

European Assets Trust PLC

Report and Accounts for the
half-year ended 30 June 2022



European Assets Trust
CELEBRATING 50 YEARS

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Company Overview

- The Company's objective is to achieve long-term growth of capital through investment in quoted small and medium sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted with dividends paid out of current year revenue profits and the Distributable Reserve.
- Through its aim to pay Shareholders a dividend of 6% based on the Net Asset Value ("NAV") on 31 December each year, the Company has offered an attractive level of yield – both in absolute terms and relative to other asset classes. Investors seeking long-term capital appreciation meanwhile can choose to reinvest dividends in order to enhance their growth potential.
- The Board seeks to manage liquidity in the Company's shares through its ability to issue or buyback shares dependant on the extent of any share premium or discount. This is designed to reduce the volatility of the Company's share price relative to its Net Asset Value.
- With an Ongoing Charges ratio of 0.89%[†] the Company compares favourably with open-ended investment companies and many other investment trusts. The cumulative benefits of low costs are very significant for long-term investors.

[†] Year ended 31 December 2021 – calculated with reference to the basis recommended by the Association of Investment Companies ("AIC").

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Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

The Company's shares are excluded from the UK Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream pooled investments as the Company's portfolio is wholly made up of shares, which are not themselves issued by other investment funds. The Company conducts its affairs so that its shares can be recommended by financial advisers to ordinary retail investors in accordance with the FCA rules relating to non-mainstream investment products and intends to continue to do so.

Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Board's current view and on information known to it at the date of this document. Nothing should be construed as a profit forecast.

Financial Highlights

-31.4%

NAV performance

The Company recorded a Sterling Net Asset Value per share total return⁽¹⁾ of -31.4% for the six-month period. This was behind the EMIX Smaller European Companies (ex UK) Index (our “Benchmark”) which returned -21.0%. Further analysis of the performance is provided in the Chairman’s Statement and Investment Manager’s Review.

-31.8%

Share price performance

The Sterling share price total return⁽¹⁾ for the six-month period was -31.8% with the price ending the period at 91.6p. The discount* to NAV ended the period at -5.0% (31 December 2022: -4.4%). The average discount for the period was -3.7%.

⁽¹⁾ Total Return – the return to Shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or Net Asset Value in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 31 December 2021.

Summary of Performance

Investing in European small and medium sized companies to deliver attractive returns

Total Return for the six months ended 30 June	2022		2021	
	Sterling	Euro	Sterling	Euro
Net Asset Value*	(31.4%)	(33.1%)	13.4%	18.2%
Share price*	(31.8%)	(33.5%)	17.6%	22.7%
EMIX Smaller European Companies (ex UK) Index ∞	(21.0%)	(23.0%)	10.5%	15.2%

Capital Return	30 June 2022		31 December 2021	
	Sterling	Euro	Sterling	Euro
Net assets - millions	£347.4	€403.5	£525.4	€625.8
Net Asset Value per share	£0.96	€1.12	£1.46	€1.74
Share price per share	£0.92	€1.06†	£1.40	€1.66†
EMIX Smaller European Companies (ex UK) Index ∞	611.68	710.60	786.06	936.23

Discount*	30 June 2022		31 December 2021	
	(5.0%)		(4.4%)	
Discount per share (in Sterling terms)				

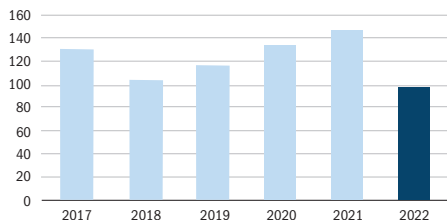
Distributions per share	2022		2021	
	Sterling		Sterling	
Dividends paid per share - as at 30 June	4.40p		4.00p	
Dividends announced for the year	8.80p		8.00p	

* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 31 December 2021.

† Converted at the relevant rate of exchange on the balance sheet date.

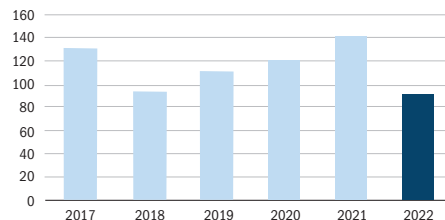
∞ With effect from 1 April 2021 the benchmark changed from EMIX Smaller European Companies (ex UK) Index (gross) to EMIX Smaller European Companies (ex UK) Index (net).

Net Asset Value per share as at 30 June 2022 (Comparatives 31 December) – pence*†



Source: Columbia Threadneedle Investment Business Limited

Share Price as at 30 June 2022 (Comparatives 31 December) – pence**†



Source: Columbia Threadneedle Investment Business Limited

* Prior year comparatives adjusted for the ten for one stock split effective 3 May 2018.

† European Assets Trust NV prior to the migration effective 16 March 2019.

Chairman's Statement

Fellow Shareholders,

This report is for the six-month period ended 30 June 2022.

European Assets Trust PLC ("the Company") recorded a Sterling Net Asset Value ("NAV") total return during this period of -31.4%. The Sterling share price return for the period was -31.8%. These results compare to the total return of the Company's benchmark, the EMIX Smaller European Companies (ex UK) Index of -21.0% for the same period. At the period end the NAV was 96.0p (31 December 2021: 146.0p) and the share price was 92.0p (31 December 2021: 140.0p). At 30 June 2022, the discount was 5.0% (31 December 2021: 4.4%).

This has been a difficult six months with markets falling across the board. Rising inflation expectations have driven interest rates higher causing an aggressive market sell-off that has been exacerbated by a war in Eastern Europe and more recently by recession fears in most major economies. Consumer income and corporate profits are under pressure from both higher input and borrowing costs as central banks look to fight inflation. This has been particularly painful for our portfolio which has significantly underperformed the benchmark. These higher rates have caused an intra market rotation away from quality, growth stocks towards value areas. Given our portfolio displays higher quality and better growth characteristics than the benchmark, these factors have largely been the drivers of our underperformance. We can, however, take some reassurance that the operational performance of our holdings, in aggregate, has been good and is meeting our expectations. Unfortunately, market sentiment and the consequent valuation compression has disproportionately affected the portfolio.

Dividends

The 2022 dividend of 8.8p per share, which represents an increase of 10.0% from the 2021 dividend of 8.0p per share, is payable in four equal

instalments of 2.2p. Dividends of 2.2p have been paid on 31 January, 29 April and 29 July. A further instalment of 2.2p will be paid on 31 October 2022.

As at 1 August 2022, the latest practicable date prior to publication of this announcement, an annual dividend of 8.8p per share represents a yield of 9.2% calculated with reference to the Company's closing share price of 95.7p that day.

The level of dividend paid each year is determined in accordance with the Company's distribution policy. The Company has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of its NAV at the end of the preceding year. Should the NAV at 31 December 2022 be lower than the NAV at the 2021 year end then the value of the dividend payable in 2023 would be expected to be proportionately lower.

Investment manager

On 8 November 2021, BMO sold its asset management business in Europe, the Middle East and Africa, ("BMO GAM EMEA") to Columbia Threadneedle Investments. Since November 2021, Columbia Threadneedle Investments has been working to integrate both organisations, focused on delivering the best possible outcomes for all clients. The combined business has more than 2,500 staff, including over 650 investment professionals based in North America, Europe and Asia. At 31 March 2022 it managed £531 billion of client assets.

On 4 July 2022, the entire BMO GAM EMEA business was rebranded as Columbia Threadneedle Investments. As part of this process, the Company's appointed manager, BMO Investment Business Limited, was renamed Columbia Threadneedle Investment Business Limited.

Throughout this process, the Board has sought and received confirmation from senior management at Columbia Threadneedle Investments of the importance of maintaining stability and continuity of the teams which presently support your Company.

The Board welcomes these assurances and will ensure that Shareholders are kept informed of developments as this new relationship evolves.

Fiftieth Anniversary

This year the Company celebrates its fiftieth anniversary. The Company was created in 1972 following the acquisition of a Dutch investment company 'Mijbeb NV' by a consortium of United Kingdom institutional investors and the appointment of a predecessor of Columbia Threadneedle Investment Business Limited as its Manager.

Initially the Company was listed solely on the Amsterdam Stock Exchange. In 1983 its shares were also listed on the London Stock Exchange. Until 1982 the Company was called European Community Trust NV. It was then renamed European Assets Trust NV and in 2019, following its migration from the Netherlands to the United Kingdom and delisting from the Amsterdam Stock Exchange, became European Assets Trust PLC.

A timeline of significant events in the Company's history is provided beginning on page 30 of this Report.

To celebrate the 50th anniversary of the Company, the Board attended the closing bell ceremony at the London Stock Exchange on 18 May 2022.



Left to right: Julia Bond OBE, Martin Breuer, Pui Kei Yuen, Jack Perry CBE, Stuart Paterson.

Outlook

The mood in the markets is obviously despondent. Europe is heading into a winter with potential gas shortages presenting a significant problem for all of Europe but particularly for its major economy, Germany. Central banks are still trying to get to grips with inflation and interest rate expectations are yet to settle. With this level of macro-economic volatility, it is sometimes easy to lose sight of the potential of our focus markets. European smaller companies represent a large, diverse market, composed of a collection of dynamic, entrepreneurial businesses that through time are expected to navigate their way well through challenging circumstances. So while the environment remains tough, the operational performance of our portfolio of companies, in the aggregate, is encouraging. These characteristics were not rewarded in the first half. We are confident that they will be over the long term.

Jack Perry CBE

Chairman

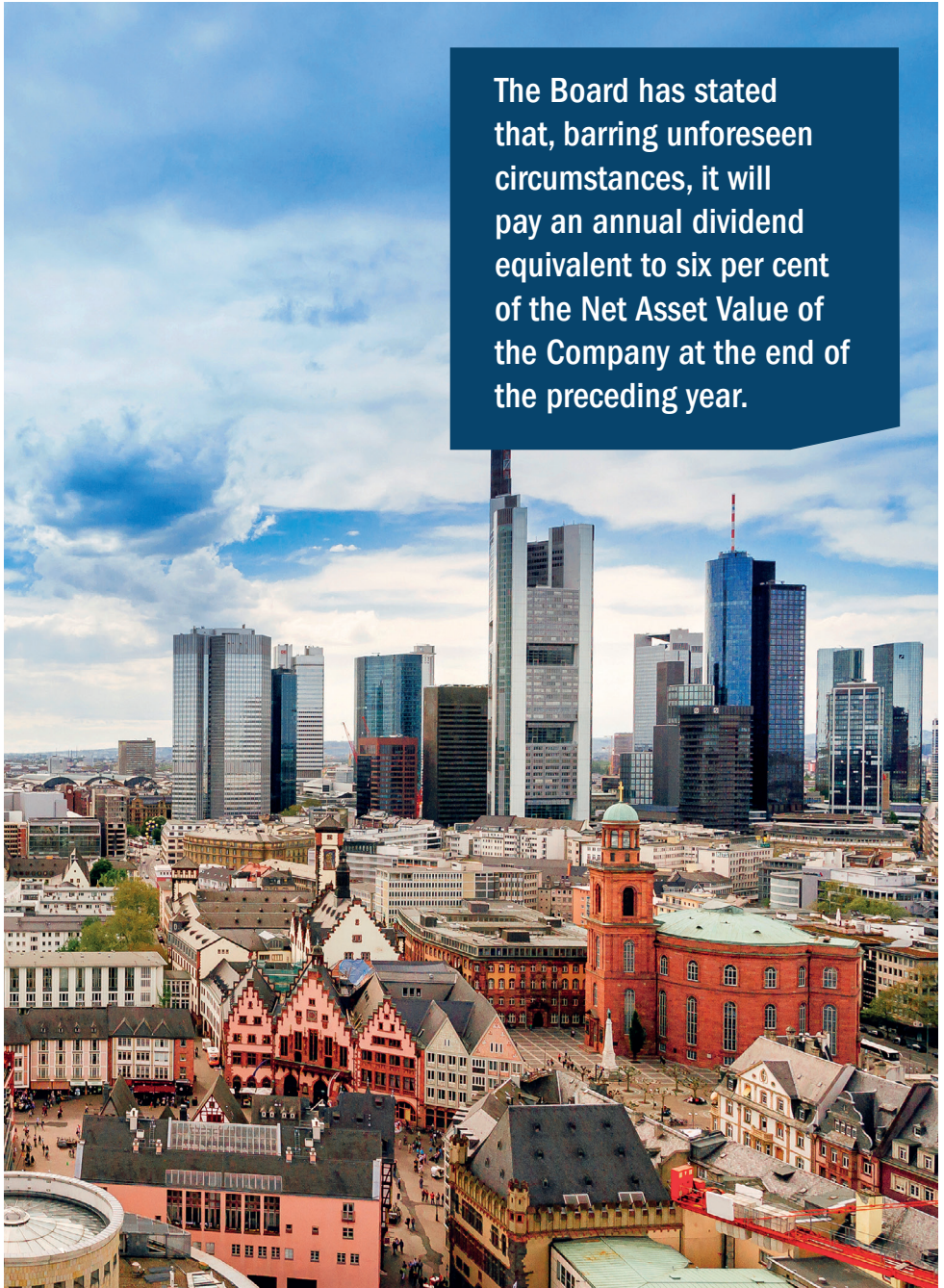
Investment Portfolio

Company	Nature of Business	Valuation £'000	% of Total Assets	Country of Incorporation
SIG Group (formerly SIG Combibloc)	Systems and Consumables Provider for Aseptic Packaging	13,789	4.0%	Switzerland
Ringkjøbing Landbobank	Regional Banking	12,074	3.5%	Denmark
Interpump	Industrial Producer of Fluid Movement Pumps and Hydraulic Components	11,156	3.2%	Italy
Gerresheimer	Glass and Plastic Containers	10,793	3.1%	Germany
Lotus Bakeries	Indulgent and Natural Snack Manufacturer	10,596	3.1%	Belgium
Lectra	Provider to the Fashion, Automotive and Furniture Industries	10,434	3.0%	France
Sligro Food Group	Food and Beverage Provider	10,252	2.9%	Netherlands
Tecan	Automated Laboratory Instruments and Solutions	9,969	2.9%	Switzerland
SpareBank	Banking	9,956	2.9%	Norway
IMCD	Speciality Chemical Distributor	9,629	2.8%	Netherlands
Ten largest investments		108,648	31.4%	
Atea	Value Added IT Hardware and Software Reseller	9,320	2.7%	Norway
Storebrand	Long-term Savings and Insurance	9,257	2.7%	Norway
Alten	Outsourced Engineering and R&D Provider	9,241	2.7%	France
Forbo	Flooring, Adhesives and Conveyor Belts	8,591	2.5%	Switzerland
Amorim	Cork Product Producer	8,497	2.4%	Portugal
Karnov	Mission Critical Information Provider to the Legal Industry	8,489	2.4%	Sweden
Royal Unibrew	Nordic and Baltic Beverage Producer	8,381	2.4%	Denmark
Coor	Provider of Integrated Facilities Management and Consulting Services	8,289	2.4%	Sweden
Fluidra	Swimming Pool Equipment and Maintenance	8,240	2.4%	Spain
Cairn Homes	House Builder	8,124	2.3%	Ireland
Twenty largest investments		195,077	56.3%	
Symrise	Speciality Chemicals	7,721	2.2%	Germany
ASM International	Semiconductor Equipment	7,642	2.2%	Netherlands
Marel	Solutions for Poultry, Fish and Meat Processing Industries	7,302	2.1%	Iceland
Nordic Semiconductor	Market Leader in Low Power Bluetooth Semiconductor Design	7,249	2.1%	Norway
Stratec	Manufacturer of Invitro Diagnostic Instrumentation and Consumables	6,866	2.0%	Germany
Thule	Outdoor and Transportation Product Manufacturer	6,771	1.9%	Sweden
Hexpol	Chemical Compounder	6,766	1.9%	Sweden
SimCorp	Provider of Highly Specialised Software for the Investment Management Industry	6,627	1.9%	Denmark
CTS Eventim	Concerts and Ticketing	6,498	1.9%	Germany
Verallia	Glass Bottle Manufacturer	6,125	1.8%	France
Thirty largest investments		264,644	76.3%	
Indutrade	Niche Industrial Conglomerate	6,045	1.7%	Sweden
MIPS	Helmet Safety	5,741	1.6%	Sweden
Sdiptech	Industrial Consolidator Focused on Sustainability	5,501	1.6%	Sweden
flatxDEGIRO	Online Broker	5,365	1.5%	Germany
Bank of Ireland	National Bank Operating in a Consolidated Market	5,344	1.5%	Ireland
Norma	Plastic and Metal Based Components	5,112	1.5%	Germany
Azimut	Asset Management	5,072	1.5%	Italy
Carasent	Cloud Healthcare Software Provider	5,007	1.4%	Norway
Rational	Specialist in Hot Food Preparation for Professionals	4,761	1.4%	Germany
HelloFresh	Home Meal Kit Provider	4,588	1.3%	Germany
Forty largest investments		317,180	91.3%	

Investment Portfolio (continued)

Company	Nature of Business	Valuation £'000	% of Total Assets	Country of Incorporation
Dalata Hotel Group	Hotel Chain Operator	3,973	1.1%	Ireland
Merlin Properties	Commercial Real Estate Owner	3,808	1.1%	Spain
Schoeller Bleckmann Oilfield Equipment	Oilfield Equipment Manufacturer	3,630	1.0%	Austria
Avanza Bank	Swedish Savings and Investment Platform	3,513	1.0%	Sweden
TGS (formerly TGS Nopec Geophysical)	Geophysical Consulting and Contracting Services	2,737	0.8%	Norway
V Zug	Luxury Household Appliance Manufacturer and Service Provider	2,720	0.8%	Switzerland
Global Fashion Group	Online Fashion Retailer	1,985	0.6%	Germany
Wizz Air	Budget Airline	1,425	0.4%	Switzerland
Mister Spex	Omnichannel Eyewear Retailer	195	0.1%	Germany
Total investments		341,166	98.2%	
Net current assets		6,191	1.8%	
Total assets less current liabilities		347,357	100.0%	

The Board has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of the Net Asset Value of the Company at the end of the preceding year.



Investment Manager's Review

Market background

This has been a challenging six months for European smaller companies, but they were not alone; developed market equities had the worst first half for over 50 years. The initial market weakness was precipitated by consistently rising inflation data, causing expectations of a faster tightening cycle led by the US Federal Reserve. This rapid reset of interest rate expectations caused aggressive market moves and for equities a huge rotation out of quality, growth areas into more value areas with energy being the main beneficiary. The Russian invasion of Ukraine in February exacerbated these trends with oil and food prices spiking. Meanwhile, China's zero COVID-19 policy and regional lockdowns added to supply chain restrictions further fuelling rising input costs. In an effort to quell inflation, central banks have become increasingly hawkish and this has increased recessionary expectations, leading to further market declines.

Performance

The NAV has underperformed the benchmark significantly. The main reason for this is the rotation away from growth stocks. The best illustration of this is that Energy, a sector in which we are underweight, was the outstanding performing sector of the benchmark rising over 21% (in GBP) whilst Healthcare, a sector you would expect to perform well during a market sell-off, being one of the worst performers, falling over 30%. Other sectors to struggle were Information Technology and perhaps not surprisingly Consumer Discretionary.

In aggregate, our weakest performance came from our Industrial holdings. Whilst we are underweight the sector, our stocks performed poorly. Wizz Air for example, a stock that is positively exposed to the post COVID-19 travel recovery, suffered through its exposure to Ukraine, rising fuel costs and airport staffing issues. We did, however, react

quickly as these headwinds appeared, reducing the position aggressively at the outset of the invasion. Other industrials that hurt us were Sdiptech, an infrastructure technology consolidator, Interpump, the Italian component manufacturer and Fluidra, the global leading swimming pool equipment supplier, despite them all delivering good operating results in the first half. In fact, this was the case for the whole portfolio where operational delivery by our holdings, in aggregate, was good, yet the shares were hit hard by valuation compression.

As we have already discussed, growth stocks were significantly out of favour and those also exposed to consumer spending had an especially difficult time. For example, MIPS, the Swedish listed designer of safety inlays for helmets, lost more than half its value. Admittedly its full year results, released in February were disappointing, with sales held back by supply issues in China. Q1 results were, however, well ahead of expectations, though this wasn't enough to offset market rotation. This also impacted Nordic Semiconductor, the global leading designer of Bluetooth semiconductors, Thule, the Swedish outdoor equipment brand, and flatexDEGIRO, the online broker which saw lower consumer trading activity.

Our top performers were those that held up better than the market and are perceived to have defensive qualities. For example, Lotus Bakeries, a family run business that owns, among others, the Biscoff, Nakd and Bear brands. This company performed well on the view that though under pressure, its portfolio of quality branded snacks remain well placed.

Coor Service Management, the integrated services management company, also had a strong first half. They are emerging from COVID-19 in a strong position and their long-term contract base ensures

that they have good visibility on their earnings. Corticeira Amorim is also having a good year. The Portuguese global leader in cork products, benefitted from stable end markets with the support of a strong dollar which makes up a material part of their revenues.

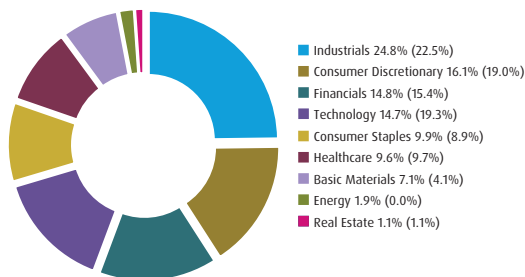
Our traditional financials also had a good first half. Ringkjoebing Landbobank, one of our largest positions, continues to deliver strong operational performance, whilst Storebrand, the Norwegian life insurance company, and Sparebank, the regional Norwegian bank, both outperformed the benchmark. Rising interest rates now provide a tailwind for these companies, whilst our Norwegian holdings are also getting the benefit of higher oil prices which provides substantial support for the local economy.

Other stocks that performed well were the Swedish listed information supplier to the legal sector, Karnov, the French industrial technology company, Lectra, the Irish home builder, Cairn Homes, and the Dutch Food distributor, Sligro. We also benefitted from having minimal weighting in Real Estate, a relatively large and poorly performing component of our benchmark.

Portfolio activity

As you would expect, we are maintaining our investment philosophy and process. We therefore continue to run a portfolio with better quality and growth characteristics than the benchmark. We cannot, however, ignore the fact that 2022 has seen some seismic events and we need to account for this in our positioning. For example, the Ukrainian war has highlighted the challenge in trying to transition to renewable energy whilst relying on the supply of Russian gas. There has been a dearth of capital investment in traditional energy supplies, which we know now is essential for economic activity until renewable energies are of sufficient scale. We believe this capital cycle is turning and will benefit energy companies. We

Portfolio Split by Sector as at 30 June 2022

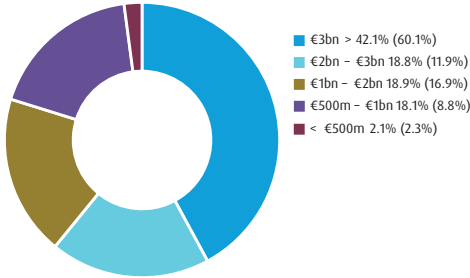


Source: Columbia Threadneedle Investment Business Limited
Comparatives in brackets as at 31 December 2021.

have therefore added to our holding in TGS, the global leading seismic data company, and Schoeller Bleckmenn Oilfield Equipment, the market leader in drill components sold to the oil industry. We have also reduced our exposure to companies that are hurt by rising energy costs, reducing significantly our holding in Wizz Air as mentioned previously. We also sold Vidrala, the Spanish glass bottling company, that utilises an energy intense production process and has no protection from hedging.

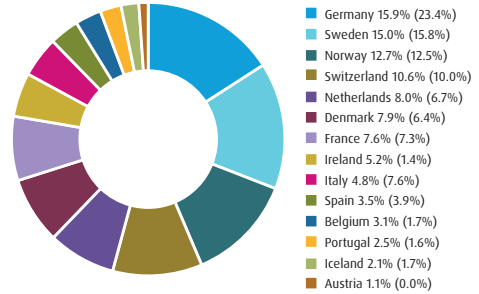
We have also pared back our consumer discretionary exposure which has involved trimming several positions and selling our holding in Dometic, which sells components into the recreational vehicle market. In addition to concern about potential weakness of the end markets, we had concerns over the company's financial leverage. Refinancing debt is becoming increasingly expensive, and we think heavily indebted companies are to be avoided. Please note that our portfolio holdings in aggregate have far less exposure to debt than our benchmark.

Portfolio Split by Market Capitalisation as at 30 June 2022



Source: Columbia Threadneedle Investment Business Limited

Portfolio Split by Country as at 30 June 2022



Source: Columbia Threadneedle Investment Business Limited

Outlook

The outlook for the European economy is challenging. The region is facing a winter with potentially severe gas shortages and consumers and corporates are facing significantly increased costs. In fact, a recession in the UK, Europe and US is now expected though this economic weakness is expected to be relatively mild. Corporate inventories are low, consumer and corporate balance sheets are in good shape, and the banking sector looks robust. Markets have also moved quickly and now look to be good value, particularly in Europe which has suffered the main effects of the Ukraine conflict. This aggressive compression in valuations now provides opportunities. Good quality growth stocks do not look expensive, and we would expect to add some new holdings from our watchlist through the second half of the year. We believe that good franchises will have pricing power and therefore the potential for revenue and margin growth. In an environment of rising and volatile costs we would expect them to deliver better

operational results than the market and would expect such performance to be rewarded once interest rate expectations settle down.

Sam Cosh

Lead Investment Manager

Columbia Threadneedle Investment Business Limited

Condensed Statement of Comprehensive Income

Notes	Half-year ended 30 June 2022 (Unaudited)		
	Revenue £'000s	Capital £'000s	Total £'000s
(Losses)/gains on investments held at fair value through profit or loss	-	(178,269)	(178,269)
Foreign exchange (losses)/gains	(20)	(365)	(385)
Income	6,391	-	6,391
Management fees	(348)	(1,391)	(1,739)
Other expenses	(482)	(14)	(496)
Profit/(loss) before finance costs and taxation	5,541	(180,039)	(174,498)
Finance costs	(24)	(99)	(123)
Profit/(loss) before taxation	5,517	(180,138)	(174,621)
Taxation	(684)	-	(684)
Profit/(loss) for the year and total comprehensive income	4,833	(180,138)	(175,305)
² Earnings per share – pence	1.34	(50.03)	(48.69)

The total column of this statement represents the Company's Income Statement and Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards. The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

Half-year ended 30 June 2021 (Unaudited)			Year ended 31 December 2021 (Audited)		
Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
-	78,711	78,711	-	102,892	102,892
7	824	831	8	469	477
5,778	-	5,778	8,157	-	8,157
(357)	(1,427)	(1,784)	(739)	(2,954)	(3,693)
(496)	(4)	(500)	(995)	(7)	(1,002)
4,932	78,104	83,036	6,431	100,400	106,831
(21)	(87)	(108)	(50)	(201)	(251)
4,911	78,017	82,928	6,381	100,199	106,580
(731)	-	(731)	(937)	-	(937)
4,180	78,017	82,197	5,444	100,199	105,643
1.16	21.67	22.83	1.51	27.83	29.34

Unaudited Condensed Statement of Changes in Equity

Notes	Share capital £'000s
Half-year ended 30 June 2022 (Unaudited)	
Balance at 31 December 2021	37,506
Movement during the half-year ended 30 June 2022	
5 Interim dividends distributed and reinvested	-
Total comprehensive income	-
Cumulative translation adjustment	-
Balance as at 30 June 2022	37,506
Half-year ended 30 June 2021 (Unaudited)	
Balance at 31 December 2020	37,506
Movement during the half-year ended 30 June 2021	
Interim dividends distributed and reinvested	-
5 Total comprehensive income	-
Cumulative translation adjustment	-
Balance as at 30 June 2021	37,506
For the year ended 31 December 2021 (Audited)	
Balance at 31 December 2020	37,506
Movement during the year ended 31 December 2021	
5 Interim dividends distributed and reinvested	-
Total comprehensive income	-
Cumulative translation adjustment	-
Balance as at 31 December 2021	37,506

Distributable reserve £'000s	Capital reserve £'000s	Revenue reserve £'000s	Cumulative translation reserve £'000s	Total Shareholders' funds £'000s
322,694	188,661	-	(23,426)	525,435
(11,011)	-	(4,833)	-	(15,844)
-	(180,138)	4,833	-	(175,305)
-	-	-	13,071	13,071
311,683	8,523	-	(10,355)	347,357
346,054	88,462	-	5,982	478,004
(10,222)	-	(4,180)	-	(14,402)
-	78,017	4,180	-	82,197
-	-	-	(19,408)	(19,408)
335,832	166,479	-	(13,426)	526,391
346,054	88,462	-	5,982	478,004
(23,360)	-	(5,444)	-	(28,804)
-	100,199	5,444	-	105,643
-	-	-	(29,408)	(29,408)
322,694	188,661	-	(23,426)	525,435

Condensed Statement of Financial Position

Notes	30 June 2022 (Unaudited) £'000s	30 June 2021 (Unaudited) £'000s	31 December 2021 (Audited) £'000s	
	Non-current assets			
6	Investments at fair value through profit or loss	341,166	540,751	539,756
	Current assets			
	Other receivables	3,315	2,745	2,680
6	Derivative financial instruments held at fair value through profit or loss	-	547	-
	Cash and cash equivalents	20,731	8,196	8,342
	Total current assets	24,046	11,488	11,022
	Current liabilities			
	Other payables	(204)	(94)	(155)
6	Derivative financial instruments held at fair value through profit or loss	(434)	-	-
3	Bank loan	(17,217)	(25,754)	(25,188)
	Total current liabilities	(17,855)	(25,848)	(25,343)
	Net current assets/(liabilities)	6,191	(14,360)	(14,321)
	Net assets	347,357	526,391	525,435
	Capital and reserves			
	Share capital	37,506	37,506	37,506
	Distributable reserve	311,683	335,832	322,694
	Capital reserve	8,523	166,479	188,661
	Revenue reserve	-	-	-
	Cumulative translation reserve	(10,355)	(13,426)	(23,426)
	Total Shareholders' funds	347,357	526,391	525,435
4	Net Asset Value per ordinary share – pence	96.47	146.19	145.93

The notes on pages 20 to 24 form an integral part of the financial statements.

Condensed Statement of Cash Flows

Notes	30 June 2022 (Unaudited) £'000s	30 June 2021 (Unaudited) £'000s	31 December 2021 (Audited) £'000s
Cash flows from operating activities before dividends received and interest paid	(2,167)	(2,288)	(4,660)
Dividends received	5,276	2,334	6,842
Interest paid	(126)	(101)	(271)
Cash flows from operating activities	2,983	(55)	1,911
Investing activities			
Purchase of investments	(60,211)	(50,123)	(107,481)
Sale of investments	93,280	67,634	139,299
Increase/(decrease) in securities purchased for future settlement	434	(547)	-
Other capital expenses	(14)	(4)	(7)
Cash flows from investing activities	33,489	16,960	31,811
Cash flows before financing activities	36,472	16,905	33,722
Financing activities			
5 Equity dividends distributed (net)	(15,844)	(14,402)	(28,804)
3.8 Drawdown of bank loan	-	-	8,538
3.8 Repayment of bank loan	(8,452)	-	(8,500)
Cash flows from financing activities	(24,296)	(14,402)	(28,766)
Net movement in cash and cash equivalents	12,176	2,503	4,956
Cash and cash equivalents at the beginning of the year	8,342	2,950	2,950
Effect of movement in foreign exchange	(385)	831	477
Translation adjustment	598	1,912	(41)
Cash and cash equivalents at the end of the period	20,731	8,196	8,342
Represented by:			
Cash at bank	19	6	13
Short term deposits	20,712	8,190	8,329
	20,731	8,196	8,342

Notes to the Condensed Financial Statements

1. Basis of preparation

These condensed financial statements, which are unaudited, have been prepared on a going concern basis in accordance with the Companies Act 2006, UK-adopted International Accounting Standards and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by the AIC.

All of the Company's operations are of a continuing nature. The functional currency of the Company is the Euro and presentational currency is the Pound Sterling as the Board believe this will provide clarity of the Company's financial statements for its Shareholders, the overwhelming majority of whom are located in the United Kingdom.

All transactions during the period are translated on the date of execution and the Statement of Financial Position as at the period end date.

The accounting policies applied in the condensed set of financial statements are set out in the Company's annual report for the year ended 31 December 2021.

2. Earnings per share

Earnings per ordinary share attributable to Shareholders reflects the overall performance of the Company in the period. Net revenue recognised in the first six months is not necessarily indicative of the total likely to be received in the full accounting year.

	Half-year ended 30 June 2022 £'000s	Half-year ended 30 June 2021 £'000s	Year ended 31 December 2021 £'000s
Revenue return	4,833	4,180	5,444
Capital return	(180,138)	78,017	100,199
Total return	(175,305)	82,197	105,643
	Number	Number	Number
Weighted average ordinary shares in issue	360,069,279	360,069,279	360,069,279
Earnings per share - pence	(48.69)	22.83	29.34

There have been no diluting factors to earnings per share during these reporting periods.

3. Borrowings

In March 2022 the Company entered into at €45 million multi-currency revolving loan facility with The Bank of Nova Scotia, (London Branch), expiring March 2023. The covenants for this facility have all been met during the period. The interest rate on amounts drawn down and commitment fees payable on undrawn amounts are based on commercial terms agreed with The Bank of Nova Scotia.

As at 30 June 2022 the facility was €20 million (£17.2 million) drawn down.

4. Net Asset Value per ordinary share

	30 June 2022	30 June 2021	31 December 2021
Net Asset Value per share – pence	96.47	146.19	145.93
Net assets attributable at the period end – (£'000s)	347,357	526,391	525,435
Number of ordinary shares in issue at the period end	360,069,279	360,069,279	360,069,279

5. Dividends

The level of dividend paid by the Company each year is determined in accordance with the Company's distribution policy. The Company has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to 6 per cent of the Net Asset Value at the end of the preceding year. The dividend is funded from a combination of current year net profits and the Distributable Reserve.

The Company distributed the following interim dividends to Shareholders:

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
First of four interims for the year ended 31 December 2021 of 2.00 pence per share	-	7,201	7,201
Second of four interims for the year ended 31 December 2021 of 2.00 pence per share	-	7,201	7,201
Third of four interims for the year ended 31 December 2021 of 2.00 pence per share	-	-	7,201
Fourth of four interims for the year ended 31 December 2021 of 2.00 pence per share	-	-	7,201
First of four interims for the year ended 31 December 2022 of 2.20 pence per share	7,922	-	-
Second of four interims for the year ended 31 December 2022 of 2.20 pence per share	7,922	-	-
	15,844	14,402	28,804

6. Fair Value of Investments

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of a listed investment is the last traded price which is equivalent to the bid price on applicable markets.

The financial assets designated as valued at fair value through profit or loss are all categorised as level 1 in the above hierarchy. None of the financial liabilities are designated at fair value through profit or loss in the Financial Statements.

All of the Company's investments are categorised as level 1 for the periods reported.

Derivative financial instruments comprise Forward Currency Contracts entered in to for the purpose of hedging the Company's Euro to Pound Sterling exposure arising as a result of payment of the quarterly dividends.

7. Reconciliation of total return before taxation to net cash flows from operating activities

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Net return on ordinary activities before taxation	(174,621)	82,928	106,580
Adjustments for non-cash flow items, dividend income and interest expense:			
Losses/(gains) on investments	178,269	(78,711)	(102,892)
Foreign exchange movements	385	(831)	(477)
Non-operating expenses of a capital nature	14	4	7
Dividend income receivable	(6,391)	(5,778)	(8,157)
Interest payable	123	108	251
Decrease/(increase) in other debtors	1	(3)	(26)
Increase/(decrease) in other creditors	53	(5)	54
	172,454	(85,216)	(111,240)
Net cash flows from operating activities (before dividends received and interest paid)	(2,167)	(2,288)	(4,660)

8. Reconciliation of liabilities arising from financing activities

	Bank loans £'000
Opening financial liabilities at 31 December 2021	25,188
Cash flows:	
Repayment of bank loans	(8,452)
Non cash:	
Translation adjustment	481
Closing financial liabilities at 30 June 2022	17,217

	Bank loans £'000
Opening financial liabilities at 31 December 2020	26,853
Cash flows:	
Drawdown of bank loans	8,538
Repayment of bank loans	(8,500)
Non cash:	
Translation adjustment	(1,703)
Closing financial liabilities at 31 December 2021	25,188

9. Going Concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have also considered the Company's objective, high distribution policy, the current cash position of the Company, the availability of the loan facility and compliance with its covenants and the operational resilience of the Company and its service providers.

At present the global economy continues to suffer disruption due to the effects of the COVID-19 pandemic inflationary concerns and the war in Ukraine, the Directors have given careful consideration to the consequences for this Company. The Company has a €45 million multi-currency loan facility with The Bank of Nova Scotia (London branch). As at 30 June 2022 €20.0 million (£17.2 million) was drawn down, resulting in undrawn debt facilities of €25 million (£21.5 million). In addition to the undrawn debt facility, as at 30 June 2022, the Company had a robust cash position of €24.1 million (£20.7 million) held at bank.

The Company has a number of banking covenants and at present the Company's financial position does not suggest that any of these are close to being breached. The primary risk is that there is a further significant decrease in the Net Asset Value of the Company in the short to medium term.

As at 1 August 2022, the latest practicable date before the publication of this report, borrowings amounted to €20.0 million (£16.7million). This is compared to a Net Asset Value of £362.3 million. In accordance with its investment policy the Company is invested mainly in readily realisable listed securities. These can be realised if necessary, to repay the loan facility and fund the cash requirements for future dividend payments.

The Company operates within a robust regulatory environment. The Company retains title to all assets held by the Custodian. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

The Company's annual dividend, which is declared in Sterling, is determined by reference to the prior year-end Net Asset Value. The Company manages any Sterling/Euro exchange rate exposure which may arise from the declaration of a Sterling denominated dividend by entering into specific matched forward currency hedging contracts. As at 30 June 2022 the Company had a Distributable Reserve of £311.7 million.

As at 30 June 2022 the Company had current liabilities of £17.9 million. The Company invests in listed securities which can be realised to fund any short-term cash shortfall that may arise.

Based on this information the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

10. Related party transactions

During the six-month period to 30 June 2022, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company.

In July 2021 the Company acquired a holding in Mister Spex, a omnichannel eyewear retailer based in Germany with operations throughout Europe. As at 30 June 2022, the valuation of this holding was £195,000. Stuart Paterson is a member of the Supervisory Board of Mister Spex and excludes himself from Board discussions on this investment.

11. Results

The results for the half-year ended 30 June 2022 and 30 June 2021, which are unaudited, constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2021; the report of the independent auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The abridged financial statements for the year ended 31 December 2021 are an extract from those accounts.

By order of the Board
Columbia Threadneedle Investment Business Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY
2 August 2022

Directors' Statement of Principal Risks and Uncertainties

Most of the Company's principal risks and uncertainties are market related and no different from those of other investment trusts investing in listed equities. They are described in more detail under the heading "Principal Risks and Changes in the Year" within the Strategic Report in the Company's Report and Accounts for the year ended 31 December 2021.

The principal risks identified in the Report and Accounts for the year ended 31 December 2021 were:

- Poor absolute and/or relative performance;
- Relevance/attractiveness of the investment strategy and policy;
- Failure of the manager or the loss of key investment management staff;
- Regulatory and compliance failure (including ESG reporting); and
- Service provider failure.

At present the global economy continues to suffer considerable disruption due to the effects of the COVID-19 pandemic, inflationary concerns and the war in Ukraine. The Directors continue to review the key risk register for the Company which identifies the risks that the Company is exposed to, the controls in place and the actions being taken to mitigate them.

It is also noted that:

- An analysis of the performance of the Company since 1 January 2022 is included within the Chairman's Statement and the Investment Manager's Review beginning on pages 6 and 11 respectively.
- The Company has a €45 million multi-currency loan facility with The Bank of Nova Scotia (London branch). As at 30 June 2022 €20.0 million was drawn down.
- Note 9 to the financial statements on pages 23 and 24 details the Board's consideration for the continued applicability of the principle of Going Concern when preparing this report.

On behalf of the Board

Jack Perry CBE

Chairman

2 August 2022

Directors' Statement of Responsibilities in Respect of the Half-Yearly Financial Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with applicable UK-adopted International Accounting Standards on a going concern basis and give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Chairman's Statement, Investment Manager's Review and the Directors' Statement of Principal Risks and Uncertainties (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure Guidance and Transparency Rule ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Directors' Statement of Principal Risks and Uncertainties is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the half-yearly report includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

Jack Perry CBE

Chairman

2 August 2022

How to Invest

One of the most convenient ways to invest in European Assets Trust PLC is through one of the savings plans run by Columbia Threadneedle Investments.

CT Individual Savings Account (ISA)

You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

CT Junior Individual Savings Account (JISA)*

A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to Columbia Threadneedle Investments.

CT Lifetime Individual Savings Account (LISA)

For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

CT Child Trust Fund (CTF)*

If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

CT General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

CT Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

Charges

Annual management charges and other charges apply according to the type of plan.

Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing charges

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest into.

How to Invest

To open a new Columbia Threadneedle Investments plan, apply online at ctinvest.co.uk. Online applications are not available if you are transferring an existing plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new plan in more than one name but paper applications are available at ctinvest.co.uk/documents or by contacting Columbia Threadneedle Investments.

New Customers

Call: **0800 136 420**** (8.30am – 5.30pm, weekdays)

Email: invest@columbiathreadneedle.com

Existing Plan Holders

Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)

Email: invest.enquiries@columbiathreadneedle.com

By post: Columbia Threadneedle Management Limited, PO Box 11114, Chelmsford, CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, EQI, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

To find out more, visit ctinvest.co.uk

0345 600 3030, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.



Information for Shareholders

Net Asset Value and share price

The Company's Net Asset Value per share is released daily, on the working day following the calculation date, to the London Stock Exchange. The current share price of European Assets Trust PLC is shown in the investment trust section of the stock market page in most leading newspapers, and from the website www.europeanassets.co.uk

Performance information

Information on the Company's performance is provided in the half-yearly and final reports which are sent to Shareholders in August and March respectively. More up-to-date performance information is available on the Internet at www.europeanassets.co.uk. This website also provides a monthly update on the Company's geographic spread and largest holdings, along with comments from the Fund Manager.

AIC

European Assets Trust PLC is a member of the AIC, which publishes a monthly statistical information service in respect of member companies. The publication also has details of ISA and other investment plans available. For further details, please contact the AIC on 020 7282 5555, or visit the website: theaic.co.uk

Common reporting standards

Tax legislation requires investment fund companies to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated Shareholders and corporate entities who have purchased shares in investment trusts. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register are sent a certification form for the purpose of collecting this information. For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-account-holders.

Availability of report and accounts

The Company's report and accounts are available on the Internet at
www.europeanassets.co.uk

Printed copies may be obtained by writing to the Company Secretary, Exchange House, Primrose Street, London, EC2A 2NY or at invest@columbiathreadneedle.com. Alternatively, the Company Secretary can be contacted on 020 7628 8000.

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0345 600 3030*.

Warning to Shareholders – Beware of Share Fraud.

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

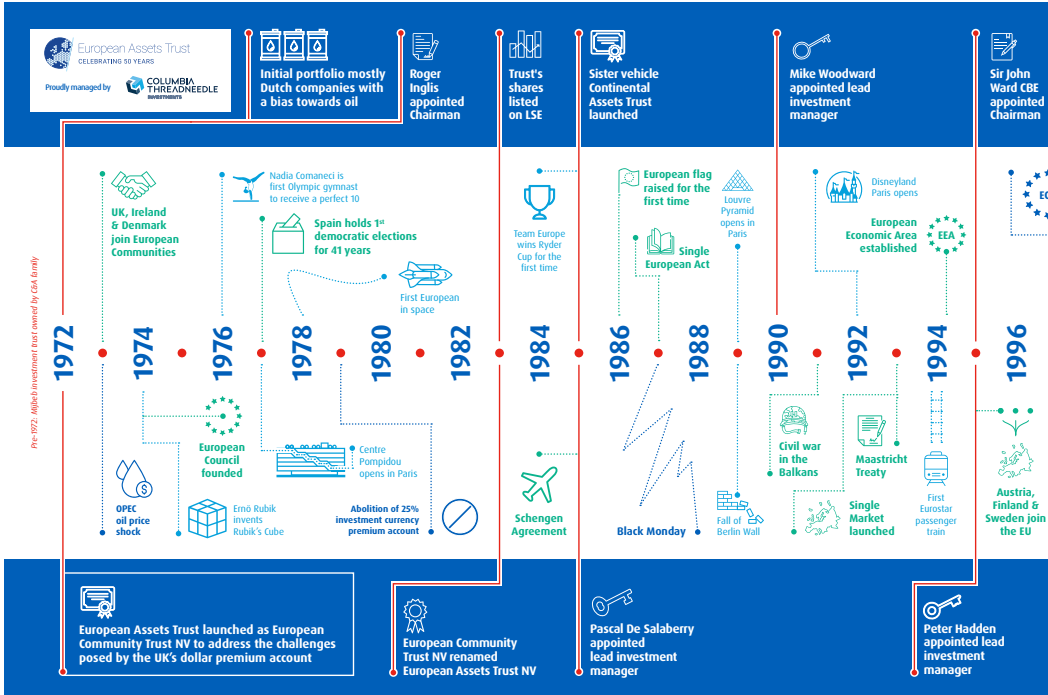
If you receive unsolicited investment advice or requests:

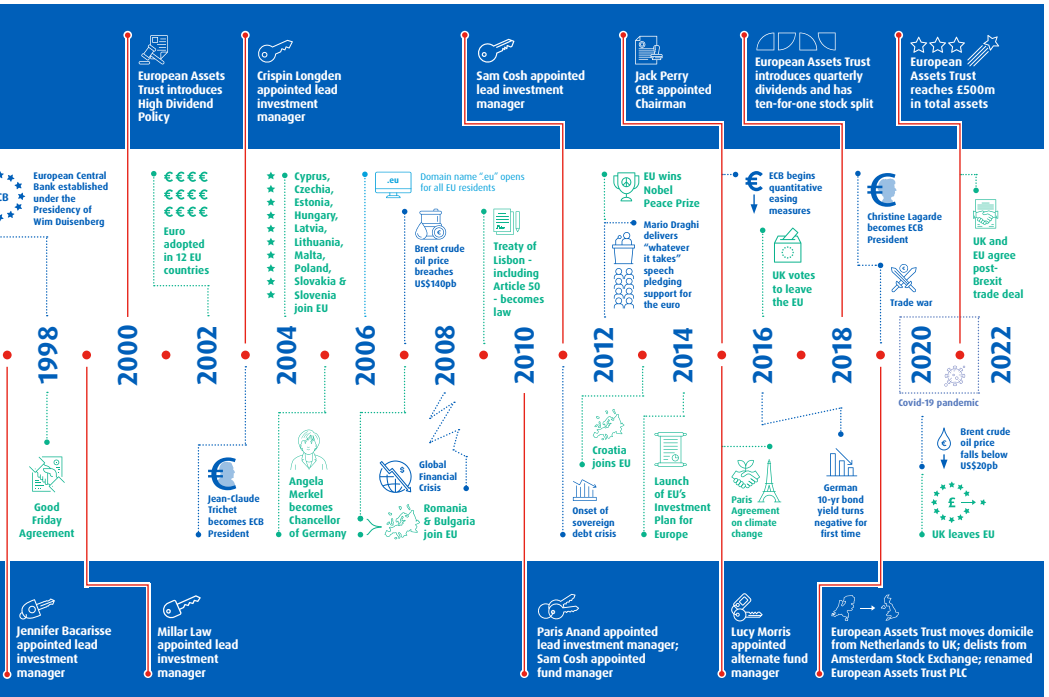
- Check the Financial Services Register from fca.org.uk to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority (“FCA”) on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at fca.org.uk/scams where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

* Calls may be recorded or monitored for training and quality purposes.

Timeline of the Company





European Assets Trust PLC

Interim Report 2022

Registered office:

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Registrars:

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To find out more visit columbiathreadneedle.com



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