

abrdn European Logistics Income plc

Unaudited Q1 2022 NAV and Company Update

Occupational demand and increasing focus on urban warehousing underpinning further valuation and NAV growth

30 May 2022 – abrdn European Logistics Income plc (LSE: ASLI), the Company which invests in high quality European logistics properties, announces its unaudited quarterly Net Asset Value (“NAV”) for the quarter ended 31 March 2022.

Highlights

- Portfolio valuation increased by 2.5%, or €16.8 million to €682.8 million, reflecting inflation-linked rental growth and further yield compression
- NAV per Ordinary share increased by 1.9% to 131.6c (GBP – 111.3p ¹) (31 December 2021: 129.1c (GBP – 108.5p ¹)), reflecting a NAV total return of 13.0% (in Euro terms) for the 12 months to 31 March 2022
- EPRA Net Tangible Assets² increased by 2.2% to 139.4c per Ordinary share (31 December 2021: 136.4c)
- 100% of Q1 2022 rent collected
- First interim dividend for 2022 of 1.41c (GBP – 1.19p) declared, payable on 24 June 2022
- Construction of Madrid Phase IV scheduled to complete in late Q2 2022, increasing portfolio valuation to €763 million, using agreed purchase price
- Agreement signed for the purchase of three French urban logistics assets, for €32.5 million, on completion of which the portfolio will comprise 16 urban logistics warehouses and 11 mid-box logistics warehouses
- Issue of new equity raising £38 million (€45.6 million) to support near-term acquisition strategy

Evert Castelein, Fund Manager, abrdn, commented:

“It is very pleasing to report another quarter of NAV growth. This reflects both the strength of the European logistics market and the high quality nature of our diversified, modern portfolio.

“Logistics is a long-term growth story, fuelled by the acceleration of e-commerce across Europe, and increasingly the changes in how companies manage their supply chains. There continues to be an acute supply-demand imbalance across the entire European logistics market, with vacancy rates sitting at historically low levels and this is particularly true in urban areas where there is greater demand from



other land uses. Our portfolio is also well positioned to benefit from rising inflation, with 70% of the portfolio's current income subject to full annual indexation."

Performance

The unaudited portfolio valuation increased by €16.8 million in the quarter, or 2.5%, on a like-for-like basis.

For the 12 month period to 31 March 2022, the Company's net asset value total return was 13.0% in Euro terms (12.1% in sterling terms).

As at 31 March 2022, the Company's share price was 110.0p.

Dividend

On 24 May 2022, the Directors declared a first interim distribution for the year ending 31 December 2022 of 1.41 euro cents (equivalent to 1.19 pence) per Ordinary share. This first interim dividend will be paid in sterling on 24 June 2022 to shareholders on the register on 6 June 2022 (ex-dividend date of 1 June 2022).

Madrid Last-mile Portfolio

On 14 December 2021, the Company announced the acquisition of a portfolio of newly constructed last-mile logistics warehouses with excellent sustainability credentials, located in the first ring of Madrid, Spain. Phase IV of the portfolio is pre-let to Amazon on a 25-year lease and final completion is expected in late June, following which it will be fully income producing for ASLI.

French acquisition

In May the Company signed a purchase agreement for the acquisition of three well located urban logistics assets for a total consideration of €32.5 million. The properties are leased to a well-established global third party logistics provider, and all three leases include annual indexation linkage. Site coverage across this portfolio of assets is low offering longer-term value add opportunities. Completion of this acquisition is expected to be announced in Q3.

Equity raise

On 4 February 2022, the Company issued 34,545,455 new Ordinary shares at a price of 110.0 pence per new share. This issue raised an additional £38 million (€45.6 million) enabling the Company to continue with its near-term acquisition strategy. As at 30 May 2022, the Company's share capital consists of 412,174,356 Ordinary shares with voting rights.

Pipeline

The Investment Manager remains in exclusivity on a 6,900 sqm distribution warehouse located in the Netherlands, leased to a well-established food focused operator. With a growing tenant and low site coverage, the Investment Manager believes the asset offers attractive medium-term asset management opportunities.

Debt Financing

The Company's revolving credit facility agreement with Investec Bank, totalling €70 million, remains available and provides flexibility for the acquisition of new properties. As at 31 March 2022, the Company level loan to value ("LTV") ratio was 21.5%. The Investment Manager is currently working with the Company's lenders to put long term debt in place over the portfolio's Spanish assets which will provide additional financing for further acquisitions. The Company's target LTV remains at or around 35%.

Breakdown of NAV movement

Set out below is a breakdown of the change to the unaudited net asset value per Ordinary share over the period from 1 January 2022 to 31 March 2022. The unaudited net asset value has been prepared under International Financial Reporting Standards ("IFRS").

	Per Share (€cents)	Attributable Assets (€m)	Comment

Net assets as at 31 December 2021	129.1	487.5	
Unrealised change in valuation of property portfolio	4.1	16.8	Capital values increased 2.5% or €16.8 million on a like-for-like basis
Acquisition and capital expenditure costs during the period	(0.0)	(0.1)	
Income earned during the period	1.7	7.2	Income from the property portfolio and associated running costs
Expenses for the period	(0.6)	(2.6)	
Deferred tax liability	(1.2)	(4.9)	Net deferred tax liability on the difference between book cost and fair value of the portfolio
FX hedge mark to market revaluation	0.0	(0.1)	Movement in the mark to market value of a hedge entered into to fix the EUR:GBP conversion of the 2021 dividend
Distribution paid on 25 March 2022	(1.4)	(5.8)	Fourth interim dividend of 1.41 euro cents (1.21 pence) per Ordinary share
Share issuance on 4 February 2022	(0.1)	44.2	Issue of 34,545,455 new Ordinary shares
Net assets as at 31 March 2022	131.6	542.2	

EPRA Net Tangible Assets per share is 139.4 Euro cents, which excludes deferred tax liability.

Net Asset Value analysis as at 31 March 2022 (unaudited)

	€m	% of net assets
Property Portfolio	682.8	125.9
Adjustment for lease incentives	(5.0)	(0.9)
Fair value of property portfolio	677.8	125.0
Cash	51.6	9.5
Other Assets	20.9	3.9
Total Assets	750.3	138.4
Bank Loans	(160.5)	(29.6)
Other Liabilities	(15.2)	(2.8)
Deferred Tax Liability	(32.4)	(6.0)
Total Net Assets	542.2	100.0

The property portfolio valuation is based on the independent external valuation of the Company's direct property portfolio undertaken by CBRE GmbH and Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U.

The Company recently published a supplementary prospectus approved by the Financial Conduct Authority (the "Supplementary Prospectus"). The publication of the Supplementary Prospectus is a regulatory requirement under the Prospectus Regulation Rules following the publication of the Company's audited annual financial report and accounts. The Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus published by the Company on 8 September 2021 in respect of the Company's Share Issuance Programme.

A copy of the Supplementary Prospectus will shortly be available for inspection at the National Storage Mechanism which is located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The Supplementary Prospectus is also available in electronic form on the Company's website at www.eurologisticsincome.co.uk

The NAV per share at 31 March 2022 is based on 412,174,356 shares of 1 pence each, being the total number of Ordinary shares in issue at that time. As at the date of this announcement, the Company's share capital consists of 412,174,356 Ordinary shares with voting rights.

The Board is not aware of any other significant events or transactions which have occurred between 31 March 2022 and the date of publication of this statement which would have a material impact on the financial position of the Company.

Details of the Company and its property portfolio may also be found on the Company's website which can be found at: <http://www.eurologisticsincome.co.uk>

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The above information is unaudited

1 Exchange rate £1 : €1.19 (31 December 2021: £1 : €1.19)

2 EPRA Net Tangible Assets focuses on reflecting a company's tangible assets and the calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability