

Baillie Gifford European Growth Trust plc (BGEU)

Legal Entity Identifier: 213800QNN9EHZ4SC1R12

Regulated Information Classification: Annual Financial and Audit Reports

Annual Report and Financial Statements

Further to the preliminary statement of audited annual results announced to the Stock Exchange on 26 November 2024, Baillie Gifford European Growth Trust PLC ("the Company") announces that the Company's Annual Report and Financial Statements for the year ended 30 September 2024, including the Notice of Annual General Meeting, has been posted to shareholders and submitted electronically to the National Storage Mechanism where it will shortly be available for inspection at data.fca.org.uk/#/nsm/nationalstoragemechanism

It is also available on the Company's page of the Baillie Gifford website at: bgeuropeangrowth.com (as is the preliminary statement of audited annual results announced by the Company on 26 November 2024).

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

Each of the Directors, whose names and functions are listed within the Directors and Managers section of the Annual Report and Financial Statements, confirm that, to the best of their 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 net return of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces (as also set out below); and
- 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 Company's position and performance, business model and strategy.

Principal and emerging risks relating to the Company

As explained on page 64 of the Annual Report and Financial Statements there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Directors have undertaken a robust assessment of the principal and emerging risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. A description of these risks and how they are being managed or mitigated is set out below:

	What is the risk?	How is it managed?	Current as
Financial Risk	The Company's assets consist mainly of listed securities (94% of the investment portfolio) and its principal and emerging financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 19 to the Financial Statements on pages 97 to 103 of the Annual Report and Financial Statements.	The Board has, in particular, considered the impact of heightened market volatility due to macroeconomic factors such as higher inflation and interest rates and geopolitical concerns. In order to oversee this risk, the Board considers at each meeting various metrics including regional and industrial sector weightings, top and bottom stock contributors to performance along with sales and purchases of investments. Individual investments are discussed with the portfolio manager together with general views on the investment markets and sectors. A strategy session is held annually.	■ Current as The prosp remains, g geopolitic.
Investment strategy risk	Pursuit of an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value.	To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register and raises any matters of concern with the Managers.	▲ During the NAV total r benchmari signs that for growth by the Con
Political and associated economic risk	Political change in areas in which the Company invests or may invest may have financial consequences for the Company.	To mitigate this risk developments are closely monitored and considered by the Board and are regularly discussed at Board meetings.	■ The prosp volatility r continuing instability
Discount risk	The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company.	To manage this risk, the Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders.	■ The Comp at an aver 14.3% thrc and it bou ordinary s the year. T put in plac tender offe on page 8 and Finan
Regulatory risk	Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the UK Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. Changes to the regulatory environment could negatively impact the Company.	To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.	■ All control working ef been no m changes th Company i
Custody and depositary risk	Safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of	To mitigate this risk, the Audit Committee receives six-monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash	■ All control working ef



Cyber security.

Company's assets held by the Custodian, cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers who also agree uncertificated private portfolio holdings to confirmations from investee companies. The Custodian's audited internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated. In addition, the existence of assets is subject to annual external audit.

	What is the risk?	How is it managed?	Current as
Operational risk	Failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets.	To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption. The Audit Committee reviews Baillie Gifford's Report on Internal Controls and reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit Committee and any concerns investigated. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.	■ All control working ef
Leverage risk	The Company may borrow money for investment purposes (sometimes known as 'gearing' or 'leverage'). If the investments fall in value, any borrowings will magnify the extent of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings.	To mitigate this risk, all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found on page 115 of the Annual Report and Financial Statements and the Glossary of terms and alternative performance measures on pages 118 to 120 of the Annual Report and Financial Statements.	■ The Comp: term borrc and 2040.
Climate and governance risk	Perceived problems on environmental, social and governance (ESG) matters in an investee company could lead to that company's shares being less attractive to investors, adversely affecting its share price, in addition to potential valuation issues arising from any direct impact of the failure to address the ESG weakness on the operations or management of the investee company (for example in the event of an industrial accident or spillage). Repeated failure by the Managers to identify ESG weaknesses in investee companies could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price.	This is mitigated by the Managers' strong ESG stewardship and engagement policies which are available to view on the Managers' website, bailliegifford.com/esg , and which have been reviewed and endorsed by the Company, and which have been fully integrated into the investment process. Due diligence includes assessment of the risks inherent in climate change (see page 66 of the Annual Report and Financial Statements.).	■ The Invest continues stewardsh policies.
Cyber security risk	A cyber attack on Baillie Gifford's network or that of a third party service provider could impact the confidentiality, integrity or availability of data and systems. Emerging technologies, including AI and quantum computing capabilities, may introduce new, and increase existing information security risks that impact operations.	To mitigate this risk, the Audit Committee reviews Reports on Internal Controls published by Baillie Gifford and other third party service providers. Cyber security due diligence is performed by Baillie Gifford on third party service providers which includes a review of crisis management and business continuity frameworks.	▲ This risk is to recent ii continuati tensions c attacks. Er including, increase ir risks. In ar providers approach working, tl potential c threat.
Emerging risk	As explained on page 64 and 65 of the Annual Report and Financial Statements, the Board has regular discussions on principal and emerging risks, including any risks which are not an immediate threat but could arise in the longer term. The Board considers emerging risks at each Board meeting and discusses any mitigations required.		

Baillie Gifford & Co Limited
Company Secretaries
9 December 2024



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