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5 July 2024

For Immediate Release

**abrdn European Logistics Income plc**

**Publication of Circular and Notice of General Meeting**

Further to the announcement of 20 May 2024, the Board of abrdn European Logistics Income plc (the "Company") announces that a circular (the "Circular") to convene a general meeting (the "General Meeting") has been published today and sent to shareholders ("Shareholders"), the purpose of which is to propose the adoption of an amended investment policy in order to implement a managed wind-down of the Company (the "Managed Wind-Down").

Under the proposed Managed Wind-Down process, the Company will be managed with the intention of realising all the assets in its portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to Shareholders.

The adoption of the amended investment policy is conditional on Shareholder approval by way of an ordinary resolution requiring the approval of a majority of the Company's shares voted at the General Meeting (whether in person or by proxy).

Additionally, in order to assist with the future process of distributing net disposal proceeds from the sale of assets to Shareholders, the Company is proposing a further special resolution at the General Meeting to cancel the Company's current share premium account in order to create further distributable reserves for the Company.

The Board unanimously recommends that Shareholders vote in favour of both resolutions to be proposed at the General Meeting.

The Board and abrdn Fund Managers Limited ("abrdn", the "Manager") anticipate that the realisation of the portfolio will be concluded over an 18-24 month period, a timeframe driven by, amongst other things, the market environment. The intention is that the net disposal proceeds will be used to balance the repayment of debt and return of capital to Shareholders. On the basis of the realisation profile of the portfolio anticipated by the Manager, the Company is targeting the commencement of returning capital to Shareholders by the end of 2024.

The Company will seek to return cash to Shareholders in an efficient and fair manner that accounts for, among other things, the UK tax consequences for Shareholders and the composition of the Company's Shareholder register.

**Changes to the Investment Management Agreement**

Conditional upon the adoption of the amended investment policy, the Board and the Manager intend to amend the terms of the current investment management agreement between the Company and the Manager (the "Investment Management Agreement") to ensure, amongst other things, that the Manager's fee arrangements are appropriately aligned with the objective of maximising the value realised from the disposal of the Company's assets in a timely manner.

Details of the proposed changes to be made to the Investment Management Agreement have been set out in the Appendix to this announcement and shall, if Shareholders approve the adoption of the amended investment policy at the General Meeting, be documented in an amendment to the Investment Management Agreement, effective from 1 August 2024.

The proposed changes to the Investment Management Agreement fall within Listing Rule 11.1.10R (smaller related party transactions) and the details set out in this announcement are being notified in accordance with Listing Rule 11.1.10R(2)(c).

**General Meeting**

The General Meeting has been convened for 10.00 a.m. on Tuesday, 23 July 2024 to be held at the offices of abrdn plc, 18 Bishops Square, London, E1 6EG. The expected timetable of principal events in relation to the General Meeting is as follows:

**Event**

Publication of Circular

**Time and Date**

Friday 5 July 2024

Latest time and date for receipt of proxy appointments and instructions for the General Meeting

10.00 a.m. on Friday 19 July 2024

General Meeting

10.00 a.m. on Tuesday 23 July 2024

The Circular will be made available on the Company's website at <https://www.eurologisticsincome.co.uk/en-gb/literature>. For the avoidance of doubt, neither the contents of this website nor the contents of any websites accessible from any hyperlinks are incorporated into or form part of this announcement.

A copy of the Circular will also be submitted to the National Storage Mechanism, where it will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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Capitalised terms used in this announcement have the meanings given to them in the Circular.

*LEI Number*

The Company's LEI Number is 213800I9YIKKNRT3G50

#### **Appendix** **Proposed Changes to the Investment Management Agreement**

The Board and the Manager have agreed to a material reduction in the management fee (the "Management Fee") level and a reduction in the marketing fee (the "Marketing Fee"), with the introduction of a new fee structure. This new fee structure includes the reduced Management Fee, the reduced Marketing Fee and the introduction of a disposal fee (the "Disposal Fee") and a conditional disposal fee (the "Conditional Disposal Fee"), where fees will be linked to the net realised value of asset sales after accounting for adviser fees and any taxes payable, as described below.

In addition to the below, the Manager has agreed that the notice period under the Investment Management Agreement will be reduced from twelve months down to three months, with such notice not to be served before 31 March 2025. The Board has also agreed a key person risk provision with the Manager to ensure continuity of management services.

Subject to the adoption of the new investment policy, the Manager's current fee arrangement will be replaced, effective from 1 August 2024, with the following:

- 1) a Management Fee of 0.5 per cent. per annum of the IFRS NAV, calculated and paid monthly in arrears until the Company's shares are delisted;
- 2) a Disposal Fee of 0.65 per cent. of net disposal proceeds realised per asset (being the disposal proceeds received from the date of the General Meeting, after the deduction of all disposal costs and all taxation payable). To better align with Shareholder interests, such fees will be payable in two instalments:
  - a) an initial payment once properties which represented at least 80 per cent. of the Portfolio Value have been sold; and
  - b) a balancing payment once 100 per cent. of all properties have been sold.
- 3) A Conditional Disposal Fee payable on completion of the portfolio Managed Wind-Down process consisting of:
  - i) 0.05 per cent. of aggregate net disposal proceeds if the aggregate gross sales value achieved is equivalent to not less than 95 per cent. of the Portfolio Value, or
  - ii) 0.1 per cent. of aggregate net disposal proceeds if the aggregate gross sales value achieved is equivalent to not less than 100 per cent. of the Portfolio Value.
- 4) A reduced annual Marketing Fee of £95,000 in relation to abrdn's investor relations services and Shareholder communications (including management of the Company website and other Shareholder literature).

For the purposes of the above, "Portfolio Value" means the valuation of the portfolio as at 31 March 2024 (being the date of the most recent valuation of the Company's portfolio).

The Manager is a related party to the Company and this change to the Investment Management Agreement constitutes a smaller related party transaction under Listing Rule 11.1.10R. For the purposes of Chapter 11 of the Listing Rules, the combined fees receivable in sections 1 to 4 above will be capped at 4.99 per cent. of the Company's IFRS NAV as at 31 March 2024. This cap is a technical requirement under the Listing Rules and the Board expects the aggregate fees to be substantially lower than the cap.

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