org.uk**

Getting advice

abrdn recommends that you seek financial advice prior to making an investment decision. If you do not currently have a financial adviser, details of authorised financial advisers in your area can be found at **www.pimfa.co.uk** or **www.unbiased.co.uk**. You will pay a fee for advisory services.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested. As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread. Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

The information above has been Issued by abrdn Investments Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. abrdn Investments Limited is entered on the Financial Services Register under registration number 121891

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John Heawood
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DF2TVL.99999.SL.826

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213800I9IYIKKNRT3G50

Registered Number

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For more information visit **eurologisticsincome.co.uk**