10 April 2025
LEI: 213800I9IYIKKNRT3G50

# abrdn European Logistics Income plc

## FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

abrdn European Logistics Income plc ("ASLI" or the "Company"), the Continental European investor in modern warehouses, which is managed by Aberdeen, announces its full year results for the year to 31 December 2024.

For further information please contact:

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

**Investec Bank plc +44 (0) 20 7597 4000**
David Yovichic
Denis Flanagan

**FTI Consulting +44 (0) 20 3727 1000**
Dido Laurimore
Richard Gotla
James McEwan

# Highlights as at 31 December 2024

**Net asset value total return (EUR) (%)** [1]

2023: (17.1)

**0.9**

**IFRS net asset value (€'000)**

2023: 384,928

**374,108**

**Net asset value per share (¢)**[1]

2023: 93.4

**90.8**

**Share price total return (GBP) (%)**[1]

2023: (3.5)

**0.1**

**Discount to net asset value per share (%)**[1]

2023: (24.1)

**(21.9)**

**Ordinary dividend paid per share (¢)**

2023: 5.64¢

**3.36**

**Ongoing charges ratio (%)**[1]

2023: 1.6

**1.5**

**IFRS earnings per share (¢)**

2023: (19.8)

**0.7**

**Portfolio valuation (€'000)**

2023: 633,806

**593,991**

**Number of properties**

2023: 26

**24**

**Average lease length excl breaks (Years)**

2023: 8.4

**7.6**

**Gearing**[1] **(%)**

2023: 38.7

**37.0**

**Average building size (sqm)**

2023: 20,940

**19,300**

**All-in fixed interest rate (%)**

2023: 2.00

**2.02**

**EPRA net tangible assets per share (¢)**[1]

2023: 95.7

**93.3**

[1] Alternative performance measurements - see glossary

# Chairman's Statement

## Overview

I am pleased to present the Company's annual report for the year ended 31 December 2024.

Following a comprehensive strategic review of the options available to the Company and after consulting with our advisers, as well as considering feedback from a number of larger shareholders, we announced in May 2024 that a managed wind-down of the Company would be in the best interests of Shareholders as a whole.

My report therefore covers a period of significant change for the Company which has now adopted a new investment objective and entered the managed wind-down phase following Shareholder approval.

Initial portfolio sales have provided encouraging validation of asset valuations, and the Investment Manager remains optimistic regarding both the portfolio quality and the level of buyer interest. However, recent US tariff impositions could introduce potential volatility within the sector.

At the end of last year, the portfolio vacancy rate stood at approximately 11%. I am happy to report that following successful leasing efforts by the Investment Manager, this figure has now fallen below 4%, strengthening income generation and further enhancing the portfolio's marketability. In line with our original wind-down strategy, a number of assets were formally put on the market following this leasing success. Further details can be found in the Investment Manager's review.

## Review Conclusion

As part of the strategic review, the Board carefully evaluated all available options to the Company in consultation with its advisers, as well as taking into account feedback from a number of larger shareholders. The Board ultimately concluded that the indicative potential value from the managed wind-down as presented by the Investment Manager 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 then net asset value.

On 23 July 2024, Shareholders voted in favour of the new investment policy, formally approving the managed wind-down. As a result, the Company's investment objective is now focused on realising all existing assets in the Company's portfolio in an orderly manner.

Following court approval, the Company cancelled the full amount standing to the credit of its share premium account resulting in €269.5 million being applied to a separate special distributable reserve, which is available for capital distributions as asset sales are completed.

## Portfolio Sales to Date

In January 2025, the Company announced that it had concluded the sale of the freehold of its 12,384 square metre warehouse located in Oss, The Netherlands, for a consideration of €15.7 million. The asset, constructed in 2019 and strategically located between the Port of Rotterdam and the Ruhr area, was sold to the 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 paid down €9.9 million of the outstanding €44.2 million debt, which is cross collateralised with Ede and Waddinxveen, provided by Berlin Hyp.

Also in January, the Company announced the sale of two Spanish assets following a competitive open-market sales process to Fidelity Real Estate Logistics for an aggregate consideration of €29.7 million, 11.9% ahead of the Q3 2024 valuation.

The two assets comprised the 6,805 square metre cross-dock warehouse located in Coslada, Madrid, leased to DHL (Spain) and the 13,907 square metre warehouse in Polinyà, Barcelona, located 20 minutes from the city centre of Barcelona, leased to Mediapost.
Of the net proceeds from the sale of these two Spanish properties, €17.7 million was applied in paying down a portion of the €51 million ING Bank secured debt, which is cross collateralised with Gavilanes, Madrid, Unit 4 which is occupied by Amazon.

At the time of writing, due diligence remains ongoing for three portfolio assets totalling over 90,000 square metres. The vast majority of the portfolio by value is now being actively marketed and is in various stages of the disposal process, with several assets expected to enter exclusivity in the coming months.

## Results

The audited Net Asset Value ("NAV") per share as at 31 December 2024 was 90.8 euro cents (GBp – 75.3p), compared with the 93.4 euro cents (GBp – 81.2p) at the end of 2023.

Allowing for the estimated costs of the realisation of the portfolio including broker and transaction fees the NAV decreases to 88.2 euro cents or 73.7p.

With the interim dividends declared, this reflected a NAV total return (ex realisation costs) of 0.9% for the year in euro terms (-3.7% in sterling). The closing Ordinary Share price at 31 December 2024 was 58.8p (31 December 2023 – 61.6p), representing a discount to NAV per Share of 21.9% (31 December 2023 – 24.1%).

## B Share Scheme ('Scheme')

The Board was pleased to announce on 27 February 2025, following the sale of the three smaller assets and the repayment of associated debt, an initial B share scheme issue and redemption. The Board resolved to return approximately £16.5 million in aggregate to Shareholders via an issue of B Shares.

Under the Scheme, 1,648,697,424 B Shares of one penny each were paid up from the Company's special distributable reserve, created by the cancellation of the share premium account, and issued to all Shareholders by way of a bonus issue on the basis of 4 B Shares for every 1 Ordinary Share held at the Record Date of 6 March 2025.

The B Shares were issued and immediately redeemed at one penny per B Share on 7 March 2025. The proceeds from the redemption of the B Shares, totalling £16,486,974 and which was equivalent to 4 pence per Ordinary Share, were sent to uncertificated Shareholders through CREST or via cheque to certificated Shareholders on 20 March 2025.

Further returns of capital via the B Share route will be communicated via Company announcements as sufficient funds become available for meaningful distributions.

## Dividend

First, second and third interim distributions of 1.41, 0.90 and 1.05 euro cents (equivalent to 1.21, 0.77 and 0.87 pence respectively) were declared in respect of the year ending 31 December 2024 with payments on 5 July, 27 September and 31 December 2024 respectively.

A final interim distribution of 0.97 euro cents (0.81 pence) was paid on 31 March 2025, giving a total for the financial year of 4.33 euro cents (3.66 pence). As we have indicated previously, 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 decrease. The Company will seek to pay distributions based on the net income after costs received in respect of a quarter.

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 31 December 2024 year end, the Company's fixed rate debt facilities totalled €235.7 million at an average all-in interest rate of 2.02%, with the earliest refinancing of debt due in mid-2025. The LTV was 37.0%.

Following the sale of the two Spanish properties and repayment of €17.7m in January 2025, the debt facility was reduced to €218m with all-in interest rate of 1.93%.

The Company's non-recourse loans range in maturities between 0.4 and 4.1 years with interest rates ranging between 1.10% and 3.05% per annum.

During the year, 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. Whilst in wind-down, the actual level of gearing will fluctuate as assets are sold and debt repaid in the most efficient manner possible. Banking covenants continue to be reviewed by the Investment Manager and the Board on a regular basis.

## Board composition

As the Company continues its managed wind-down, the Board remains committed to maintaining a streamlined structure consisting of only three Directors to help limit costs. This approach is expected to remain in place throughout the managed wind-down process.

## Outlook

The Investment Manager is actively executing the disposal strategy, optimising assets where value-enhancing opportunities arise to maximise returns. Good buyer interest continues to reflect the quality of the Company's portfolio.

The portfolio was assembled by our Investment Manager with an increasing focus on urban logistics ensuring assets are strategically located near established distribution hubs and major population centres. This, combined with robust tenant diversification, has strengthened the portfolio's positioning. The focus on markets with low vacancy rates, new development constraints, and CPI-linked rent increases has reinforced confidence in the Company's asset selection. Encouragingly, these attributes continue to drive demand from prospective buyers.

Detailed due diligence is ongoing on three assets totalling approximately 90,000 square metres of rentable space, with further updates to follow as sales progress. The broader sales programme is designed to capitalise on the increasingly favourable logistics market, with the majority of assets expected to be either sold or under offer by late summertime. Available proceeds, after repayment of bank debt, will be returned to Shareholders shortly thereafter.

So far, bidding activity for the assets has been robust. While some locations naturally attract stronger offers than others, the overall outcome remains positive. However, some market volatility may arise following global tariff impositions.

The European logistics occupier market remains active, with good leasing momentum, as evidenced by the Company's recent lease renewals and detailed further in the Investment Manager's report.

Logistics vacancies remain low across key European markets. With premium warehouse space in short supply and new development expected to decline further in 2025 and 2026, demand for well-located, high-quality warehousing is expected to remain strong. Rental growth in the sector is anticipated to outpace inflation, driven by the ongoing supply constraints in prime locations.

With very low levels of construction activity, high construction costs, land shortages and limited planning approvals, the Company's portfolio has attracted considerable interest. Further details on the Company's remaining assets are provided in the Investment Manager's Review.

**Tony Roper**

Chairman
10 April 2025

# Overview of Strategy

## 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. The Company was incorporated in England and Wales on 25 October 2017 with registered number 11032222 and launched on 15 December 2017.

## 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.

## Investment Policy (With effect from 23 July 2024)

The Company will pursue its investment objective by effecting an orderly realisation of its assets while seeking to balance maximising returns for Shareholders against the timeframe for disposal. The Company will cease to make any new commercial real estate acquisitions. Capital expenditure will be permitted where it is deemed necessary or desirable by the Board in connection with the realisation, primarily where such expenditure is necessary to protect or enhance an asset's realisable value.

### Diversification of Risk

The net proceeds from realisations will be used to repay borrowings and make timely returns of capital to shareholders (net of provisions for the Company's costs and expenses) in such manner as the Board considers appropriate.

Any cash received by the Company as part of the realisation process will be held by the Company as cash on deposit and/or in liquid cash equivalents securities (including direct investment in UK treasuries and/or gilts, funds holding such investments, money market or cash funds and/or short-dated corporate bonds or funds that invest in such bonds) pending its return to shareholders.

### Borrowings and gearing

It is not anticipated that the Company will take on any new borrowings, but this remains possible for the efficient management of the Company (such as through a revolving credit facility, extension of term of existing borrowing or an overdraft at plc level). Borrowings otherwise will typically be non-recourse and secured against individual assets or groups of assets.

The Company's net gearing, calculated as total borrowings less cash/cash equivalents (including money market funds) as a percentage of the Company's gross assets, will not exceed 50%. In the event net gearing exceeds 50%, the Board will look to rectify this position as soon as practicable.

The Company may use derivatives for efficient portfolio management, that is, to reduce, transfer or eliminate risk in its investments, including protection against currency risks.

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.

## Comparative Index

The Company does not have a benchmark.

## Duration

The Company is in managed wind-down. Refer to the Chairman's Statement for further details.

## Key Performance Indicators (KPIs)

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and to determine the progress of the Company in pursuing its Investment Policy. The main KPIs identified by the Board in relation to the Company, which are considered at each Board meeting, are as follows:

| KPI | Description |
|---|---|
| **Portfolio Realisation** | The Board monitors the rate of portfolio realisation and balances the requirement to return cash to shareholders with the aim of achieving best value for shareholders. Refer to Chairman's Statement for further information on asset sales. |
| **Net asset value total return (EUR)**[1] | The Board considers the NAV total return to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. Performance for the year and since inception is set out on page 19 of the published Annual Report and financial statements for the year ended 31 December 2024. |
| **Share price total return (GBP)**[1] | The Board also monitors the price at which the Company's shares trade on a total return basis over time. A graph showing the share price performance is shown on page 20 of the published Annual Report and financial statements for the year ended 31 December 2024. |
| **Premium/ (Discount)**[1] | The premium/(discount) relative to the NAV per share represented by the share price is monitored by the Board. A graph showing the share price (discount)/premium relative to the NAV is shown on page 20 of the published Annual Report and financial statements for the year ended 31 December 2024. |
| **Ongoing charges ratio ("OCR")**[1] | The OCR is the ratio of expenses as a percentage of average daily shareholders' funds calculated in accordance with the industry standard. The Board reviews the OCR regularly as part of its review of all expenses. The aim is to ensure that the Company remains competitive and is able to deliver on its yield target to Shareholders. The Company's OCR is disclosed on page 19 of the published Annual Report and financial statements for the year ended 31 December 2024. |

[1] Alternative Performance Measure - see glossary

## Manager

Under the terms of the Management Agreement, the Company has appointed abrdn Fund Managers Limited as the Company's alternative investment fund manager ("AIFM") for the purposes of the AIFM Rules. The AIFM has delegated portfolio management to the Danish Branch of abrdn Investments Ireland Limited which acts as 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 will carry out the ongoing oversight functions and supervision and 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.

## Dividend Policy

Subject to compliance with all legal requirements the Company normally pays interim dividends on a quarterly basis. The Company declares dividends in Euros, but shareholders will receive dividend payments in Sterling unless electing to receive payments in Euros through the Equiniti Shareview Portfolio website or via CRESTPay. If applicable, the date on which the Euro/Sterling exchange rate is set will be announced at the time the dividend is declared. Distributions made by the Company may take the form of either dividend income or "qualifying interest income" which may be designated as interest distributions for UK tax purposes.

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 wind-down process.

## Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has carried out a robust assessment of the principal risks as set out below, ordered by category of risk, together with a description of the mitigating actions taken by the Board. The Board confirms that it has a process in place for regularly reviewing emerging risks that may affect the Company in the future. The Board collectively discusses with the Investment Manager areas where there may be emerging risk themes and maintains a register of these. Such risks may include, but are not limited to, future pandemics, the increasing developments in AI, cybercrime, and longer term climate change. In the event that an emerging risk has gained significant weight or importance, that risk is categorised and added to the Company's risk register and is monitored accordingly. The principal risks associated with an investment in the Company's shares can be found in the Company's latest Prospectus dated 8 September 2021, published on the Company's website.

The Board continues to be very mindful of ongoing geopolitical events which have caused significant market volatility across Europe and the World. There has been no discernible impact to date on our tenants across the wider region. The indicators below show how the Board's views on the stated risks have evolved over the last year. In particular, following the change to the investment objective and policy and the implementation of the Shareholder approved managed wind-down, regulatory risk (compliance) and investment and asset management risk (developing and refurbishing property) have moved lower on the Company's risk register whilst implementation of the sales process and maintenance of covenants on secured bank debt now require closer monitoring.

| **Description** | **Mitigating Action** |
|---|---|
| **Strategic Risk: Strategic Objectives and Performance** - The Company's revised strategic objectives and performance, both absolute and relative, become unattractive to investors leading to a widening of the discount, potential hostile shareholder actions and the Board fails to adapt the strategy and/or respond to investor demand. Lack of buying interest for assets, lengthy sales processes and mismatched debt repayments may all impact shareholder value.<br>**Risk Stable** | The Company's strategy and objectives are regularly reviewed by the Board to ensure they remain appropriate and effective. The Board undertook a full strategic review, advised by Investec, and consulted larger shareholders before concluding that a managed wind-down was in the best interests of shareholders as a whole. Shareholders approved a change in the investment objective on 23 July 2024. In addition:<br>• The Board meets regularly with the Investment Manager to receive updates on the sales process, valuations and preparedness of assets for sale.<br>• The Board receives regular presentations on the economy and also the property market to identify structural shifts and threats.<br>• There is regular contact with shareholders both through the Investment Manager and the broker with additional direct meetings undertaken by the Chairman and other Directors.<br>• Board reports are prepared by the Investment Manager detailing performance, NAV return and detailed analysis of the sales programme including timelines for expected sales and return of cash to shareholders.<br>• Cash flow projections are prepared by the Investment Manager and reviewed quarterly by the Board.<br>• Shareholder/market reaction to Company announcements is monitored. |
| **Investment and Asset Management Risk: Investment Strategy** - Poorly judged asset management initiatives, management of gearing and the mis-timing of disposals leading to reduced capital returns to shareholders.<br>**Risk Increasing** | • Aberdeen has real estate research and strategy teams which provide performance forecasts for different sectors and regions.<br>• There is a team of experienced portfolio managers who have detailed knowledge of the markets in which they operate.<br>• Aberdeen has a detailed investment process for disposals that is required to be signed off internally before the Board reviews any final decision.<br>• The Board is very experienced with Directors having a good knowledge of property markets. |

| | |
|---|---|
| **Investment and Asset Management Risk: Health and Safety** – Failure to identify and mitigate major health and safety issues or to react effectively to an event leading to injury, loss of life, litigation and any ensuing financial and reputational impact.<br>**Risk Stable** | • Health and safety is included as a key part of any building review.<br>• Asset managers visit buildings on a regular basis.<br>• Property managers are appointed by Aberdeen to monitor health and safety in each building and reports are made to the asset managers on a monthly basis.<br>• Tenants are responsible for day to day operations of the properties. |
| **Financial Risks: Macroeconomic** – Macroeconomic changes (e.g. levels of GDP, employment, inflation, interest rate and FX movements), political changes (e.g. new legislation) or structural changes (e.g. new technology or demographics) negatively impact commercial property values and the underlying businesses of tenants (market risk and credit risk). Falls in the value of investments could result in breaches of loan covenants and liquidity issues. Pressure on overall returns of capital to shareholders.<br>Impact on demand for assets following imposition of tariffs by the US and effect on timing of managed wind-down plans.<br>**Risk Increasing** | • Aberdeen research teams take into account macroeconomic conditions when collating forecasts. This research is fed into Investment Manager decisions.<br>• The portfolio is EU based and diversified across a number of different countries and also has a diverse tenant base seeking to minimise risk concentration.<br>• There is a wide range of lease expiry dates within the portfolio in order to minimise re-letting risk.<br>• Rigorous portfolio reviews are undertaken by the Investment Manager and presented to the Board on a regular basis.<br>• Asset management plans are developed for each property and individual investment decisions are subject to robust risk versus return evaluation and approval.<br>• Most leases are indexed to provide increases in line with movements in inflation and leverage is fixed to reduce the impact of interest rate rises. Sales timings can be amended and other possibilities considered including sales to tenants. |
| **Financial Risks: Gearing** – Gearing risk – an inappropriate management of gearing, could result in breaches of loan covenants and threaten the Company's liquidity. An inability to secure adequate borrowing extensions with appropriate tenor and competitive rates could also negatively impact the Company. Earliest asset level re-financing required in 2025.<br>The financial risk has increased due to increased repayment risk across a few properties as well as the risk that disposals occur after loan expiry and extensions cannot be secured.<br>**Risk Increasing** | • Regular covenant reporting to banks is undertaken as required.<br>• The gearing target was set at an indicative 35% asset level limit and an absolute Company limit of 50%.<br>• The Company's diversified European logistics portfolio, underpinned by its tenant base, should provide sufficient value and income in a challenging market to meet the Company's future liabilities.<br>• The portfolio attracted competitive terms and interest rates from lenders for the Company's fixed term loan facilities and positive conversations have been had around facility extensions as the asset sales programme progresses.<br>• The Investment Manager has relationships with multiple funders and wide access to different sources of funding on both a fixed and variable basis.<br>• Financial modelling is undertaken and stress tested annually as part of the Company's viability assessment and whenever debt facilities are being negotiated.<br>• Loan covenants are continually monitored and reported to the Board on a quarterly basis and would also be reviewed as part of the disposal process of any secured property. |

| | |
|---|---|
| **Financial Risks: Credit Risk** – Credit Risk – the risk that the tenant/counterparty will be unable or unwilling to meet a commitment entered into with the Group: failure of a tenant to pay rent or failure of a deposit taker, or a current exchange rate swap counterparty.<br>**Risk Increasing** | • The property portfolio has a balanced mix of investment grade tenants and reflects diversity across business sectors.<br>• Rigorous due diligence is performed on all prospective tenants and their financial performance continues to be monitored during their lease.<br>• Rent collection from tenants is closely monitored so that early warning signs might be detected.<br>• Deposits are spread across various Aberdeen approved banks and AAA rated liquidity funds. |
| **Financial Risks: Insufficient Income Generation** – Lower than anticipated income generation due to macro-economic factors, and/or due to inadequate asset management resulting in voids or rent arrears.<br>**Risk Decreasing** | • The Investment Manager seeks a good mix of tenants in properties. A review of tenant risk and profile is undertaken using, for example, the Dun & Bradstreet Failure Scoring method and tenant covenants are thoroughly considered before a lease is granted.<br>• The Aberdeen team consists of asset managers on the ground who undertake asset management reviews and implementation and there is a detailed approval process within Aberdeen for lettings. The Investment Manager through its teams on the ground seeks to manage voids and any non-payment of rent. |
| **Operational Risks: Service Providers** – Poor performance/inadequate procedures at service providers leads to error, fraud, non- compliance with contractual agreements and/or with relevant legislation or the production of inaccurate or insufficient information for the Company (NAV, Board Reports, Regulatory Reporting) or loss of regulatory authorisation. Key service providers include the AIFM, Company Secretary, the Depositary, the Custodian, the managing agents, lending banks, the Company's Auditor and the Company's registrar.<br>**Risk Stable** | • Aberdeen has an experienced Investment Manager and Asset Management Team and the IMA has been revised to include key person risk wording.<br>• The Company has engaged an experienced registrar: Equiniti is a reputable worldwide organisation.<br>• All service providers have a strong control culture that is regularly monitored.<br>• Aberdeen aims to meet all service providers once a year and the Management Engagement Committee reviews all major service providers annually.<br>• The Company has the ability to terminate contracts. |
| **Operational Risks: Business continuity** – Business continuity risk to any of the Company's service providers or properties, following a catastrophic event e.g. pandemic, terrorist attack, cyber attack, power disruptions or civil unrest, leading to disruption of service, loss of data etc.<br>**Risk Stable** | • Aberdeen has a detailed business continuity plan in place with a separate alternative working office if required and the ability for the majority of its workforce to work from home.<br>• Aberdeen has a dedicated Chief Information Security Officer who leads the Chief Information Security Office covering the following functions: Security Operations & Delivery, Security Strategy, Architecture & Engineering, Data Governance & Privacy, Business Resilience, Governance & Risk, Security & IT.<br>• Properties within the portfolio are all insured.<br>• The IT environment of service providers is reviewed as part of the initial appointment and on an ongoing basis. |

## Promoting the Company

The Board recognises the importance of maintaining shareholder awareness of the Company during its managed wind-down. The Board believes an effective way to achieve this is through continued subscription to, and participation in, the promotional programme run by Aberdeen on behalf of a number of investment trusts under its management, albeit at a lower, renegotiated rate to reflect the changes following the decision to implement the managed wind-down of the portfolio. The Company's financial contribution to the programme is matched by Aberdeen. Aberdeen's marketing team reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make up of that register.

The purpose of the programme is both to communicate effectively with existing investors with the aim of improving liquidity and enhancing the value and rating of the Company's shares.

## Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. The Board will continue to ensure that any future appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 December 2024, there were two male Directors and one female Director on the Board. The decision to wind-down the portfolio which will lead to the liquidation of the Company and the Board's decision not to appoint any further Directors in this relatively short time period, means that the Company does not comply with the listing rule requirements relating to diversity. Further details are provided on page 51 of the published Annual Report and financial statements for the year ended 31 December 2024.

## Sustainable and Responsible Investment Policy and Approach

Further details on Aberdeen's Sustainable and Responsible Investment Policy and Approach for Direct Real Estate are available at **aberdeeninvestments.com**.

## Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated day to day management and administrative functions to abrdn Fund Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined in the Investment Manager's Review.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 ("MSA"). The Company is not required to make a slavery and human trafficking statement. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

A copy of the Investment Manager statement in compliance with the Modern Slavery Act is available for download at **aberdeeninvestments.com**

The bulk of emissions relating to properties owned by the Company are the responsibility of the tenants and any emissions relating to the Company's registered office are the responsibility of Aberdeen Group plc. The Company has no direct greenhouse gas emissions to report from the operations of its business, although it is responsible for low emissions generated at certain properties within its portfolio reportable under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, see page 136 of the published Annual Report and financial statements for the year ended 31 December 2024.

## Viability Statement

On 24 June 2024, Shareholders voted against the continuation of the Company and, on 23 July 2024, approved a change in investment objective and investment policy allowing the Company to proceed with a managed wind-down and an orderly realisation of assets, returning capital to Shareholders. The Company is therefore preparing its financial statements on a basis other than going concern.

The Company is in managed wind-down but the Board formally considers risks and strategy at least annually. For the purposes of this viability statement the Board has decided that a period of three years is an appropriate period over which to report, although the Board expects to have completed the wind-down of the portfolio in the next 18 months.

In assessing the viability of the Company over the review period the Directors have conducted a robust review of the principal risks focusing upon the following factors:

- The ongoing portfolio sales process;
- The principal risks detailed in the Strategic Report;

- The demand for the Company's shares evidenced by the historical level of premium or discount;
- The level of income generated by the Company and the stability of tenants;
- The level of gearing including the requirement to meet lending covenants, negotiate new facilities and repay or refinance existing facilities; and
- The flexibility of the Company's bank facilities for any extension of maturity dates and repayment of these facilities as they fall due.

The Company has modelled severe but plausible downside scenarios for the execution of the managed wind-down proposal, considering different market conditions and risks associated with the repayment of debt. The Directors receive regular updates from the Investment Manager on the execution of the managed wind-down plan outlining the timings for expected disposal proceeds to be received which are reviewed in conjunction with the debt maturity profile. The Investment Manager has engaged with the Company's partner banks and received offers for short- term extensions of the loans expiring in 2025 to mitigate the risk of debt repayment as they fall due.

Accordingly, considering the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due to enable the realisation of the assets in the Company's portfolio in an orderly manner. In making this assessment, the Board has considered that matters such as significant economic uncertainty, stock market volatility and changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future.

The Directors have considered the Company's income and expenditure projections and believe that they meet the Company's funding requirements.

## s172 Statement

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This s172 Statement requires the Directors to explain how they have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Company does not have any employees, however, the Board reviews the culture and manner in which the Investment Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

The Company's Board of Directors sets the investment objective and policy as published in the most recent prospectus, monitors the performance of all service providers and is responsible for reviewing strategy on a regular basis.

## Key Stakeholders

A key stakeholder and service provider for the Company is the **Alternative Investment Fund Manager** (the "Investment Manager") and this relationship is reviewed at each Board meeting and relationships with other service providers are reviewed at least annually.

**Shareholders** are seen as key stakeholders in the Company. The Board seeks to meet at least annually with shareholders at the Annual General Meeting. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs the Directors and Investment Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint meetings or solely with a Director where any matters of concern may be raised directly. The Chairman and other Directors are available to meet and speak with Shareholders throughout the managed wind-down process.

The **European partner lending banks** are also key stakeholders. The Company leverages off the Investment Manager's key relationships with a wide range of lending banks and the Investment Manager has regular contact with these banks updating them on the portfolio and valuations and progress towards completing the managed wind-down of the portfolio.

The other key stakeholder group is that of the **underlying tenants** that occupy space in the properties that the Company owns. Historically, the Board has conducted an annual site visit with the aim of meeting tenants locally and discussing their businesses and needs and assessing where improvements may be made or expectations managed. The Investment Manager's asset managers are tasked with conducting meetings with building managers and tenant representatives in order to ensure the smooth running of the day to day management of the properties. The Board receives reports on the tenants' activities at its regular Board meetings.

The Board via the Management Engagement Committee also ensures that the views of its service providers are heard and at least annually reviews these relationships in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, Investment Manager and other relevant stakeholders. Reviews will include those of the Company depositary, custodian, share registrar, broker, legal adviser and lenders.

The Investment Manager's Report details the key investment decisions taken during the year and subsequently. The Investment Manager has managed the Company's assets in accordance with the revised investment objective provided by shareholders at the General Meeting held in July 2024, under the oversight of the Board. The Company is aiming to maintain gearing at asset level at or around 35% during the liquidation process. Aberdeen's dedicated treasury team has negotiated the debt facilities at competitive market rates, resulting in the Company's blended all-in interest rate across all its debt being 2.02% which is to the benefit of all shareholders.

The Board will continue to monitor, evaluate and seek to improve these processes as the Company winds down, to ensure that the liquidation process is delivered to shareholders and other stakeholders in line with their expectations.

## Future

The Board's view on the portfolio sale process can be found in my Chairman's Statement on page 7 whilst the Investment Manager's views on the outlook for the portfolio are included on page 23 of the published Annual Report and financial statements for the year ended 31 December 2024.

**Tony Roper**

Chairman
10 April 2025

# Results

## Financial Highlights

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Total assets (€'000) | 661,197 | 693,892 |
| Total equity shareholders' funds (net assets) (€'000) | 374,108 | 384,928 |
| Net asset value per share (cents)[1] | 90.8 | 93.4 |
| Net asset value per share (pence)[1] | 75.3 | 81.2 |
| Share price – (mid market) (pence) | 58.8 | 61.6 |
| Market capitalisation (£'000) | 242,359 | 253,899 |
| Share price discount to sterling net asset value (%)[1] | (21.9) | (24.1) |
| | | |
| Dividends and earnings | | |
| Net asset value total return per share (EUR) (%)[1] | 0.9 | (17.1) |
| Dividends paid per share | 3.36c (2.85p) | 5.64c (4.88p) |
| Revenue reserves (€'000) | 29,026 | 22,766 |
| Profit / (loss) (€'000) | 3,030 | (81,801) |
| | | |
| Operating costs | | |
| Ongoing charges ratio (excluding property costs) (%)[1] | 1.5 | 1.6 |
| Ongoing charges ratio (including property costs) (%)[1] | 2.0 | 2.4 |

## Performance (total return)

| | Year ended 31 December 2024 % | Year ended 31 December 2023 % | Since Launch % |
|---|---|---|---|
| Share price (GBP)[1] | 0.1 | (3.5) | (18.0) |
| Net asset value (EUR)[1] | 0.9 | (17.1) | 8.1 |

## Dividends declared in respect of the Financial Year to 31 December 2024

| | Dividend distribution GBP pence | Dividend distribution Euro cents equivalent[2] | Qualifying interest GBP pence | Qualifying interest Euro cents equivalent | ex-dividend date | Record date | Pay date |
|---|---|---|---|---|---|---|---|
| First interim | 1.02 | 1.19 | 0.19 | 0.22 | 06/06/2024 | 07/06/2024 | 05/07/2024 |
| Second interim | 0.67 | 0.78 | 0.10 | 0.12 | 05/09/2024 | 06/09/2024 | 27/09/2024 |
| Third interim | 0.50 | 0.60 | 0.37 | 0.45 | 05/12/2024 | 06/12/2024 | 31/12/2024 |
| Fourth interim | 0.53 | 0.64 | 0.28 | 0.33 | 27/02/2025 | 28/02/2025 | 31/03/2025 |
| **Total** | **2.72** | **3.21** | **0.94** | **1.12** | | | |

[1] Considered to be an Alternative performance measure (see Glossary for more information).

[2] The interim distributions are paid in GBP to shareholders on the register. However, shareholders are able to make an election to receive distributions in euros.

Strategic Report

# Investment Manager's Review

## 2024 Market Overview

I am pleased to present a review of the 2024 financial year for the Company together with market commentary as we continue to implement the managed wind-down. Aberdeen's on-the-ground real estate transaction teams are working hard to ensure a timely and importantly value- accretive process.

## European real estate market highlights

In December 2024, Aberdeen upgraded global real estate to "+2 overweight" in its multi-asset houseview, due to improved return performance and the strong likelihood that the asset class would outperform cash returns over the next 12 months.

Across sectors, occupier market fundamentals appeared solid, with low supply supporting rental growth. European all- property rents grew by 4.1%[1] year-on-year.

Prior to the announcement of the imposition of tariffs by the US, the capital market was gathering positive momentum having stabilised in 2024. CBRE yield sheets show positive yield movements in 26% of markets in December 2024, with 72% stable.

Green Street transaction indices indicated rising transaction prices in industrials and residential, with increased competition for these sectors in particular.

Transaction volumes increased to €68 billion in Q4 2024, reflecting a sharp 56% increase on Q4 2023[2]. European real estate returns increased to 4.4% in 2024, with logistics outperforming All Property with a return of 6.2% over the year[3].

The three-year total return forecast for Europe increased to 9.5%[4] per annum, supported by rental growth which is expected to outpace inflation.

Risks to the outlook are elevated due to geopolitics, trade tariffs, but also from the potential upside from stronger fiscal stimulus.

[1] MSCI European Index.
[2] MSCI RCA investment trends.
[3] MSCI Pan-European Property Fund Index.
[4] Aberdeen Houseview Forecasts January 2025.

## European economic outlook

### Activity

The Eurozone economy was recovering from the period of recession-like conditions it suffered over 2023/2024, albeit disappointingly slowly. All else equal, steady easing of monetary policy should keep the economy on this path. However, major risks to the downside and upside have emerged over recent weeks. On the one hand, a major boost to defence spending led by Germany has the potential to stimulate growth. On the other, the imposition of deep, broad, discriminatory tariffs against the EU by the US has the potential to negatively impact GDP, in the region of 0.6% this year.

### Inflation

Eurozone headline inflation fell slightly to 2.3% in February. The recent fall in gas and oil prices should also have a positive spillover to consumer price disinflation. Further progress on disinflation in underlying components is also likely, given looser labour market conditions in France and Germany. We expect inflation to return close to target in the early months of this year, partly due to weaker services inflation.

### Policy

A consensus in favour of rapidly moving monetary policy settings to a neutral stance had formed among policymakers. But the question of whether policy needs to become outright accommodative remains open. We think the ECB is more likely to keep lowering rates in 0.25% rather than 0.5% increments. However, weaker- than-expected growth, perhaps as the result of trade disruptions, would prompt the ECB to rapidly take rates into accommodative territory. On the other hand, greater investment and defence spending could push up on rates over the medium term.

**Eurozone economic forecasts**

| | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| **GDP (%)** | 0.5 | 0.7 | 1.0 | 1.2 |
| **CPI (%)** | 5.4 | 2.4 | 2.2 | 1.8 |
| **Deposit rate (%)** | 4.00 | 3.00 | 2.00 | 2.00 |

Source: Aberdeen January 2025; Forecasts are a guide only and actual outcomes could be significantly different.

## Logistics market trends

### Demand

After a post-pandemic breather when take-up eased, logistics occupier market activity stabilised in 2024. In the fourth quarter of 2024, European logistics take- up amounted to 7.7 million square metres, reflecting a 26% increase from the third quarter but a 7% decrease compared to the fourth quarter of 2023[5]. The total take-up for 2024 stood at 27.5 million square metres, down 7% from 2023 but 4% higher than the pre-pandemic average.

There was a wide range in performance between markets. Portugal, Spain, and the Netherlands had the largest annual increases in take-up, whereas the UK, Czech Republic, and Hungary underperformed. We expect demand to remain resilient in the near term, fuelled by ongoing expansion of e-commerce, near-shoring trends and a new source of demand from increased infrastructure and defence spending across the continent, but particularly in Germany as fiscal easing kicks in from the beginning of 2026.

### Supply

Supply increases appeared to halt as 2024 came to a close. Savills reported that vacancy rates decreased to 6.06% in the fourth quarter, with significant reductions seen in Poland and Barcelona. Conversely, the Netherlands and the UK experienced modest increases in vacancy rates. In Germany, pockets of oversupply persist in Berlin, while Munich, Frankfurt and Dusseldorf remain much more constrained.

Occupancy rates across the top 30 markets are close to 94%[6] and premium quality warehouse availability and warehouses in city fringe locations are still scarce.

New supply is projected to decrease further, dropping below 5% of total stock in 2025 and approaching closer to 4% by 2026[7].

### Rents

Logistics rents grew by 5.0% in 2024, representing the continuation of a slowing trend from a peak of 11% in 2022 and 7.4% in 2023[8]. In the final quarter of 2024, rental growth had slowed notably, with some sources suggesting rents had fallen slightly in some locations. However, the bulk of evidence points to modest growth over the quarter. Given that passing rents typically move in line with inflation, re-leasing spreads remain elevated with substantial reversion potential continuing to support performance in the sector.

Rental growth is expected to outpace inflation in 2025, given limited supply in prime locations, yet secondary stock may not experience the same amount of tenant competition. Rental growth projections could be increased from 2026 if fiscal easing results in increased supply chain demand while new completions look set to remain limited.

### Capital markets

Investor sentiment in logistics remains positive and competition for 'prime' logistics assets strong. We expect the structural demand drivers, limited supply and the underweight allocation of most investors to the sector to continue to drive demand for logistics assets.

In the fourth quarter of 2024, investment volumes reached €12.0 billion, which was a 38% increase from the third quarter and 18% higher than the fourth quarter of 2023[9]. This resulted in total investment for 2024 of €37.9 billion, an increase of 14% from 2023, marking it as the fifth strongest year on record, according to data from Savills. Quarterly comparisons showed significant volatility, with Austria, Poland, and Norway seeing the largest annual increases. Germany, the Netherlands, and the UK also posted gains, while Ireland, Denmark, and Sweden experienced declines.

Logistics investment represented 24%[10] of the total in 2024, equalling the share of investment in offices and residential. Investors have focussed on both core and value-add opportunities in the sector, but remain somewhat cautious of older stock that might require substantial decarbonisation capital expenditure.

Surprisingly, prime logistics yields have been slower to fall than in core offices and residential, despite the strong bidding intensity. CBRE has now moved most logistics yields lower by between five and 15 basis points and on average by 0.1% in 2024. We believe this trend will accelerate as the year progresses and start to impact valuations more broadly. Indeed, transaction data from RCA shows that average logistics transactions yields fell by a much greater 0.9% in 2024, paving the way for more to come in valuations.

[5] Savills European Logistics Trends Q4 2024.
[6] Green Street Research.
[7] Green Street Research.
[8] MSCI Pan-European Quarterly Index.
[9] Savills European logistics trends Q4 2024.
[10] MSCI RCA investment trends.

## Outlook for performance and risk

The outlook for European logistics real estate returns improved, despite an increase in the risk backdrop from trade tariffs. Despite this, current yields combined with income growth through indexation and rental growth, means logistics real estate remains good value compared to other income producing assets.

We forecast European logistics total returns of 9.9% in 2025, with three- and five-year annualised total returns of 11% and 9.4%, respectively. Logistics market return forecasts are balanced between income returns and capital growth, with rental growth and yield impact both contributing to the latter. From a country perspective, we forecast the Netherlands, Denmark, Sweden, Spain and Belgium to outperform on a three-year basis, while Ireland, Czech Republic and Poland are lagging.

The main risks to our outlook are a steeper yield curve where investors expect greater debt issuance and sovereign risk, squeezing real estate yield spreads, and a much sharper economic slowdown across continental Europe. Neither is our base case, although we acknowledge greater risks of alternative scenarios emerging.

Stagflation, resulting from the impact of tariffs on economic growth and inflation, would be a much weaker scenario that would meaningfully impact our forecasts on the downside. The agreed €500 billion fiscal easing in Germany and additional defence spending would provide a growth impulse of around 0.4% per annum from early 2026. We believe this could have an outsized positive impact on logistics demand as supply chains benefit from physical infrastructure projects and the build up of the defence industry.

## Managed wind-down and asset management update

In July 2024, Shareholders voted in favour of the new investment policy, formally approving the implementation of a managed wind-down.

With continued volatile money markets, geopolitical turbulence and slower than expected interest rate movement, capital values started to show signs of stabilisation, albeit at a much slower pace than anticipated.

Our main objective now is focused on realising all existing assets in the Company's portfolio in an orderly manner. However, it is also important to execute the sales strategy optimising individual asset values and income streams for Shareholders.

Our local teams on the ground are crucial in managing our diverse portfolio and supporting the execution of the managed wind-down. With highly experienced asset management and transactions teams around Europe, we are well-equipped to engage directly with occupiers, potential purchasers and local brokers alike.

The Manager's local reach is evidenced by the positive impact on the portfolio void level which has dropped from 11.1% in December 2023, to sub-4% by March 2025.

As at 31 December 2024, Spain represented the largest geographic exposure in the portfolio by value (32.9%), followed by Netherlands (29.1%), Poland (15.0%), France (13.0%) and Germany (10.0%).

### Sales

In March 2024, the Company completed the sale of the vacant asset in Meung -sur-Loire, France for €17.5 million. This tactical sale reduced the Company's exposure to a capex and opex-hungry asset, particularly in the context of physical sustainability improvements that would have been necessary to future-proof the building.

In the Netherlands, at Oss, a deal was agreed to sell the property to the tenant, Orangeworks, for €15.7m. This sale enabled the tenant to progress works to extend the unit, as well as delivering on the Company's objective to return capital to shareholders.

In December, the Company contracted to sell two Spanish assets at Polinya, Barcelona and Coslada, Madrid for €29.7m. The sale completed in January 2025.

At the time of writing this report the Company is in advanced legal stages on three further assets which are 'under offer'.

Four assets are currently at the second round stage of bidding, with a further twelve assets fully prepared and with agents.

### Leasing

In February 2024, the long-standing uncertainty surrounding Arrival's lease in Gavilanes, Madrid was finally resolved with the mutually agreed surrender of the lease at nil premium. This released 27,165 sqm of vacant space back to the Spanish portfolio granting the Company full control to re-let phase 3, which comprises three units of 16,500 sqm, 5,131 sqm and 5,534 sqm respectively.

With full autonomy over the leasing strategy, the team immediately let Unit 3B to Method Logistics on a 3-years- plus-2 lease at ERV.

In October, MCR (an existing tenant at Gavilanes 2B, with a June 2025 break option) signed a lease surrender for Gavilanes 2 in order to double their footprint at the park and take Unit 3A (16,500 sqm). This was an excellent result by the Spanish team where the Company extended MCR on a new 7-year term certain, at ERV of €1,039,500 p.a.

Notwithstanding the positive impact of re-letting the largest of the three vacant units, the deal to MCR also enabled an existing tenant to grow and expand into an appropriate unit for an additional 6 years.

With MCR's expansion into Unit 3A, unit 2B was surrendered by MCR and simultaneously leased to Molecor on a 5-year deal at ERV. Once more, an excellent example of the reach of our local Madrid team.

Unit 1B, (11,264 sq m) remains vacant, however, a refreshed marketing campaign with a new leasing agent, has brought fresh interest.

In 2024, the Company completed three leasing deals in Poland. In Krakow, a lease renewal was completed in May, with IDC Polonia extending their lease term for a further 3 years to May 2027.

At Lodz, EGT also completed a lease renewal to remain in occupation for a further 3 years until March 2027.

In Warsaw, Spedimex (now part of ID Logistics) completed a lease renewal to extend their occupation for a further 5 years.

In Germany, complex negotiations with Bergler (one of the Erlensee asset's largest occupiers) have allowed Bergler to expand into two units where existing tenants were looking to vacate.

This initiative successfully transformed two lease expiries originally due in 2024 and 2025, into secure 10-year terms extending until 2034. The deal also involved re-gearing and converting Bergler's existing 7-year term into a 10-year term.

In total these leasing and transaction activities covered approximately 150,000 sqm of real estate across five countries, enhancing the value of the Company's portfolio and further supporting the managed wind-down process.

Fundamentally, the foregoing sales and leasing activity demonstrates the Manager's commitment to implementing both the sales strategy required for the wind-down, as well as delivering successful asset management and leasing initiatives, which feeds into improved asset liquidity and values.

## Top 10 tenants based on current rents

| | Tenant | Contracted rent (€000 p.a.) | Contracted rent (%) | WAULT incl breaks (years) | WAULT excl break (years) |
|---|---|---|---|---|---|
| 1 | A.G. van der Helm | 3,562 | 10.7% | 5.3 | 5.3 |
| 2 | Amazon | 2,726 | 8.2% | 12.3 | 22.3 |

|  |  |  |  |  |  |
|---|---|---|---|---|---|
| 3 | Biocoop | 2,327 | 7.0% | 9.7 | 9.7 |
| 4 | Combilo International B.V. | 2,288 | 6.9% | 8.9 | 8.9 |
| 5 | JCL Logistics Benelux B.V. | 1,808 | 5.5% | 6.9 | 6.9 |
| 7 | Aalberts integrated piping systems B.V. | 1,751 | 5.3% | 9.5 | 9.5 |
| 6 | A.S. Watson | 1,709 | 5.2% | 8.7 | 8.7 |
| 8 | DHL | 1,600 | 4.8% | 2.7 | 3.4 |
| 9 | DACHSER France | 1,539 | 4.6% | 5.5 | 8.5 |
| 10 | PRIMERA LÍNEA LOGÍSTICA, S.L. | 1,402 | 4.2% | 5.1 | 5.1 |
|  | **Subtotal** | **20,712** | **62.4%** |  |  |
|  | Other tenants | 12,456 | 37.6% |  |  |
|  | **Portfolio as at 31 December 2024** | **33,168** | **100.0%** | **6.2** | **7.6** |

## Property portfolio as at 31 December 2024

|  | **Country** | **Location** | **WAULT incl breaks (years)** | **WAULT excl breaks (years)** | **% of the portfolio** |
|---|---|---|---|---|---|
| 1 | France | Avignon, Noves | 9.7 | 9.7 | 5-10 |
| 2 | France | Bordeaux | 4.1 | 7.1 | 0-5 |
| 3 | France | Niort | 7.0 | 10.0 | 0-5 |
| 4 | France | Dijon | 5.0 | 8.0 | 0-5 |
| 5 | Germany | Erlensee | 6.6 | 6.6 | 5-10 |
| 6 | Germany | Flörsheim | 3.2 | 3.2 | 0-5 |
| 7 | Poland | Krakow | 2.1 | 2.1 | 5-10 |
| 8 | Poland | Lodz | 3.0 | 3.5 | 0-5 |
| 9 | Poland | Warsaw | 3.2 | 3.2 | 0-5 |
| 10 | Spain | Barcelona | 1.5 | 4.5 | 0-5 |
| 11 | Spain | Madrid | 2.0 | 6.0 | 0-5 |
| 12 | Spain | Spain, Madrid – Gavilanes 1A | 5.1 | 5.1 | 0-5 |
| 13 | Spain | Spain, Madrid – Gavilanes 1B | – | – | 0-5 |
| 14 | Spain | Spain, Madrid – Gavilanes 2A | 1.6 | 11.6 | 0-5 |
| 15 | Spain | Spain, Madrid – Gavilanes 2B | 4.8 | 4.8 | 0-5 |
| 16 | Spain | Spain, Madrid – Gavilanes 2C | 0.5 | 2.5 | 0-5 |
| 17 | Spain | Spain, Madrid – Gavilanes 3 A/B/C | 5.6 | 6.1 | 5-10 |
| 18 | Spain | Spain, Madrid – Gavilanes 4 | 12.3 | 22.3 | 5-10 |
| 19 | Netherlands | Den Hoorn | 5.3 | 5.3 | 5-10 |
| 20 | Netherlands | Ede | 8.7 | 8.7 | 0-5 |
| 21 | Netherlands | Horst | 7.7 | 7.7 | 0-5 |
| 22 | Netherlands | 's Heerenberg | 6.9 | 6.9 | 0-5 |
| 23 | Netherlands | Waddinxveen | 8.9 | 8.9 | 5-10 |
| 24 | Netherlands | Zeewolde | 9.5 | 9.5 | 0-5 |
|  | **Total** |  | **6.2** | **7.6** |  |

## Loan portfolio 31 December 2024

| Country | Property | Lender | Loan (€million) | End date | Duration (years) | Fixed interest rate (incl margin) |
|---|---|---|---|---|---|---|
| Germany | Erlensee | DZ Hyp | 17.8 | January 2029 | 10 | 1.62% |
| Germany | Flörsheim | DZ Hyp | 12.4 | January 2026 | 7 | 1.54% |
| France | Avignon | BayernLB | 22.0 | February 2026 | 7 | 1.57% |
| Netherlands | Ede + Waddinxveen | Berlin Hyp | 34.3 | June 2025 | 6 | 1.35% |
| Netherlands | 's Heerenberg | Berlin Hyp | 11.0 | June 2025 | 6 | 1.10% |
| Netherlands | Den Hoorn + Zeewolde | Berlin Hyp | 43.2 | January 2028 | 8 | 1.38% |
| Spain | Madrid Gavilanes 4 + Madrid Coslada + Barcelona | ING Bank | 51.0 | September 2025 | 3 | 3.05% |
| Spain | Madrid Gavilanes 1 + 2 + 3 | ING Bank | 44.0 | July 2025 | 3 | 2.72% |
| **Total** | | | **235.7** | | | **2.02%** |

The Investment Manager has received offers for short-term extensions of the loan facilities with existing lenders for the loans expiring in 2025, where the underlying properties are expected to be disposed of after the loan expiry dates. These extensions are intended to facilitate the orderly disposal of the underlying properties.

**Troels Andersen**

Fund Manager, Aberdeen
10 April 2025

# Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 December 2024.

## Results and Dividends

Details of the Company's results and dividends are shown on page 19 of the published Annual Report and financial statements for the year ended 31 December 2024. The dividend policy is disclosed in the Strategic Report on page 11 of the published Annual Report and financial statements for the year ended 31 December 2024.

## Investment Trust Status

The Company was incorporated on 25 October 2017 (registered in England & Wales No. 11032222) and has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial periods commencing on or after 15 December 2017. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2024 so as to enable it to comply with the ongoing requirements for investment trust status.

## Individual Savings Accounts

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

## Share Capital

The Company's capital structure is summarised in note 16 to the financial statements. At 31 December 2024, there were 412,174,356 fully paid Ordinary shares of 1p each in issue. During the year no Ordinary shares were purchased in the market for treasury or cancellation and no Ordinary shares were issued or sold from Treasury.

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 certificate was registered at Companies House on 26 September 2024.

## B Share Scheme

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 is by means of a bonus issue of redeemable B Shares (with a nominal value of one penny each) which would then be immediately redeemed by the Company in consideration for a cash payment equal to the amount treated as paid up on the issue of the B Shares.

The quantum and timing of any return(s) of capital to Shareholders under a B Share Scheme will be at the discretion of the Board and will be dependent on the realisation of the Company's investments and its liabilities, general working capital requirements and the amount and nature (from a tax perspective) of its distributable reserves. The adoption of a B Share scheme does not limit the ability of the Company to return cash to Shareholders by using other mechanisms and the Board will continue to monitor the tax effectiveness and cost efficiency of using B Shares.

The Board resolved on 27 February 2025 to return £16.5 million in aggregate to Shareholders via an issue of B Shares. On 7 March 2025 1,648,697,424 B Shares of one penny each were paid up from the Company's special distributable reserve and issued to all Shareholders by way of a bonus issue on the basis of 4 B Shares for every 1 Ordinary Share held at the Record Date of 6.00 p.m. on 6 March 2025.

The B Shares were immediately redeemed at their nominal value of one penny per B Share with a Redemption Date of 7 March 2025. The proceeds from the redemption of the B Shares, equivalent to 4 pence per Ordinary Share, were sent to uncertificated Shareholders through CREST with cheques posted to certificated Shareholders on 20 March 2025. Shareholders should note that no certificates were issued in respect of the B Shares.

## Voting Rights, Share Restrictions and Amendments to Articles of Association

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends.

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a takeover bid.

In accordance with the Companies Act, amendments to the Company's Articles of Association may only be made by shareholders passing a special resolution in general meeting.

## Borrowings

A full breakdown of the Company's loan facilities is provided in note 14 to the financial statements.

## Management Agreement

Under the terms of a Management Agreement dated 17 November 2017 between the Company and the AIFM, abrdn Fund Managers Limited (and amended by way of side letters dated 25 May 2018, 22 February 2019, 24 January 2023 and 10 July 2024), the AIFM was appointed to act as alternative investment fund manager of the Company with responsibility for portfolio management and risk management of the Company's investments. Under the terms of the Management Agreement, the AIFM may delegate portfolio management functions to the Investment Manager and is entitled to an annual management fee together with reimbursement of all reasonable costs and expenses incurred by it and the Investment Manager in the performance of its duties.

Effective 1 August 2024 the Company has paid lower management fees at the rate 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.

The annual management fee is payable in Euros quarterly in arrears, save for any period which is less than a full calendar quarter.

The AIFM has also been appointed by the Company under the terms of the Management Agreement to provide day-to-day administration services to the Company and provide the general company secretarial functions required by the Companies Act. In this role, the AIFM will provide certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. Effective from March 2020 accounting and administration services undertaken on behalf of the Company have been delegated to Brown Brothers Harriman.

The AIFM has also delegated the provision of the general company secretarial services to abrdn Holdings Limited.

## Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 22 to the financial statements.

## The Board

The current Directors are Ms Gulliver, Mr Heawood and Mr Roper who, together with Ms Wilde who retired as a Director on 24 June 2024, were the only Directors who served during the year. In accordance with the Articles of Association, each Director will retire from the Board at the Annual General Meeting convened for 25 June 2025 and, being eligible, will offer himself or herself for re-election to the Board. In accordance with Principle 23 of the AIC's 2019 Code of Corporate Governance, each Director will retire annually and submit themselves for re-election at the AGM.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively.

In common with most investment trusts, the Company has no employees. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

## Board Diversity

As indicated in the Strategic Report, the Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of, and will give due regard to, the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of Directors. The Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. The Board aims to take account of the targets set out in the FCA's Listing Rules, which are set out below. However, given the revised investment objective of the Company and the on-going sale of the portfolio which is expected to complete in the shorter term, the Board has decided not to recruit a new non executive Director to replace Ms Wilde who retired in June 2024. Consequently as the sales process culminates the Company is no longer in compliance with some of these diversity targets.

As an externally managed investment company, the Board employs no executive staff, and therefore does not have a chief executive officer (CEO) or a chief financial officer (CFO) - both of which are deemed senior board positions by the FCA. However, the Board considers the Chair of the Audit Committee to be a senior board position and the following disclosure is made on this basis. Other senior board positions recognised by the FCA are chair of the board and senior independent director (SID). In addition, the Board has resolved that the Company's year end date be the most appropriate date for disclosure purposes.

The following information has been voluntarily disclosed by each Director and is correct as at 31 December 2024.

**Board as at 31 December 2024**

| | Number of Board Members | Percentage of the Board | Number of Senior Positions on the Board[3] |
|---|---|---|---|
| **Men** | 2 | 66.6% | 1 |
| **Women**[1] | 1 | 33.3% | 2 |
| **Prefer not to say** | - | | - |
| | | | |
| **White British or other White (including minority-white groups)** | 3 | 100% | 3 |
| **Minority Ethnic**[2] | - | - | 0 |
| **Prefer not to say** | - | - | - |

[1] Following the retirement of Ms Wilde in June 2024, this does not meet the target that at least 40% of Directors are women as set out in LR 6.6.6R (9)(a)(i).

[2] Given that the Company is in managed wind-down which is expected to be completed in the shorter term, the Company is not recruiting for further Board members. Therefore, this does not currently meet the target that at least one Director is from a minority ethnic background as set out in LR 6.6.6R (9)(a)(iii).

[3] The Company meets the target that at least one of the senior positions is filled by a woman set out in LR 6.6.6R (a) (ii) for the year ended 31 December 2024. Senior positions defined as Chair, Audit Chair and Senior Independent Director.

## The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director.

In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision- making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders offering annual review meetings and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and as an intermediary for other directors, when necessary. The Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance and is also available to shareholders to discuss any concerns they may have.

## Corporate Governance

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: **frc.org.uk.**

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: **theaic.co.uk**.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders. The full text of the Company's Corporate Governance Statement can be found on the Company's website: **eurologisticsincome.co.uk**.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

Provision 29 of the AIC Code requires members of the Audit Committee to be independent and ordinarily the Chair of the Company would not be a member of the Committee. However, this provision permits companies to include the Chair as a member of the Audit Committee subject to the provision of an explanation. In September 2024, following the retirement of Ms Diane Wilde, the Chair, Tony Roper joined the Audit Committee as a member. Given the small size of the Board and its decision not to appoint any further Directors now that the Company is in managed wind-down, the appointment of the Chair to this Committee provides the Committee with flexibility. The Company confirms that the Chair was independent upon appointment and remains independent.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the need for an internal audit function (provision 26);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

During the year ended 31 December 2024, the Board had four scheduled meetings and over 19 other ad hoc Board meetings as well as numerous update calls. In addition, the Audit Committee met three times and there was one meeting of the Management Engagement Committee and one meeting of the Nomination Committee. Between meetings the Board maintains regular contact with the Investment Manager. The Directors have attended the following scheduled Board meetings and Committee meetings during the year ended 31 December 2024 (with their eligibility to attend the relevant meeting in brackets):

| Director | Board | Audit Committee | MEC | Nomination |
|---|---|---|---|---|
| T Roper[1] | 4 (4) | 2 (2) | 1 (1) | 1 (1) |
| C Gulliver | 4 (4) | 3 (3) | 1 (1) | 1 (1) |
| D Wilde[2] | 0 (1) | 0 (1) | 0 (1) | 0 (1) |
| J Heawood | 4 (4) | 3 (3) | 1 (1) | 1 (1) |

[1] Mr Roper was appointed to the Audit Committee with effect from 16 September 2024 following Ms Wilde's retirement.
[2] Ms Wilde retired from the Board on 24 June 2024.

## Policy on Tenure

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only.

The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis. However, in accordance with corporate governance best practice and the future need to refresh the Board over time, it is currently expected that Directors will not typically serve on the Board beyond the Annual General Meeting following the ninth anniversary of their appointment.

## Board Committees

### Audit Committee

The Audit Committee Report is on pages 62 to 64 of the published Annual Report and financial statements for the year ended 31 December 2024.

### Nomination Committee

All appointments to the Board of Directors are considered by the Nomination Committee which, due to the relatively small size of the Board, comprises all of the Directors and is chaired by the Chairman of the Company. The Nomination Committee advises the Board on succession planning, bearing in mind the balance of skills, knowledge and experience existing on the Board, and will make recommendations to the Board in this regard. The Nomination Committee also advises the Board on its balance of relevant skills, experience and length of service of the Directors serving on the Board. The Board's overriding priority when appointing new Directors in the future will be to identify the candidate with the best range of skills and experience to complement existing Directors. The Board recognises the benefits of diversity and its policy on diversity is disclosed in the Strategic Report on page 15 and also on page 50 of the published Annual Report and financial statements for the year ended 31 December 2024.

The Committee has put in place the necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self evaluation and a performance evaluation of the Board as a whole and its Committees. In 2024 the Board conducted an external evaluation using the services of Board Forms, an external evaluation consultancy which is independent of the Company. The evaluation was based upon completed questionnaires covering the Board, individual Directors, the Chairman and the Audit Committee Chairman. The Chairman then met each Director individually to review their responses whilst the Senior Independent Director met with the Chairman to review his performance.

In accordance with Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors of investment companies should be subject to annual re-election by shareholders, all the members of the Board will retire at the forthcoming Annual General Meeting and will offer themselves for re-election. In conjunction with the evaluation feedback, the Committee has reviewed each of the proposed reappointments and concluded that each of the Directors has the requisite high level and range of business and financial experience and recommends their re-election at the forthcoming AGM. Details of the contributions provided by each Director during the year are disclosed on pages 47 and 48 of the published Annual Report and financial statements for the year ended 31 December 2024.

The Committee has reviewed the current size of the Board and the skill set provide by the existing Directors and has concluded that in the run up to the liquidation of the Company there is no need to search for and appoint a new non executive Director.

### Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Mr Heawood.

The Committee reviews the performance of the Manager and Investment Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. Based upon the competitive management fee and expertise of the Manager, the Committee believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The Committee also at least annually reviews the Company's relationships with its other service providers. These reviews aim to ensure that services being offered meet the requirements and needs of the Company, provide value for money and performance is in line with the expectations of stakeholders.

### Remuneration Committee

Under the FCA Listing Rules, where an investment trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. Accordingly, matters relating to remuneration are dealt with by the full Board, which acts as the Remuneration Committee.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development.

Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 58 to 60 of the published Annual Report and financial statements for the year ended 31 December 2024.

## Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website **eurologisticsincome.co.uk** and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the relevant Board Committee for their adequacy on an annual basis.

## 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.

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 Shareholders. At the General Meeting held on 23 July 2024, the proposed revised Investment Policy for the implementation of a managed wind-down of the Company was overwhelmingly approved by the Company's Shareholders. Following the approval by Shareholders of the revised investment objective and policy, the process of for an orderly realisation of the Company's assets and a return of capital to Shareholders has begun.

The Board will endeavour to realise the Company's investments in a manner that achieves a balance between maximising the value received from the sale of investments and timely returns of net proceeds to Shareholders.

Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the wind-down period and to meet all liabilities as they fall due, given that the Company is now in managed wind-down, the Directors consider it appropriate to adopt a basis other than going concern in preparing the financial statements.

No material adjustments to accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis.

Additional details about going concern are disclosed in note 1a to the financial statements.

## Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his/her connected persons. The Board considers each Director's situation and decides on any course of action required to be taken if there is a conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. No Director had any interest in contracts with the Company during the year or subsequently.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Investment Manager.

The Criminal Finances Act 2017 introduced the corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to the facilitation of tax evasion, whether under UK law or under the law of any foreign country.

## Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements are set out on pages 61 and 72 respectively of the published Annual Report and financial statements for the year ended 31 December 2024.

Each Director confirms that:

- so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware; and,
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Additionally there have been no important events since the year end that impact this Annual Report.

The Directors have reviewed the level of non-audit services provided by the independent auditor during the year amounting to £nil (2023: £nil) and remain satisfied that the auditor's objectivity and independence is being safeguarded.

## Independent Auditor

The auditor, KPMG LLP, has indicated its willingness to remain in office. The Directors will place a resolution before the Annual General Meeting to re-appoint KPMG LLP as auditor for the ensuing year, and to authorise the Directors to determine its remuneration.

## Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. It is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to members of the Aberdeen Group within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Aberdeen Group's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Aberdeen Group's activities. Risk includes financial, regulatory, market, operational and reputational risk. This helps the Aberdeen group internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The significant risks faced by the Company have been identified as being strategic; investment and asset management; financial; regulatory; and operational.

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the AIFM prepares forecasts and management accounts which allows the Board to assess the Company's activities and review its performance;
- the Board and AIFM have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the AIFM and Investment Manager as appropriate;
- as a matter of course the AIFM's compliance department continually reviews Aberdeen's operations and reports to the Board on a six monthly basis;
- written agreements are in place which specifically define the roles and responsibilities of the AIFM and other third party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within Aberdeen, has decided to place reliance on the Investment Manager's systems and internal audit procedures. At its April 2025 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2024 by considering

documentation from the AIFM and the Depositary, including the internal audit and compliance functions and taking account of events since 31 December 2024. The results of the assessment, that internal controls are satisfactory, were then reported to the Board at the subsequent Board meeting.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

## Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 December 2024 (based upon 412,174,356 shares in issue):

| Fund Manager | Shares at 31-Dec-2024 | % at 31-Dec-2024 |
|---|---|---|
| Asset Value Investors | 36,959,999 | 8.97 |
| East Riding of Yorkshire | 33,000,000 | 8.01 |
| Hargreaves Lansdown, stockbrokers (EO) | 26,007,975 | 6.31 |
| Quilter Cheviot Investment Management | 22,402,286 | 5.44 |
| RBC Brewin Dolphin Ireland | 22,113,747 | 5.37 |
| BlackRock | 20,525,582 | 4.98 |
| Interactive Investor (EO) | 16,486,487 | 4.00 |
| Investec Wealth & Investment | 15,518,240 | 3.76 |
| AJ Bell, stockbrokers (EO) | 12,461,295 | 3.02 |

On 27 March 2025, Asset Value Investors notified the Company that its total holding of Ordinary shares was 41,240,154 Ordinary shares representing 10.0% of the issued class of capital. Save as disclosed, there have been no significant changes notified in respect of the above holdings between 31 December 2024 and 10 April 2025.

## Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report will be widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the freephone information service shown under Investor Information and on the Company's website **eurologisticsincome.co.uk**.

abrdn Holdings Limited (aHL) has been appointed Company Secretary to the Company. Whilst aHL is a wholly owned subsidiary of the Aberdeen Group, there is a clear separation of roles between the Investment Manager and Company Secretary with different board compositions and different reporting lines in place. The Board notes that, in accordance with Market Abuse Regulations, procedures are in place to control the dissemination of information within the Aberdeen Group plc group of companies when necessary. Where correspondence addressed to the Board is received there is full disclosure to the Board. This is kept confidential if the subject matter of the correspondence requires confidentiality.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of representatives of the Investment Manager (including the Company Secretary and Investment Manager) in situations where direct communication is required and usually a representative from the Board is available to meet with major shareholders on an annual basis in order to gauge their views.

The Notice of the Annual General Meeting, included within the Annual Report and financial statements, is sent out at least 20 working days in advance of the meeting. In normal circumstances, all Shareholders have the opportunity to put questions to the Board or the Investment Manager, either formally at the Company's Annual General Meeting or at the subsequent buffet luncheon for Shareholders. Shareholders are, however, invited to send any questions for the Board and/or the Investment Manager on the Annual Report by email to **European.Logistics@aberdeenplc.com**. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

## Annual General Meeting

The Annual General Meeting will be held on 25 June 2025 at 18 Bishops Square, London E1 6EG at 9.30 a.m. In addition to the usual resolutions the following matters will be proposed at the AGM:

### Special Business Purchase of the Company's Shares

Resolution 10 is a special resolution proposing to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority. The minimum price to be paid per Ordinary share by the Company will not be less than £0.01 per share (being the nominal value) and the maximum price should not be more than the higher of (i) an amount equal to 5% above the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out.

The Directors do not intend to use this authority to purchase the Company's Ordinary shares unless to do so would result in an increase in NAV per share and would be in the interests of Shareholders generally. The authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

The Board is very aware of the current wide share price discount to NAV and regularly monitors this. The Directors view buybacks as a very useful tool for seeking to assist in the management of the liquidity of the Company shares which could be used in the future as one of a number of methods to address imbalances of supply and demand which, arithmetically, can cause discounts to NAV per share. However, the Company's revised investment objective means that most available cash will be returned to shareholders where possible in the form of capital distributions. Shares bought back would be purchased at a discount to the prevailing NAV per share and the result would be accretive to the NAV for all on-going shareholders.

The authority being sought will expire at the conclusion of the Annual General Meeting in 2026 or 30 June 2026, whichever is earlier unless it is renewed before that date. Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly or held in treasury.

This share buyback power will give the Directors additional flexibility going forward and the Board considers that it will be in the interests of the Company that such authority be available. Share buybacks will only take place when, in the view of the Directors, to do so will be to the benefit of Shareholders as a whole.

### Special Business Notice of Meetings

Resolution 11 is a special resolution seeking to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on 14 days' clear notice. This approval will be effective until the Company's Annual General Meeting in 2026 or 30 June 2026 whichever is earlier. In order to utilise this shorter notice period, the Company is required to ensure that Shareholders are able to vote electronically at the general meeting called on such short notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as practicable and will only utilise the authority granted by Resolution 11 in limited and time sensitive circumstances.

### Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends, the Company's Shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to Shareholders for approval at the Annual General Meeting and on an annual basis.

Resolution 4 is an ordinary resolution to approve the Company's dividend policy. The Company's dividend policy shall be that dividends on the Ordinary shares are payable quarterly in relation to periods ending March, June, September and December and the last dividend referable to a financial year end will not be categorised as a final dividend that is subject to Shareholder approval.

It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles to make distributions from capital.

Shareholders should note that references to "dividends" are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.

### Recommendation

Your Board considers Resolutions 1 to 11 to be in the best interests of the Company and its members as a whole and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that Shareholders should vote in favour of all Resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 272,812 Ordinary shares.

By order of the Board

**abrdn Holdings Limited - Company Secretaries Registered Office**
280 Bishopsgate London EC2M 4AG

10 April 2025

# Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so. As explained in note 1a to the Financial Statements, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

## Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report/Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board
**Tony Roper**

10 April 2025

# Consolidated Statement of Comprehensive Income

## For the year ended 31 December 2024

| | | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|---|---|---|---|---|---|---|---|
| | Notes | Revenue €'000 | Capital €'000 | Total €'000 | Revenue €'000 | Capital €'000 | Total €'000 |
| REVENUE | | | | | | | |
| Rental income | 2 | 31,499 | – | 31,499 | 33,435 | – | 33,435 |
| Property service charge income | | 8,379 | – | 8,379 | 8,095 | – | 8,095 |
| Other operating income | | 210 | – | 210 | 540 | – | 540 |
| **Total revenue** | | **40,088** | **-** | **40,088** | **42,070** | **-** | **42,070** |
| GAINS/(LOSSES) ON INVESTMENTS | | | | | | | |
| Gains on disposal of investment properties | 9 | – | 35 | 35 | – | 133 | 133 |
| Change in fair value of investment properties | 9 | – | (6,284) | (6,284) | – | (106,878) | (106,878) |
| **Total income and gains/(losses) on investments** | | **40,088** | **(6,249)** | **33,839** | **42,070** | **(106,745)** | **(64,675)** |
| EXPENDITURE | | | | | | | |
| Investment management fee | | (2,508) | – | (2,508) | (3,193) | – | (3,193) |
| Direct property expenses | | (1,690) | – | (1,690) | (3,155) | – | (3,155) |
| Property service charge expenditure | | (8,379) | – | (8,379) | (8,095) | – | (8,095) |
| SPV property management fees | | (297) | – | (297) | (232) | – | (232) |
| Impairment loss on trade receivables | | (605) | – | (605) | (1,237) | – | (1,237) |
| Other expenses | 3 | (4,105) | – | (4,105) | (3,583) | – | (3,583) |
| Total expenditure | | (17,584) | – | (17,584) | (19,495) | – | (19,495) |
| **Net operating return/(loss) before finance costs** | | **22,504** | **(6,249)** | **16,255** | **22,575** | **(106,745)** | **(84,170)** |
| FINANCE COSTS | | | | | | | |
| Finance costs | 4 | (8,404) | (915) | (9,319) | (8,002) | (110) | (8,112) |
| Gains arising from the derecognition of derivative financial instruments | | - | 13 | 13 | - | 313 | 313 |
| Effect of fair value adjustments on derivative financial instruments | | - | (1,311) | (1,311) | - | (1,706) | (1,706) |
| Effect of foreign exchange differences | | (145) | (282) | (427) | (67) | (146) | (213) |
| Net return before taxation | | 13,955 | (8,744) | 5,211 | 14,506 | (108,394) | (93,888) |
| Taxation | 5 | (928) | (1,253) | (2,181) | (1,327) | 13,414 | 12,087 |
| **Net return for the year** | | **13,027** | **(9,997)** | **3,030** | **13,179** | **(94,980)** | **(81,801)** |
| **Total comprehensive return / (loss) for the year** | | **13,027** | **(9,997)** | **3,030** | **13,179** | **(94,980)** | **(81,801)** |
| **Basic and diluted earnings per share** | 7 | **3.1¢** | **(2.4¢)** | **0.7¢** | **3.2¢** | **(23.0¢)** | **(19.8¢)** |

The accompanying notes are an integral part of the financial statements.

The total column of the Consolidated Statement of Comprehensive Income is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

# Consolidated Balance Sheet

## As at 31 December 2024

| | Notes | As at 31 December 2024 €'000 | As at 31 December 2023 €'000 |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Investment properties | 9 | 497,319 | 636,187 |
| Deferred tax asset | 5 | 2,941 | 4,896 |
| **Total non-current assets** | | **500,260** | **641,083** |
| CURRENT ASSETS | | | |
| Trade and other receivables | 10 | 16,998 | 14,682 |
| Cash and cash equivalents | 11 | 25,011 | 18,061 |
| Other assets | | 750 | 876 |
| Derivative financial assets | 15 | 366 | 1,690 |
| Investment properties held for sale | 9 | 117,609 | 17,500 |
| Deferred tax asset - arising on held for sale | 5 | 203 | - |
| **Total current assets** | | **160,937** | **52,809** |
| **Total assets** | | **661,197** | **693,892** |
| CURRENT LIABILITIES | | | |
| Bank loans | 14 | 140,300 | - |
| Leasehold liability | 12 | 682 | 659 |
| Trade and other payables | 13 | 15,322 | 16,353 |
| Deferred tax liability - arising on held for sale | 5 | 4,028 | - |
| **Total current liabilities** | | **160,332** | **17,012** |
| NON-CURRENT LIABILITIES | | | |
| Bank loans | 14 | 96,315 | 256,524 |
| Leasehold liability | 12 | 23,717 | 23,694 |
| Deferred tax liability | 5 | 6,725 | 11,734 |
| **Total non-current liabilities** | | **126,757** | **291,952** |
| **Total liabilities** | | **287,089** | **308,964** |
| **Net assets** | | **374,108** | **384,928** |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 16 | 4,717 | 4,717 |
| Share premium | 17 | - | 269,546 |
| Special distributable reserve | 18 | 145,016 | 152,099 |
| Special distributable reserve II | 17/18 | 269,546 | - |
| Capital reserve | 19 | (74,197) | (64,200) |
| Revenue reserve | | 29,026 | 22,766 |
| **Equity shareholders' funds** | | **374,108** | **384,928** |
| **Net asset value per share (cents)** | **8** | **90.8** | **93.4** |

The financial statements on pages 73 to 128 of the published Annual Report and financial statements for the year ended 31 December 2024were approved and authorised for issue by the Board of Directors on 10 April 2025 and signed on its behalf by:

**Caroline Gulliver**
Independent Non-Executive Director Company number: 11032222.

The accompanying notes are an integral part of the financial statements.

# Consolidated Statement of Changes in Equity

## For the year ended 31 December 2024

| | Notes | Share capital €'000 | Share premium €'000 | Special distributable reserve €'000 | Special distributable reserve II €'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 year | | – | – | – | – | (9,997) | 13,027 | 3,030 |
| Cancellation of Share premium | | – | (269,546) | – | 269,546 | – | – | – |
| Dividends paid | 6 | – | – | (7,083) | – | – | (6,767) | (13,850) |
| **Balance at 31 December 2024** | | **4,717** | **-** | **145,016** | **269,546** | **(74,197)** | **29,026** | **374,108** |

## For the year ended 31 December 2023

| | Notes | Share capital €'000 | Share premium €'000 | Special distributable reserve €'000 | Special distributable reserve II €'000 | Capital reserve €'000 | Revenue reserve €'000 | Total €'000 |
|---|---|---|---|---|---|---|---|---|
| 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 | 6 | – | – | (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.

# Consolidated Statement of Cash Flows

## For the year ended 31 December 2024

| | Notes | Year ended 31 December 2024 €'000 | Year ended 31 December 2023 €'000 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net return for the year before taxation | | 5,211 | (93,888) |
| Adjustments for: | | | |
| Change in fair value of investment properties | | 6,284 | 106,878 |
| Gains on disposal of investment properties | | (35) | (133) |
| Decrease in lease liability | | 383 | 272 |
| Increase in trade and other receivables | | (3,187) | (2,300) |
| Increase in trade and other payables | | (879) | 10 |
| Change in fair value of derivative financial instruments | | 1,311 | 1,706 |
| Result arising from the derecognition of derivative financial instruments | | (13) | (313) |
| Finance costs | 4 | 9,319 | 8,112 |
| Tax paid | | (1,966) | (1,092) |
| Cash generated by operations | | 16,428 | 19,252 |
| **Net cash inflow from operating activities** | | **16,428** | **19,252** |
| | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure and cost of disposal | | 56 | (898) |
| Disposal of investment properties | | 33,200 | 18,500 |
| **Net cash inflow from investing activities** | | **33,256** | **17,602** |
| | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid | 6 | (13,850) | (23,248) |
| Bank loans interest paid | | (5,134) | (5,202) |
| Early termination fees | | - | (110) |
| Bank loans repaid | | (23,763) | (10,808) |
| Proceeds from derivative financial instruments | | 13 | 313 |
| **Net cash outflow from financing activities** | | **(42,734)** | **(39,055)** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | **6,950** | **(2,201)** |
| | | | |
| **Opening balance 31 December 2023** | | **18,061** | **20,262** |
| | | | |
| **Closing cash and cash equivalents** | | **25,011** | **18,061** |
| | | | |
| REPRESENTED BY | | | |
| **Cash at bank** | **11** | **25,011** | **18,061** |

The accompanying notes are an integral part of the financial statements.

# Notes to the Financial Statements

## 1. Accounting policies

The consolidated financial statements of the Group for the year ended 31 December 2024 comprise the results of abrdn European Logistics Income plc and its subsidiaries. The principal accounting policies adopted by the Group are set out below, all of which have been applied consistently throughout the year.

### (a) Basis of accounting

**The consolidated financial statements have been prepared in accordance with UK-adopted** international accounting standards ("UK-adopted IFRS"), which comprise 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 consolidated financial statements of the Group have been prepared under the historical cost convention as modified by the measurement of investment property, investment properties held for sale, and derivative financial instruments at fair value. The consolidated financial statements are presented in Euro.

In compliance with the AIC's Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (Issued November 2014 and updated in October 2019 with consequential amendments), the consolidated statement of comprehensive income is separated between capital and revenue profits and losses.

**Going Concern**

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 Shareholders. At the General Meeting held on 23 July 2024, the proposed revised Investment Policy for the implementation of a managed wind-down of the Company was overwhelmingly approved by the Company's Shareholders. Following the approval by Shareholders of the revised investment objective and policy, the process of an orderly realisation of the Company's assets and a return of capital to Shareholders has begun. The Board will endeavour to realise the Company's investments in a manner that achieves a balance between maximising the value received from the sale of investments and timely returns of net proceeds to Shareholders. Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the wind-down period and to meet all liabilities as they fall due, given that the Company is now in managed wind-down, the Directors consider it appropriate to adopt a basis other than going concern in preparing the financial statements. No material adjustments to accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis.

The Group ended the year with €25.0 million cash in hand. Following the announcement of the managed wind-down, the revolving credit facility ("RCF") of €70 million with Investec Bank was terminated in May 2024.

As detailed in note 14, there are currently eight bank facilities of which four are due to expire in 2025. The Board is monitoring the expected disposal timelines of the underlying properties to achieve a balance between maximising the value received from disposal of those properties and extending the associated loan facility with the relevant banks. The Investment Manager has engaged with the Company's partner banks and received terms for possible short-term extensions of the facilities to allow for the orderly disposal of the properties, if that were to conclude after the loan expiry date. In the event the Company is unable to secure refinancing at attractive rates, the Company has the option to withhold proceeds from the disposal of properties to repay the loans.

Under the terms of the debt agreements, each debt obligation is "ring fenced" within a sub-group of property holding companies. These non-recourse loans range in maturities between 0.4 and 4.1 years with all-in interest rates ranging between 1.10% and 3.05% per annum. All debts have a fixed rate or fixed rate nature by entering into interest rate SWAPs and caps to manage exposure to potential interest rate fluctuations.

The permitted loan to value ("LTV") ratios in the debt arrangements as at 31 December 2024 are between 45% and 60% (soft breach limits). The "hard breach" LTV ratio covenants which give the lenders the right to exercise their security are between 55% and 65%.

If the lenders were to adopt the valuations carried out for the purposes of these financial statements as at 31 December 2024, the ratios would be between 41% and 59% respectively. For the year ended 31

December 2024, there were no hard or soft breaches of LTV ratio covenants. Based on the most recent covenant submissions to lenders, there are two facilities with less than 5% headroom before a soft breach. The Directors believe that the liquidity residing within the Group could be used for partial repayment of a loan in the event of a breach of LTV limits on these facilities.

The permitted interest coverage ratios as at 31 December 2024, which give the lenders the right to exercise their security, are between 200% and 300%.

The latest calculated interest coverage ratios ("ICR") were between 208% and 1306% respectively. For the year ended 31 December 2024, there were no breaches of ICR. The risk of ICR breach during the managed wind- down period is limited.

The Board recognises the 22% share price discount to NAV, as at 31 December 2024 (24% as at 31 December 2023). The valuation of investment property is the main driver of the NAV, and was determined by Savills as independent valuer. The Board is satisfied that the valuation exercise was performed in accordance with RICS Valuation - Global Standards. As such, the Board has full confidence in the level of the NAV disclosed in the financial statements at the reporting date. The Board expects the discount to narrow as the Company progresses with the execution of the manged wind-down.

The Directors note that the real estate values during the year continued to decline and have stabilised towards the end of the year. The Directors consider the decline will have no impact on the Group's ability to comply with debt covenants:

- The Directors consider that in most cases there is sufficient or good headroom on covenant ratios.
- The Group has a substantial cash balance, with the ability to increase those amounts further with certain mitigating actions.
- The Group has substantial unsecured properties.
- The parent company, is not itself a party to any of the debt contracts (in any capacity including as borrower, guarantor or security provider). The lenders would therefore not, in any event, have any recourse to the ultimate parent under the debt contracts.

While the Company cannot predict the outcome of the above matters, based on the financial forecasts prepared the Directors believe there are adequate resources to continue in operation throughout the wind-down period and to meet all liabilities as they fall due. However, as the Company is now in managed wind-down, the Directors consider it appropriate to adopt a basis other than going concern in preparing the financial statements.

**New and revised standards and interpretations issued in the current year**

The accounting policies adopted have been consistently applied throughout the year presented, unless otherwise stated. This includes the below noted Standards, Interpretations and annual improvements to IFRS that became effective during the year, which the group has incorporated in the preparation of the financial statements:

**Annual improvements to IFRS Standards (effective 1 January 2024):**

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1, the amendments clarify:

a) what is meant by a right to defer settlement;
b) that a right to defer settlement must exist at the end of the reporting period;
c) that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
d) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16, the amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
- Disclosures of Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7, the amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effect of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Also, they clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance

providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The Board considered the impact of new and revised accounting standards, interpretations or amendments on the Group. It was concluded that none have a material impact on the consolidated financial statements.

Certain new accounting standards and interpretations have been published for 31 December 2024 reporting periods and have not been early adopted by the Group. As at 31 December 2024, the following standards are not expected to have a material impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions:

**Standards and interpretations issued by IASB but not adopted by the United Kingdom and not yet effective:**

- Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025).
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

There are no other standards that are not yet effective and that would be expected to have a material impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

### (b) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements and contingent liabilities. However, uncertainty about these judgements, assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Key estimation uncertainties**

Fair value of investment properties and investment properties held for sale is stated at fair value as at the balance sheet date as set out in note 9 to these financial statements.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets, estimated inflation, market rents, discount rates, capitalisation rates, estimated rental value and net initial and net equivalent property yields. The estimate of future cash flows includes consideration of the repair and condition of the property, lease terms, future lease events, as well as other relevant factors for the particular asset.

These estimates are based on local market conditions existing at the balance sheet date.

**Held for sale assessment**

Management has assessed the criteria for classification of investment properties as held for sale, including the likelihood of sale within the next 12 months, the asset's current condition, and the active marketing efforts to locate a buyer. This assessment involves evaluating the probability and timing of the sale, which can be influenced by market conditions and other external factors. The judgement made in this regard impacts the presentation and measurement of these assets in the financial statements.

### (c) Basis of consolidation

The consolidated financial statements comprise the accounts of the Company and its subsidiaries drawn up to 31 December 2024. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group acquired subsidiaries that own real estate properties. At the time of acquisition, the Group considered whether the acquisition represented the acquisition of a business. The Group accounted for an acquisition as a business combination  where an integrated set of activities was acquired in addition to the property. More specifically, consideration was made with regard to the extent to which significant processes were acquired and, in particular, the extent of ancillary services provided by the Group (e.g. maintenance, cleaning, security, bookkeeping, and the like).

The significance of any process is judged with reference to the guidance in IAS 40 on ancillary services. When the acquisition of subsidiaries did not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition was allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

### (d) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate ("the functional currency") which in the judgement of the Directors is Euro. The financial statements are also presented in Euro. All figures in the consolidated financial statements are rounded to the nearest thousand unless otherwise stated.

**(e) Foreign currency**

Transactions denominated in foreign currencies are converted at the exchange rate ruling at the date of the transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies held at the financial year end are translated using the foreign exchange rate ruling at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Consolidated Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Consolidated Statement of Comprehensive Income within gains on investments.

**(f) Revenue recognition**

Rental income, including the effect of lease incentives, arising from operating leases (including those containing fixed rent increases) is recognised on a straight line basis over the lease term. Service charge income represents the charge to tenants for services the Group is obliged to provide under lease agreements. This income is recorded gross within Income on the basis the Group is acting as principal, with any corresponding cost shown within expenses. Interest income is accounted for on an effective interest rate basis.

**(g) Expenses**

All expenses, including the management fee, are accounted for on an accruals basis and are recorded through the revenue column of the Consolidated Statement of Comprehensive Income. Gains or losses on investment properties are recorded in the capital column.

**(h) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

Current tax is defined as the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Where corporation tax arises in subsidiaries, these amounts are charged to the Consolidated Statement of Comprehensive Income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet in the countries where the Group operates.

The Investment Manager periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying values of the Group's investment properties are assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the Consolidated Balance Sheet regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale, and accounted for through the capital reserve.

**(i) Investment properties**

Investment properties are initially recognised at cost, being the fair value of consideration given, including transaction costs associated with the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the year during which the expenditure is incurred.

After initial recognition, investment properties are measured at fair value, with the movement in fair value recognised in the Consolidated Statement of Comprehensive Income and transferred to the Capital Reserve. Fair value is based on the external valuation provided by Savills (2023: Savills), chartered surveyors, at the balance sheet date undertaken in accordance with the RICS Valuation – Global Standards 2024, (Red Book), published by the Royal Institution of Chartered Surveyors. The assessed fair value is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

On derecognition, gains and losses on disposals of investment properties are recognised in the Consolidated Statement of Comprehensive Income.

**Non-current assets and investment properties held for sale**

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year. On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss.

Deferred tax classified as held for sale is measured in accordance with accounting policy as outlined in note 1 (h).

Investment properties held for sale continue to be recognised under the fair value model. On derecognition, gains and losses on disposals of investment properties held for sale are recognised in the Consolidated Statement of Comprehensive Income.

**(j) Distributions**

Interim distributions payable to the holders of equity shares are recognised in the Statement of Changes in Equity in the year in which they are paid. An annual shareholder resolution is voted upon to approve the Group's distribution policy.

**(k) Lease contracts**

**Operating lease contracts – the Group as lessor**

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for leases as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

**Operating and finance lease contracts - the Group as intermediate lessor**

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. The Group assesses all leases where it acts as an intermediate lessor, based on an evaluation of the terms and conditions of the arrangements.

Any head leases identified as finance leases are capitalised at the lease commencement present value of the minimum lease payments discounted at an applicable discount rate as a right-of-use asset and leasehold liability.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period.

**(l) Share issue expenses**

Incremental external costs directly attributable to the issue of shares that would otherwise have been avoided are written off to share premium.

**(l) Segmental reporting**

The Group is engaged in property investment in Europe. Operating results are analysed on a geographic basis by country. In accordance with IFRS 8 'Operating Segments', financial information on business segments is presented in note 20 of the Consolidated financial statements.

**(m) Cash and cash equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits, and other short-term highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

**(n) Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Comprehensive Income.

**Financial assets**

Financial assets are measured at amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), or financial assets 'at fair value through other comprehensive income' (FVOCI). The classification is based on the business model in which the financial asset is managed and its contractual cash flow characteristics.
All purchases and sales of financial assets are recognised on the trade date basis.

**Financial assets at amortised cost**

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables (including trade and other receivables, and others) are subsequently measured at amortised cost using the effective interest method, less any impairment. The Group holds the trade receivables with the objective to collect the contractual cash flows.

**Impairment of financial assets**

The Group's financial assets are subject to the expected credit loss model. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of tenants over a period of twelve months before the measurement date, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable.

Such forward-looking information would include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties. The Group's financial assets are subject to the expected credit loss model. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of tenants over a period of twelve months before the measurement date, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable.

Such forward-looking information would include:

- changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GDP, employment and politics);
- external market indicators; and
- tenant base.

**Financial liabilities**

Financial liabilities are classified as 'other financial liabilities'.

**Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**(p) Derivative financial instruments**

The Company used forward foreign exchange contracts to mitigate potential volatility of income returns and to provide greater certainty as to the level of Sterling distributions expected to be paid in respect of the year covered by the relevant currency hedging instrument. It does not seek to provide a long-term hedge for the Company's income returns, which will continue to be affected by movements in the Euro/Sterling exchange rate over the longer term.

The Company used interest rate SWAPs and interest rate caps to mitigate potential volatility in interest rates and income returns. Derivatives are measured at fair value calculated by reference to forward exchange rates for contracts with similar maturity profiles. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income.

**(q) Reserves**

**Share capital**

This represents the proceeds from issuing Ordinary shares and is non-distributable.

**Share premium**

Share premium represents the excess consideration received over the par value of Ordinary shares issued and is classified as equity and is non-distributable. Incremental costs directly attributable to the issue of Ordinary shares are recognised as a deduction from share premium.

**Special distributable reserve**

The special reserve is a distributable reserve to be used for all purposes permitted by applicable legislation and practice, including the buyback of shares and the payment of dividends.

**Special distributable reserve II**

The special reserve is a distributable reserve set up following the cancellation of amounts standing to the credit of the share premium account to be used for capital distributions to shareholders as sufficient cash is generated from asset sales under the managed wind-down policy.

**Capital reserve**

The capital reserve is a distributable reserve subject to applicable legislation and practice, and the following are accounted for in this reserve:

- gains and losses on the disposal of investment properties, which are distributable;
- increases and decreases in the fair value of investment properties held at the year end, which are not distributable.

**Revenue reserve**

The revenue reserve is a distributable reserve and reflects any surplus arising from the net return on ordinary activities after taxation.

## 2. Rental income

| | Year ended 31 December 2024 €'000 | Year ended 31 December 2023 €'000 |
|---|---:|---:|
| Rental income | 31,499 | 33,435 |
| **Total rental income** | **31,499** | **33,435** |

Rental income includes amortisation of operating lease incentives granted.

## 3. Expenditure

|  | Year ended 31 December 2024 €'000 | Year ended 31 December 2023 €'000 |
|---|---|---|
| Professional fees | 3,066 | 2,438 |
| Audit fee for statutory services | 485 | 412 |
| Directors' fees | 180 | 193 |
| Depositary fees | 50 | 122 |
| Registrar fees | 50 | 47 |
| Stock exchange fees | 27 | 37 |
| Broker fees | 71 | 93 |
| Directors' liability insurance expense | 16 | 26 |
| Employers NI | 13 | 15 |
| Other expenses | 147 | 200 |
| **Total expenses** | **4,105** | **3,583** |

Audit fee for statutory services includes group audit fee of £283,600 plus VAT (2023: £253,000 plus VAT) and subsidiary audit fee of €25,700 (2023: €24,100).

There were no non-audit services' fees incurred in 2024 and 2023.

Professional fees included €1.2m of costs associated with the Strategic review, of which €0.5m was incurred on technical and environmental due diligence of properties.

Future operating costs in relation to the managed wind-down will be expensed as incurred.

## 4. Finance costs

|  | Year ended 31 December 2024 |  |  | Year ended 31 December 2023 |  |  |
|---|---|---|---|---|---|---|
|  | Revenue €'000 | Capital €'000 | Total €'000 | Revenue €'000 | Capital €'000 | Total €'000 |
| Interest on bank loans | 5,126 | – | 5,126 | 5,478 | – | 5,478 |
| Amortisation of loan costs | 1,779 | – | 1,779 | 2,129 | – | 2,129 |
| Remeasurement of loan liability | 1,159 | 915 | 2,074 | – | – | – |
| Bank interest | 340 | – | 340 | 395 | – | 395 |
| Early loan repayment cost | – | – | – |  | 110 | 110 |
| **Total finance costs** | **8,404** | **915** | **9,319** | **8,002** | **110** | **8,112** |

Following the announcement of the managed wind-down the Group intends to repay a number of loans prior to maturity. The amortised cost of bank loans was therefore remeasured and any unamortised balance of loan issue cost was fully amortised as at 31 December 2024. The remeasurement of loan liability costs includes an estimated €915,000 in loan break-up costs for the Erlensee and Flörsheim loans to DZ Hyp. Early termination cost is treated as capital within the Consolidated Statement of Comprehensive Income.

## 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. There was no change of the Corporate tax rate in 2024 (2023: increase from 19% to 25% on 1 April 2023).

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

| | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue €'000 | Capital €'000 | Total €'000 | Revenue €'000 | Capital €'000 | Total €'000 |
| Current taxation: | | | | | | |
| Overseas taxation | 928 | 482 | 1,410 | 1,327 | 440 | 1,767 |
| Deferred taxation: | | | | | | |
| Overseas taxation | – | 771 | 771 | – | (13,854) | (13,854) |
| **Total taxation** | **928** | **1,253** | **2,181** | **1,327** | **(13,414)** | **(12,087)** |

Current taxation charged to capital of €482,000 (2023: €440,000) relates to capital gains tax paid on disposal of investment property.

Reconciliation between the tax charge and the product of accounting profit/(loss) multiplied by the applicable tax rate for the year ended 31 December 2024.

| | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue €'000 | Capital €'000 | Total €'000 | Revenue €'000 | Capital €'000 | Total €'000 |
| Net result before taxation | 13,955 | (8,744) | 5,211 | 14,506 | (108,394) | (93,888) |
| Theoretical tax at UK corporation tax rate of 25% (2023: Blended rate of 23.52% - 19% to 1 April 2023 and 25% from 1 April 2023) | 3,489 | (2,186) | 1,303 | 3,413 | (25,495) | (22,082) |
| Effect of: | | | | | | |
| Losses where no deferred taxes have been recognised | – | 1,590 | 1,590 | – | 13,535 | 13,535 |
| Impact of different tax rates on foreign jurisdictions | (234) | 426 | 192 | (1,460) | (1,855) | (3,315) |
| Expenses that are not deductible/ income that is not taxable | (932) | 1,423 | 491 | 459 | 401 | 860 |
| Other adjustments | (648) | – | (648) | – | – | – |
| Impact of UK interest distributions from the Investment Trust | (747) | – | (747) | (1,085) | – | (1,085) |
| **Total taxation on return** | **928** | **1,253** | **2,181** | **1,327** | **(13,414)** | **(12,087)** |

**(b) Tax in the Group Balance Sheet**

| | 2024 €'000 | 2023 €'000 |
|---|---|---|
| Deferred tax assets: | | |
| On overseas tax losses | 3,036 | 4,740 |
| On other temporary differences | 108 | 156 |
| **Total taxation on return** | **3,144** | **4,896** |

| | 2024 €'000 | 2023 €'000 |
|---|---|---|
| Deferred tax assets: | | |
| Deferred tax assets non-current | 2,941 | 4,896 |

| | | |
|---|---|---|
| Deferred tax assets current – arising on investment properties held for sale | 203 | – |
| **Total taxation on return** | **3,144** | **4,896** |

| | **2024<br>€'000** | **2023<br>€'000** |
|---|---|---|
| Deferred tax liabilities: | | |
| Differences between tax and derivative valuation | 53 | 422 |
| Differences between tax and property valuation | 10,700 | 11,312 |
| **Total taxation on return** | **10,753** | **11,734** |

| | **2024<br>€'000** | **2023<br>€'000** |
|---|---|---|
| Deferred tax liabilities: | | |
| Deferred tax liabilities non-current | 6,725 | 11,734 |
| Deferred tax liabilities current – arising on investment properties held for sale | 4,028 | – |
| **Total taxation on return** | **10,753** | **11,734** |

There was no change of the Corporate tax rate in 2024 (2023: increase from 19% to 25% on 1 April 2023). No deferred tax asset has been recognised (2023: nil) on estimated UK tax losses.
The Group has subsidiaries in France, Germany, Netherlands, Poland and Spain. There are no changes to tax rates in each country expected to have a material impact on the Group.

Tax losses for which deferred tax asset was recognised expire as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Tax losses carried forward €'000** | **Deferred tax asset €'000** | **Expiry date** | **Tax losses carried forward €'000** | **Deferred tax asset €'000** | **Expiry date** |
| Expire | 791 | 150 | 2025-2027 | 2,645 | 563 | 2024-2027 |
| Never expire | 14,425 | 2,886 | – | 16,828 | 4,177 | – |
| **Total** | **15,216** | **3,036** | | **19,473** | **4,740** | |

## 6. Dividends

| | **Year ended 31 December 2024 €'000** | **Year ended 31 December 2023 €'000** |
|---|---|---|
| 2023 Fourth interim dividend not declared/paid<br>(2022 Fourth Interim: 1.41c /1.20p) | – | 5,812 |
| 2024 First interim dividend of 1.41c/1.21p per Share paid 5 July 2024<br>(2023 First interim: 1.41c /1.23p) | 5,812 | 5,812 |
| 2024 Second interim dividend of 0.90c/0.77p per Share paid 27 September 2024<br>(2023 Second interim: 1.41c/1.22p) | 3,710 | 5,812 |
| 2024 Third interim dividend of 1.05c/0.87p per Share paid 31 December 2024<br>(2023 Third interim: 1.41c/1.23p) | 4,328 | 5,812 |
| **Total Dividends Paid** | **13,850** | **23,248** |

A fourth interim dividend for 2024 of 0.97c/0.81p per share was paid on 31 March 2025 to Shareholders on the register on 28 February 2025. Although this payment relates to the year ended 31 December 2024, under IFRS it will be accounted for in the year in which it has been paid.

## 7. Earnings per share (Basic and Diluted)

| | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|---|---|
| Revenue net return attributable to Ordinary shareholders (€'000) | 13,027 | 13,179 |
| Weighted average number of shares in issue during the year | 412,174,356 | 412,174,356 |
| **Total revenue return per ordinary share** | **3.1¢** | **3.2¢** |
| | | |
| Capital return attributable to Ordinary shareholders (€'000) | (9,997) | (94,980) |
| Weighted average number of shares in issue during the year | 412,174,356 | 412,174,356 |
| **Total capital return per ordinary share** | **(2.4¢)** | **(23.0¢)** |
| | | |
| **Total return per ordinary share** | **0.7¢** | **(19.8¢)** |

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

## 8. Net asset value per share

| | 2024 | 2023 |
|---|---|---|
| Net assets attributable to shareholders (€'000) | 374,108 | 384,928 |
| Number of shares in issue at 31 December | 412,174,356 | 412,174,356 |
| **Net asset value per share** | **90.8¢** | **93.4¢** |

## 9. Investment properties

| | 2024 €'000 | 2023 €'000 |
|---|---|---|
| Opening carrying value | 636,187 | 776,616 |
| Acquisition costs, disposal costs and capital expenditure | 31 | 329 |
| Proceeds from disposal of investment property | (15,700) | (18,500) |
| Realised gain on disposal | 265 | 133 |
| Right of use asset reassessment | 429 | 1,988 |
| Decrease in leasehold liability | (379) | (272) |
| Valuation losses | (6,915) | (106,935) |
| Movements in lease incentives | 1,010 | 328 |
| Movements in investment properties held for sale | (117,609) | (17,500) |
| **Total carrying value at 31 December** | **497,319** | **636,187** |

Movements in investment property held for sale can be analysed as follows:

| | 2024 €'000 | 2023 €'000 |
|---|---|---|

| | | |
|---|---|---|
| Opening carrying value | 17,500 | – |
| Transfer to investment property held for sale | 117,609 | 17,500 |
| Disposal of investment property held for sale | (17,500) | – |
| Disposal costs | 230 | – |
| Realised loss on disposal | (230) | – |
| **Total carrying value at 31 December** | **117,609** | **17,500** |

On 25 March 2024 the Company announced the sale of its Meung-Sur-Loire warehouse in France for €17,500,000 which generated a realised loss on disposal of €230,000. On 2 December 2024 the Company announced the sale of the warehouse in Oss in the Netherlands for €15,700,000 which generated a realised gain on disposal of €265,000.

The properties in Poland and two properties in Spain were classified as held for sale as at 31 December 2024 and were valued at €117.6m. The Spanish assets were disposed of on 22 January 2025. See note 25 for details.

### Valuation methodology

The Investment Manager appoints a suitable valuer (such appointment is reviewed on a periodic basis) to undertake a valuation of all the direct real estate investments on a quarterly basis. The valuation is undertaken in accordance with the RICS Valuation – Global Standards ('Red Book Global Standards') effective from 31 January 2022, published by the Royal Institution of Chartered Surveyors.

Valuations were performed by Savills (2023: Savills), an accredited independent valuer with a recognised and relevant professional qualification. The valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently.

The Investment Manager meets with the valuer on a quarterly basis to ensure the valuer is aware of all relevant information for the valuation and any change in the investments over the quarter. The Investment Manager then reviews and discusses draft valuations with the valuer to ensure correct factual assumptions are made prior to the valuer issuing a final valuation report. Where known, the property valuer takes account of deleterious materials included in the construction of the investment properties in arriving at its estimate of fair value when the Investment Manager advises of the presence of such materials. The majority of the leases are on a full repairing and insurance basis and as such the Group is not liable for costs in respect of repairs or maintenance to its investment properties.

The fair value of investment property is determined using either the discounted cash flow or traditional method. Choice of methodology for a particular jurisdiction is determined by the valuers independently, based on local market practices. Both valuation methodologies are in accordance with RICS guidelines and used in determining the fair value of investment properties.

Discounted cash flow methodology is based on the future annual net cash flow over a hold period of 10 years. The calculation of fair value using this method includes:

- Present value of the cashflow generated through the future net operating income from the investment property over the hold period.
- Present value of the exit value (sale price) at the end of the 10-year hold period.

The rate used to calculate the present value of cashflow is the Discount Rate. The rate used to calculate the exit value at the end of hold period is called the Capitalisation Rate (exit cap rate). Fair value is calculated using rates that the valuer considers appropriate for the specific investment property.

The traditional method requires an assessment of rental value (the market rent) and a market-based yield. The yield can be simply defined as the annual return on investment expressed as a percentage of capital value. The traditional method can reflect income streams which are under-rented and over-rented by incorporating risk within the yield choice (i.e., an all risks yield) and by structuring the calculation appropriately, for example a term and reversion for under-rented income streams and a hardcore and top-slice for over-rented income streams. This will require the valuer to reflect risk in each element of the calculation, e.g., increasing the yield above the market in the top-slice to reflect the added risk of an above market rent being paid for a specified period, or reducing the yield in the term to reflect that a below market rent is being paid until the reversion is due. These 'traditional' approaches are typically referred to as being growth implicit, meaning that rental growth is built into the choice of yield and not explicitly modelled within the calculation.

As at 31 December 2024 and 31 December 2023 the German, French, Polish and Spanish assets were valued using the discounted cash flow method, and Netherlands properties using the traditional method. The fair value of investment properties amounted to €593,991,000 (2023: €633,806,000).

The difference between the fair value and the value per the Consolidated Balance Sheet for Investment properties and Investment properties held for sale at 31 December 2024 consists of adjustments for lease incentive assets and the Den Hoorn lease liability separately recognised in the balance sheet of €3,462,000 and €24,399,000 respectively (2023: €4,472,000 and €24,353,000). Further details of the Den Hoorn lease are disclosed in note 12.

The following disclosure is provided in relation to the adoption of IFRS 13 Fair Value Measurement. All properties are deemed Level 3 for the purposes of fair value measurement and the current use of each property is considered the highest and best use.

| Country and sector | Fair value 2024 €'000 | Fair value 2023 €'000 | Valuation techniques | Key Unobservable inputs | Range (weighted average) 2024 | Range (weighted average) 2023 |
|---|---|---|---|---|---|---|
| Netherlands - Logistics | 173,200 | 191,700 | Traditional Method | ERV | €609,052 - €3,695,185 (€2,542,168) | €578,180 - €3,242,079 (€2,192,655) |
| | | | | Equivalent yield | 5.00% - 6.25% (5.57%) | 4.58% - 5.65% (4.98%) |
| Germany - Logistics | 59,300 | 63,200 | Discounted Cash Flow | Capitalisation rate | 4.50% - 4.70% (4.62%) | 4.60% - 4.65% (4.63%) |
| | | | | Discount rate | 6.00% - 6.20% (6.08%) | 5.60% - 6.10% (5.80%) |
| | | | | ERV | €1,481,502 - €2,016,994 (€1,799,366) | €1,486,034 - €2,088,971 (€1,849,513) |
| France - Logistics | 77,345 | 99,380 | Discounted Cash Flow | Capitalisation rate | 4.95% - 5.00% (4.96%) | 4.50% - 5.25% (4.75%) |
| | | | | Discount rate | 6.45% - 7.05% (6.57%) | 6.00% - 8.00% (6.45%) |
| | | | | ERV | €430,900 - €2,590,707 (€1,826,559) | €430,900 - €2,590,794 (€1,704,072) |
| Poland - Logistics | 88,890 | 90,390 | Discounted Cash Flow | Capitalisation rate | 6.40% - 6.65% (6.54%) | 6.10% - 6.50% (6.28%) |
| | | | | Discount rate | 7.60% - 8.00% (7.74%) | 7.65% - 8.05% (7.80%) |
| | | | | ERV | €1,867,527 - €2,186,059 (€2,006,817) | €1,843,811 - €2,099,948 (€1,955,779) |
| Spain - Logistics | 195,256 | 189,136 | Discounted Cash Flow | Capitalisation rate | 4.75% - 5.25% (4.97%) | 4.75% - 5.00% (4.89%) |
| | | | | Discount rate | 6.50% - 7.50% (6.87%) | 6.25% - 7.50% (6.78%) |
| | | | | ERV | €486,749 - €2,568,852 (€1,549,050) | €486,749 - €2,568,852 (€1,546,589) |

### Sensitivity analysis

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment property.

All non-current assets other than financial instruments, deferred tax assets and trade receivables are non-UK based.

| Country and sector | Assumption | Movement | Effect on valuation 2024 €'000 | Effect on valuation 2023 €'000 |
|---|---|---|---|---|
| Netherlands - Logistics | Equivalent Yield | +50 basis points Equivalent Yield (2023: +100 basis points Equivalent Yield) | (14,800) | (32,613) |
| | | -50 basis points Equivalent Yield (2023: -100 basis points Equivalent Yield) | 17,600 | 49,116 |
| | ERV | -5% ERV (2023: -10% ERV) | (6,600) | (14,444) |
| | | +5% ERV (2023: +10% ERV) | 6,600 | 14,571 |
| Germany - Logistics<br>France - Logistics | Capitalisation | +50 basis points (2023: +100 basis points) | (23,295) | (46,886) |
| | | -50 basis points (2023: -100 basis points) | 28,409 | 70,530 |
| | Discount | +50 basis points (2023: +100 basis points) | (15,507) | (32,213) |

|  |  |  |  |  |
|---|---|---|---|---|
| Poland - Logistics<br>Spain - Logistics |  | -50 basis points (2023: -100 basis points) | 16,267 | 35,405 |
|  | ERV | -5% ERV (2023: -10% ERV) | (13,288) | (25,854) |
|  |  | +5% ERV (2023: +10% ERV) | 13,206 | 22,978 |

Due to the observed reduction in the pace of decline in investment property valuations during 2024, attributed to improved market conditions, sensitivity analysis for 2024 has been conducted based on 50 basis points variation in capitalisation and discount rates and 5% variation in ERV. This analysis aims to provide a more accurate reflection of the current market environment and its potential impact on property valuations.

## 10. Trade and other receivables

|  | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| Trade debtors | 9,748 | 11,197 |
| Bad debt provisions | (573) | (1,821) |
| Lease incentives | 3,462 | 4,472 |
| Deposit on sale of Investment properties held with notary | 2,970 | - |
| Tax receivables | 930 | 562 |
| VAT receivable | 455 | 270 |
| Other receivables | 6 | 2 |
| **Total receivables** | **16,998** | **14,682** |

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 12 months.

The ageing of trade debtors is as follows:

|  | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| Less than 6 months | 8,523 | 9,433 |
| Between 6 & 12 months | 79 | 1,493 |
| Over 12 months | 1,146 | 271 |
| **Total receivables** | **9,748** | **11,197** |

## 11. Cash and cash equivalents

|  | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| Cash at bank | 25,011 | 18,061 |
| **Total cash and cash equivalents** | **25,011** | **18,061** |

## 12. Leasehold liability

|  | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| **Maturity analysis - contractual undiscounted cash flows** |  |  |
| Less than one year | 682 | 659 |
| One to two years | 682 | 659 |
| Two to three years | 682 | 659 |

| | | |
|---|---|---|
| Three to four years | 682 | 659 |
| Four to five years | 682 | 659 |
| More than five years | 25,900 | 26,218 |
| **Total undiscounted lease liabilities** | **29,310** | **29,513** |

| | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| **Lease liability included in the statement of financial position** | | |
| Current | 682 | 659 |
| Non - Current | 23,717 | 23,694 |
| **Total lease liability included in the statement of financial position** | **24,399** | **24,353** |

On 15 January 2020 the Group acquired a logistics warehouse in Den Hoorn. The property is located on land owned by the local municipality and leased to the Group on a perpetual basis. The Group reserves the option to acquire the freehold ownership on 1 July 2044 for the total sum of €15,983,000. The annual ground lease payments amount to €682,000 per annum (2023: €659,000 per annum), the present value of these future payments (assuming the option to acquire the freehold is exercised) being €24,399,000 as at 31 December 2024.

## 13.Trade and other payables

| | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| Trade payables | 2,496 | 4,729 |
| Tenant deposits | 3,759 | 4,008 |
| Rental income received in advance | 3,912 | 3,994 |
| Deposit on sale of Investment properties | 2,970 | – |
| Accruals | 869 | 1,681 |
| VAT payable | 743 | 1,172 |
| Management fee payable | 573 | 729 |
| Accrued acquisition and development costs | – | 40 |
| **Total payables** | **15,322** | **16,353** |

## 14.Bank loans

| | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---|---|
| Bank borrowing drawn | 235,700 | 259,462 |
| Loan issue costs paid | (6,384) | (6,384) |
| Accumulated amortisation of loan issue costs | 5,224 | 3,446 |
| Remeasurement of loan liability | 2,075 | – |
| **Total bank loans** | **236,615** | **256,524** |

Following the announcement of the managed wind-down the Group intends to repay a number of loans prior to maturity. The amortised cost of bank loans was therefore remeasured and any unamortised balance of loan issue cost was fully amortised as at 31 December 2024.

| | 2024<br>€'000 | 2023<br>€'000 |
|---|---:|---:|
| Maturity less than 1 year | 140,300 | - |
| Maturity above 1 year | 96,315 | 256,524 |
| **Total receivables** | **236,615** | **256,524** |

The above loans are secured on the following properties on a non-recourse basis.

| Country | Property | Lender | Loan (€'000) | Start date | End date | Fixed interest rate (including margin) |
|---|---|---|---:|---|---|---:|
| Germany | Erlensee | DZ Hyp | 17,800 | 20/02/2019 | 31/01/2029 | 1.62% |
| Germany | Flörsheim | DZ Hyp | 12,400 | 18/02/2019 | 30/01/2026 | 1.54% |
| France | Avignon | BayernLB | 22,000 | 12/02/2019 | 12/02/2026 | 1.57% |
| Netherlands | Ede + Waddinxveen | Berlin Hyp | 34,300 | 06/06/2019 | 06/06/2025 | 1.35% |
| Netherlands | 's Heerenberg | Berlin Hyp | 11,000 | 27/06/2019 | 27/06/2025 | 1.10% |
| Netherlands | Den Hoorn + Zeewolde | Berlin Hyp | 43,200 | 15/01/2020 | 14/01/2028 | 1.38% |
| Spain | Madrid Gavilanes 4 + Madrid Coslada + Barcelona | ING Bank | 51,000 | 26/09/2022 | 26/09/2025 | 3.05% |
| Spain | Madrid Gavilanes 1 + 2 + 3 | ING Bank | 44,000 | 07/07/2022 | 07/07/2025 | 2.72% |
| | | | **235,700** | | | **2.02%** |

The difference of €915,000 between the above table and figures presented in the consolidated balance sheet consists of loan break costs of lender DZ Hyp calculated from expected payment date to loan expiry date (2023: nil) and recognised as remeasurement of bank loans, following the managed wind-down plan.

Reconciliation of movements of liabilities to cash flows arising from financing activities.

| | Bank borrowings €'000 | Bank interest €'000 | Financial Derivatives €'000 | Total €'000 |
|---|---:|---:|---:|---:|
| **Balance at 1 January 2024** | **256,524** | **16** | **1,690** | **258,230** |
| **Cash flow from financing activities:** | | | | |
| Bank loans interest repaid | - | (5,134) | - | **(5,134)** |
| Bank loans repaid | (23,762) | - | - | **(23,762)** |
| **Non-cash movement:** | | | | |
| Amortisation of capitalised borrowing costs | 1,778 | - | - | **1,778** |
| Remeasurement of loan liability | 2,075 | - | - | **2,075** |
| Termination of derivative financial instruments | - | - | (13) | **(13)** |
| Changes in fair value of financial instruments | - | - | (1,311) | **(1,311)** |
| Change in creditors for loan interest payable | - | 5,143 | - | **5,143** |
| **Balance at 31 December 2024** | **236,615** | **25** | **366** | **237,006** |

| | Bank borrowings €'000 | Bank interest €'000 | Financial Derivatives €'000 | Total €'000 |
|---|---:|---:|---:|---:|
| **Balance at 1 January 2023** | **265,532** | **-** | **3,709** | **269,241** |

| | | | | |
|---|---|---|---|---|
| **Cash flow from financing activities:** | | | | |
| Bank loans interest repaid | - | (5,202) | - | **(5,202)** |
| Bank loans repaid | (10,808) | - | - | **(10,808)** |
| **Non-cash movement:** | | | | |
| Amortisation of capitalised borrowing costs | 2,129 | - | - | **2,129** |
| Capitalised borrowing costs | (329) | - | - | **(329)** |
| Termination of derivative financial instruments | - | - | (313) | **(313)** |
| Changes in fair value of financial instruments | - | - | (1,706) | **(1,706)** |
| Change in creditors for loan interest payable | - | 5,218 | - | **5,218** |
| **Balance at 31 December 2023** | **256,524** | **16** | **1,690** | **258,230** |

## 15.Derivative financial instruments

| | **2024 €'000** | **2023 €'000** |
|---|---|---|
| Interest rate swap | 366 | 1,690 |
| | **366** | **1,690** |

During the 2022 financial year ASELI Leon B.V entered into an agreement with ING Bank N.V for a loan facility of €25.35 million at an interest rate payable of EURIBOR plus 1.9%. In order to mitigate the interest rate risk, it entered a fixed floating interest rate swap for the notional amount of €23.52 million against an all-in fixed rate of 3.05% over the three year loan term expiring September 2025. The remaining €1.83 million drawn on the loan facility was capped at all-in fixed rate of 4.15%. Following repayment of the loan in amount of €10.81 million on 3 May 2023, the company terminated €8.98 million of interest rate swaps and €1.83 million cap realising a gain on termination of €313,000.
The notional amount of fixed floating interest rate swap amounts to €14.54 million as at 31 December 2024.

AELI Madrid Logistics 1 S.L.U has an agreement with ING Bank N.V for a loan facility of €44 million at an interest rate payable of EURIBOR plus 1.15%. In order to mitigate the interest rate risk, it entered a fixed floating interest rate swap for the notional amount of €40 million against an all-in fixed rate of 2.57% over the three year loan term expiring July 2025.The remaining €4 million drawn on the loan facility is capped at all-in fixed rate of 4.15%. The notional amount of fixed floating interest rate swap amounts to €40 million and cap to €4 million as at 31 December 2024.

AELI Madrid Logistics 2 S.L.U has an agreement with ING Bank N.V for a loan facility of €39.3 million at an interest rate payable of EURIBOR plus 1.15%. In order to mitigate the interest rate risk, it entered a fixed floating interest rate swap for the notional amount of €36.5 million against an all-in fixed rate of 3.05% over the three year loan term expiring September 2025. The remaining €2.8 million drawn on the loan facility is capped at all-in fixed rate of 4.15%. On 10 July 2024 the Company repaid the loan of €2.86 million. Following repayment of the loan, the company terminated €2.86 million of interest rate swaps realising a gain on termination of €13,000. The notional amount of fixed floating interest rate swap amounts to €36.4 million as at 31 December 2024.

## 16.Share capital

| | **2024 €'000** | **2023 €'000** |
|---|---|---|
| Opening balance | 4,717 | 4,717 |
| **Balance as at 31 December** | **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 number of Ordinary shares authorised, issued and fully paid at 31 December 2024 was 412,174,356 (2023: 412,174,356).

The nominal value of each share is £0.01.

## 17. Share premium

| | 2024<br>€'000 | 2023<br>€'000 |
|---|---|---|
| Opening balance | 269,546 | 269,546 |
| Cancellation of share premium | (269,546) | – |
| **Balance as at 31 December** | **-** | **269,546** |

On 6 November 2024 the Board of the Company announced details of its proposal to implement a B Share mechanism to facilitate the return of capital to Shareholders as part of the managed wind-down. The Board believes that one of the fairest and most efficient ways of returning substantial amounts of cash to Shareholders is by means of a bonus issue of redeemable B Shares (with a nominal value of one penny each) which would then be immediately redeemed by the Company in consideration for a cash payment equal to the amount treated as paid up on the issue of the B Shares. The use of B Shares will enable the Company to return capital on a strictly pro rata basis, ensuring that no individual Shareholder or group of Shareholders is disadvantaged. B Shares will be issued to Shareholders (at no cost to Shareholders) pro rata to their holdings of Ordinary Shares at the time of issue of the B Shares and, shortly thereafter, redeemed and cancelled in accordance with their terms for an amount not exceeding the amount treated as paid up on the issue of the B Shares. The Company will not allot any fractions of B Shares, and the entitlement of each Shareholder will be rounded down to the nearest whole B Share.

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 certificate was registered at Companies House on 26 September 2024.

The implementation of B Shares mechanism was approved by the Shareholders on 22 November 2024. As of result the Share Premium of the Company was cancelled and its balance was moved to Special Distributable Reserve II.

## 18.Special distributable reserve

### Special distributable reserve

| | 2024<br>€'000 | 2023<br>€'000 |
|---|---|---|
| Opening balance | 152,099 | 164,851 |
| Dividends paid | (7,083) | (12,752) |
| **Balance as at 31 December** | **145,016** | **152,099** |

At a General Meeting held on 8 November 2017, a special resolution was passed authorising, conditional on the issue of Ordinary shares by the Company, the amount standing to the credit of the share premium account of the Company following issue to be cancelled. In order to cancel the Share Premium account the Company was required to obtain a Court Order, which was received on 13 March 2018. A Statement of Capital form was lodged at Companies House with a copy of the Court Order on 16 March 2018. With effect from that date the amount of the share premium account cancelled was credited as a Special Distributable Reserve in the Company's books of account. Further details of the dividends paid from the special distributable reserve are provided in note 7 of the parent company accounts.

### Special distributable reserve II

| | 2024<br>€'000 | 2023<br>€'000 |
|---|---|---|
| Opening balance | – | – |
| Cancellation of share premium | 269,546 | – |

| | | |
|---|---|---|
| **Balance as at 31 December** | **269,546** | **-** |

Due to the implementation of B Shares mechanism, approved by the Shareholders on 22 November 2024, the Share Premium of the Company was cancelled and its balance was moved to Special Distributable Reserve II.

## 19.Capital reserves

| | **Realised capital reserve €'000** | **Unrealised gains/(losses) €'000** | **Total capital reserve €'000** |
|---|---|---|---|
| Opening balance | 2,951 | (67,151) | (64,200) |
| Deferred taxation | - | (771) | (771) |
| Change in fair value of investments | (8,629) | 2,345 | (6,284) |
| Gains on disposal of investment properties | 35 | - | 35 |
| Taxation on disposal of investment properties | (482) | - | (482) |
| Early repayment cost due to remeasurement of loan liability | (915) | - | (915) |
| Movement in fair value gains on derivative financial instruments | - | (1,311) | (1,311) |
| Gains arising from the derecognition of derivative financial instruments | 13 | - | 13 |
| Currency losses during the year | - | (282) | (282) |
| **Balance as at 31 December 2024** | **(7,027)** | **(67,170)** | **(74,197)** |

| | **Realised capital reserve €'000** | **Unrealised gains/(losses) €'000** | **Total capital reserve €'000** |
|---|---|---|---|
| Opening balance | (2) | 30,782 | 30,780 |
| Deferred taxation | 1,124 | 12,730 | 13,854 |
| Change in fair value of investments | 1,933 | (108,811) | (106,878) |
| Gains on disposal of investment properties | 133 | - | 133 |
| Taxation on disposal of investment properties | (440) | - | (440) |
| Early loan repayments costs | (110) | - | (110) |
| Movement in fair value gains on derivative financial instruments | - | (1,706) | (1,706) |
| Gains arising from the derecognition of derivative financial instruments | 313 | - | 313 |
| Currency losses during the year | - | (146) | (146) |
| **Balance as at 31 December 2023** | **2,951** | **(67,151)** | **(64,200)** |

## 20.Operating segments

The Group's reportable segments are the geographical areas in which it operates. These operating segments reflect the components of the Group that are regularly reviewed to allocate resources and assess performance.

| 2024 | Netherlands €'000 | Poland €'000 | Germany €'000 | Spain €'000 | France €'000 | Parent Company €'000 | Total €'000 |
|---|---|---|---|---|---|---|---|
| Total assets | 210,000 | 95,012 | 61,499 | 205,141 | 84,439 | 5,106 | 661,197 |
| Total liabilities | 118,644 | 5,759 | 33,061 | 101,749 | 27,034 | 842 | 287,089 |
| Total comprehensive return for the year (revenue) | 4,617 | 1,642 | 1,093 | (2,362) | 1,270 | 6,767 | 13,027 |
| Total Comprehensive return for the year (capital) | (3,750) | (1,334) | (4,281) | 4,037 | (4,388) | (281) | (9,997) |
| **Included in total comprehensive income** | | | | | | | |
| Change in fair value of investment properties | (3,270) | (1,250) | (3,909) | 6,220 | (4,075) | – | (6,284) |
| Rental income | 12,062 | 5,368 | 3,296 | 7,038 | 3,735 | – | 31,499 |

| 2023 | Netherlands €'000 | Poland €'000 | Germany €'000 | Spain €'000 | France €'000 | Parent Company €'000 | Total €'000 |
|---|---|---|---|---|---|---|---|
| Total assets | 224,723 | 94,759 | 64,670 | 198,564 | 108,816 | 2,360 | 693,892 |
| Total liabilities | 128,459 | 5,832 | 33,044 | 100,070 | 40,107 | 1,452 | 308,964 |
| Total comprehensive return for the year (revenue) | 3,588 | 1,623 | 182 | (2,568) | 197 | 10,157 | 13,179 |
| Total Comprehensive return for the year (capital) | (28,319) | (2,126) | (4,319) | (54,376) | (6,031) | 191 | (94,980) |
| **Included in total comprehensive income** | | | | | | | |
| Change in fair value of investment properties | (36,416) | (2,892) | (4,913) | (54,187) | (8,470) | – | (106,878) |
| Rental income | 11,808 | 5,068 | 3,242 | 9,259 | 4,058 | – | 33,435 |

## 21. 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:

| 31 December 2024 | Level 1 €'000 | Level 2 €'000 | Level 3 €'000 | Total fair value |
|---|---|---|---|---|

| | | | | €'000 |
|---|---|---|---|---|
| Investment properties | – | – | 497,319 | 497,319 |
| Investment properties held for sale | – | – | 117,609 | 117,609 |

| **31 December 2023** | **Level 1 €'000** | **Level 2 €'000** | **Level 3 €'000** | **Total fair value €'000** |
|---|---|---|---|---|
| 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.

| **31 December 2024** | **Level 1 €'000** | **Level 2 €'000** | **Level 3 €'000** | **Total fair value €'000** |
|---|---|---|---|---|
| Derivative financial asset | – | 366 | – | 366 |

| **31 December 2023** | **Level 1 €'000** | **Level 2 €'000** | **Level 3 €'000** | **Total fair value €'000** |
|---|---|---|---|---|
| Derivative financial asset | – | 1,690 | – | 1,690 |

The lowest level of input is EUR:GBP exchange rate for forward foreign currency contracts. The lowest level of inputs for Interest rate SWAPs and Caps are current market interest rates and yield curve over the remaining term of the instrument.

| **31 December 2024** | **Level 1 €'000** | **Level 2 €'000** | **Level 3 €'000** | **Total fair value €'000** |
|---|---|---|---|---|
| Bank loans | – | 235,580 | – | 235,580 |

| **31 December 2023** | **Level 1 €'000** | **Level 2 €'000** | **Level 3 €'000** | **Total fair value €'000** |
|---|---|---|---|---|
| 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. As at 31 December 2024 the estimated fair value of the Group's bank loans is €235,580,000 (2023: €253,667,000). The amortised cost is €236,615,000 (2023: €256,524,000). These amounts include repayment penalties payable on expected early settlement of loans due to the managed wind-down.

## 22. Risk management

The Group's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Group also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, for the purpose of managing currency and market risks arising from the Group's activities. The Group also has the ability to enter into derivative transactions to hedge against fluctuations in the cost of borrowing as a result of changes in interest rates.

The main risks the Group faces from its financial instruments are (a) market price risk (comprising of (i) interest rate risk, (ii) foreign currency risk and (iii) other price risk), (b) liquidity risk and (c) credit risk.

### (a) Market price risk

The fair value or future cash flows of a financial instrument held by the Group may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, foreign currency risk and other price risk.

### (i) Market risk arising from interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

**Interest risk profile**

The interest rate risk profile of the portfolio of financial assets and liabilities at the year end were as follows:

| As at 31 December 2024 | Interest rate % | Local currency '000 | Foreign exchange rate | Euro equivalent €'000 |
|---|---|---|---|---|
| Assets: | | | | |
| Euro | 3.00 | 20,510 | 1.00 | 20,510 |
| Pound Sterling | 4.75 | 3,471 | 0.83 | 4,182 |
| Polish Zloty | 5.25 | 1,344 | 4.27 | 319 |
| **Total** | | | | **25,011** |

| As at 31 December 2023 | Interest rate % | Local currency '000 | Foreign exchange rate | Euro equivalent €'000 |
|---|---|---|---|---|
| Assets: | | | | |
| Euro | 4.00 | 17,457 | 1.00 | 17,457 |
| Pound Sterling | 5.25 | 180 | 0.87 | 207 |
| Polish Zloty | 5.25 | 1,723 | 4.35 | 397 |
| **Total** | | | | **18,061** |

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates.

An increase of 100bps in interest rates as at the reporting date would have increased the reported profit and equity shareholders' funds by €250,110 (2023: €180,610). Other Comprehensive Income and Capital Reserves would have been €589,387 (2023: €1,253,958) higher as a result of an increase in the fair value of the derivative designated as interest rate swaps and €7,597 (2023: €63,684) higher as a result of an increase in the fair value of the derivative designated as interest rate caps on floating rate borrowings.

A decrease of 100bps in interest rates would have reduced the reported profit and equity shareholders' funds by €250,110 (2023: €180,610). Other Comprehensive Income and the Capital Reserve would have been €589,387 (2023: €1,253,952) lower as a result of a decrease in the fair value of the derivative designated as interest rate swaps and €572 (2023: €29,261) lower as a result of a decrease in the fair value of the derivative designated as interest rate caps on floating rate borrowings.

Other financial assets and liabilities (e.g. debtors, creditors) are not subject to interest rate risk. The rates of interest on the bank loans are fixed or hedged until the end of their term hence not subject to any interest rate risk. Further details are disclosed in note 15.

### (ii) Market risk arising from foreign currency risk

The income and capital value of the Groups investments and liabilities can be affected by exchange rate movements as some of the Group's assets and income are denominated in currencies other than Euro which is the Group's reporting currency.

The revenue account is subject to currency fluctuation arising from overseas income.

**Foreign currency risk profile**

Foreign currency risk exposure by currency of denomination:

| As at 31 December 2024 | Net monetary exposure €'000 | Total currency exposure €'000 |
|---|---|---|
| Pound Sterling | 3,704 | 3,704 |
| Złoty | 319 | 319 |
| Total foreign currency | 4,023 | 4,023 |
| | | |
| Euro | (244,843) | (244,843) |
| **Total** | **(240,820)** | **(240,820)** |

| As at 31 December 2023 | Net monetary exposure €'000 | Total currency exposure €'000 |
|---|---|---|
| Pound Sterling | (680) | (680) |
| Złoty | 397 | 397 |
| Total foreign currency | (283) | (283) |
| | | |
| Euro | (268,476) | (268,476) |
| **Total** | **(268,759)** | **(268,759)** |

The asset allocation between specific markets can vary from time to time based on the Investment Manager's opinion of the attractiveness of the individual markets.

**Foreign currency sensitivity**

The following table details the Group's sensitivity to a 10% increase and decrease in Sterling and Polish Zloty against the Euro and the resultant impact that any such increase or decrease would have on net return before tax and equity shareholders' funds. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign.

| | As at 31 December 2024 €'000 | As at 31 December 2023 €'000 |
|---|---|---|
| Polish Złoty | 32 | 40 |
| Pound Sterling | 370 | (68) |

**(iii) Market risk arising from other price risk**

Other price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments. The carrying amount for financial assets approximates to the fair value of trade and other receivables (note 10) and trade and other payables (note 13).

**Other price risk sensitivity**

If the investment property valuation fell by 10% at 31 December 2024, the decrease in total assets and return before tax would be €59m (2023: €63m). If the investment property valuation rose by 10% at 31 December 2024, the increase in total assets and return before tax would be €59m (2023: €63m). Exposures vary throughout the year as a consequence of changes in the net assets of the Group arising out of the investment property and risk management processes.

**(b) Liquidity risk**

This is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. All creditors are payable within three months.

The Group's liquidity risk is managed by the Investment Manager placing cash in liquid deposits and accounts. Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments and also includes:

The level of dividends and other distributions to be paid by the Group may fluctuate and there is no guarantee that any such distributions will be paid.

Following the announcement of the managed wind-down and as the Group progresses with the disposal of properties, its ability to generate income will diminish. Consequently, the Group has revised its dividend policy to align with the reduced income levels. Therefore, liquidity risk is not considered to be significant.

**(c) Credit risk**

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Group suffering a loss.

The risk is not considered significant by the Board, and is managed as follows:

The Group has acquired a portfolio of European logistics properties and has a number of leases with tenants. In the event of default by a tenant, the Group will suffer a rental shortfall and incur additional costs until the property is re-let, including legal expenses, in maintaining, insuring and re-letting the property. The Board receives regular reports on concentrations of risk and any tenants in arrears. The Investment Manager monitors such reports in order to anticipate and minimise the impact of defaults by tenants. Cash is held only with reputable financial institutions with high quality external credit ratings.

None of the Group's financial assets is secured by collateral.

The maximum credit risk exposure as at 31 December 2024 was €38.5m (2023: €28.3m). This was due to trade receivables and cash as per notes 10 and 11.

All cash is placed with financial institutions with a credit rating of -A or above. Bankruptcy or insolvency may cause the Group's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the financial institutions currently employed significantly deteriorate, the Investment Manager would move the cash holdings to another financial institution. There are no significant concentrations of liquidity risk within the Group.

**(d) Taxation and Regulation risks**

The Company must comply with the provisions of the Companies Act and, as the shares are admitted to the closed ended investment funds segment of the Official List, the Listing Rules and the Disclosure Guidance and Transparency Rules. A breach of the Companies Act could result in the Company and/or the Board being fined or being the subject of criminal proceedings. Breach of the Listing Rules could result in the shares being suspended from listing. Legal and regulatory changes could occur that may adversely affect the Company. The Company has obtained UK Investment Trust Company status. The Company must comply with the provisions of sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instruments 2011/2999 to maintain this status. Breaching these regulations could result in the Company paying UK Corporation Tax it would otherwise be exempt from, adversely affecting the Company's ability to pursue its investment objective.

**Capital management**

The Group considers that capital comprises issued Ordinary shares and long-term borrowings. The Group's capital is deployed in the acquisition and management of subsidiaries in line with the Group's original investment objective, which was to provide a regular and attractive level of income return together with the potential for long-term income and capital growth from investing in high quality European logistics real estate. The following investment limits and restrictions apply to the Group and its business which, where appropriate, are measured at the time of investment and once the Group is fully invested:

- the Group will only invest in assets located in Europe;
- no more than 50 per cent. of Gross Assets will be concentrated in a single country;
- no single asset may represent more than 20 per cent. of Gross Assets;
- forward funded commitments will be wholly or predominantly pre-let and the Group's overall exposure to forward funded commitments will be limited to 20 per cent. of Gross Assets;
- the Group's maximum exposure to any single developer will be limited to 20 per cent. of Gross Assets;
- the Group will not invest in other closed-ended investment companies;

- the Group may only invest in assets with tenants which have been classified by the Investment Manager's investment process as having strong financial covenants; and
- no single tenant will represent more than 20 per cent. of the Group's annual gross income measured annually.

Following the approval of the managed wind-down plan and revised Investment Policy, the Group's primary use of cash is to maintain sufficient liquidity for operations, repay debt as it falls due, and return surplus cash to Shareholders. The Group may from time to time have surplus cash (for example, following the disposal of an investment). Pending return to Shareholders, it is expected that any surplus cash will be temporarily invested in cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with financial institutions or other counterparties having a single -A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or "government and public securities" as defined for the purposes of the FCA rules.

The Group monitors capital primarily through regular financial reporting and also through a gearing policy. The Group used gearing to improve shareholder returns. Debt is typically secured at the asset level and potentially at the Group level with or without a charge over some or all of the Group's assets, depending on the optimal structure for the Group and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles. Borrowings is typically non-recourse and secured against individual assets or groups of assets and the aggregate borrowings at asset level will always be subject to an absolute maximum, calculated at the time of drawdown for a property purchase, of 50 per cent. of Gross Assets. Where borrowings are secured against a group of assets, such group of assets shall not exceed 25 per cent. of Gross Assets in order to ensure that investment risk remains suitably spread. The Board has established gearing guidelines for the Investment Manager in order to maintain an appropriate level and structure of gearing within the parameters set out above. Under these guidelines, aggregate borrowings at asset level are expected to be at or around 35 per cent. of gross assets. The Board will keep the level of borrowings under review and the aggregate borrowings will always be subject to the absolute maximum set at the time of the Group's launch, calculated at the time of drawdown for a property purchase, of 50 per cent of Gross Assets. The carrying value of the Groups bank borrowings as at 31 December 2024, excluding any early repayment penalty costs, was €235,700,000 (2023: €259,462,000).

**Contractual undiscounted maturities**

All financial liabilities presented as current are payable within 3 months. The analysis of financial liabilities is below:

| As at 31 December 2024 | Within 1 year €'000 | 1-2 years €'000 | 2-5 years €'000 | Over 5 years €'000 | Total €'000 |
|---|---|---|---|---|---|
| Bank loans | 143,764 | 35,523 | 62,955 | – | 242,242 |
| Lease liability | 682 | 682 | 2,046 | 25,900 | 29,310 |
| Trade liabilities | 15,322 | – | – | – | 15,322 |
| **Total** | **159,768** | **36,205** | **65,001** | **25,900** | **286,874** |

| As at 31 December 2023 | Within 1 year €'000 | 1-2 years €'000 | 2-5 years €'000 | Over 5 years €'000 | Total €'000 |
|---|---|---|---|---|---|
| Bank loans | 5,182 | 156,823 | 90,759 | 17,824 | 270,588 |
| Lease liability | 659 | 659 | 1,977 | 26,218 | 29,513 |
| Trade liabilities | 16,353 | – | – | – | 16,353 |
| **Total** | **22,194** | **157,482** | **92,736** | **44,042** | **316,454** |

## 23.Related party transactions

The Company's Alternative Investment Fund Manager ('AIFM') throughout the year 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 services, risk management services and general administrative services including acting as the Company Secretary.

Under the terms of the agreement portfolio management services are delegated by aFML to abrdn Investments Ireland Limited ('aIIL'). Effective 1 August 2024 the Company has paid lower management fees at the rate 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. The total management fees charged to the Consolidated Statement of Comprehensive Income during the year were €2,508,000 (2023: €3,193,000), of which €573,000 (2023: €729,000) were payable at the year 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. There are no separate fees payable by the Company to aHL for these services.

A promotional and marketing budget fee of £114,000 (2023: £214,000) was approved for 2024/2025 at the July 2024 Board meeting which is payable to abrdn Investment Management Limited ('aIML'). As at 31 December 2024 £96,418 was payable (31 December 2023: £214,000).

The remuneration of Directors is detailed below. Further details on the Directors can be found on pages 58 to 60 of the published Annual Report and financial statements for the year ended 31 December 2024.

| | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---:|---:|
| Tony Roper | 66 | 62 |
| Caroline Gulliver | 51 | 49 |
| John Heawood | 43 | 41 |
| Diane Wilde | 20 | 41 |
| **Balance as at 31 December** | **180** | **193** |

Please note the above figures are all Euro, while those in the Directors' Remuneration Report are stated in

GBP. The Directors' shareholdings are detailed below.

| | **31 December 2024 Ordinary shares** | **31 December 2023 Ordinary shares** |
|---|---:|---:|
| Tony Roper | 122,812 | 122,812 |
| Caroline Gulliver | 90,000 | 90,000 |
| John Heawood | 60,000 | 60,000 |
| Diane Wilde | N/A | 74,375 |

Diane Wilde resigned from the position of non-executive Director in June 2024.

## 24.Lease analysis

The group leases out its investment properties under operating leases.

The future income under operating leases, based on the unexpired lease length at the year end was as follows (based on total rents and excluding annual CPI adjustments).

| | **2024**<br>**€'000** | **2023**<br>**€'000** |
|---|---:|---:|
| Less than one year | 32,437 | 33,884 |
| Between one and two years | 30,474 | 32,370 |
| Between two and three years | 28,802 | 29,584 |
| Between three and four years | 27,508 | 26,086 |
| Between four and five years | 25,084 | 23,689 |
| Over five years | 100,845 | 89,742 |
| **Total** | **245,150** | **235,355** |

The largest single tenant at the year end accounted for 10.7 per cent (31 December 2023: 10.7 per cent) of the annualised rental income at 31 December 2024.

The Group has entered into commercial property leases on its investment property portfolio. These leases have remaining lease terms of between 1 and 22 years.

## 25.Post balance sheet events

On 22 January 2025, the Group sold the Barcelona and Madrid Calle Rumania warehouses in Spain for €29.7m realising a loss of €0.5m. As at 31 December 2024, the properties were valued at €29.7m (2023: €26.9m). Following completion of sale, €17.7m of loans were repaid to ING Bank and full termination of €17.7m interest rate swaps and caps took place.

A fourth interim dividend of 0.97c/0.81p per share was paid on 31 March 2025 to Shareholders on the register on 28 February 2025.

Pursuant to the authority received from Shareholders at the general meeting held on 22 November 2024, the Board resolved on 27 February 2025 to return approximately £16.5 million in aggregate to Shareholders via an issue of B Shares. B Shares of one penny each were paid up from the Company's special distributable reserve II, created by the recent cancellation of the share premium account, and issued to all Shareholders by way of a bonus issue on the basis of 4 B Shares for every 1 Ordinary Share. The B Shares were issued on 7 March 2025 and immediately redeemed at one penny per B Share. The Redemption date in respect of this B Share issue was 7 March 2025.

## 26.Capital commitments

As at the 31 December 2024 the Group had capital commitments of €nil (2023: €nil).

## 27.Ultimate parent company

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

# EPRA Financial Reporting (Unaudited)

Prepared in accordance with EPRA best practice recommendations (BPR) February 2022.

**EPRA Performance Measures**

| | 31 December 2024 Total | 31 December 2023 Total |
|---|---|---|
| A. EPRA Earnings (€'000) | 12,745 | 13,033 |
| A. EPRA Earnings per share (cents) | 3.1 | 3.2 |
| B. EPRA Net tangible assets ("NTA") (€'000) | 384,442 | 394,550 |
| B. EPRA Net tangible assets per share (cents)[1] | 93.3 | 95.7 |
| C. EPRA Net reinstatement value ("NRV") (€'000) | 419,224 | 430,527 |
| C. EPRA Net reinstatement value per share (cents) | 101.7 | 104.5 |
| D. EPRA Net disposal value ("NDV")(€'000) | 375,143 | 387,785 |
| D. EPRA Net disposal value per share (cents) | 91.0 | 94.1 |
| E. EPRA Net initial yield (%) | 4.9 | 4.4 |
| E. EPRA topped-up net initial yield (%) | 4.9 | 4.4 |
| F. EPRA Vacancy rate (%) | 3.5 | 6.0 |
| G. EPRA Cost ratios - including direct vacancy costs (%) | 29.2 | 34.1 |
| G. EPRA Cost ratios - excluding direct vacancy costs (%) | 28.2 | 32.4 |
| H. EPRA Capital expenditure (€'000) | 135 | 139 |
| I. EPRA Like for like rental growth (%) | -0.3 | 1.8 |
| J. EPRA LTV (%) | 37.2 | 40.0 |

[1] Defined as an Alternative performance measure.

| | | | |
|---|---|---|---|
| A. | **EPRA Earnings (€000)** | | |
| | Earnings per IFRS income statement | 3,030 | (81,801) |
| | Adjustments to calculate EPRA Earnings, exclude: | | |
| | Changes in value of investment properties | 6,284 | 106,878 |
| | Gains on disposal of investment properties | (35) | (133) |
| | Tax on profits on disposals | 482 | 440 |
| | Deferred tax | 771 | (13,854) |
| | Gains arising from the derecognition of derivative financial instruments | (13) | (313) |
| | Early repayment cost due to remeasurement of loan liability | 915 | 110 |
| | Effect of fair value adjustments on derivative financial instruments | 1,311 | 1,706 |
| | **EPRA Earnings** | **12,745** | **13,033** |
| | Weighted average basic number of shares ('000) | 412,174 | 412,174 |
| | **EPRA Earnings per share (cents)** | **3.1** | **3.2** |

**EPRA Performance Measures**

| | 31 December 2024 Total | 31 December 2023 Total |
|---|---|---|

|  |  |  |  |
|---|---|---|---|
| **B.** | **EPRA Net tangible assets ("NTA") (€'000)** |  |  |
|  | IFRS NAV | 374,108 | 384,928 |
|  | Exclude: |  |  |
|  | Fair value of financial instruments | (366) | (1,690) |
|  | Deferred tax in relation to fair value gains of investment property[1] | 10,700 | 11,312 |
|  | **EPRA Net tangible assets** | **384,442** | **394,550** |
|  | Shares in issue at end of year ('000) | 412,174 | 412,174 |
|  | **EPRA Net tangible assets per share (cents)** | **93.3** | **95.7** |

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

|  |  |  |  |
|---|---|---|---|
| **C.** | **EPRA Net reinstatement value ("NRV") (€'000)** |  |  |
|  | EPRA Net tangible assets | 384,442 | 394,550 |
|  | Real estate transfer tax and other purchasers' costs | 34,782 | 35,977 |
|  | **EPRA Net reinstatement value** | **419,224** | **430,527** |
|  | **EPRA Net reinstatement value per share (cents)** | **101.7** | **104.5** |

|  |  |  |  |
|---|---|---|---|
| **D.** | **EPRA Net disposal value ("NDV") (€'000)** |  |  |
|  | IFRS NAV | 374,108 | 384,928 |
|  | Fair value adjustment for fixed interest debt | 1,035 | 2,857 |
|  | **EPRA Net disposal value** | **375,143** | **387,785** |
|  | **EPRA Net disposal value per share (cents)** | **91.0** | **94.1** |

|  |  |  |  |
|---|---|---|---|
| **E.** | **EPRA Net initial yield and 'topped up' NIY disclosure (€'000)** |  |  |
|  | Investment property – wholly owned | 593,991 | 633,806 |
|  | Less: developments | – | – |
|  | Completed property portfolio | 593,991 | 633,806 |
|  | Allowance for estimated purchasers' costs | 34,782 | 35,977 |
|  | Gross up completed property portfolio valuation | 628,773 | 669,783 |
|  | Annualised cash passing rental income[2] | 33,049 | 34,150 |
|  | Property outgoings | (2,295) | (4,392) |
|  | Annualised net rents | 30,754 | 29,758 |
|  | Add: notional rent expiration of rent free periods or other lease incentives | – | – |
|  | Topped-up net annualised rent | 30,754 | 29,758 |
|  | **EPRA NIY (%)** | **4.9** | **4.4** |
|  | **EPRA "topped-up" NIY (%)** | **4.9** | **4.4** |

[2] Calculated based on lease agreements as at the reporting date.

|  |  | **31 December 2024 Total** | **31 December 2023 Total** |
|---|---|---|---|
| **F.** | **EPRA Vacancy rate (€'000)** |  |  |
|  | Estimated rental value of vacant space | 1,277 | 2,231 |
|  | Estimated rental value of whole portfolio | 36,374 | 37,420 |
|  | **EPRA Vacancy Rate (%)** | **3.5** | **6.0** |

EPRA vacancy rate corresponds to the vacancy rate at year-end. It is calculated as the ratio between the estimated market rental value of vacant spaces and potential rents for the operating property portfolio. EPRA vacancy rate does not include leases signed with a future effect date.

| | | | |
|---|---|---|---|
| G. | **EPRA Cost ratios (€'000)** | | |
| | Administrative / property operating expense per IFRS income statement | 17,584 | 19,495 |
| | Net service charge costs / fees | (8,379) | (8,095) |
| | EPRA Costs (including direct vacancy costs) | 9,205 | 11,400 |
| | Direct vacancy costs | (333) | (558) |
| | EPRA Costs (excluding direct vacancy costs) | 8,872 | 10,842 |
| | Gross Rental income less ground rent costs | 31,499 | 33,435 |
| | **EPRA Cost Ratio (including direct vacancy costs) (%)** | **29.2** | **34.1** |
| | **EPRA Cost Ratio (excluding direct vacancy costs) (%)** | **28.2** | **32.4** |
| | Overhead and operating expenses capitalised | – | – |
| H. | **Property related capital expenditure for the Group (€'000)** | | |
| | Acquisitions | – | – |
| | Investment properties: | | |
| | Non incremental lettable space | 135 | 139 |
| | Incremental lettable space | – | – |
| | **Total capital expenditure** | 135 | 139 |
| | Conversion from accrual to cash basis | (191) | 378 |
| | Total CapEx on cash basis | (56) | 517 |

There is no capital expenditure associated with Joint Ventures.
Capital expenditure recognised by the Group that has not resulted in increase of the lettable area.
Please see details in note 9 of consolidated financial statements.
The difference in comparison to note 9 is disposal costs on sale of assets which are not included in above table.

| | | **31 December 2024 Total** | **31 December 2023 Total** |
|---|---|---|---|
| I. | **Like for like rental growth** | | |
| | Rental income growth (%): | | |
| | Germany | (11.4) | 2.1 |
| | Poland | 0.6 | 7.9 |
| | France | 5.1 | 1.3 |
| | Spain | (1.0) | (5.2) |
| | Netherlands | 1.1 | 4.5 |
| | **Like for like rental growth** | **(0.3)** | **1.8** |
| | Rental income total[1] (€000): | | |
| | Germany | 2,983 | 3,366 |
| | Poland | 5,855 | 5,820 |
| | France | 4,305 | 4,098 |
| | Spain | 8,473 | 8,560 |

| | | | |
|---|---|---|---|
| | Netherlands | 11,432 | 12,306 |
| | | 33,048 | 34,150 |

[1] Calculated based on lease agreements as at the reporting date.

| | | | |
|---|---|---|---|
| | Total portfolio value on which the like-for-like rental growth is based (€000): | | |
| | Germany | 59,300 | 63,200 |
| | Poland | 88,890 | 90,390 |
| | France | 77,345 | 99,380 |
| | Spain | 195,256 | 189,136 |
| | Netherlands | 173,200 | 191,700 |
| | | 593,991 | 633,806 |
| **J.** | **EPRA LTV (€'000)** | | |
| | Borrowings from financial institutions[2] | 235,700 | 259,462 |
| | Net payables[3] | 15,322 | 16,353 |
| | Exclude: | | |
| | Cash and cash equivalents | (25,011) | (18,061) |
| | Net debt (a) | 226,011 | 257,754 |
| | Investment properties at fair value[4] | 593,991 | 633,806 |
| | Net receivables (excluding lease incentives)[5] | 13,536 | 10,210 |
| | Total property value (b) | 607,527 | 644,016 |
| | **LTV (a/b) (%)** | **37.2** | **40.0** |

[2] Excludes €915,000 of loan break costs on expected early payment of loan.
[3] Refer to note 13 for details.
[4] Based on independent property valuation. Includes Investment properties held for sale.
[5] Refer to note 10 for details.

# Alternative Investment Fund Managers Directive Disclosures (Unaudited)

abrdn Fund Managers Limited and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') which can be found on the Company's website **eurologisticsincome.co.uk.** There have been no material changes to the disclosures contained within the PIDD since its last publication in May 2024.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 22 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by aFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretaries, abrdn Holdings Limited on request (see contact details on page 122 of the published Annual Report and financial statements for the year ended 31 December 2024) and the numerical remuneration in the disclosures in respect of the AIFM's reporting period for the year ended 31 December 2024 are available on the Company's website.

## Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

| | **Gross method** | **Commitment method** |
|---|---|---|
| Maximum level of leverage | 365.0% | 185.0% |
| Actual level at 31 December 2024 | 158.8% | 158.8% |

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which aFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The Annual Report will be posted to shareholders in early May 2025 and additional copies will be available from the registered office of the Company and on the Company's website, eurologisticsincome.co.uk*

*Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise and may be affected by exchange rate movements.  Investors may not get back the amount they originally invested.*

**Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is (or is deemed to be) incorporated into, or forms (or is deemed to form) part of this announcement.*