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abrdn European Logistics Income plc

New letting at Madrid completed 8.7% above previous passing rent following agreement of lease surrender with Arrival

abrdn European Logistics Income plc (the "**Company**" or "**ASLI**"), the Company which invests in high quality European logistics real estate, has agreed an immediate lease surrender with Arrival for the 27,000 sqm of warehousing it previously rented in Getafe, Madrid.

Reflecting the ongoing demand for Grade-A, highly sustainable logistics space in Spain, ASLI has now agreed a new lease for 5,131 sqm of the space, at a rent 8.7% above the previous passing rent, with Spanish transportation company METHOD Advanced Logistics ("METHOD"). METHOD delivers a range of packages across Spain, from small to large including domestic appliances.

Under the terms of the agreement with Arrival, no surrender premium has been received. However, considering the well-noted financial position of Arrival and administration of its UK operation, both the Investment Manager and the Board believe that this is the best outcome allowing the Company to move forward with re-leasing the space.

METHOD has agreed a 3 plus 2 year lease effective immediately and will pursue a near term capex programme at its own expense to deliver four new docks in the façade of the building. There is also strong interest in the adjoining c. 6,000 sqm unit. The Investment Manager's locally-based team continues to actively market the remaining units available in Madrid.

Troels Andersen, Lead Fund Manager for ASLI commented: "These are well-located and modern Grade-A warehouses with LEED Gold accreditation, in a region that is well supported structurally with strong long-term rental growth prospects. Whilst frustrating that the discussions with Arrival haven't been as positive as hoped, the terms of the new lease and the speed with which our on-the-ground team has executed it demonstrates the strength of demand for highly sustainable, tenant critical warehouse space in the Madrid area."

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