24 January 2025

abrdn European Logistics Income plc

Portfolio Sales Update

24 January 2025 - abrdn European Logistics Income plc (the "Company" or "ASLI"), the Company which is invested in a diversified portfolio of European logistics real estate, announces the sale of three assets as it pursues the Shareholder approved managed wind-down.

In the NAV update released on 28 November 2024, the Company announced that the Investment Manager had commenced sales processes for six assets with discussions at an advanced stage regarding the disposal of three of these assets. The Board is pleased to announce that the Company has now completed the disposal of these three assets, as detailed here:

Sale of warehouse in Oss, The Netherlands

The Company announces that it has concluded the sale of the freehold of the 12,384 square metre warehouse located in Oss, The Netherlands, for consideration of €15.7 million.

The asset, constructed in 2019 and strategically located between the Port of Rotterdam and the Ruhr area, has been sold to the current tenant, Orangeworks.

The sale price was in line with the latest available valuation for Q3 2024 and, following the completion of the transaction, the Company has paid down €9.9 million of the outstanding €44.2 million debt, which is cross collateralised with Ede and Waddinxveen, provided by Berlin Hyp.

Sale of warehouses in Barcelona and Madrid, Spain

The Company also announces the sale of two assets located in Spain following a competitive open sales process to Fidelity Real Estate Logistics for aggregate consideration of €29.7 million, 11.9% ahead of the Q3 2024 valuation.

The 6,805 square metre building in Coslada, Madrid, was acquired by the Company in 2019. It is a cross-dock warehouse built in 1999 and leased to DHL (Spain) located in a prime location near Madrid Barajas Airport, within the A-2 Corridor del Henares - considered the first logistics ring in Madrid.

The 13,907 square metre warehouse in Polinyà, Barcelona was constructed in 2018 and acquired by the Company in 2021. It is located in a prime area within the first logistics ring 20 minutes from the city centre of Barcelona, close to the AP-7 highway and is leased to Mediapost.

Of the net proceeds from the sale of these two Spanish properties, €17.7 million will be applied in paying down a portion of the €51 million ING Bank secured debt, which is cross collateralised with Gavilanes, Madrid, Unit 4 occupied by Amazon, reducing the Company's gearing further.

Continued sales process

Detailed due diligence is ongoing over three assets in the Company's portfolio representing some 90,000 square metres of rentable area and further details will be released as sales complete.

Further assets are marked for sale with agents appointed with a view to effecting further sales by the end of Q2. In parallel, the Investment Manager continues to have an open dialogue with parties interested in prime logistics space.

Leasing

The Company update dated 28 November 2024 noted that effective from 15 October 2024, MCR relocated and expanded from the Company's Unit 2B asset (7,718 square metres) in Getafe, Madrid, taking up the tenancy at the vacant Unit 3A with increased space of 16,500 square metres. The agreed rent per annum is €1,039,500 for a 7-year term lease with upward only CPI movements. MCR's previous lease for Unit 2B had an approaching lease break in June 2025.

Simultaneously, Molecor**,** an international company in solutions for infrastructure, building and waste treatment, took up the tenancy at Unit 2B agreeing a 5-year lease with an annual rent per annum of €509,388, with upward only CPI adjustments.

Both leasing deals were in line with the market ERV, reduced the vacancy rate from 6.6% to 3.7% and improved the portfolio WAULT.

The Company is in advanced discussions on agreeing terms with an occupier for Unit 3C and a refreshed marketing campaign, combined with a change of leasing agent at Unit 1B, is expected to deliver increased enquiries.

This accretive leasing activity improved the Company's WAULT and further enhanced the positioning of the portfolio in Getafe, Madrid, ahead of the planned disposal in 2025. The Investment Manager continues to seek to enhance value through such leasing initiatives prior to sales being advanced.

Managed Wind-Down

On 22 November 2024, approval was granted by Shareholders for the Company to issue and redeem up to £300 million of B Shares. The Board believes that one of the fairest and most efficient ways of returning substantial amounts of cash to Shareholders remains by means of a bonus issue of redeemable B Shares.

The quantum and timing of a return of capital to Shareholders under a B Share Scheme is dependent on the realisation of the Company's investments, the repayment of liabilities and funding general working capital requirements. The adoption of a B Share scheme will not limit the ability of the Company to return cash to Shareholders by using other mechanisms and, if the B Share scheme is adopted, the Board will continue to review its tax effectiveness and cost efficiency over time.

The Company is in the process of repatriating the net proceeds from these recent sales to the Parent company in a tax efficient manner, ensuring no withholding tax issues, and will update Shareholders as soon as possible as to the expected timing of an initial return of capital, which is expected later in Q1 2025 at the latest.

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

For further information please contact:

abrdn Fund Managers Limited

Ben Heatley **+44 (0) 20 7156 2382**

Investec Bank plc **+44 (0) 20 7597 4000**

David Yovichic

Denis Flanagan

FTI Consulting **+44 (0) 20 3727 1000**

Dido Laurimore

Richard Gotla

Oliver Parsons