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## abrdn European Logistics Income plc

### Company Update and Unaudited Net Asset Value as at 31 December 2022

23 February 2023 - abrdn European Logistics Income plc (LSE: ASLI), the Company which invests in a diversified portfolio of European logistics real estate, announces its unaudited quarterly Net Asset Value ("NAV") for the quarter ended 31 December 2022.

#### Summary

- The portfolio valuation decreased by €48.6 million, or 6%, from €807.4 million to €758.7 million, primarily driven by market wide outward yield movements as a result of rising interest rates
- NAV per Ordinary share decreased by 8.0% to 118.9c (GBP - 105.4p) (30 September 2022: 129.2c (GBP - 114.1p)), reflecting a NAV total return, with distributions reinvested, of -3.8% in Euro terms (+1.7% in sterling) for the 12 months to 31 December 2022
- EPRA Net Tangible Assets<sup>2</sup> decreased by 8.7% to 125.5c per Ordinary share (30 September 2022 - 137.4c)
- Fourth interim dividend for 2022 of 1.41c (GBP - 1.20p) declared, payable on 24 March 2023
- The Company's Loan to Value remains within the stated target range at 34%, with the Investec €70 million master loan undrawn at year end. The Company's fixed debt facilities totalled €270.3 million at an average all-in interest rate of 2.0% with the earliest re-financing required in mid-2025
- Post quarter end, completed a 4,000 sqm long-term lease renewal in Niort, France, significantly ahead of ERV

#### Troels Andersen, Fund Manager, abrdn, commented:

"The portfolio valuation fell in the final quarter of 2022 as property yields moved out and values weakened across all parts of the real estate sector, a result of rapid central bank rate rises. Despite this, the portfolio has demonstrated its resilience versus the greater declines witnessed in the wider listed sector, reflecting the strategic location of our assets, the strength of the occupational market supported by historically low vacancy rates and that the majority of our leases are subject to annual indexation. Whilst we expect the macroeconomic uncertainty to persist in the first half of 2023, the critical undersupply of Grade-A space and continued supply chain reconfiguration should underpin ongoing rental growth."

#### Performance

The unaudited portfolio valuation decreased by €48.6 million in the quarter, or 6.0%, with activity in the markets of the Netherlands and Spain reflecting slightly greater yield expansion compared to those of France, Germany and Poland.

For the 12 month period to 31 December 2022, the Company's net asset value total return with distributions reinvested was -3.8% in Euro terms (+1.7% in sterling terms, calculated on a quarterly basis). Despite the negative Euro NAV total return for 2022, the Company has delivered an annualised NAV total return of 5.2% since launch in Euro terms (5.3% in sterling).

#### Dividend

As previously announced, the Directors have declared a fourth interim distribution for the year ended 31 December 2022 of 1.41 euro cents (equivalent to 1.20 pence) per Ordinary share, which is unchanged from the previous period. The fourth interim dividend will be paid in sterling on 24 March 2023 to Ordinary shareholders on the register on 3 March 2023 (ex-dividend date of 2 March 2023).

#### Rent collection & Asset management

100% of the expected rental income due for the quarter ended 31 December 2022 has been collected.

Post the quarter end, the Company agreed a new 9.5 year lease with Dachser France at its La Creche, Niort, property. The new rent is 3% ahead of previous annual rent payable and significantly ahead of the 30 September 2022 ERV, reinforcing the value of this asset to the tenant, the strategic significance of the location and the continued upward pressure on real rents. Uncapped annual ILAT indexation has been agreed, with the next uplift effective 2025. This will backdate to January 2023 when calculated.

The Company is in advanced discussions on a new lease extension at another of its French assets and will provide further details in due course.

#### Debt Financing

At the end of the quarter, the Company's fixed debt facilities totalled €270.3 million at an average all-in interest rate of 2.0% and with a loan to value of 34%. The Company's secured fixed rate debt supports its investment objective with the earliest re-financing of debt required in mid-2025.

#### Breakdown of NAV movement

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

	Per Share (€cents)	Attributable Assets (€m)	Comment
Net assets as at 30 September 2022	129.2	532.5	
Unrealised decrease in	(11.9)	(48.6)	Portfolio of 27 assets Capital

Unrealised decrease in valuation of property portfolio	(11.0)	(48.0)	Portfolio of 27 assets. Capital values decreased by 6%
Acquisition and capital expenditure costs during the period	(0.1)	(0.5)	
Income earned during the period	2.1	8.5	Income from the property portfolio and associated running costs
Expenses for the period	(1.3)	(5.4)	
Deferred tax liability	1.9	8.0	Net deferred tax liability on the difference between book cost and fair value of the portfolio
FX hedge mark to market revaluation	(0.0)	(0.0)	Movement in the mark to market value of a dividend hedge in Q4 2022 to fix the EUR:GBP conversion of the 2022 dividend
Interest rate swaps and caps/ floors - mark to market revaluation	0.3	1.2	Movement in the mark to market value of interest rate swap and options hedge maturing in 2025 to fix interest rates of bank loans drawn by Spanish SPV's
Distribution paid on 30 December 2022	(1.4)	(5.8)	Third interim dividend for 2022 of 1.20 pence (1.41 euro cents) per Ordinary Share
Foreign currency gain	0.1	0.5	Foreign currency gain in the period
Other movements in reserves	(0.1)	(0.4)	Movement in lease incentives in the quarter
Net assets as at 31 December 2022	118.9	490.0	

EPRA Net Tangible Assets per share is 125.5 Euro cents, which excludes deferred tax liability.

**Net Asset Value analysis as at 31 December 2022 (unaudited)**

	€m	% of net assets
<b>Property Portfolio</b>	<b>758.7</b>	<b>154.8</b>
Adjustment for lease incentives	(4.7)	(1.0)
<b>Fair value of property portfolio</b>	<b>754.0</b>	<b>153.8</b>
Cash	20.3	4.1
Other Assets	25.6	5.3
<b>Total Assets</b>	<b>799.9</b>	<b>163.2</b>
Bank Loans	(270.3)	(55.2)
Other Liabilities	(15.2)	(3.1)
Deferred Tax Liability	(24.4)	(4.9)
<b>Total Net Assets</b>	<b>490.0</b>	<b>100.0</b>

The property portfolio valuation is based on the independent external valuation of the Company's direct property portfolio undertaken wholly by Savills (UK) Limited.

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

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

**Footnotes:**

1 Exchange rate £1 : €1.13 (30 September 2022: £1 : €1.13)

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

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

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The above information is unaudited

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