Aberdeen Standard Investments

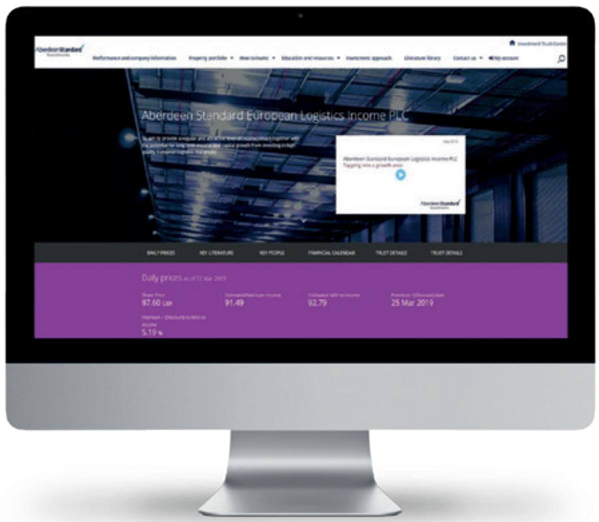
Aberdeen Standard European Logistics Income PLC

Capturing long-term income potential from logistics real estate in Europe

Annual Report
31 December 2019

DHL, Warsaw, Poland

Contents



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To find out more about Aberdeen Standard European Logistics Income PLC, please visit: eurologisticsincome.co.uk

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If you have sold or otherwise transferred all your Ordinary shares in Aberdeen Standard European Logistics Income PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Company Overview

Aberdeen Standard European Logistics Income PLC (the "Company" or "ASELI") is an investment trust investing in high quality European logistics real estate to achieve its objective of providing its shareholders with a regular and attractive level of income and capital growth. The Company invests in a portfolio of assets diversified by both geography and tenant throughout Europe, predominantly targeting well located assets at established distribution hubs and within population centres.

In addition to its performance objective, the Company is characterised by:

- A diverse portfolio of assets across 5 countries
- Building a strong focus on ESG and green performance
- Investment in a more liquid segment of the logistics market
- Modest gearing parameters
- Durable indexed income returns
- Local asset and transaction managers across Europe

Financial Highlights as at 31 December 2019

Measure	2019	2018
Net asset value total return[1]	8.6%	2018: (3.0)%[2]
Net Asset Value (€'000)	260,277	2018: 202,073
Net Asset Value per share (€)	1.11	2018: 1.08
Share price total return[1]	(7.0)%	2018: 3.0%[3]
Premium/(Discount) to Net Asset Value[1]	(4.0)%	2018: 5.7%
Ordinary dividend per share	5.75¢	2018: 1.7p
Ongoing Charges[1]	1.5%	2018: 0.8%
IFRS Earnings Per Share	9.6¢	2018[2]: (2.5c)
Portfolio valuation (€'000)	348,519	2018: 148,918
Number of assets	13	2018: 6
Average lease length in years	9.7	2018: 12.3
Loan-To-Value (%)	28.4%	2018: N/A
Average building size (sqm)	26,421	

[1] Alternative Performance Measurements - see glossary on page 111.
[2] Period from incorporation on 25 October 2017 to 31 December 2018.
[3] Period from launch on 15 December 2017 to 31 December 2018.

Chairman's Statement for the Year ended 31 December 2019

Tony Roper
Chairman

Dear Shareholder,

It is a pleasure to present to you the second Annual Report of the Company in respect of the year ended 31 December 2019.

However, it is sad to note that as I write this report the whole world is still in the grip of the COVID-19 pandemic which looks set to have a far-reaching impact on many people, businesses and the global economy. Consequently, the following is to a great extent a statement of historical record. Many of our tenants are involved in the logistics of deliveries whether that be the important food supply chain, pharmaceuticals or the now increasingly required direct to home delivery service. Notwithstanding the fact that some of these businesses are working flat out, our Investment Manager's teams continue to remain in close contact with all our tenants to be ready to address concerns as and when they might arise.

Overview

The Company's successful launch in December 2017 was followed by an issue of 47,000,000 new Ordinary Shares in July 2019 which raised gross proceeds of approximately £46.4 million (equivalent to approximately €51.7 million at the then prevailing exchange rate).

The net proceeds of the second cash raise were invested in accordance with the Company's Investment Policy over the second half of 2019 in a number of warehouses in Europe helping to diversify further our asset and tenant base. Our Investment Manager has consistently invested with the aim of creating a portfolio of assets diversified by both geography and tenant throughout Europe, predominantly targeting well-located assets in established distribution hubs and within close proximity of cities that have excellent transport links.

The Company seeks to target for an investor at launch an annual yield of 5.0 per cent. per Ordinary Share and a total Shareholder return (NAV total return) of 7.5 per cent. per annum (each in Euro terms). The longer-term nature and CPI indexation of the leases that we have signed with tenants provides for a durability of income that should support our targets once we are clear of the pandemic and its ramifications.

Results

The audited Net Asset Value ("NAV") per Share as at 31 December 2019 was €1.11 (GBp - 94.21p), compared with the NAV per Share of €1.08 (GBp - 96.7p) at the end of 2018, reflecting, with the interim dividends declared, a NAV total return of 8.6% for the year in euro terms.

The closing Ordinary Share price at 31 December 2019 was 90.40p (31 December 2018 - 102.25p), representing a discount to NAV per Share of 4.0%. At the date of this report the latest closing price was 96.1p reflecting, predominantly, the extreme volatility in global share prices and general investment uncertainty witnessed since the outbreak of the COVID-19 pandemic.

COVID-19

It is clear that many economies across Europe and underlying business sectors will be suffering from the government enforced lockdowns that we have witnessed and the massive fall in global trade seen as a consequence but we continue to work closely with our tenants in an attempt to understand issues that they may be facing and to help where possible.

The Investment Manager's asset managers have been in discussions with a number of our tenants to understand their short-term financial difficulties where raised and assess where genuine challenges exist which may be alleviated by alternative rent solutions. These include short-term deferral of payments into H2 2020 and lease extensions in combination with short rent free periods rather than any rent reductions.

At the end of April 2020 all rents due from all of our tenants for Q1 2020 had been paid in full. At that time, the Company had also received payments reflecting 67% of rents due from tenants in respect of the Q2 payment date. A further update from the Company has indicated this to have risen to 75% and this is expected to increase further to 82% in due course. Of the 18% outstanding, c.€820,000 will be deferred, with €720,000 of this due for payment by December 2020 and €100,000 due prior to June 2022. The balance together with an additional €340,000 of rent payable for 2020 to 2022 is expected to be foregone in exchange for longer lease terms currently under advanced negotiation. Lease extensions are expected to be agreed for up to five years. As a result, the Company expects that it will collect approximately 95% of Q2 rental income by December 2020.

The Board, via the Investment Manager, continues to monitor closely rent collections, cash forecasts, loan covenants and the working practices of the Company's suppliers and the impact that COVID-19 has had on all stakeholders.

Dividends

First and second interim dividends in respect of the year ended 31 December 2019 of 1.41 euro cents (equivalent to 1.27p) per Ordinary Share were paid to Shareholders on 10 July 2019 and 7 October 2019 respectively. A third interim dividend of 1.41 euro cents (equivalent to 1.27p) per Ordinary Share was declared on 19 November 2019 and paid to Shareholders on 20 December 2019. On 24 February 2020 the Board declared a fourth interim dividend of 1.41 euro cents per Ordinary Share (equivalent to 1.27p) which was paid to Shareholders on 27 March 2020, making a total of 5.64 euro cents paid in respect of the financial year under review. The equivalent sterling rate paid was 5.08p per Share.

On 26 May 2020 the Board declared a first interim dividend of 1.41 euro cents (equivalent to 1.24p) per Ordinary Share payable on 26 June 2020 to Ordinary Shareholders on the register on 5 June 2020. The Board is very aware of the part that income plays in our investors' portfolios, particularly at this time. It is encouraging to note the rent collection statistics to date and the agreements that our Investment Manager has negotiated with some of our tenants with respect to rent deferrals to later in the financial year. Despite current levels of cash reserves the Board will be mindful of any further impact to tenants from the COVID-19 virus. It is the intention to continue to pay quarterly interim dividends in line with our policy where to do so will still give the Company sufficient financial headroom. Dividends are declared in respect of the quarters ending on the following dates: 31 March, 30 June, 30 September and 31 December in each year. The dividend target and any dividend payment may be made up of both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts. Further details on this breakdown can be found on page 17.

Portfolio

Since my last report at the half yearly stage, the portfolio has seen two new additions in the second half of 2019 in Warsaw, Poland and Coslada (Madrid), Spain for a total value of €36.7 million.

In October, the Company completed the purchase of a newly built, fully income producing logistics warehouse in Warsaw for a purchase price of €27.5 million with rental payments made in euros. This asset incorporates a cross-dock facility leased to DHL who selected this area for city distribution operations due to its proximity to the city centre. The Company also acquired an urban located cross-dock logistics warehouse in Coslada, Spain, for a value of €9.2 million, considered by the Investment Manager to be one of the best locations for last-mile logistics in Spain which has an attractive income profile and is fully leased to DHL, the world's largest logistics company, on a renewed ten year CPI indexed lease.

Since the year end, the Company completed the acquisition of an urban located logistics warehouse in Den Hoorn, the Netherlands, in January for a net value of €49.9 million. This is a newly built warehouse located between the cities of the Hague and Rotterdam with LED lighting and solar roof panels adding sustainable credentials to this investment. This last purchase takes the portfolio to a total of fourteen properties spread across five countries.

Notwithstanding the short term impact expected from the developing global economic crisis, the durability of the income that we expect to generate given the length of the indexed leases, our mix of tenants and the quality of the locations, I believe over the long term will provide Shareholders with a well-diversified portfolio which will enable the Company to meet its investment objective. Further details on the composition of the portfolio are provided in the Investment Manager's Report.

Financing

Over the course of the year the Investment Manager's treasury team has continued to source fixed term debt from banks which is secured on certain assets or groups of assets within the portfolio. These non-recourse loans range in maturities between six and ten years with interest rates ranging between 0.94% and 1.62% per annum.

As part of the acquisition of the property in Den Hoorn, the Company finalised and drew down long term financing secured on the properties at Den Hoorn and Zeewolde in the Netherlands. The secured facility was arranged with Berlin HYP AG for a total value of €35.7 million at an all-in interest rate of 1.25% and fixed for an eight year term, bringing asset level gearing close to 35% of GAV which remains the Company's target level.

The current average interest rate on the total fixed term debt arrangements of €144.6 million is 1.4%. The Board continues to keep the level of borrowings under review with the aggregate borrowings always subject to the absolute maximum set at 50 per cent. of gross assets, calculated at the time of drawdown for a property purchase. The actual level of gearing may fluctuate over the Company's life as and when new assets are acquired or whilst short term asset management initiatives are being undertaken. Banking covenants are reviewed by the Investment Manager on a regular basis particularly with the stresses currently being witnessed in other real estate sectors due to COVID-19.

Governance

The Company is a member of the Association of Investment Companies and seeks to follow best practice regarding appropriate disclosure.

In accordance with good governance, two Directors met with a number of our Shareholders during the year to hear their views on the Company and its performance since launch. Directors are available to meet with investors to discuss the Company in more detail throughout the year and may be contacted through the Company Secretary.

The Board undertook a site visit during the year to view three of the properties owned in the Netherlands, met with tenants where possible and members of local staff and advisers of the Investment Manager.

Following best practice, the whole Board is standing for re-election at the forthcoming AGM and further details on each Director may be found on pages 44 and 45.

Annual General Meeting

It is currently the Board's intention to hold the Company's Annual General Meeting in London on 30 June 2020 at 2:00 p.m. at the offices of Aberdeen Standard Investments, Bow Bells House, 1 Bread Street, London EC4M 9HH. The formal Notice of AGM may be found from page 115.

On 23 March 2020, the UK Government announced compulsory Stay at Home Measures to manage the COVID-19 pandemic in the UK. These measures provided, among other things, that public gatherings were not permitted and that leaving one's home should only be for essential purposes. Whilst there has been some limited relaxation of these restrictions, it is clear that social distancing will be required for the foreseeable future and that, if possible, people should stay at home. As the safety, security and health of the Company's Shareholders, their guests and our advisers, including the Investment Manager's personnel, is of paramount importance to the Board we are changing how the AGM will be held this year. Whilst the AGM will be held at the offices of Aberdeen Standard Investments in London, it will be functional only and follow the minimum legal requirements for an AGM. Only the formal business set out in the Notice will be considered, with no attendance by the Investment Manager and no refreshments. As there is a strong possibility that Government guidance in June will continue to discourage public gatherings, Shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if Government guidance so requires. Arrangements will be made by the Company to ensure that a minimum number of Shareholders required to form a quorum will attend the meeting in order that the meeting may proceed.

A presentation from the Investment Manager, along with the AGM results, will be made available to shareholders on the Company's website shortly after the AGM.

In taking these steps, the Board is trying to balance the requirement under company law to hold an AGM so that the matters that it needs to seek Shareholder approval for can be considered, whilst operating in a rapidly changing environment where public gatherings are restricted. The Board strongly encourages all Shareholders to exercise their votes in respect of the meeting in advance by completing the enclosed form of proxy, or letter of direction for those who hold shares through the Aberdeen Standard Investments savings plans. This should ensure that your votes are registered in the event that physical attendance at the AGM is not possible or restricted.

The proposed resolutions are explained fully in the Directors' Report on pages 51 to 52. We always welcome questions from our Shareholders at the AGM but this year, given the format and the prevailing circumstances, we would ask Shareholders to submit their questions to the Board prior to the meeting. The Board and/or Investment Manager will respond to all such questions received either before or after the AGM. You may submit questions on the Company, the Annual Report and the Notice of AGM in advance to European.Logistics@aberdeenstandard.com

The situation in relation to COVID-19 continues to evolve and the Company will update Shareholders on any changes to the above arrangements for the AGM through its website at www.eurologisticsincome.co.uk. Shareholders are advised to check the Company's website for updates. We trust that Shareholders will be understanding and supportive of this approach.

Outlook

Notwithstanding the unprecedented economic environment we are now operating within, the Board and Investment Manager continue to believe that logistics will remain one of the most favoured sectors for investors in the coming years. The logistics industry is experiencing unprecedented disruption as a result of systemic changes to the way global economies are functioning and these challenges are manifesting themselves in different ways across different sectors. So far, logistics assets have benefited from additional occupier demand arising from necessary supply chain restructuring.

New technology is creating challenges for supply chains as clients demand frequency and more complexity whilst the nature of ecommerce, where Europe has lagged the UK, has increasingly required operators to adapt faster to future shifts in consumption, particularly so since the start of European lockdowns Our Investment Manager has built a portfolio of fourteen properties, predominantly around 30,000 square metres in size located close to cities, airports and major motorway routes. These urban fringe facilities while structured for current tenants tend to be in the more liquid part of the sector where reconfiguration is easier and tenant demand strongest helping to provide facilities with optionality at the maturity of a lease. Leasing 'tension' has been robust with land values under pressure from competing uses and with income growth prospects potentially stronger than for ultra big-boxes where risk is higher at maturity of the lease as the number of potential occupiers are limited.

We continue to seek to understand our tenants' requirements and the Investment Manager undertakes a regular tenant survey whilst asset managers maintain crucial communications. The implementation of green leases is an area where the Investment Manager is seeking to obtain volumetric usage data on energy use, waste disposal and water consumption in the future for further reporting and possible cost savings. ESG is embedded within the Investment Manager's investment process and although many of our assets are recently built, a programme of works is being followed to enhance areas where improvements can be made. The addition of solar panels for green energy and other initiatives should enhance our scoring for the next GRESB Survey and benefit tenant relationships as businesses become far more aware of sustainability issues. Now more than ever the Investment Manager's people on the ground act as an important conduit to our tenants, seeking to maintain clear communication links to understand how they are operating, their concerns and their requirements for the future.

Notwithstanding the troubling times that we find ourselves in, many of our tenants' businesses are well positioned in areas which remain essential to the everyday operation of an economy. E-commerce and the move to on-line shopping and delivery may well be bolstered by the impact of COVID-19 when recovery comes. Despite the disruption this is causing, the fundamentals for investment in logistics real estate assets remains strong.

Further details about the Company and the assets in which it is invested are available together with the 2019 prospectus, monthly factsheet and Company announcements on our website at: www.eurologisticsincome.co.uk

Tony Roper
Chairman

27 May 2020

Strategic Report

The Company is a UK investment trust with a premium listing on the Main Market of the London Stock Exchange. The Company invests in European logistics real estate to achieve its objective of providing its shareholders with a regular and attractive level of income return together with the potential for long term income and capital growth. The Company invests in a portfolio of assets diversified by both geography and tenant throughout Europe, predominantly targeting well-located assets at established distribution hubs and within population centres.

2017

The Company was launched on the London Stock Exchange in December 2017

Overview of Strategy

The Company

The Company is a UK investment trust with a premium listing on the Main Market of the London Stock Exchange. The Company invests in European logistics real estate to achieve its investment objective noted below.

The Company was incorporated in England and Wales on 25 October 2017 with registered number 11032222 and launched on 15 December 2017.

Investment Objective

The Company aims to provide a regular and attractive level of income return together with the potential for long term income and capital growth from investing in high quality European logistics real estate.

Investment Policy

The Company aims to deliver the investment objective through investment in, and management of, a diversified portfolio of "big box" logistics warehouses and "last mile" urban logistics assets in Europe.

The Company invests in a portfolio of assets diversified by both geography and tenant throughout Europe, predominantly targeting well-located assets at established distribution hubs and within population centres. In particular, the Investment Manager seeks to identify assets benefitting from long-term, index-linked, leases as well as those which may benefit from structural change, and will take into account several factors, including but not limited to:

- the property characteristics (such as location, building quality, scale, transportation links, workforce availability and operational efficiencies);
- the terms of the lease (focusing on duration, inflation-linked terms, the basis for rent reviews and the potential for growth in rental income); and
- the strength of the tenant's financial covenant.

The Company may forward fund the development of, or commit to the forward purchase of, new assets when the Investment Manager believes that to do so would enhance returns for shareholders and/or secure an asset at an attractive yield. The Company intends that forward funded or forward purchased assets will be wholly or predominantly pre-let at the time the investments are committed to.

Diversification of Risk

The Company manages its assets at all times in a manner which is consistent with the spreading of investment risk. The following investment limits and restrictions apply to the Company and its business which, where appropriate, will be measured at the time of investment and once the Company is fully invested:

- the Company only invests in assets located in Europe;
- no more than 50 per cent. of Gross Assets may be concentrated in a single country;
- no single asset may represent more than 20 per cent. of Gross Assets;
- forward funded commitments must be predominantly pre-let and the Company's overall exposure to forward funded commitments is limited to 20 per cent. of Gross Assets;
- the Company's maximum exposure to any single developer is limited to 20 per cent. of Gross Assets;
- the Company will not invest in other closed-ended investment companies;
- the Company may only invest in assets with tenants which have been classified by the Investment Manager's investment process as having strong financial covenants; and
- no single tenant may represent more than 20 per cent. of the Company's annual gross income measured annually.

The Company is not required to dispose of any asset or to rebalance the Portfolio as a result of a change in the respective valuations of its assets.

The Company conducts its affairs so as to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010.

Borrowing and Gearing

The Company employs gearing with the objective of improving shareholder returns. Debt is typically secured at the asset level and potentially at the Company level with or without a charge over some or all of the Company's assets, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles.

Borrowings are typically non-recourse and secured against individual assets or groups of assets and the aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown for a property purchase, of 50 per cent. of Gross Assets. Where borrowings are secured against a group of assets, such group of assets shall not exceed 25 per cent. of Gross Assets in order to ensure that investment risk remains suitably spread.

The Board has established gearing guidelines for the Alternative Investment Fund Manager ("AIFM") in order to maintain an appropriate level and structure of gearing within the parameters set out above. Under these guidelines, the Investment Manager seeks to maintain aggregate asset level borrowings at or around 35% of Gross Asset Value. These limits may be exceeded from time to time particularly through the use of short term financing facilities as the Investment Manager seeks to manage certain aspects of the portfolio, including, for example, building extensions. These limits may be exceeded in the short term from time to time.

The Board will keep the level of borrowings under review. In the event of a breach of the investment guidelines and restrictions set out above, the AIFM will inform the Board upon becoming aware of the same, and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the AIFM will look to resolve the breach with the agreement of the Board. The Directors may require that the Company's assets are managed with the objective of bringing borrowings within the appropriate limit while taking due account of the interests of shareholders. Accordingly, corrective measures may not have to be taken immediately if this would be detrimental to shareholder interests.

Any material change to the Company's investment policy set out above will require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.

Comparative Index

The Company does not have a benchmark.

Duration

Although the Company does not have a fixed life, under the Company's articles of association the Directors are required to propose an ordinary resolution for the continuation of the Company at the Annual General Meeting to be held in 2025 and then every third year thereafter.

Manager

Under the terms of the Management Agreement, the Company has appointed Aberdeen Standard Fund Managers Limited as the Company's alternative investment fund manager for the purposes of the AIFM Rules. The AIFM has delegated portfolio management to the Amsterdam Branch of Aberdeen Standard Investments Ireland Limited as Investment Manager.

Pursuant to the terms of the Management Agreement, the AIFM is responsible for portfolio and risk management on behalf of the Company and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. The AIFM and the Investment Manager are both legally and operationally independent of the Company.

Dividend Policy

Subject to compliance with all legal requirements the Company intends to pay interim Sterling dividends on a quarterly basis. The Company will declare dividends in Euros, but shareholders will receive dividend payments in Sterling. The date on which the Euro/Sterling exchange rate is set will be announced at the time the dividend is declared. Distributions made by the Company may take the form of either dividend income or "qualifying interest income" which may be designated as interest distributions for UK tax purposes.

The Company targets an annual yield of 5.0 per cent. per Ordinary Share for an investor at launch whilst continuing to aim for a total NAV return of 7.5 per cent. per annum (each in Euro terms).

Key Performance Indicators (KPIs)

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and to determine the progress of the Company in pursuing its Investment Policy. The main KPIs identified by the Board in relation to the Company, which are considered at each Board meeting, are as follows:

KPI	Description
NAV Return (per share)[1]	The Board considers the Company's NAV total return to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. Performance for the year and since inception is set out on page 17. The Company is targeting, for an investor in the Company at launch, a total NAV return of 7.5 per cent. per annum (in € terms).
Share Price (on a total return basis)[1]	The Board also monitors the price at which the Company's shares trade on a total return basis over time. A graph showing the share price performance is shown on page 18.
(Discount)/Premium[1]	The (discount)/premium relative to the NAV per share represented by the share price is closely monitored by the Board. A graph showing the share price (discount)/premium relative to the NAV is shown on page 18.
Dividend	The Board's aim is to pay a regular quarterly dividend enabling shareholders to rely on a consistent stream of income. Dividends paid are set out on page 17. The Company is targeting, for an investor in the Company at launch, an annual dividend yield of 5.0 per cent. per Ordinary Share (in € terms).
Ongoing Charges Ratio ("OCR")[1]	The OCR is the ratio of expenses as a percentage of average daily shareholders' funds calculated in accordance with the industry standard. The Board reviews the OCR regularly as part of its review of all expenses. The aim is to ensure that the Company remains competitive and is able to deliver on its yield target to Shareholders. The Company's OCR is disclosed on page 17.

[1] Alternative Performance Measurements - see glossary on page 111.

Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has carried out a robust assessment of the principal risks set out in the table below and overleaf together with a description of the mitigating actions taken by the Board. The Board confirms that it has a process in place for regularly reviewing emerging risks that may affect the Company in the future. The principal risks associated with an investment in the Company's shares can be found in the Company's latest Prospectus dated 5 July 2019, published on the Company's website. The Board reviews the risks and uncertainties faced by the Company regularly. The new, key risk, that has emerged for the Company since the end of the period under review is the outbreak of the global COVID-19 pandemic which has disrupted businesses and contributed to stock market volatility from which the Company has not been immune. The longer term effects of the virus are unknown. The Board has sought assurances from its key service providers, including the Investment Manager, that they are each invoking business continuity procedures and appropriate contingency arrangements to ensure that they are able to continue to meet their contractual obligations to the Company. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the current financial year.

Description	Mitigating Action
Strategic Risk: Strategic Objectives and Performance The Company's strategic objectives and performance, both absolute and relative, become unattractive to investors leading to a widening of the discount, potential hostile shareholder actions and the Board fails to adapt the strategy and/or respond to investor demand.	• The Company's strategy and objectives are regularly reviewed by the Board to ensure they remain appropriate and effective. • The Board receives regular presentations on the economy and also the property market to identify structural shifts and threats so that the strategy can be adapted if necessary. • There is regular contact with shareholders both through the Investment Manager and the broker with additional direct meetings undertaken by the Chairman and other directors. • Board reports are prepared by the Investment Manager detailing performance, NAV return and share price analysis versus peers. • Cash flow projections are prepared by the Investment Manager and reviewed quarterly by the Board. • Shareholder/market reaction to Company announcements is monitored.
Investment and Asset Management Risk: Investment Strategy Poorly judged investment strategy, regional allocation, use of gearing, inability to deploy capital and the mis-timing of disposals and acquisitions, resulting in poor investment returns.	• ASI has real estate research teams which provide performance forecasts for different sectors and regions. • There is a team of experienced portfolio managers who have detailed knowledge of the markets in which they operate. • ASI has a detailed investment process for both acquisitions and disposals that require to be signed off internally before the Board reviews any final decision. • The Board is very experienced with certain Directors having a knowledge of property markets.

Description	Mitigating Action
Investment and Asset Management Risk: Developing and refurbishing property Increased construction costs, construction defects, delays, contractor failure, lack of development permits, environmental and third party damage can all impact the resulting capital value and income from investments.	• ASI has experienced investment managers with extensive development knowledge with in-depth research undertaken on each acquisition/ development. • Development contracts are negotiated by experienced teams supported by approved lawyers. • Due diligence is undertaken on developers including credit checks and current pipelines. • Construction and risk insurance checked. • Post completion the developer is responsible for defects and monies are held in escrow for a period of time after handover.
Investment and Asset Management Risk: Health and Safety Failure to identify and mitigate major health & safety issues or to react effectively to an event leading to injury, loss of life, litigation and any ensuing financial and reputational impact.	• For new properties health and safety is included as a key part of due diligence. • Asset managers visit buildings on a regular basis. • Property managers are appointed by ASI to monitor health & safety in each building and reports are made to the asset managers on a monthly basis. • Asset managers visit each building at least twice a year. • Tenants are responsible for day to day operations of the properties.
Investment and Asset Management Risk: Environment Properties could be negatively impacted by hazardous materials (for example asbestos or other ground contamination) or an extreme environmental event (e.g. flooding) or the tenants' own operating activities could create environmental damage. Failure to achieve environmental targets could adversely affect the Company's reputation and result in penalties and increased costs and reduced investor demand. Legislative changes relating to sustainability could affect the viability of asset management initiatives.	• The Investment Manager undertakes in depth research on each property acquisition with environmental surveys and considers its impact on the environment and local communities. • The Investment Manager has adopted a thorough environmental policy which is applied to all properties in the portfolio. • Experienced advisers on environmental, social and governance matters are consulted both internally (within the Investment Manager) and externally where required.

Description	Mitigating Action
Financial Risks Macroeconomic	
Macroeconomic changes (e.g. levels of GDP, employment, inflation, interest rate and FX movements), political changes (e.g. new legislation) or structural changes (e.g. new technology or demographics) negatively impact commercial property values and the underlying businesses of tenants (market risk and credit risk). Falls in the value of investments could result in breaches of loan covenants and solvency issues.	• ASI Research teams take into account macroeconomic conditions when collating forecasts. This research is fed into Investment Manager decisions on purchases/sales and regional allocations. • The portfolio is EU based and diversified across a number of different countries and also has a diverse tenant base seeking to minimise risk concentration. • There is a wide range of lease expiry dates within the portfolio in order to minimise re-letting risk. • The Company has no exposure to speculative development and forward funding is only undertaken where the development is predominantly pre-let. • Rigorous portfolio reviews are undertaken by the Investment Manager and presented to the Board on a regular basis. • Annual asset management plans are developed for each property and individual investment decisions are subject to robust risk versus return evaluation and approval.
Financial Risks: Gearing	
Gearing risk - an inappropriate level of gearing, magnifying investment losses in a declining market, could result in breaches of loan covenants and threaten the Company's liquidity and solvency. An inability to secure adequate borrowing with appropriate tenor and competitive rates could also negatively impact the Company.	• Regular covenant reporting to banks is undertaken as required. • The gearing target is set at an indicative 35% asset level limit and an absolute Company limit of 50%. • The Company's diversified European logistics portfolio, underpinned by its tenant base, should provide sufficient value and income in a challenging market to meet the Company's future liabilities. • The portfolio has attracted very competitive terms and interest rates from lenders for the Company's loan facilities. • The Investment Manager has relationships with multiple funders and wide access to different sources of funding on both a fixed and variable basis. • Financial modelling is undertaken and stress tested annually as part of the Company's viability assessment and whenever new debt facilities are being considered. • Loan covenants are continually monitored and reported to the Board on a quarterly basis and also reviewed as part of the disposal process of any secured property.
Financial Risks: Liquidity Risk and FX Risk	
The inability to dispose of property assets in order to meet financial commitments of the Company or obtain funds when required for asset acquisition or payment of expenses or dividends. Movements in foreign exchange and interest rates or other external events could affect the ability of the Company to pay its dividends.	• The diversified portfolio is geared towards a favoured sector. • A cash cushion is maintained and an overdraft facility is currently in place. • Investment is focused on mid-sized properties which is considered the more liquid part of the sector.

Description	Mitigating Action
Financial Risks: Credit Risk	
Credit Risk – the risk that the counterparty will be unable or unwilling to meet a commitment entered into by the Group: failure of a tenant to pay rent or failure of a deposit taker, future lender or a current exchange rate swap counterparty .	• The property portfolio has a balanced mix of generally good quality tenants and reflects diversity across business sectors. • Rigorous due diligence is performed on all prospective tenants and their financial performance continues to be monitored during their lease. • Rent collection from tenants is closely monitored so that early warning signs might be detected. • Deposits are spread across various ASI approved banks and AAA rated liquidity funds. • The assets of the Company are denominated in a non-sterling currency, predominantly the Euro. No currency hedging is planned for the capital, but the Board periodically considers the hedging of dividend payments having regard to availability and cost.
Financial Risks: Insufficient Income Generation	
Insufficient income generation due to macro-economic factors including the current COVID-19 pandemic, and/or due to inadequate asset management resulting in long voids or rent arrears or insufficient return on cash; dividend cover falls to a level whereby the dividend needs to be cut and/or the Company becomes unattractive to investors. Level of ongoing charges becomes excessive.	• At regular Board meetings forecast dividend cover is considered. There is regular contact with the broker and shareholders to ascertain, where possible, views on dividend cover. The Investment Manager seeks a good mix of tenants in properties. • A review of tenant risk and profile is undertaken using, for example, the Dun & Bradstreet Failure Scoring method and tenant covenants are thoroughly considered before a lease is granted. • The ASI team consists of asset managers on the ground who undertake asset management reviews and implementation and there is a detailed approval process within ASI for lettings.
Regulatory Risks: Compliance	
The regulatory, legal and tax environment in which the Company's assets are located is subject to change and could lead to a sub-optimal corporate structure and result in increased tax charges or penalties.	• The Company has an experienced Company Secretary and engages lawyers who will advise on changes once any new proposals are published. There is regular contact with tax advisers in relation to tax computations and transfer pricing. • Directors receive regular updates on relevant regulatory changes from the Company's professional advisers. • The highest corporate governance standards are required from all key service providers and their performance is reviewed annually by the Management Engagement Committee.
Operational Risks: Service Providers	
Poor performance/inadequate procedures at service providers leads to error, fraud, non-compliance with contractual agreements and/or with relevant legislation or the production of inaccurate or insufficient information for the Company (NAV, Board Reports, Regulatory Reporting) or loss of regulatory authorisation. Key service providers include the Manager, Company Secretary, the Depositary, the Custodian, the managing agents and the Company's Registrar.	• ASI have an experienced Fund Manager and Property Administration Team. • The Company has engaged an experienced registrar: Equiniti is a reputable worldwide organisation. • All service providers have a strong control culture that is regularly monitored. • ASI aim to meet all service providers once a year and the Management Engagement Committee reviews all major service providers annually. • The Company has the ability to terminate contracts.

Description	Mitigating Action
Operational Risks: Business continuity Business continuity risk to any of the Company's service providers or properties, following a catastrophic event e.g. pandemic, terrorist attack, cyber attack, power disruptions or civil unrest, leading to disruption of service, loss of data etc.	• ASI has a detailed business continuity plan in place with a separate alternative working office if required and the ability for the majority of its workforce to work from home. • ASI has a dedicated Chief Information Security Officer who leads the Chief Information Security Office (including the following functions: Security Operations & Delivery, Security Strategy, Architecture & Engineering, Data Governance & Privacy, Business Resilience, Governance & Risk (Security & IT). • Properties within the portfolio are all insured. • The IT environment of service providers is reviewed as part of the initial appointment and on an ongoing basis.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to, and participation in, the promotional programme run by the Manager on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Manager. The Manager reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make up of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key and therefore the Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, the Board will continue to ensure that any future appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 December 2019, there were two male Directors and two female Directors on the Board.

Socially Responsible Investment Policy

Further details on the socially responsible investment policies adopted by the Manager are disclosed on page 37.

Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated day to day management and administrative functions to Aberdeen Standard Fund Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined in the Investment Manager's Review.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has turnover below the threshold of £36 million. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Emissions relating to properties owned by the Company are the responsibility of the tenants and any emissions relating to the Company's registered office are the responsibility of the Manager. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Viability Statement

The Company does not have a formal fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long term investment vehicle, but for the purposes of this viability statement has decided that a period of three years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

In assessing the viability of the Company over the review period the Directors have conducted a robust review of the principal risks focussing upon the following factors:

- The principal risks detailed in the Strategic Report;
- The ongoing relevance of the Company's investment

objective in the current environment;

- The demand for the Company's shares evidenced by the historical level of premium or discount;
- The level of income generated by the Company;
- The level of gearing including the requirement to negotiate new facilities and repay or refinance future facilities; and
- The flexibility of the Company's bank facilities and putting these facilities in place in time to meet commitments.

The Directors have reviewed summaries from the portfolio models prepared by the Investment Manager which have been stress tested to highlight the performance of the portfolio in a number of varying economic conditions coupled with potential opportunities for mitigation. The Directors have also stress tested the financial position of the Company with particular attention on the economic impact of COVID-19. The COVID-19 pandemic is expected to impact the Company through a reduction in rental income and potential reduction in investment property valuation. The Company has prepared cash flow forecasts which reflect the expected impact of COVID-19, including reasonably possible downside scenarios. The impact of reductions in rental income could be mitigated through a reduction in dividends to shareholders if considered necessary by the Board. The Company has modeled severe but plausible downside scenarios, taking into account specific tenant risks. These scenarios modeled reduced rental income through to 2022 and the worst case model equates to an overall 33% reduction of rental income per annum over that period.

Accordingly, taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report. In making this assessment, the Board has considered that matters such as significant economic uncertainty, stock market volatility and changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future. In undertaking this review the Directors have also considered the impact of the COVID-19 pandemic.

s172 Statement

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This s172 Statement requires the Directors to explain how they have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Investment Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

Investment trusts are long-term investment vehicles, with a recommended holding period of five or more years with no employees. The Company's Board of Directors sets the investment mandate as published in the most recent prospectus, monitors the performance of all service providers and is responsible for reviewing strategy on a regular basis.

The key service provider for the Company is the Alternative Investment Fund Manager (the "Manager") and the relationship with the Manager is reviewed at each Board meeting and relationships with other service providers are reviewed at least annually. Shareholders are seen as key stakeholders in the Company. The Board seeks to meet at least annually with shareholders at the Annual General Meeting and this includes informal meetings with them over lunch following the formal business of the AGM. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs the Directors and Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings with a Director where any matters of concern may be raised directly.

The other key stakeholder group is that of the underlying tenants that occupy space in the properties that the Company owns. The Board aims to conduct a site visit at least annually with the aim of meeting tenants locally and discussing their businesses and needs and assessing where improvements may be made or expectations managed. The Investment Manager's asset managers are tasked with conducting meetings with building managers and tenant representatives in order to ensure the smooth running of the day to day management operations of the properties. The Board receives reports on the tenants' activities at its regular Board meetings. The Board via the Management Engagement Committee also ensures that the views of its service providers are heard and at least annually reviews these relationships in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, Investment Manager and other relevant stakeholders. Reviews will include those of the Company depositary, custodian, share registrar, broker and auditor.

During the COVID-19 lock down the Board and the

Manager have continued to work effectively from home under the government guidelines. With regular reporting by the Manager the Board has continued to have oversight of the Company's service providers and their continued operations during this period.

The Investment Manager's Report on pages 22 to 26 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to invest the Company's assets in accordance with the mandate provided by shareholders at launch, under the oversight of the Board. During the year further gearing was introduced into the portfolio with the aim of maintaining gearing at asset level at or around 35% over the longer term. The Manager has been successful in negotiating the debt facilities at competitive market rates, resulting in the Company's blended all-in interest rate across all its debt being 1.4% which is to the benefit of all shareholders. In July 2019 the Board took the decision to undertake a further equity fund raising exercise resulting in an additional £46.4m of new equity which the Manager has invested. Increasing the size of the Company directly benefits shareholders by spreading the fixed cost base of the Company over a larger asset base and diversifying the portfolio by asset and tenant base.

Details of how the Board and Manager and Investment Manager have sought to address environmental, social and governance matters across the portfolio are disclosed on pages 37 to 42.

The Company is still in its infancy having been launched at the end of 2017. However, it is a long term investor and the Board has established the necessary procedures and processes to promote the long term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company grows, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

Future

Many of the non-performance related matters likely to affect the Company in the future are common across all closed ended investment companies, such as the current COVID-19 pandemic and its impact, the attractiveness of investment companies as investment vehicles, and the impact of regulatory changes. These factors need to be viewed alongside the outlook for the Company, both generally and specifically, in relation to the portfolio. The Board's view on the general outlook for the Company can be found in my Chairman's Statement on pages 5 and 6 whilst the Investment Manager's views on the outlook for the portfolio are included on page 26.

Tony Roper
Chairman

27 May 2020

The ways we engage with our shareholders include:

The AGM provides an opportunity for directors to engage with shareholders, answer their questions and meet them informally. The 2020 AGM is currently scheduled to take place on 30 June 2020 in London. Although shareholders are unlikely to be able to attend in person this year, we encourage shareholders to vote by proxy on all the resolutions put forward and to submit any questions in advance of the meeting.

Annual Report

We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.

Company Announcements

We issue announcements for all substantive news relating to the Company, including the purchase and sale of properties. You can find these announcements on the website.

Results Announcements

We release a full set of financial and operational results at the interim and full year stage. Updated net asset value figures are announced on a quarterly basis in line with our valuation policy.

Website

Our website contains a range of information on the Company and includes details of our property investments. Details of financial results, the investment process and Manager and Investment Manager together with Company announcements and contact details can be found here; **eurologisticsincome.co.uk**

Results

Financial Highlights

	31 December 2019	31 December 2018
Total assets (€'000)	382,981	210,730
Total equity shareholders' funds (net assets) (€'000)	260,277	202,073
Net asset value per share (euros)	1.11	1.08
Net asset value per share (pence)	94.21	96.70
Share price (mid market) (pence)	90.40	102.25
Market capitalisation (£'000)	211,988	191,719
Share price (discount)/ premium to sterling net asset value[1]	(4.0)%	5.7%
Dividends and earnings		
Net asset value total return per share (€)[1]	8.6%	3.0%
Dividends paid per share	5.75c (5.11p)	1.70p
Revenue reserves (€'000)	7,471	40
Gain/(Loss) (€'000)	19,429	(3,740)
Operating costs		
Ongoing charges ratio (Group only expenses)[1]	1.5%	0.8%
Ongoing charges ratio (Group and property expenses)[1]	1.7%	0.9%

Performance (total return)

	Year ended 31 December 2019	Since Launch % return
Share price[1]	(6.99)%	(3.36)%
Net Asset Value (EUR)[1]	8.63%	5.26%

[1] Considered to be an Alternative Performance Measure (see Glossary on page 111 for more information).

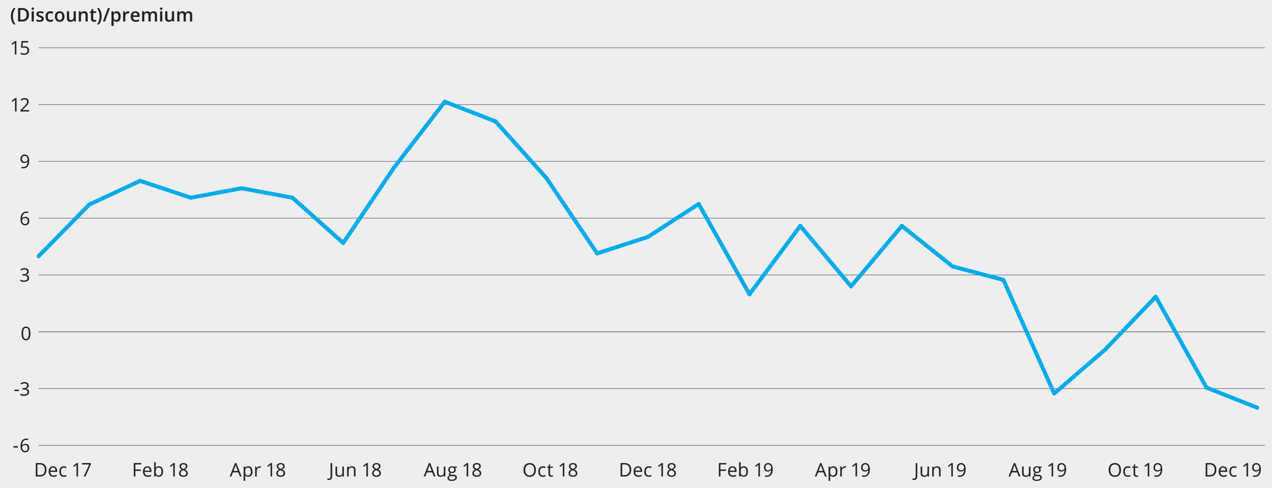
Dividends declared in respect of the Financial Year to 31 December 2019 (pence)

	Dividend Distribution	Qualifying Interest	xd date	Record date	Payment date
First Interim	0.94	0.33	20-Jun-19	21-Jun-19	10-Jul-19
Second Interim	1.19	0.08	19-Sep-19	20-Sep-19	07-Oct-19
Third Interim	1.04	0.23	28-Nov-19	29-Nov-19	20-Dec-19
Fourth Interim	0.90	0.37	04-Mar-20	05-Mar-20	26-Mar-20
Total	**4.07**	**1.01**			

Performance

Share Price Premium/Discount to Net Asset Value

Launch to 31 December 2019[1]



Source: Aberdeen Standard Investments, Factset.

[1] Using the daily share prices together with the quarterly NAVs as announced by the Company as data points.

Share Price Total Return

Launch to 31 December 2019 (rebased to 100 at launch)

Source: Aberdeen Standard Investments, Factset.

Our Unique Selling Points

Aberdeen Standard European Logistics Income PLC was launched in December 2017 and has already built a strategic position in the real estate market that the Board and Investment Manager believe will deliver the investment objective to shareholders over the longer term.

Our main USPs are listed below:

1

The Investment Manager has local teams on the ground that know the market

The property business is a local business. You have to speak the local language and have a network with brokers, developers, investors and owner-occupiers to find the best deals at the right price. Aberdeen Standard Investments is one of the few investors in the market that has such a deep network of real estate expertise with 25 offices across Europe of which 11 are real estate hubs. This makes the ASI Group the second largest real estate investor in Europe with over £40 billion of real estate under management. On the ground it has almost 30 transaction managers focusing on the sourcing and closing of deals and over 80 asset managers responsible for maintenance of the assets, building good relationships with our clients, the tenants, and adding value through active asset management.

2

Investing in the most liquid mid-box and strong growth segment of urban logistics

Durability of income stream is key for an income driven strategy. The Investment Manager looks beyond the length of the lease contract to see if a warehouse has a second life after the lease matures. The mid-box section of the market, with building sizes reaching up to a maximum of 50,000 square metres, is where most of the leasing activity takes place providing us with options in the future. This means we operate in a more liquid area of the sector than the ultra 'big-box' part of the market where options may be more limited. Equally from a disinvestment perspective there will be limited numbers of potential investors who can take on these larger investment volumes. Urban logistics is where we have highest growth expectations. An urbanisation trend across Europe and the competition for shorter and shorter delivery times amongst parcel delivery specialists has created a high demand for land resulting in higher land prices and stronger rental growth.

3

A well-diversified, high quality portfolio with long indexed leases to tenants

Durability of income streams will be achieved by selecting the right warehouses in the right locations. The Company now has 14 buildings in the portfolio, of which 8 are new builds, in 5 European countries with 33 tenants providing good risk diversification. All buildings in the portfolio are located alongside main transport corridors where you would expect to find more logistics activity. All buildings have modern specifications in terms of free height, floor load capacity, number of loading doors and yard depth, all features that are relevant for logistics operators nowadays that will provide us with options at lease end. Average lease length is almost 10 years and all have indexed leases to tenants who at the time of acquisition or build completion had appropriately strong covenants.

4

Stock-pickers with a preference for the European Continent

This is a European strategy with a very clear focus on the European Continent and not the UK. There are several reasons for this. First of all, property prices are generally more attractive on the Continent with higher yields. Also financing costs are much lower further boosting the potential income return. And thirdly, a standard lease agreement on the Continent typically has full CPI indexation of the rent every year whereas rents in the UK may be subject to regular review and negotiation.

5 ESG is embedded in the investment philosophy

Aberdeen Standard Investments, as a management house, has the ambition to become carbon neutral. As an investment company it has a clear focus on improving the green performance of our buildings by working closely together with the property managers and tenants. One of the key focuses is the implementation of solar panels on the roofs of our buildings which we now have on several of our warehouses.

6 Modest gearing with attractive all-in costs

The Company has a modest long-term target Loan-To-Value ratio (LTV) of around 35% at asset level and that is where we are with the current portfolio. The maximum LTV is 50% at the time of drawdown but the level of LTV may fluctuate through the use of shorter term loan facilities and in advance of cash raises allowing the Company to commit to further opportunities as they arise. All-in costs of the current loan portfolio are 1.4%.

7 Low fund management fees

The fund management fee is set at a competitive rate of 75 basis points of NAV up to €1.25 billion which will drop to 60 basis points above this.

Strategic Report

2019 Accomplishments

A Strong focus on deployment of capital and putting gearing to work

2019 was characterised by the completion of a large number of purchases that our Investment Manager had been working on over the second half of 2018. Almost all of the transactions were developments, both forward funding and forward commitments, that were finally delivered in Q1/Q2 2019. To finalise these deals the Company used bank financing which brought the overall gearing close to the target of 35% of GAV. A second capital raise was initiated in the summer of 2019 and concluding in late July 2019 raising gross proceeds of £46.4 million, the net proceeds of which were all committed within six months. Asset management initiatives are focusing on extensions where there is ample land available and on the placement of solar panels.

Acquisitions

12 February 2019: finalised the acquisition of an existing warehouse in **Meung sur Loire**, just south of Paris in France, for a purchase price of €23.5 million which is leased to Office Depot.

28 February 2019: finalised the acquisition of a new multi-tenanted logistics warehouse in **Krakow**, Poland, for a purchase price of €23.9 million.

28 February 2019: finalised the forward commitment purchase of a new multi-tenanted logistics warehouse in **Erlensee**, within the German Frankfurt region, for a net purchase price of €32.3 million.

23 May 2019: finalised another forward commitment purchase of a brand new development in **Leon**, in the northwest of Spain, for a price of €15.4 million, which is leased to Decathlon.

14 June 2019: finalised the forward funding development of a new logistics warehouse in **Zeewolde**, the Netherlands, for a purchase price of €30.0 million now leased out to VSH Fittings.

5 July 2019: finalised the forward funding development of a new warehouse in **Oss**, the Netherlands, for a purchase price of €15.7 million and which is leased out to Orangeworks.

8 July 2019: finalised the acquisition of an existing warehouse in **'s Heerenberg**, close to the German border in the Netherlands, for a purchase price of €24.0 million, leased out to JCL logistics.

25 October 2019: finalised the acquisition of another new urban logistics warehouse in **Warsaw**, Poland, for a purchase price of €27.5 million with DHL as the main tenant.

27 December 2019: finalised the acquisition of an existing urban logistics warehouse in **Madrid**, Spain, for a purchase price of €9.2 million which is also leased out to DHL.

After the year end:

10 January 2020: exclusivity was granted to the Company on a new development in **Den Hoorn**, the Netherlands, in August 2019 with exchange of contracts in December and completion in January 2020. The total purchase price was €49.9 million with Van Der Helm Logistics the main tenant.

Financing

12 February 2019: signed a portfolio financing with a German bank on the French warehouses in Avignon and Meung sur Loire for a total amount of €33.0 million and at an all-in cost of 1.57%.

28 February 2019: signed the financing on Erlensee with a German bank for a total amount of €17.8 million at an all-in cost of 1.62%.

28 February 2019: signed the financing on Flörsheim with a German bank for a total amount of €12.4 million at an all-in cost of 1.54%.

6 June 2019: signed a portfolio financing with a German bank on the Dutch warehouses in Ede, Oss and Waddinxveen for a total amount of €37.7 million of which €29.0 million was drawn at an all-in cost of 1.22%.

27 June 2019: signed the financing on 's Heerenberg with a German bank for a total amount of €8.0 million and an all-in cost of 0.94%.

5 December 2019: added €8.0 million to the existing portfolio financing in Ede, Oss and Waddinxveen at an all-in cost of 1.05%.

10 January 2020: signed the portfolio financing on Den Hoorn and Zeewolde with a German bank for a total amount of €35.7 million at an all-in cost of 1.25%.

See page 99 for further details on these asset level fixed rate loan facilities.

Asset Management

The Investment Manager has identified a number of opportunities in the portfolio to install solar panels on roofs with a current focus on the properties in Ede and 's Heerenberg where SDE+ subsidies have been granted by the national government.

A feasibility study has been conducted for the placement of solar panels in Meung sur Loire and the Company has applied for SDE+ subsidies in Zeewolde.

Feasibility studies have commenced on the potential to extend the warehouses in 's Heerenberg and Meung sur Loire.

Investment Manager's Review

Evert Castelein
Fund Manager

Our Portfolio

A diversified portfolio with modern specifications in established logistics locations

Setting aside the unprecedented economic environment we now find ourselves in post year end, in a little over 2 years since the launch of the Company we have invested €400 million in the purchase of 14 warehouses across 5 countries in Europe[1]. Durability of the income stream has been a key focus for this income driven strategy which the Investment Manager believes can only be achieved by a selective approach targeting the more liquid 'mid-box' segment of the logistics market with a preference for warehouses with modern specifications in established locations. We have now built up exposure in the urban segment of the logistics market where there are high growth expectations related to the scaling up of e-commerce and where many parcel delivery specialists are seeking to get closer to their end consumers. The lockdowns experienced across Europe can only have encouraged this increasing trend of change in consumer spending.

ASI's local transaction managers have sourced quality assets, all fully leased with long indexed leases to tenants in line with the Company's investment policy giving confidence that the Company should be well positioned to deliver investors' income and capital growth expectations over the long term.

ASI has local teams on the ground that know the market

ASI is the second largest real estate investor in Europe with currently around €40 billion of assets under management. The Group has local offices across Europe, 25 in total of which 11 are real estate hubs. The property business is a local business. Speaking the local language, having a network with the main participants and understanding the merits of the market is essential to finding the right warehouses and paying the right price. ASI's access to deals is in part demonstrated by the fact that the Investment Manager has closed 9 out of 14 transactions for properties within the portfolio on an 'off-market' basis, meaning direct contact with the seller without any further competition from other potential buyers. ASI's strong reputation as a serious real estate investor with an in-depth knowledge of complex transactions is extremely helpful in the often competitive logistics market that certainly existed before COVID-19. With a quality portfolio assembled, it is extremely important, even more so in these challenging times, to build and maintain relationships with our tenants and understand their businesses and requirements, whilst keeping our buildings in excellent condition and adding value where we can. This is the main responsibility of our local asset managers, of which there are over 80 across Europe. The fact that we have local ASI transaction and asset managers across Europe is what helps to set us apart from many other investors.

Since the launch of the Company, the team has investigated more than 170 investment opportunities across Europe representing a total investment value of €9.1 billion resulting in 37 bids (€1.5 billion) of which 19 were accepted by the vendors resulting in an exclusive position and start of the due diligence process finally resulting in 5 rejections and 14 deals closed.

Rejecting a deal during due diligence is never ideal but it is a potential outcome of such in-depth analysis on the legal, technical, fiscal and commercial aspects of a transaction so that we fully understand all the risks we could be taking through the addition of an asset to the portfolio. On behalf of the Company the Investment Manager has issued or considered bids in: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain and Sweden, once again illustrating the access to a wide range of markets through local teams.

A well-diversified, quality portfolio with long indexed leases.

The team at ASI are stock-pickers, building a high conviction portfolio from the bottom-up, with buildings considered to deliver stable and growing cash-flows in normal market conditions. This does not mean that we do not take top-down views on markets. Since launch, our focus has been very much on the European Continent and not the UK. There are good reasons for this. First of all, the UK was more advanced in the cycle with prime yields already close to 4% in 2018 against approximately 5%+ for prime stock on the Continent. Secondly, financing costs were more attractive on the Continent where German banks have been very active. All-in costs for a 7 year loan facility could easily cost 100 bps less on the Continent, creating a wider yield spread with the property yield. And lastly, a standard lease agreement on the Continent typically has full CPI indexation of the annual rent providing an inflation hedge.

A key focus for the Company has been the durability of income streams. This means we are not buying bespoke warehouses with long leases in solitary locations. We have invested in warehouses that will have a second life thanks to modern building specifications in terms of free height, floor load capacity, number of loading doors and yard depth. All of these features are highly relevant for logistics operators nowadays. Also all warehouses are located alongside main transportation corridors, or close to large population centres or airports, where logistics activity can be found, making these very liquid investments, both from an occupier and an investor perspective.

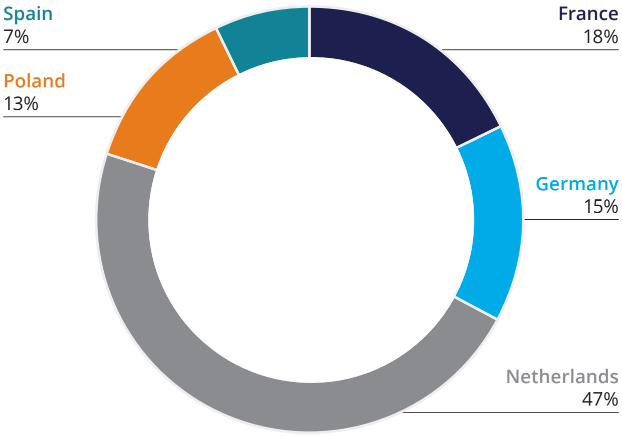
[1] Including Den Hoorn in the Netherlands which closed in January 2020 for a net purchase price of €49.9 million.

New stacking system at Zeewolde, Netherlands

We have built a well-diversified property portfolio with 14 buildings in 5 European countries and 33 tenants creating good risk diversification. Eight buildings were newly constructed and have been erected between 2018 and 2020 showing the low average age of the portfolio and also highlighting the good relationships we have with project developers. Average lease length is almost 10 years all with indexed leases to tenants.

As at 31 December 2019 The Netherlands is the largest market in the portfolio with an allocation of 47%, followed by France (18%), Germany (15%), Poland (13%) and Spain (7%). The high allocation to the Netherlands is a very conscious decision as the Netherlands holds a strong position as gateway to the Western Europe market with excellent road connections to Schiphol airport and the port of Rotterdam, the largest port in Europe. The Investment Manager is in discussions with the developer of the Zeewolde property with regards a small flooring defect in relation to the depth of heating pipes where racking has been installed. The tenant's operations continue uninterrupted and we expect a satisfactory outcome to these discussions. In Avignon temporary chilling equipment has been installed for the tenant whilst the developer resolves an issue around compliance with local regulations. No liability falls upon the Company with any additional costs deemed payable by the developer.

Country allocation (in % of GAV)



Performance over the year

With the capital raise undertaken during 2019 and recent strong valuation uplifts seen for many of our properties, we ended the year with a property portfolio valued at €348.5 million with total assets of €383.0 million. This excludes the acquisition of the Den Hoorn property which completed in January 2020. The year-end net asset value of €1.11 per share, when accounting for dividends paid and reinvested, on a total return basis, reflects a total return for the year of 8.6% per share in euro terms. It was pleasing to see the strong uplift in the portfolio valuation over the final quarter of 2019. The 4% quarterly valuation

[2] Including Den Hoorn in the Netherlands which closed in January 2020 for a net purchase price of €49.9 million.

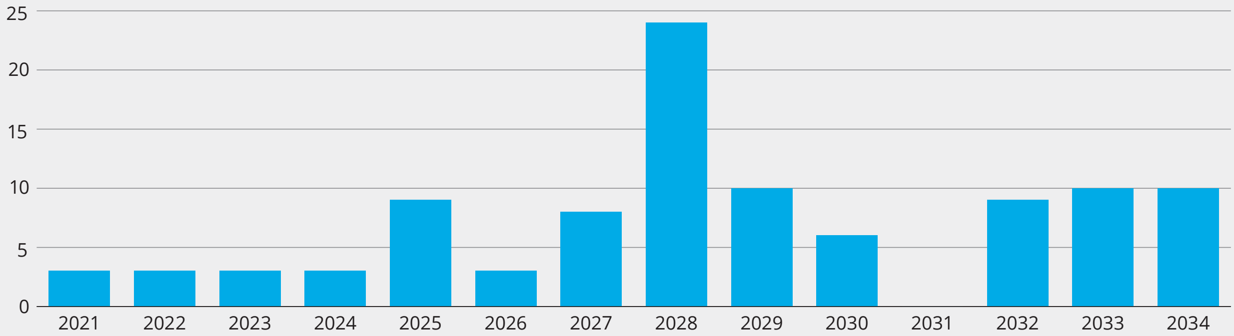
increase in Q4 illustrated the continued supply and demand imbalance for real estate within key European logistics hubs and highlighted the level of investor demand within this growing sector. While largely driven by a contraction in yields, an increase in market rents, particularly in Germany where Erlensee and Flörsheim performed strongly, was also a key driver in the portfolio valuation uplift.

Durable income streams driving future performance

All properties held within the portfolio were income producing at the year end with long leases. This includes a rental guarantee in respect of the office space at Ede for a value of €257,000 per annum available until July 2023 while the Investment Manager seeks a suitable tenant. The weighted average unexpired lease term is 9.7 years excluding breaks and 8.8 years if including breaks. Long leases mean we are able to benefit from yearly indexation for a longer period of time. There are local differences with indexation though. In the UK, typically, rents may be reviewed regularly or increased at the maturity of a lease by negotiation whereas on the Continent leases are predominantly indexed each year using the Consumer Price Index (CPI) as a basis. There can be local differences, for example the French L'indice des Loyers des Activités Tertiaries (ILAT) is an index based on a combination of construction costs, CPI and GDP growth. In Germany, the indexation of rents is only triggered once the cumulative CPI indexation rate of the preceding years exceeds a certain threshold which is then implemented by a certain portion of that threshold. Part of ASI's due diligence process when considering a purchase is a check on the financial strength of the tenants to ensure, as much as possible, that a tenant is able to pay the rent for the foreseeable future. ASI has used the Dun & Bradstreet Failure Scoring system as the main source to check on tenants' solvency and as a relative measure of risk. However, we can also leverage off of the knowledge of ASI's financial equity analysts if there are reasons for a more in-depth analysis. The average credit rating at the year end was 78 out of 100 points and could then have been considered as 'strong'. Of course since the year end, and with the onset of the COVID-19 pandemic, many businesses have been required to close or scale back operations. During this difficult period we are keeping in close contact with our tenants seeking to better understand the impact to their businesses and how we may work together to address their concerns and provide support.

Prior to the emergence of COVID-19, there was an undersupply situation across Europe with high demand for modern logistics space and a lack of sufficient new builds. At the same time, construction costs and land prices were increasing all resulting in upward pressure on rents. The Company had started to see signs of this in the portfolio, reflected more recently for example in 4% higher market rents applied by our valuation adviser for our German assets.

Lease expiry profile (% of total rent)



[1] Based on rent-roll as per Q4 19 including 14th asset with signed SPA that was closed in January 2020.

Top 10 tenants based on current rents

	Tenant	Property	Contracted Rent (€000 p.a.)	Contracted Rent (%)	WAULT (years)[1]
1	Biocoop	Avignon (Noves)	2,311	12	10.6
2	Combilo	Waddinxveen	1,814	10	13.9
3	Kruidvat	Ede	1,597	8	8.6
4	VSH Fittings	Zeewolde	1,532	8	14.5
5	Office Depot	Meung Sur Loire	1,447	8	6.8
6	JCL	's Heerenberg	1,431	8	12.0
7	Decathlon	Leon	1,054	6	9.2
8	Orangeworks	Oss	840	4	14.5
9	Bergler	Erlensee	504	3	9.8
10	Lynka	Krakow	504	3	7.9
	Subtotal		13,034	70	11.0
	Other tenants		6,005	30	6.7
	Portfolio at 31/12/2019		19,039	100	9.7
	Van der Helm	Den Hoorn	2,808		10.0
	Portfolio including Den Hoorn purchase		21,847		9.7

[1] Excluding break options.

Modest gearing with attractive all-in costs

Financing costs on the Continent remain very attractive, particularly when compared to the UK. The Company has used gearing in those markets where all-in loan costs are lowest, such as France, Germany and the Netherlands, where German banks have been very active. All-in costs of the loan portfolio is currently 1.4% with an average loan duration of 7.3 years of which 6.3 years are remaining.

The Company's stated Investment Policy targets a long term target Loan to Value ratio (LTV) of 35% at asset level. This may fluctuate through the use of shorter term loan facilities and in advance of cash raises allowing the Company to commit to further opportunities as they arise.

As at the year end the current portfolio LTV was 28.4%, but including the Den Hoorn purchase in January 2020 it will be close to 35%. The maximum LTV stated in the original prospectus is 50% at the time of a specific drawdown. On a temporary basis the Company's LTV could rise above 35% with the use of a credit line which would allow us to buy a warehouse or implement an asset-management initiative, typically ahead of a capital raise in order to reduce a potential cash-drag. The Company has been in discussions with a range of lenders considering a small Group level loan facility that would enable the Investment Manager to undertake further asset purchases or asset management initiatives.

Property Portfolio as at 31 December 2019

Country	Location	SPA signed	Closing	Built	WAULT (years)[1]	% of portfolio[2]
Germany	Flörsheim	Dec-17	Feb-18	2015	8.2	5.9
France	Avignon	Jul-18	Oct-18	2018	10.4	11.8
Netherlands	Ede	Aug-18	Aug-18	1999/ 2005	7.9	7.0
Netherlands	Oss (forward funding)	Oct-18	Jul-19	2019	14.5	4.2
Netherlands	Zeewolde (forward funding)	Nov-18	Jun-19	2019	14.5	7.5
Netherlands	Waddinxveen	Nov-18	Nov-18	1983/ 1994/ 2002/ 2018	13.9	8.8
Germany	Erlensee	Jun-18	Feb-19	2018	8.3	9.4
Spain	Leon	Jul-18	Mar-19	2019	9.2	4.4
France	Meung-sur-Loire	Nov-18	Feb-19	2004	6.8	6.3
Poland	Krakow	Feb-19	Feb-19	2018	4.8	6.5
Netherlands	's Heerenberg	Jun-19	Jul-19	2009/2011	12.0	6.4
Poland	Warsaw	Sep-19	Oct-19	2019	7.7	6.9
Spain	Madrid	Dec-19	Dec-19	1999	10.0	2.5
TOTAL (1)					**9.7**	**87.5**

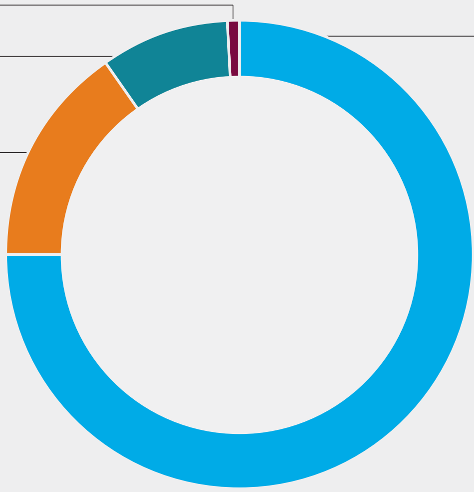
Property acquired post 31 December 2019

Country	Location	SPA signed	Closing	Built	WAULT (years)[1]	% of portfolio[2]
Netherlands	Den Hoorn	Dec-19	Jan-20	2020	10.0	12.5
TOTAL (2)					**10.0**	**12.5**
TOTAL (1+2)					**9.7**	**100.0**

[1] Weighted average unexpired lease term excluding break options.
[2] Relative to Q4 valuations and net purchase prices of asset with signed SPA.

Indexation of rental income

(% of annual rent)



Source: Aberdeen Standard Investments.

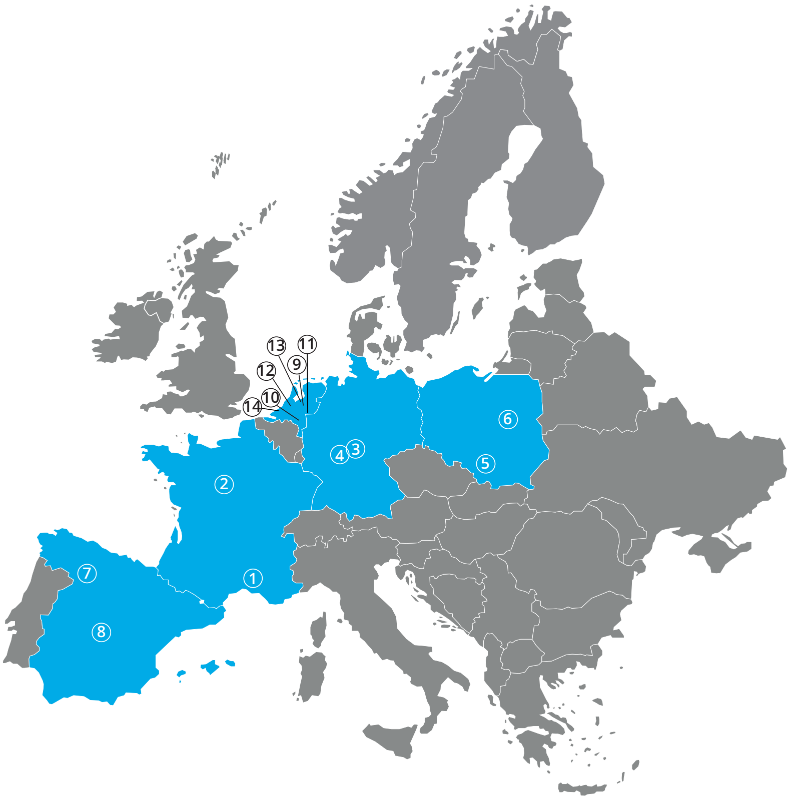
COVID-19 and Outlook

As mentioned in the Chairman's Statement, the Investment Manager and its people on the ground continue to maintain close and regular contact with our tenants in an attempt to support any of those that may be struggling over the short term due to Europe wide lockdowns and business interruption. In the main discussions have reached their conclusion and where rental deferrals have been agreed the great proportion of these are expected to be deferred to later in 2020. Updates issued by the Company in April and May provide detail to investors. Where our tenants have requested rent free periods we have negotiated extended lease terms in consideration of immediate reductions which provides greater certainty for the longer term.

Despite the obvious short term disruption caused by the COVID-19 pandemic, as countries and their economies start to get back to work we still view the logistics sector as being one that will perform well and attract continued investment. New people are adopting ecommerce for every day purchases, particularly older generations. Growing confidence and familiarity with this form of retailing is likely to accelerate the growth in the share of spending through ecommerce platforms which will drive the demand for logistics. Another demand driver is rising inventory levels as companies experience elevated risks to their supply chains whilst trying to make lines more resilient to shocks and, for the same reason, the onshoring of activities bringing production back closer to home and resulting in increased manufacturing locations. Despite short term challenges experienced by tenants, we expect the logistics market to perform well in the mid-term thanks to strong demand drivers in a market that is heavily under-supplied across Europe. Core and Core+ sustainable strategies like this it is expected will be most resilient as businesses alter their supply chains and increase technology in response to changing consumer demands.

Aberdeen Standard Investments Ireland Limited
27 May 2020

Property Portfolio



Property Portfolio as at 31 December 2019

	Property	Tenure	Principal Tenant	Q4 2019 valuation (€m)
1	France, Avignon (Noves)	Freehold	Biocoop	47.2
2	France, Meung sur Loire	Freehold	Office Depot	25.2
3	Germany, Erlensee	Freehold	Bergler	37.6
4	Germany, Flörsheim	Freehold	DS Smith	23.7
5	Poland, Krakow	Freehold	Lynka	25.9
6	Poland, Warsaw	Freehold	DHL	27.4
7	Spain, Leon	Freehold	Decathlon	17.5
8	Spain, Madrid	Freehold	DHL	10.0
9	the Netherlands, Ede	Freehold	AS Watson (Kruidvat)	28.1
10	the Netherlands, Oss	Freehold	Orangeworks	16.8
11	the Netherlands, 's Heerenberg	Freehold	JCL Logistics	25.6
12	the Netherlands, Waddinxveeen	Freehold	Combilo	35.1
13	the Netherlands, Zeewolde	Freehold	VSH Fittings	29.9
Market Value as at 31 December 2019				**350.1**
Less Lease Incentives				**(1.6)**
Total per Balance Sheet				**348.5**

Properties Acquired Post 31 December 2019

	Property	Tenure	Principal Tenant	Purchase price (€m)
14	the Netherlands, Den Hoorn	Leasehold	van der Helm	49.9
Total portfolio				**400.0**

[1] The difference between cost and market value is detailed in note 9 on page 80. As all assets were acquired in the period, the majority of the difference relates to acquisition costs.

FRANCE

AVIGNON

- Avignon (92,000 inhabitants) is located in the heart of the Provence close to larger cities Montpellier (280,000) and Marseille (978,000). The Provence is the #1 region for the production of fruit and vegetables in France explaining why tenant Biocoop (organic food retailer) and other supermarkets (Carrefour, Aldi, Systeme U) and food specialists have located distribution centres here
- New sustainable warehouse with modern specifications and solar panels
- Property consists of 4 cells, 2 of which are treated as cold storage (1/3 of floor space)

SPA signed/ closing	Jul 18 / Oct 18
Net acquisition yield	5.0%
On-/ off-market	Off-market
Year of construction	2018
Net leasable area	28,469 sqm
Main tenants	Biocoop and Bargreen (solar panels)
Indexation	100% ILAT (annual)
WAULT	10.4 years
Property specifications	Free height of 10.5m, floor load capacity of 5 t/sqm, 24 loading doors, sprinklers, HQE Excellent certificate, 11% office space, LED, solar panels

MEUNG SUR LOIRE

- The property is located in the heart of France 27km southwest of Orleans (115,000 inhabitants). Due to its excellent location the unit serves Paris, Central and the South of France for both national and international distribution
- Established and growing logistics location, with DHL, ID Logistics, XPO and Rexel as examples of other logistics operators nearby. Office Depot, specialising in the office supplies market, has consolidated its French business here
- Asset with modern specifications and low site cover of 29% provides space for future expansion

SPA signed/ closing	Nov 18 / Feb 19
Net acquisition yield	4.7%
On-/ off-market	On-market
Year of construction	2004
Net leasable area	30,180 sqm
Main tenant	Office Depot
Indexation	100% ILAT (annual)
WAULT	6.8 years
Property specifications	Free height of 12-17m, 28 loading doors, floor load capacity of 5 t/sqm, sprinklers, site cover of 29%, 6% office space, LED (partial)

GERMANY

ERLENSEE

- Two new logistics buildings on a new logistics hub to the West of the Frankfurt Rhine-Main region (6m inhabitants) with other companies like Dachser and Wilhelm Brandenburg Group located close by
- The project comprises two modern multi-let new logistics buildings of 10,919 and 15,431 sqm with modern specifications
- Limited logistics supply in Rhine-Main region creating space for future growth (sub 5% vacancy)

SPA signed / closing	Jun 18 / Feb 19
Net acquisition yield	5.2%
On-/ off-market	Off-market
Year of construction	2018
Net leasable area	26,703 sqm
Main tenant	Bergler
Indexation	Threshold indexations with combination of 5%/80% and 10%/80%
WAULT	8.3 years
Property specifications	Free height of 10.5m, 50 loading doors, sprinklers, floor load capacity of 5 t/sqm, 10% office space, LED

FLÖRSHEIM

- Prime multi-let logistics park built in 2015 and located to the East of the Frankfurt Rhine-Main region (6m inhabitants), just 15 kilometres from Frankfurt Airport
- Project comprises two modern multi-let new logistics buildings of 10,762 and 7,047 sqm with modern specifications
- Limited logistics supply in Rhine-Main region creating space for future growth (sub 5% vacancy)

SPA signed / closing	Dec 17 / Feb 18
Net acquisition yield	5.2%
On-/ off-market	On-market
Year of construction	2015
Net leasable area	17,875 sqm
Main tenant	Ernst Schmitz
Indexation	100% CPI (annual) and 1 lease with threshold indexation (5%/80%)
WAULT	8.2 years
Property specifications	Free height of 10m, 22 loading doors, floor load capacity of 5 t/sqm, sprinklers, 11% office space, LED (partial)

THE NETHERLANDS

EDE

- Ede (112,000 inhabitants) very centrally located in the Netherlands and well positioned for national distribution
- One part of the building (30% of total) was fully renewed in 2018 with a new floor and installations
- Drugstore Kruidvat is part of the AS Watson Group. They will partly use this location for their growing e-commerce business
- Advanced progress on the partial installation of solar panels

SPA signed/ closing	Aug 18 / Aug 18
Net acquisition yield	5.9%
On-/ off-market	On-market
Year of construction	1999 / 2005
Net leasable area	40,041 sqm
Main tenant	Kruidvat
Indexation	100% CPI (annual)
WAULT	7.9 years
Property specifications	Free height of 12.2m, 23 loading doors, floor load capacity of 2.5-10.0 t/sqm, sprinklers, 8% office space, LED

DEN HOORN

- Logistics sector in the Netherlands performing well and is functioning as a "gateway to Europe"
- Den Hoorn is located in the most densely populated area in the Netherlands in the Rotterdam/ the Hague metropolitan area (2.7 million inhabitants) and easily accessible by motorway
- Brand-new flexible warehouse of 43,316 square metres with modern specifications and option to put solar panels on the roof

SPA signed/ closing	Dec 19 / Jan 20
Net acquisition yield	4.5%
On-/ off-market	On-market
Year of construction	2020
Net leasable area	43,316 sqm
Main tenant	Van der Helm
Indexation	100% CPI (annual)
WAULT	10.0 years
Property specifications	Free height of 12.2 meters, 36 loading doors, floor load capacity of 5t/ sqm, 11% office space, LED, sprinklers, solar panels

THE NETHERLANDS (continued)

OSS

- Oss (86,000 inhabitants) is strategically located between port of Rotterdam and Ruhr area and ranked as number 6 logistics hotspot in the Netherlands
- Established logistics location with large companies such as Montea Logistics, Vos Logistics, Heineken, Vetipak, Movianto and Mediq
- Forward funded project with a 5.5% coupon rate delivered in July 2019
- Tenant has been granted subsidies to install solar panels on the roof

SPA signed/ closing	Oct 18 / Jul 19
Net acquisition yield	5.3%
On-/ off-market	Off-market
Year of construction	2019
Net leasable area	12,433 sqm
Main tenant	Orangeworks
Indexation	100% CPI (annual)
WAULT	14.5 years
Property specifications	Free height of 10m, 5 loading doors with option to create 10 more, floor load capacity of 5 t/sqm, sprinklers, 14% office space, LED

'S HEERENBERG

- Located in an upcoming logistics hub close to A12 highway and Emmerich barge terminal in Germany. Strong incentives for 3PL providers to locate close to NL-GER border with advantages in customs and employment flexibility
- Grade A specified warehouse and cross-dock with offices totaling 23,031 sq metres. Total site is 45,000 sq metres with coverage only 23,000 sqm
- Subsidies have been granted to install solar panels on the roof

SPA signed/ closing	Jun 19 / Jul 19
Net acquisition yield	5.0%
On-/ off-market	Off-market
Year of construction	2009/ 2011
Net leasable area	23,031 sqm
Main tenant	JCL Logistics
Indexation	100% CPI (annual)
WAULT	12.2 years
Property specifications	Warehouse free height 12m, cross-dock 5.5m. 40 loading doors, floor-load capacity 3.0-4.0 t/sqm, LED (partial), sprinklers

THE NETHERLANDS (continued)

WADDINXVEEN

- Waddinxveen is centrally located in the Randstad conurbation (8 million consumers within 1 hour driving distance) and ranked as number 7 logistics hotspot in the Netherlands
- Established and strategic location for tenant due to large concentration of greenhouses. Tenant Combilo is specialised in the import and export and packaging of fruit/vegetables for supermarkets/ wholesale making this an excellent location for them
- Cross-dock warehouse of 28,131 sqm, with ample loading doors on both sides of the building

SPA signed/ closing	Nov 18 / Nov 18
Net acquisition yield	5.0%
On-/ off-market	Off-market
Year of construction	1983/ 1994/ 2002/ 2018
Net leasable area	29,058 sqm
Main tenant	Combilo International
Indexation	100% CPI (annual)
WAULT	13.9 years
Property specifications	Cross-dock with 51 loading doors, free height 7-11m, sprinklers, floor load capacity 1.0 - 3.5 t/sqm, 6% office space, LED (partial), solar panels (partial)

ZEEWOLDE

- Zeewolde is a town with 23,000 inhabitants located in the heart of the Netherlands in the province of Flevoland and close to Almere, the fastest growing municipality in the Netherlands (197,000 inhabitants, forecast: 350,000) and Lelystad (96,000 inhabitants)
- Region is ranked as number 4 logistics hotspot in the Netherlands will benefit from the the expansion of Lelystad airport and opening of Inditex/ Zara warehouse (100,000 sqm)
- Forward funded development (2.55% coupon rate) with modern specifications completed in June 2019

SPA signed/ closing	Nov 18 / Jun 19
Net acquisition yield	5.0%
On-/ off-market	Off-market
Year of construction	2019
Net leasable area	36,515 sqm
Main tenant	VSH Fittings
Indexation	100% CPI (annual)
WAULT	14.5 years
Property specifications	Free height of 12.2m, 37 loading doors, floor load capacity of 5 t/sqm, BREAAM Very Good, sprinklers, 4% office space, LED

POLAND

KRAKOW

	• Krakow is the 2nd largest city in Poland with 760,000 inhabitants and characterised by a relatively affluent population, the dominance of added value industries, a strong education infrastructure and business friendly policy • The Polish logistics market is strong and currently ranked third in Europe in terms of new developments benefitting from being the largest economy within the Central and Eastern European block with a lower cost labour force • New multi-tenant building with modern specifications
SPA signed/ closing	Feb 19 / Feb 19
Net acquisition yield	6.8%
On-/ off-market	On-market
Year of construction	2018
Net leasable area	34,932 sqm
Main tenant	Lynka
Indexation	100% CPI (annual)
WAULT	4.8 years
Property specifications	Free height of 12m, 70 loading doors, floor load capacity of 5 t/sqm, sprinklers, 11% office space, LED

WARSAW

	• Warsaw is the wealthiest and largest, most urbanised area in Poland with a population size of 1.8 million making it attractive for parcel delivery specialists such as DHL • The Polish logistics market is strong and currently ranked third in Europe in terms of new developments benefitting from being the largest economy within the Central and Eastern European block with a lower cost labour force. • Modern, state-of-the-art logistics scheme consisting of two brand-new buildings. One building is cross-docking warehouse for the E-commerce related activities of DHL (54% of total rent), the other one is a standard warehouse with 3 units.
SPA signed/ closing	Oct 19
Net acquisition yield	5.6%
On-/ off-market	Off-market
Year of construction	2019
Net leasable area	24,776 sqm
Main tenant	DHL, ICS
Indexation	100% Euro CPI (annual)
WAULT	7.9 years
Property specifications	Free height of 10m in warehouse and 7.5m in cross-dock, 60 loading doors, floor load capacity of 5 t/sqm, LED, 9% office space, solar panels (partial)

SPAIN

LEON

- Leon (126,000 inhabitants) is a strategic logistics location for distribution in the North West of Spain (supermarket chain Mercadona and Inditex have large warehouses here). Decathlon has moved and closed its business in Pamplona to supply 40 shops in this part of Spain
- New logistics warehouse developed by Goodman to latest logistics standards delivered in April 2019. Asset consists of 3 different modules totalling 32,637 sqm allowing for some flexibility to turn it into a multi-tenant building
- Decathlon has a 5 year option to expand the building by 10,000 sqm if required

SPA signed/ closing	Jul 18 / Apr 19
Net acquisition yield	6.0%
On-/ off-market	On-market
Year of construction	2019
Net leasable area	32,645 sqm
Main tenant	Decathlon
Indexation	100% CPI (annual)
WAULT	9.2 years
Property specifications	Free height of 10.7m, 29 loading doors, floor load capacity of 5 t/sqm, sprinklers, 2% office space, LED, solar panels (partial)

MADRID

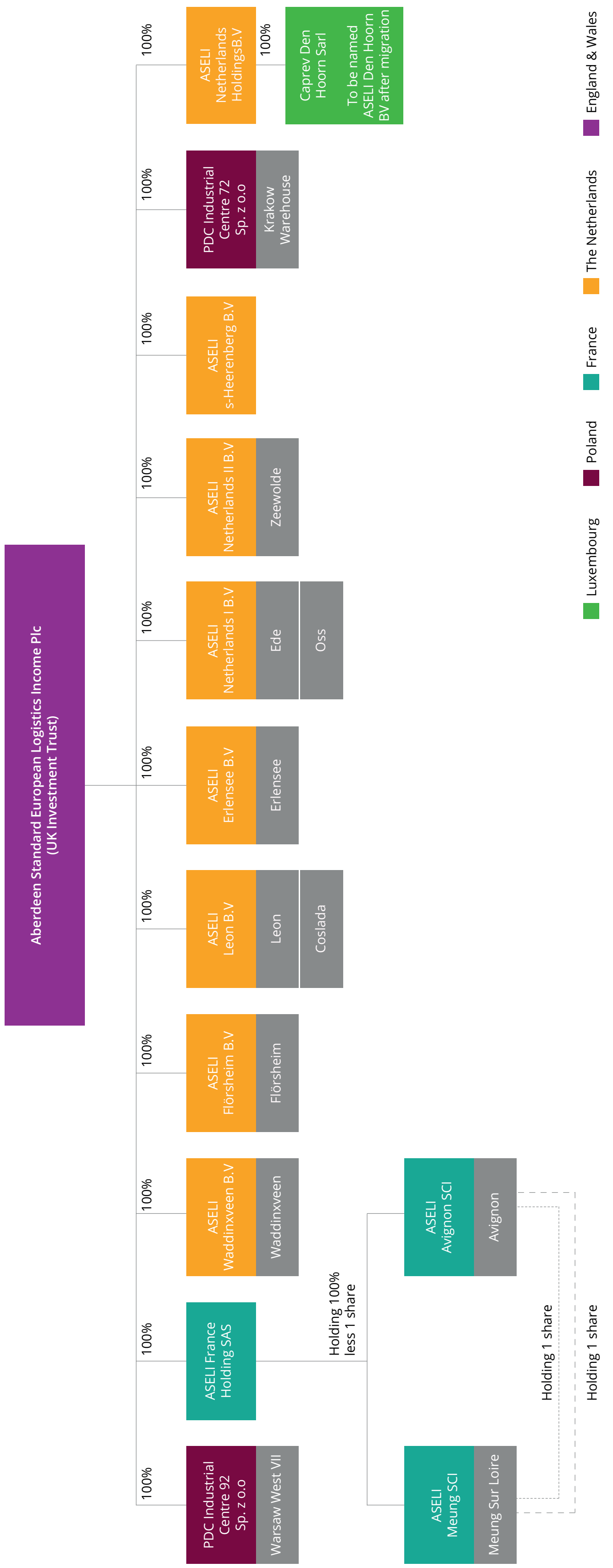
- Coslada is one of the best locations for last mile logistics in Madrid which is one of the larger cities in Europe (6m inhabitants in the region) making it attractive for parcel delivery specialists such as DHL
- Asset is located 1 kilometre from the airport, almost directly adjacent to residential areas to the east of Madrid
- Cross-dock warehouse of 6,785 square metres with loading doors at both sides, ideal for city distribution

SPA signed/ closing	Dec 19
Net acquisition yield	5.0%
On-/ off-market	Off-market
Year of construction	1999, refurb in 2012
Net leasable area	6,785 sqm
Main tenant	DHL
Indexation	100% CPI (annual)
WAULT	10 years
Property specifications	Free height of 10.5m, cross-dock with 12 loading bays at the front and 25 doors at the back, floor load 5 t/sqm, 20% office space

Portfolio

Group Structure

Group Structure as at 30 April 2020



Krakow (Poland), new building with a diversified tenant base

Sustainability

The Company and Aberdeen Standard Investments views the management of Environmental, Social and Governance issues as a fundamental part of their business.

Sustainability

Environment, Social and Governance (ESG)

The Company and Aberdeen Standard Investments views the management of Environmental, Social and Governance issues as a fundamental part of their business. As a real estate investment and asset manager, ASI recognises that while real estate investment provides valuable economic benefits and returns for clients it has, by its nature, an environmental and societal impact. Aberdeen Standard Investments, as our Investment Manager, has committed to:

- Identifying, assessing, monitoring and controlling environmental, societal and regulatory risks at key stages of the investment, development and asset management operations;
- Ensuring effective governance and responding to and complying with regulatory requirements in every country in which we operate;
- Sharing its knowledge and engaging with central government, with local government and with other bodies in order to encourage best practice in the market and to steer government policy; and
- Working in partnership with key stakeholder groups – our investors, occupiers, employees, suppliers and the communities the Company and ASI serve.

A key element of the Investment Manager's policy and approach is the employment of its ESG Impact Dial – a proprietary research framework - in support of investment strategies, underwriting decisions and asset management approach. ASI has identified a range of key forces for change - Environment & Climate, Governance & Engagement, Demographics and Technology & Infrastructure - which together form the basis of the ESG Impact Dial. These guide the prioritisation and integration of ESG factors at the fund and property level, whilst providing a structure for engagement with, and reporting to stakeholders.

The Investment Manager makes use of the expertise within the ESG Real Estate team and is actively engaged with the European Union, national governments and industry working groups, including a number of local Green Building Councils, the Global Real Estate Sustainability Benchmark (GRESB), the UK Better Building Partnership and the UN Principles for Responsible Investment (UN PRI). This ensures that Aberdeen Standard Investments helps to formulate government policies and that its management teams are well informed of future government intent and market direction.

2020 GRESB Assessment

The GRESB Assessment is the leading global sustainability benchmark for real estate vehicles. The Company will be submitted for the second time in June 2020 with results released in September 2020. This reflects the ESG performance of the Company during 2019.

EPRA Sustainability Best Practice Recommendations Guidelines

The Investment Manager has adopted the 2017 EPRA Sustainability Best Practice Recommendations Guidelines (sBPR) to inform the scope of indicators that it reports against. The Investment Manager has reported against all EPRA sBPR indicators that are material to the Company.


Solar panels on the roof of warehouse in Avignon, France

ESG Embedded in the Investment Philosophy

Reducing our carbon footprint and creating tenant engagement

ESG (environmental, social and governance) is embedded in our business processes, not only for the Company and Investment Manager but also with our investors and the tenants in our portfolio. As an investment house, ASI is seeking to offset its carbon emissions from its office locations and business travel and is aiming for zero emissions. For the Company's property portfolio, the Investment Manager has worked on a strategy with an action plan for each warehouse with an ambition to reduce carbon emissions.

Solar

The Manager has explored various options to improve ESG across the portfolio and has now identified several well defined projects for implementation over the short to medium term. There is a strong focus on the installation of solar panels on the roofs of our warehouses. This will predominantly take the form of roof leases with external solar panel specialists that will sign a long lease for the use of the roof and make the direct investment in the panels themselves. The Company's initiatives are quite advanced in the Netherlands, where solar panel specialists are currently performing their technical due diligence and awaiting the outcome of a government subsidy application. At the moment the portfolio has six buildings with roofs partially covered by solar panels and it is anticipated adding at least three more in the course of 2020.

The building in Avignon, France, provides an excellent example where the whole roof is covered by solar panels generating an additional income stream of €160,000 per annum. The tenant Biocoop, a leading organic supermarket chain in France, uses this building to store fruit and vegetables in cold storage and therefore uses more energy than a standard warehouse. For Biocoop, with the green philosophy of the company, it is very important that it buys green energy and the solar setup on this roof should increase the company's desire to remain in this location and help fulfil its green ambitions.

Green leases/volumetric data collection

Another focal point for the Company is to have Green Lease agreements with our tenants. A Green lease is an appendix to a lease agreement creating a commitment for the landlord and tenants to maintain and use the buildings in a green way. An important component is the obligation for the tenant to share volumetric data on energy use, waste disposal and water consumption so that we can see where potential improvements to the building could have most impact. All information collected, ideally through the use of smart meters, will be stored in a program called Envizi, which our Investment Manager will use to run this analysis. We can only know how much carbon we produce after measuring it. This is a crucial first step.

Tenant satisfaction survey

A direct way to engage with tenants is through a tenant satisfaction survey. This is the 'S' or 'Social' in ESG. The Investment Manager has instigated a survey which will ask for example how a tenant feels about the quality of the interior and exterior of the building, their views about the relationship with the property manager and to analyse responses to see where there may be room for improvements with a special focus on ESG. The Company seeks to learn from such communications and to create strong long-term relationships in order to keep occupancy at the highest possible levels and ideally with a greener building.

GRESB Survey

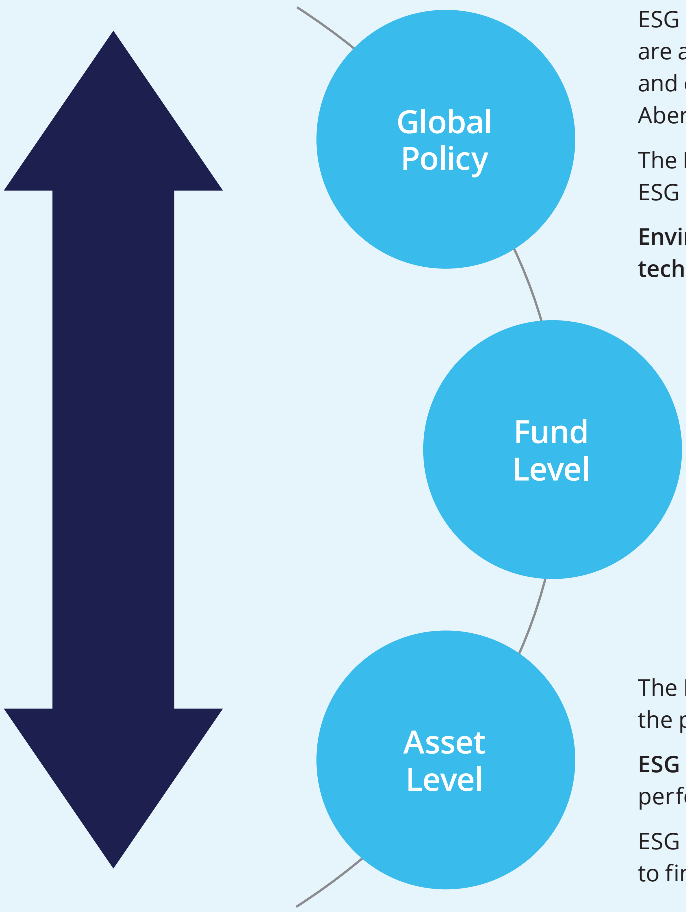
Other ESG initiatives are: light sustainability audits and the analysis of our participation in GRESB. GRESB is the Global Real Estate Sustainability Benchmark, the leading indicator for property funds to compare their score with a peer group of comparable funds. Over the year 2018, whilst the Company only owned 4 properties, our score was 63 points compared to an average 58 points for first time entrants and 71 points as a European average. The Company through the work of its Investment Manager is aiming for a higher score for 2019's portfolio with the aforementioned projects and now that we are fully invested.

Some of the additional areas where we believe we will have scored additional points are:

- Our buildings have LED lighting installed
- Green travel – bicycle racks for staff provided at 13 properties
- Electric car charging points provided
- Insect hotels! We have already installed our first at Zeewolde with the aim of increasing local biodiversity

ESG is fundamental to how Aberdeen Standard Investments thinks about real estate investment Integrating ESG into the direct real estate investment process

Global Real Estate Policy



ESG is a **core investment belief**; risk and opportunities are analysed at every step of the asset cycle to protect and enhance performance. ESG mega trends inform the Aberdeen Standard House View.

The Manager has a **dedicated team** with proprietary ESG investment research capability.

Environmental responsibility, **changing demographics**, **technology** and **governance** are key pillars.

ESG is a key part of **annual business planning** in all ASI funds.

Aberdeen Standard submitted 36 funds to GRESB in 2019, and achieved **more Green Star GRESB ratings** than any other investment manager in 2019 – demonstrating the effectiveness of our approach.

The Manager conducts a **full ESG assessment** prior to the purchase of any asset.

ESG action plans and **KPI monitoring** used to drive performance.

ESG is embedded into all **developments** from start to finish.

Local Action

Source: Aberdeen Standard Investments, May 2020.

Sustainability

Materiality Indicators

The Company has undertaken a review of materiality against each of the EPRA sBPR indicators. The table below indicates the outcome of the review.

Code	Performance measure	Review outcome
Environmental		
Elec-Abs	Total electricity consumption	Not material - there is no landlord procured energy, water or waste for the portfolio therefore all consumption or waste production is directly controlled by the tenant which is classified as indirect or as scope 3. As the portfolio continues to grow, we will capture any landlord procured data where possible and if feasible and we will try and capture tenant data to understand the operational performance of the assets
Elec-LfL	Like-for-like total electricity consumption	
DH&C-Abs	Total district heating & cooling consumption	
DH&C-LfL	Like-for-like total district heating & cooling consumption	
Fuels-Abs	Total fuel consumption	
Fuels-LfL	Like-for-like total fuel consumption	
Energy-Int	Building energy intensity	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	
GHG-Int	Greenhouse gas (GHG) emissions intensity from	
Water-Abs	Building energy consumption	
Water-LfL	Total water consumption	
Water-Int	Like-for-like total water consumption	
Waste-Abs	Building water intensity	
Waste-LfL	Total weight of waste by disposal route	
Cert-Tot	Like-for-like total weight of waste by disposal route	
Waste-LfL	Type and number of sustainably certified assets	
Cert-Tot	Type and number of sustainably certified assets	Material
Social		
Diversity-Emp	Employee gender diversity	Not material – ASELI does not have any employees
Diversity-Pay	Gender pay ratio	
Emp-Training	Employee training and development	
Emp-Dev	Employee performance appraisals	
Emp-Turnover	New hires and turnover	
H&S-Emp	Employee health and safety	Not material – This is in the control of the tenants
H&S-Asset	Asset health and safety assessments	
H&S-Comp	Asset health and safety compliance	
Comty-Eng	Community engagement, impact assessments and development programs	Not material - This will become material over time as the assets develop
Governance		
Gov-Board	Composition of the highest governance body	Material – Due to the new nature of the Company, these aspects cannot currently be reported but will be over time
Gov-Selec	Process for nominating and selecting the highest governance body	
Gov-Col	Process for managing conflicts of interest	

Reporting Methodology

This investment vehicle was launched specifically in December 2017 to invest in logistics assets and, as a result, is not in a position to report on all indicators as determined in the materiality assessment. As the Company matures further reporting will be available.

Renewable energy

Solar PV is installed across the whole of the asset in Avignon, France and partially across five further properties. The Investment Manager currently aims to install further solar panels in 2020 at the locations in Ede, Den Hoorn and Meung-sur-Loire.

Auditing and assurance

The Investment Manager has not currently sought third party assurance for the ESG data included in this report although this is something that the Investment Manager is looking at introducing in future years.

Environmental Indicators

Absolute Energy Consumption

			Landlord Electricity (kWh)			Occupier Electricity (i.e. sub-metered to occupiers) (kWh)			Landlord-obtained Gas (kWh)			Occupier-obtained Gas (kWh)			Total Energy(kWh)			Energy Intensity (kWh/ m2)		
Indicator references			Elec-Abs			Elec-Abs			Fuels-Abs			Fuels-Abs			Fuels-Abs			Energy-Int		
Sector	Coverage 2018 (assets)	Coverage 2019 (assets)	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change
Industrial, Distribution warehouse	4 of 4	9 of 13	0	0	n/a	2,299,126	7,577,654	230%	0	0	n/a	1,884,563	2,162,634	15%	4,183,690	9,740,288	133%	36.29	38.85	7%

Absolute greenhouse gas emissions

As the majority of data collected is occupier data, this falls under scope 3 emissions. The emissions have increased year on year due to the acquisition of 5 more assets where occupier data was collected.

GHG Emissions

			Scope 1 Emissions (tCO2)			Scope 2 Emissions (tCO2)			Scope 3 Emissions (tCO2)			Emissions Intensity - Scopes 1, 2 & 3 (kgCO2/m2)		
Indicator references			GHG-Dir-Abs			GHG-Indir-Abs			GHG-Indir-Abs			GHG-Int		
Sector	Coverage 2018 (assets)	Coverage 2019 (assets)	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change
Industrial, Business Parks	4 of 4	9 of 13	0	0	n/a	0	0	n/a	637	2322	n/a	5.530	9.261	67%

Water Consumption

Absolute water consumption has increased year on year by 731% due to improved data coverage year on year and the acquisition of 6 new assets where occupier data was collected.

			Absolute Water Consumption (m3)				
Indicator reference			Water-Abs; Water-Int				
Sector	Coverage 2018 (assets)	Coverage 2019 (assets)	2018 (m3)	2018 intensity (litres/m2)	2019 (m3)	2019 intensity (litres/m2)	% Change
Industrial, Distribution warehouse	2 of 4	8 of 13	2,757	48	22,913	105	731%

Sustainability Certifications

The below metric measures the percentage Gross Asset Value (GAV) of all properties held that have achieved a Green Building rating/certificate on completion compared to the percentage GAV for the whole portfolio during the reporting period. This includes stock recently acquired, held for the long term and those refurbished, developed or forward funded.

	2018	2019
% AUM	17	39

Certified properties

Property	Unit	Certificate type	Rating
Flörsheim, Germany	Whole	DGNB	Gold
Noves (Avignon), France	Whole	HQE	Excellent
Leon, Spain	Whole	BREEAM	Good
Zeewolde, Netherlands	Whole	BREEAM	Very Good
Oss, Netherlands	Whole	BREEAM	Very Good
Warsaw, Poland	Whole	BREEAM	Good

Energy Performance Certificate (EPC) ratings for assets owned by the Company are shown below:

Energy Performance Certificate (EPC) rating	% Net Lettable Area (NLA)
A	55%
B	7%
C	2%
D	8%
E	0%
F	0%
G	0%
Germany Rating 1	12%
To be confirmed	17%

Warsaw, Poland, completed in October 2019

Governance

The Directors, all of whom are non-executive and independent of the AIFM and Investment Manager, oversee the management of the Company and represent the interests of shareholders.

The business of the Company is to invest in high quality European logistics real estate to achieve the objective of providing shareholders with a regular and attractive level of income return together with the potential for long term income and capital growth. The Directors do not envisage any change in this activity in the foreseeable future. The Company is registered as a public limited company in England and Wales and is an investment company as defined by Section 833 of the Companies Act 2006. The Company is also a member of the Association of Investment Companies.

Warsaw (Poland), new building with DHL as main tenant

Your Board of Directors

Details of the current Directors, all of whom are non-executive and independent of the AIFM and Investment Manager, are set out below. The Directors oversee the management of the Company and represent the interests of shareholders.

Tony Roper

Status: Independent Non-Executive Chairman

Length of service: Two years, appointed a Director on 8 November 2017 and Chairman on 11 June 2019

Experience: Tony started his career as a structural engineer with Ove Arup and Partners in 1983. In 1994 he joined John Laing plc to review and make equity investments in infrastructure projects both in the UK and abroad and then in 2006 he joined HSBC Specialist Investments ('HSIL') to be the fund manager for HICL Infrastructure Company Limited. In 2011, Tony was part of the senior management team that bought HSIL from HSBC, renaming it InfraRed Capital Partners.

Tony was a Managing Partner and a senior member of the infrastructure management team at InfraRed Capital Partners until June 2018. He remains a non-executive director for them on Affinity Water Limited. He holds a MA in Engineering from Cambridge University and is an ACMA.

Last re-elected to the Board: elected on 11 June 2019

Committee membership: Management Engagement Committee and Nomination Committee

Remuneration: £47,000 per annum from 1 January 2020

All other public company directorships: SDCL Energy Efficiency Income Trust plc

Employment by the Investment Manager: None

Other connections with Trust or Investment Manager: None

Shared Directorships with any other Trust Directors: None

Shareholding in Company: 45,000 Ordinary shares

Caroline Gulliver

Status: Senior Independent Non-Executive Director

Length of service: Two years, appointed a Director on 8 November 2017

Experience: Caroline is a chartered accountant with over 25 years' experience at Ernst & Young LLP, latterly as an executive director before leaving in 2012. During that time, she specialised in the asset management sector and developed an extensive experience of investment trusts. She is a director of a number of other investment companies.

Last re-elected to the Board: elected on 11 June 2019

Committee membership: Audit Committee (Chairman), Nomination Committee and Management Engagement Committee

Remuneration: £38,000 per annum from 1 January 2020

All other public company directorships: JP Morgan Global Emerging Markets Income Trust plc, International Biotechnology Trust plc and Civitas Social Housing PLC

Employment by the Investment Manager: None

Other connections with Trust or Investment Manager: None

Shared Directorships with any other Trust Directors: None

Shareholding in Company: 40,000 Ordinary shares

John Heawood

Status: Independent Non-Executive Director

Length of service: Two years, appointed a Director on 8 November 2017

Experience: John has 40 years' experience as a Chartered Surveyor advising a broad range of investors, developers and occupiers. He was a partner, and subsequently a director, of DTZ responsible for the London-based team dealing with industrial, logistics and business park projects across the UK. In 1996 he was appointed to the board of SEGRO plc and was responsible for its UK business for the next 12 years. From 2009-2013 he was managing director of the Ashtenne Industrial Fund, a £500 million multi-let industrial and logistics portfolio managed by Aviva on behalf of 13 institutional investors. John is currently a non-executive director of Place Partnership Limited, a member of Council and member of the finance and general purposes committee of the Royal Veterinary College and a trustee of Marshalls Charity.

Last re-elected to the Board: elected on 11 June 2019

Committee membership: Management Engagement Committee (Chairman), Audit Committee and Nomination Committee

Remuneration: £33,000 per annum from 1 January 2020

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Trust or Investment Manager: None

Shared Directorships with any other Trust Directors: None

Shareholding in Company: 30,000 Ordinary shares

Diane Wilde

Status: Independent Non-Executive Director

Length of service: Two years, appointed a Director on 8 November 2017

Experience: Diane was managing director at Gartmore Scotland Ltd, managing investment trust assets from 1993 – 2000. Following a period of managing similar assets at Aberdeen Asset Managers between 2000 and 2003, she joined Barclays Wealth as Head of Endowment Funds in Scotland, and managing clients in the multi asset space until 2014. She was an adviser at Allenbridge, an investment consulting firm until May 2018. She is also a board member of the Social Growth Fund, managed by Social Investment Scotland (SIS), a leading social enterprise and impact investor in Scotland and the United Kingdom.

Last re-elected to the Board: elected on 11 June 2019

Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration: £33,000 per annum from 1 January 2020

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Trust or Investment Manager: None

Shared Directorships with any other Trust Directors: None

Shareholding in Company: 40,000 Ordinary shares

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 December 2019.

Results and Dividends

Details of the Company's results and dividends are shown on page 17 of this Annual Report. The dividend policy is disclosed in the Strategic Report on page 9.

Investment Trust Status

The Company was incorporated on 25 October 2017 (registered in England & Wales No. 11032222) and has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial periods commencing on or after 15 December 2017. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2019 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Share Capital

On 5 July 2019, the Company announced the intention to raise further funds through a placing, open offer and offer for subscription seeking to incrementally add to and further diversify the portfolio. On 26 July 2019, the Board announced that the Company had raised gross proceeds of approximately £46.4 million (equivalent to approximately €51.8 million at the then prevailing exchange rate). Applications had been received for 47,000,000 new Ordinary shares of 1p (new Shares) which were subsequently issued at the issue price of 98.75p per Share. Application was made for the admission of the new Shares to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities on 31 July 2019. Following the issue of these new Shares, the total number of Shares in issue and therefore the voting rights in the Company is now 234,500,001 Shares.

The Company's capital structure is summarised in note 15 to the financial statements. At 31 December 2019, there were 234,500,001 fully paid Ordinary shares of 1p each in issue. During the year no Ordinary shares were purchased in the market for treasury or cancellation and, except as noted above, no further new Ordinary shares were issued.

Voting Rights and Share Restrictions

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a takeover bid.

Borrowings

A full breakdown of the Company's loan facilities is provided in note 4 to the financial statements on page 99.

Management Agreement

Under the terms of a Management Agreement dated 17 November 2017 between the Company and the AIFM, Aberdeen Standard Fund Managers Limited (and amended by way of side letters on 22 February 2019 and 25 May 2018), the AIFM was appointed to act as alternative investment fund manager of the Company with responsibility for portfolio management and risk management of the Company's investments. Under the terms of the Management Agreement, the AIFM may delegate portfolio management functions to the Investment Manager and is entitled to an annual management fee together with reimbursement of all reasonable costs and expenses incurred by it and the Investment Manager in the performance of its duties.

Pursuant to the terms of the Management Agreement, the AIFM is entitled to receive a tiered annual management fee (the "Annual Management Fee") calculated by reference to the Net Asset Value (as calculated under IFRS) on the following basis:

- On such part of the Net Asset Value that is less than or equal to €1.25 billion, 0.75 per cent. per annum.
- On such part of the Net Asset Value that is more than €1.25 billion, 0.60 per cent. per annum.

No annual management fee was charged on uninvested funds until such time as 75 per cent. of the initial Net Proceeds from launch had been invested , which happened during 2018. The Annual Management Fee is payable in Euros quarterly in arrears, save for any period which is less than a full calendar quarter.

The Company may terminate the Management Agreement by giving the AIFM not less than 12 months' prior written notice.

The AIFM has also been appointed by the Company under the terms of the Management Agreement to provide day-to-day administration services to the Company and provide the general company secretarial functions required by the Companies Act. In this role, the AIFM will provide certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. Effective from March 2020 accounting and administration services undertaken on behalf of the Company have been delegated to Brown Brothers Harriman.

The AIFM has also delegated the provision of the general company secretarial services to Aberdeen Asset Management PLC.

Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 21 to the financial statements.

The Board

The current Directors, Ms Gulliver, Mr Heawood, Mr Roper and Ms Wilde, together with Mr Pascal Duval who retired from the Board on 11 June 2019, were the only Directors who served during the year. In accordance with the Articles of Association, each Director will retire from the Board at the Annual General Meeting convened for 30 June 2020 and, being eligible, will offer himself or herself for election to the Board. In accordance with Principle 23 of the AIC's 2019 Code of Corporate Governance, each Director will retire annually and submit themselves for re-election at the AGM.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively.

In common with most investment trusts, the Company has no employees. Directors' & Officers' liability insurance cover has been maintained throughout the period at the expense of the Company.

The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and as an intermediary for other directors, when necessary. The Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance and is also available to shareholders to discuss any concerns they may have.

Corporate Governance

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: frc.org.uk.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the need for an internal audit function (provision 26);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

During the year ended 31 December 2019, the Board had four scheduled meetings and a further 13 ad hoc Board meetings as well as numerous update calls. In addition, the Audit Committee met three times and there were two meetings of the Management Engagement Committee and three meetings of the Nomination Committee Between meetings the Board maintains regular contact with the Manager and Investment Manager. In addition to an organised site visit to inspect three properties in the Netherlands, Directors have attended the following scheduled Board meetings and Committee meetings during the year ended 31 December 2019 (with their eligibility to attend the relevant meeting in brackets):

Director	Board	Audit Committee	MEC	Nomination
T Roper[1]	4 (4)	1 (1)	2 (2)	3 (3)
C Gulliver	4 (4)	3 (3)	2 (2)	3 (3)
D Wilde	4 (4)	3 (3)	2 (2)	3 (3)
J Heawood	4 (4)	3 (3)	2 (2)	3 (3)

[1] Mr Roper was appointed Chairman on 11 June 2019 and ceased membership of the Audit Committee from that date.

Policy on Tenure

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis. However, in accordance with corporate governance best practice and the future need to refresh the Board over time, it is currently expected that Directors will not typically serve on the Board beyond the Annual General Meeting following the ninth anniversary of their appointment.

Board Committees

Audit Committee

The Audit Committee Report is on pages 57 and 58 of this Annual Report.

Nomination Committee

All appointments to the Board of Directors are considered by the Nomination Committee which comprises all of the Directors and is chaired by the Chairman of the Company. The Nomination Committee advises the Board on succession planning, bearing in mind the balance of skills, knowledge and experience existing on the Board, and will make recommendations to the Board in this regard. The Nomination Committee also advises the Board on its balance of relevant skills, experience and length of service of the Directors serving on the Board. The Board's overriding priority when appointing new Directors in the future will be to identify the candidate with the best range of skills and experience to complement existing Directors. The Board recognises the benefits of diversity and its policy on diversity is disclosed in the Strategic Report on page 14.

The Committee has put in place the necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self evaluation and a performance evaluation of the Board as a whole and its Committees. In 2019 questionnaires covering the Board, individual Directors, the Chairman and the Audit Committee Chairman were completed. The Chairman then met each Director individually to review their responses. This evaluation highlighted certain areas of further focus such as continuing professional development but concluded that collectively the Board has a very relevant and appropriate balance of experience, knowledge of property markets, legal regulation, promotion and financial accounting and continues to work in an effective manner. Consideration will be given to conducting an externally facilitated evaluation in the future.

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Mr Heawood. The Committee reviews the performance of the Manager and Investment Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. Based upon the competitive management fee and expertise of the Manager, the Committee believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

Remuneration Committee

Under the FCA Listing Rules, where an investment trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. Accordingly, matters relating to remuneration are dealt with by the full Board, which acts as the Remuneration Committee.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development. Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 53 to 55.

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website eurologisticsincome.co.uk and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the relevant Board committee for their adequacy on an annual basis.

Going Concern

In accordance with the Financial Reporting Council's guidance the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with banking covenants.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 10 to 14 and the Viability Statement on page 14 and have reviewed forecasts detailing revenue and liabilities and they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. In coming to this conclusion, the Board has also considered the impact where feasible of the COVID-19 pandemic. The Manager is in contact with tenants and third party suppliers and continues to have a constructive dialogue with all parties. A range of scenarios have been modelled looking at possible impact to cash flows in the short to medium term and this is kept under review as the situation develops.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his/her connected persons. The Board considers each Director's situation and decides on any course of action required to be taken if there is a conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 22 to the financial statements. No other Directors had any interest in contracts with the Company during the year or subsequently.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Manager.

The Criminal Finances Act 2017 has introduced the corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements are set out on pages 56 and 65 respectively.

Each Director confirms that:

- so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware; and,
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Additionally there have been no important events since the period end that impact this Annual Report.

The Directors have reviewed the level of non-audit services provided by the independent auditor during the year amounting to €41,300 (2018: €45,000) for reporting accountant services provided to the Company in connection with the Prospectus issued in July 2019, together with the independent auditor's procedures in connection with the provision of such services, and remain satisfied that the auditor's objectivity and independence is being safeguarded.

Independent Auditor

The auditor, KPMG LLP, has indicated its willingness to remain in office. The Directors will place a resolution before the Annual General Meeting to re-appoint KPMG LLP as auditor for the ensuing year, and to authorise the Directors to determine its remuneration.

Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and financial statements. It is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to members of the Standard Life Aberdeen Group within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Standard Life Aberdeen Group's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Standard Life Aberdeen Group's activities. Risk includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The significant risks faced by the Company have been identified as being financial; operational; and compliance-related.

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the AIFM prepares forecasts and management accounts which allows the Board to assess the Company's activities and review its performance;
- the Board and AIFM have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the AIFM and Investment Manager as appropriate;
- as a matter of course the AIFM's compliance department continually reviews Aberdeen Standard Investments' operations and reports to the Board on a six monthly basis;
- written agreements are in place which specifically define the roles and responsibilities of the AIFM and other third party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within Aberdeen Standard Investments, has decided to place reliance on the Manager's systems and internal audit procedures; and
- at its March 2020 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2019 by considering documentation from the AIFM, Investment Manager and the Depositary, including the internal audit and compliance functions and taking account of events since 31 December 2019. The results of the assessment, that internal controls are satisfactory, were then reported to the Board at the subsequent Board meeting.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 December 2019:

Shareholder	No. of Ordinary shares held	% held
East Riding of Yorkshire	28,000,000	11.9
Brewin Dolphin Capital & Investments (Ireland)	20,830,473	8.9
CCLA Investment Management	20,003,567	8.5
Quilter Cheviot Investment Management	16,559,138	7.1
Canaccord Genuity Wealth Management	12,569,096	5.4
AJ Bell, stockbrokers	9,354,740	4.0
Hargreaves Lansdown, stockbrokers	9,271,490	3.9
Aberdeen Standard Capital International	8,586,001	3.7
Aberdeen Standard Investments	8,354,235	3.6

There have been no significant changes notified in respect of the above holdings between 31 December 2019 and 27 May 2020.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report will be widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Manager's freephone information service and the Company's website eurologisticsincome.co.uk.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the Standard Life Aberdeen Group (either the Company Secretary or the Investment Manager) in situations where direct communication is required and usually a representative from the Board is available to meet with major shareholders on an annual basis in order to gauge their views.

The Notice of the Annual General Meeting, included within the Annual Report and financial statements, is sent out at least 20 working days in advance of the meeting. In normal circumstances, all Shareholders normally have the opportunity to put questions to the Board or the Investment Manager, either formally at the Company's Annual General Meeting or at the subsequent buffet luncheon for Shareholders. This year, due to the UK Government's compulsory Stay at Home measures to manage the COVID-19 pandemic in the UK, Shareholders are unlikely to be able to attend the AGM and no refreshments will be provided. Shareholders are however invited to send any questions for the Board and or the Investment Manager on the Annual Report by email to European.Logistics@aberdeenstandard.com. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

Annual General Meeting

Special Business Directors' Authority to Allot Relevant Securities

Approval is sought in Resolution 10, an ordinary resolution, to renew the Directors' existing general power to allot shares but will also provide a further authority (subject to certain limits) to grant rights to subscribe for or to convert any security into shares under a fully pre-emptive rights issue. The effect of Resolution 10 is to authorise the Directors to allot up to a maximum of 154,770,000 shares in total (representing approximately 66% (as at the latest practicable date before publication of this Annual Report) of the existing issued share capital of the Company), of which a maximum of 77,385,000 shares (approximately 33% (as at the latest practicable date before publication of this Annual Report) of the existing issued share capital of the Company) may only be applied other than to fully pre-emptive rights issues. This authority is renewable annually and will expire at the conclusion of the next Annual General Meeting in 2021, or June 2021, whichever is earlier. The Directors do not have any immediate intention to utilise this authority.

Special Business Disapplication of Pre-emption Rights

Resolution 11 is a special resolution that seeks to renew the Directors' existing authority until the conclusion of the next Annual General Meeting to make limited allotments of shares for cash of up to a maximum of 23,450,000 shares representing 10% of the issued share capital (as at the latest practicable date before publication of this Annual Report) other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders.

This authority includes the ability to sell shares that have been held in treasury (if any), having previously been bought back by the Company. The Board has established guidelines for treasury shares and will only consider buying in shares for treasury at a discount to their prevailing NAV and selling them from treasury at or above the then prevailing NAV.

New shares issued in accordance with the authority sought in Resolution 11 will always be issued at a premium to the NAV per Ordinary share at the time of issue. The Board will issue new Ordinary shares or sell Ordinary shares from treasury for cash when it is appropriate to do so, in accordance with its current policy. It is therefore possible that the issued share capital of the Company may change between the date of this document and the Annual General Meeting and therefore the authority sought will be in respect of 10% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document. This authority is renewable annually and will expire at the conclusion of the next Annual General Meeting in 2021 or June 2021, whichever is earlier.

Special Business Purchase of the Company's Shares

Resolution 12 is a special resolution proposing to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority. The minimum price to be paid per Ordinary share by the Company will not be less than £0.01 per share (being the nominal value) and the maximum price should not be more than the higher of (i) an amount equal to 5% above the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out.

The Directors do not intend to use this authority to purchase the Company's Ordinary shares unless to do so would result in an increase in NAV per share and would be in the interests of Shareholders generally. The authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

The authority being sought in Resolution 12 will expire at the conclusion of the Annual General Meeting in 2021, or June 2021, whichever is earlier unless it is renewed before that date. Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly or under the authority granted in Resolution 11 above, may be held in treasury.

If Resolutions 10 to 12 are passed then an announcement will be made on the date of the Annual General Meeting which will detail the exact number of Ordinary shares to which each of these authorities relate.

These powers will give the Directors additional flexibility going forward and the Board considers that it will be in the interests of the Company that such powers be available. Such powers will only be implemented when, in the view of the Directors, to do so will be to the benefit of Shareholders as a whole.

Special Business Notice of Meetings

Resolution 13 is a special resolution seeking to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on 14 days' clear notice. This approval will be effective until the Company's next Annual General Meeting in 2021 or June 2021 whichever is earlier. In order to utilise this shorter notice period, the Company is required to ensure that Shareholders are able to vote electronically at the general meeting called on such short notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as practicable and will only utilise the authority granted by Resolution 13 in limited and time sensitive circumstances.

Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends, the Company's Shareholders are unable to approve a final dividend each year. In line with good corporate governance and as reported last year, the Board therefore proposes to put the Company's dividend policy to Shareholders for approval at the Annual General Meeting and on an annual basis thereafter.

Resolution 3 is an ordinary resolution to approve the Company's dividend policy. The Company's dividend policy shall be that dividends on the Ordinary Shares are payable quarterly in relation to periods ending March, June, September and December and the last dividend referable to a financial year end will not be categorised as a final dividend that is subject to Shareholder approval. It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles to make distributions from capital.

Shareholders should note that references to "dividends" are intended to cover both dividend income, and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.

Recommendation

Your Board considers Resolutions 10 to 13 to be in the best interests of the Company and its members as a whole and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that Shareholders should vote in favour of Resolutions 10 to 13 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 155,000 Ordinary shares.

By order of the Board

Aberdeen Asset Management PLC - Secretaries
Bow Bells House
1 Bread Street
London EC4M 9HH

27 May 2020

Directors' Remuneration Report

The Board has prepared this report in accordance with the regulations governing the disclosure and approval of Directors' remuneration. This Directors' Remuneration Report comprises three parts:

1. **Remuneration Policy**
   Which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – approved by Shareholders at the AGM held on 11 June 2019;

2. **Implementation Report**
   Which provides information on how the Remuneration Policy has been applied during the period and which is subject to an advisory vote on the level of remuneration paid during the period; and

3. **Annual Statement**
   The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on 60 to 66.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and there have been no changes to the policy during the period nor are there any changes proposed for the foreseeable future.

As the Company has no employees and the Board is comprised wholly of non-executive Directors and, given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and the Company's Articles of Association limit the annual aggregate fees payable to the Board of Directors to £300,000 per annum. This cap may be increased by shareholder resolution from time to time.

Fees payable to Directors in respect of the year ended 31 December 2019 were:

	£
Chairman	40,000
Chairman of Audit Committee	35,000
Director	30,000

Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

Appointment

- The Company only appoints non-executive Directors.
- Directors must retire and be subject to election at the first AGM after their appointment, and voluntarily submit themselves for annual re-election.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (£33,000).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- No Director has an interest in any contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed upon three months' notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. Under the Articles, the Company indemnifies each of the Directors out of the assets of the Company against any liability incurred by them as a Director in defending proceedings or in connection with any application to the Court in which relief is granted and separate deeds of indemnity exist in this regard between the Company and each Director.

Implementation Report

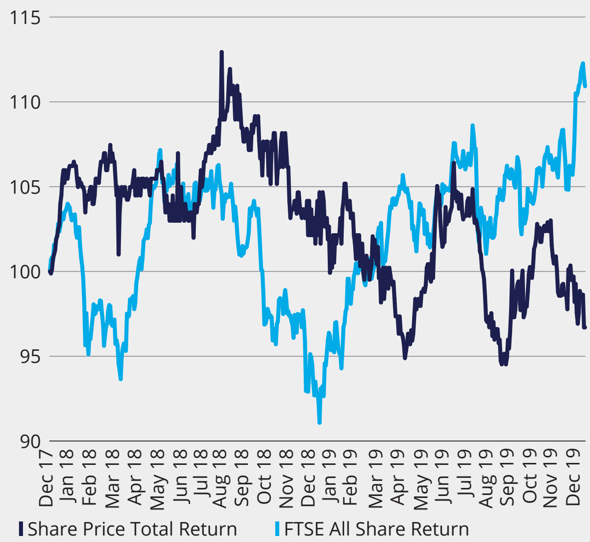
Directors' Fees

The Board has carried out an annual review of the level of fees payable to Directors including a review of comparable peer group directors' fees. The Board concluded that, with effect from 1 January 2020 the annual fees payable to Directors should be increased to: Chairman £47,000, Audit Committee Chairman £38,000, Directors £33,000. There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

Company Performance

The following chart illustrates the total shareholder return (including reinvested dividends) for a holding in the Company's shares as compared to the FTSE All Share Index for the period from launch to 31 December 2019 (rebased to 100 at launch). Given the absence of any meaningful index with which to compare performance, the FTSE All Share index is deemed to be the most appropriate one against which to measure the Company's performance.

Inception to 31 December 2019



Source: Aberdeen Standard Investments, Factset.

Statement of Voting at Annual General Meeting

At the Company's first AGM held on 11 June 2019, Shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the period ended 31 December 2018 and the Directors' Remuneration Policy which took effect from the conclusion of the AGM and the following proxy votes were received on the resolutions:

Resolution	For* %	Against %	Withheld %
(2) Receive and Adopt Directors' Remuneration Report	68.3m (99.9%)	29,753 (0.0%)	12,593
(3) Approve Directors' Remuneration Policy	68.3m (99.9%)	31,447 (0.0%)	27,060

* Including discretionary votes.

Spend on Pay

As the Company has no employees, the Board does not consider it appropriate to present a table comparing remuneration paid to Directors with distributions to Shareholders. Fees are pro-rated where a change takes place during a financial year.

The total fees paid to Directors are shown below.

Fees Payable (Audited)

The Directors received the following fees which exclude employers' NI and any VAT payable for the year ended 31 December 2019 and the period ended 31 December 2018:

Director	2019 £	2018 £
T Roper[1]	35,556	34,417
C Gulliver	35,000	40,153
J Heawood	30,000	34,417
D Wilde	30,000	34,417
P Duval[2]	17,889	45,889
Total	**148,445**	**189,293**

[1] Tony Roper was appointed Chairman on 11 June 2019.
[2] Retired as Chairman and as a Director on 11 June 2019.

In euro terms the amounts the Directors were paid was €170,192 (2018 €213,000).

The table below shows the actual expenditure in the year in relation to directors remuneration and shareholder dividends.

	2019 €	2018 €
Directors' Fees paid	170,192	213,000
Dividends paid	12,112,000	3,536,000

Sums Paid to Third Parties

None of the fees disclosed above were payable to third parties in respect of making available the services of the Directors.

Directors' Interests in the Company (Audited)

The Directors are not required to have a shareholding in the Company. The Directors' interests in contractual arrangements with the Company are as shown in note 22 to the financial statements. The Directors (including connected persons) at 31 December 2019 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 December 2019 Ordinary shares	31 December 2018 Ordinary shares
T Roper	45,000	30,000
C Gulliver	40,000	25,000
J Heawood	30,000	20,000
D Wilde	40,000	20,000
P Duval[1]	n/a	30,000

[1] Retired as a Director on 11 June 2019.

The above interests are unchanged at 27 May 2020, being the nearest practicable date prior to the signing of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 December 2019:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the period; and
- the context in which the changes occurred and in which decisions have been taken.

Tony Roper
Chairman

27 May 2020

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

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework.*

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our 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 profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider 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 group's position and performance, business model and strategy.

By order of the Board
Tony Roper

27 May 2020

Report of the Audit Committee

I am pleased to present the report of the Audit Committee for the year ended 31 December 2019 which has been prepared in compliance with applicable legislation.

Committee Composition

The Audit Committee comprised three independent Directors at the period end: Mr Heawood, Ms Wilde and myself (Ms Gulliver) as Chairman. The Directors have satisfied themselves that at least one of the Committee's members has recent and relevant financial experience. I am a member of the Institute of Chartered Accountants of Scotland (ICAS) and I confirm that the Audit Committee as a whole has competence relevant to the investment trust sector and that at least one member has competence in accounting.

The Audit Committee continues to believe that the Company does not require an internal audit function of its own as it delegates its day to day operations to third parties from whom it receives internal controls reports.

Functions of the Committee

The principal function of the Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk. The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on an annual basis. Copies of the terms of reference are published on the Company's website.

The Committee's main audit review functions are listed below:

- to review and monitor the internal control systems and risk management systems (including review of non-financial and emerging risks) on which the Company is reliant;
- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Non-audit fees of €41,300 (2018: €45,000 ex VAT) were paid to the independent auditor during the year ended 31 December 2019, in respect of the provision of reporting accountant services for the fundraising Prospectus published in July 2019. The Audit Committee reviews and approves the provision of all non-audit services in the light of the potential for such services to impair the Auditor's independence;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to review and challenge the investment valuation process employed by the Manager;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Investment Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, announcements and related formal statements;
- to review the content of the Half Yearly Report and Annual Report and Financial Statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy;
- to meet with the auditor to review their proposed audit programme of work and the findings of the auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to review a statement from the Manager detailing the arrangements in place within the AIFM whereby the AIFM staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistleblowing");
- to make recommendations in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor;
- to monitor and review annually the auditor's independence, objectivity, effectiveness, resources and qualification; and
- to investigate, when an auditor resigns, the reasons giving rise to such resignation and consider whether any action is required.

Activities During the Period

The Audit Committee met three times during the period when it considered the Half Yearly Report in detail and reviewed the auditor's audit planning report. Representatives of the AIFM's internal audit, risk and compliance departments reported to the Board at these meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment.

Review of Internal Control Systems and Risk

The Committee considers the internal control systems and a matrix of risks at each of its meetings. There is more detail on the process of these reviews in the Directors' Report.

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 31 December 2019, the Audit Committee considered the following significant issues, including, in particular, those communicated by the Auditor as key areas of audit emphasis during their planning and reporting of the period end audit.

Valuation of Investment Property – The valuation of the Group's investment properties is performed by an independent external valuer in accordance with the RICS Red Book. The valuation of investment property requires significant judgement and estimates by the independent valuer. The Audit Committee is responsible for reviewing and challenging the investment valuation process employed by the Manager. The independent valuer is appointed by the Manager and the Manager's direct property pricing committee is responsible for ensuring that the valuation is independent, fair and compliant with the ASI valuation policies. Portfolio managers are responsible for correcting any matters of factual inaccuracy during the valuation process but are not permitted to express any opinion in relation to the valuation itself.

Recoverability of Intercompany Loans – The carrying amount of the intercompany loan balance represents 78% of the parent company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. In structuring the intercompany loan arrangements the Manager has received specialist advice and is therefore confident of the recoverability of these loans.

Going Concern – The Directors have reviewed and confirmed the viability of the Company and further details are provided on page 14. The Directors have also considered the going concern status of the Company and the confirmation that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company is provided on page 49.

Review of Financial Statements

The Committee is responsible for the preparation of the Company's Annual Report. The process is extensive, requiring input from a number of different third party service providers. The Committee reports to the Board on whether, taken as a whole, the Annual Report and financial statements are fair, balanced and understandable. In so doing, the Committee has considered the following matters:

- the existence of a comprehensive control framework surrounding the production of the Annual Report and financial statements which includes a number of different checking processes;
- the existence of extensive levels of reviews as part of the production process involving the depositary, the Manager, the Company Secretary and the auditor as well as the Committee's own expertise;
- the controls in place within the various third party service providers to ensure the completeness and accuracy of the financial records and the security of the Company's assets;
- the externally audited internal control reports of the Manager, and related service providers.

The Committee has reviewed the Annual Report and the work undertaken by the third party service providers and is satisfied that, taken as a whole, the Annual Report and financial statements is fair, balanced and understandable. The Committee has reported its findings to the Board which in turn has made its own statement in this regard in the Directors' Responsibility Statement on page 56.

Review of Auditor

The Audit Committee has reviewed the effectiveness of the Auditor including:

- **Independence**: the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards;
- **Quality of audit work:** (i) the ability to resolve issues in a timely manner – the Audit Committee is confident that identified issues are satisfactorily and promptly resolved; (ii) its communications/presentation of outputs – the Audit Committee is satisfied that the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensible; and (iii) working relationship with management – the Audit Committee is satisfied that the Auditor has a constructive working relationship with the Manager; and,
- **Quality of people and service including continuity and succession plans:** the Audit Committee is satisfied that the audit team is made up of sufficient, suitably experienced staff.

The Audit Committee therefore supports the recommendation to the Board that the reappointment of the Auditor be put to Shareholders for approval at the AGM.

Tenure of the Auditor

KPMG has held office as auditor since the incorporation of the Company in 2017. In accordance with present professional guidelines the audit partner will be rotated after no more than five years and the year ended 31 December 2019 is the second year for which the present partner has served. The Committee considers KPMG, the Company's auditor, to be independent of the Company. Companies Act legislation requires listed companies to tender the audit every 10 years and rotate after a maximum of 20 years. The Committee therefore expects to conduct a tender for audit services by 2027 at the latest.

Caroline Gulliver

Audit Committee Chairman

27 May 2020

DHL, Madrid

Financial Statements

The audited Net Asset Value ("NAV") per Share as at 31 December 2019 was €1.11 (GBp - 94.21p), compared with the NAV per Share of €1.08 (GBp - 96.7p) at the end of 2018, reflecting, with the interim dividends declared, a NAV total return of 8.6% for the year in euro terms.

Independent Auditor's Report to the Members of Aberdeen Standard European Logistics Income PLC

KPMG

Independent auditor's report

to the members of Aberdeen Standard European Logistics Income PLC

1. Our opinion is unmodified

We have audited the financial statements of Aberdeen Standard European Logistics Income PLC ("the Company") for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Parent Company Balance Sheet, Parent Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and the Group's net return for the year then ended;

— The Group financial statements have been properly prepared in accordance International Financial Reporting Standards as adopted by the European Union;

— the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and

— the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 14 November 2017. The period of total uninterrupted engagement is for the two financial years ended 31 December 2019. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: group financial statements as a whole	€3.8m (2018:€2.1m) 1% (2018: 1%) of Total Assets	
Coverage	100% of Group total assets	
Key audit matters		**vs 2018**
Recurring risks	Valuation of investment properties.	◄►
	Recoverability of Parent Company's intercompany loans due from Group Entities.	◄►
New risk	Going concern	New risk

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in arriving at our audit opinion above, together with our key audit procedures to address this matter and our findings from those procedures in order that the Company's members as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on the matters.

	The risk	Our response
Valuation of investment properties €349m (2018: €149m) Refer to page 57 (Audit Committee Report), page 74 (accounting policy) and page 80 (financial disclosures).	***Subjective valuation*** *The carrying amount of the Group's property portfolio makes up 91.0% (2019: 70.7%) of the Group's total assets by value.* *Valuations of the Group's investment properties are performed by an independent external valuation advisor in accordance with the RICS Red Book.* *The valuation of investment property requires significant judgement and estimates by management and the independent valuation advisor. As a result there is an inherent risk that the subjective assumptions used in the calculations of fair value are inappropriate.* *The effect of these matters is that, as part of our risk assessment, we have determined that the valuation of investment properties has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements are anticipated to disclose the sensitivity estimated by the Group.*	Our procedures, assisted by local KPMG real estate valuation specialists (for procedures 1, 2, 3 and 4), will include: • **1. Understanding of valuation approach:** Inquiries with the Group's external valuation advisor to understand the assumptions and methodologies used in valuing the investment properties and the market evidence used by the external valuation advisor to support their assumptions. We also obtained an understanding of the directors' involvement in the valuation process to assess whether appropriate oversight has occurred. • **2. Assessing valuation advisor's credentials:** Critically assessing the independence, professional qualifications, competence and experience of the external valuation advisor used by the Group. • **3. Methodology choice:** Critically assessing the methodology used by the external valuation advisor by considering whether their valuations were in accordance with the RICS Valuation Professional Standards 'the Red Book' and relevant accounting standards. • **4. Benchmarking assumptions:** Challenging the key assumptions upon which the valuations were based, including those relating to Estimated Rental Value ('ERV') and yield rates by making a comparison to our own assumption ranges derived from market data. • **5. Input assessment:** Agreeing observable inputs used in the valuations, such as rental income, occupancy rates, lease incentives, break clauses and lease lengths back to lease agreements for a sample of leases. • **6. Assessing transparency:** We also considered the adequacy of the Group's disclosures about the degree of estimation and sensitivity to key assumptions made when valuing the investment properties. **Our results** We found the Group's valuation of investment properties to be acceptable (2018: acceptable).

	The risk	Our response
Recoverability of Parent Company's intercompany loans due from Group entities €194m (2018: €144m) Refer to page 58 (Audit Committee Report), page 75 (accounting policy) and page 82 (financial disclosures).	***Low risk, high value*** *The carrying amount of the intercompany loan balance represents 79% (2018: 70%) of the Parent Company's total assets.* *Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.*	Our procedures included: • Tests of detail: Assessing 100% of intercompany loans to identify, with reference to the relevant debtor's draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed. • For subsidiaries where we have identified a negative net asset value we have gained an understanding of circumstances resulting in a negative net asset value. **Our results:** We found the Group's assessment of the recoverability of the intercompany loans to be satisfactory (2018: satisfactory).
Going Concern Refer to page 28 (Audit Committee Report), page 72 (accounting policy) and page 72 (financial disclosures).	***The risk*** *Risk related to the ability of the Group to continue as a going concern, and associated disclosure quality.* *The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company.* *That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements.* *Given the significant impact of the Covid-19 pandemic, the risks most likely to adversely affect the Group's and Company's available financial resources over this period were:* • *tenant default and significant reduction in rent collections impacting cash flow and earnings;* • *Availability of borrowings and compliance with loan covenants; and* • *significant reduction in property values* *The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.*	Our procedures included: **Funding assessment:** We assessed the committed level of financing and related covenant requirements by reference to supporting documentation and sensitivity analysis to challenge continued compliance with these covenant requirements. **Key dependency assessment:** We considered the current level of rental income receipts and assessed the risk of future non-payment of rent in identifying where there is risk over sufficiency of resources. **Sensitivity analysis:** We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. These include likely downsides as a result of the COVID-19 issue. **Our sector experience:** We assessed the financial forecasts with reference to our knowledge of business; **Evaluating directors' intent:** We evaluated the achievability of the actions the Directors consider they would take, specifically to adjust dividend payments, to improve the position should the risks materialise; and **Assessing transparency:** We assessed the completeness and accuracy of the matters covered in the going concern disclosure by assessing the reasonableness of risks and uncertainties specified by the disclosure against our findings from our evaluation of the Directors' assessment of going concern. **Our results:** We found the going concern disclosure without any material uncertainty to be acceptable (2018: acceptable).

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3. Our application of materiality and an overview of the scope of our audit

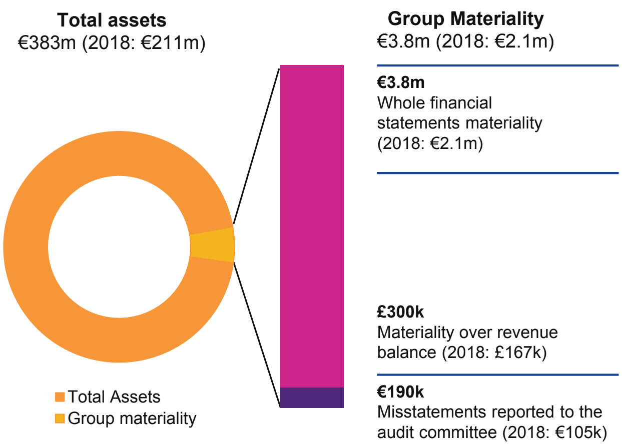
Materiality for the group financial statements as a whole was set at €3.8m (2018: €2.1m), determined with reference to a benchmark of total assets, of which it represents 1% (2018: 1%).

Materiality for the Parent Company financial statements as a whole was set at €2.5m (2018: €2.06m), determined with reference to a benchmark of total assets, of which it represents 1% (2018: 1%).

In addition, we applied a materiality of €300k (2018: €167k) to identify revenue amounts for which we believe misstatements of a lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the Company's members' assessment of the financial performance of the Group.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding €190k (2018: €105k), in addition to other identified misstatements that warranted reporting on qualitative grounds, (Parent Company €120k).

The Group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality levels set out above and was performed at our offices in Edinburgh.



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4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 49 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

— the directors' confirmation within the viability statement on pages 10 and 14 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;

— the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and

— the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the longer-term viability statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

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Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that 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 Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 56, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors, the manager and the administrator (as required by auditing standards) the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Parent Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), its qualification as an Investment Trust under UK Companies Act legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Parent Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: the Listing Rules and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors, the manager and the administrator and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify any actual or suspected non-compliance.

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and the further matters we are required to state to them in accordance with the terms agreed with the company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Harvie (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

27 May 2020

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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

		Year ended 31 December 2019			For the period 25 October 2017 to 31 December 2018		
	Notes	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
REVENUE							
Rental Income		13,376	-	13,376	2,323	-	2,323
Property service charge income		2,233	-	2,233	-	-	-
Other operating income		23	-	23	211	-	211
Total Revenue	2	15,632	-	15,632	2,534	-	2,534
GAINS/(LOSSES) ON INVESTMENTS							
Gains/(losses) on Revaluation of investment properties	9	-	16,852	16,852	-	(4,080)	(4,080)
Total Income and gains/(losses) on investments		**15,632**	**16,852**	**32,484**	**2,534**	**(4,080)**	**(1,546)**
EXPENDITURE							
Investment management fee		(1,695)	-	(1,695)	(587)	-	(587)
Direct property expenses		(265)	-	(265)	(225)	-	(225)
Property service charge expenditure		(2,233)	-	(2,233)	-	-	-
SPV property management fees		(154)	-	(154)	(26)	-	(26)
Other expenses	3	(1,728)	-	(1,728)	(1,005)	-	(1,005)
Total expenditure		(6,075)	-	(6,075)	(1,843)	-	(1,843)
		9,557	**16,852**	**26,409**	**691**	**(4,080)**	**(3,389)**
FINANCE COSTS							
Finance costs	4	(1,411)	-	(1,411)	(658)	-	(658)
Net return before taxation		8,146	16,852	24,998	33	(4,080)	(4,047)
Taxation	5	(415)	(4,662)	(5,077)	-	-	-
Net return for the year/period		7,731	12,190	19,921	**33**	**(4,080)**	**(4,047)**
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS							
Currency translation differences on capital proceeds		-	136	136	-	407	407
Currency translation on conversion of distribution payments		-	(328)	(328)	7	(107)	(100)
Effect of foreign exchange differences		(300)	-	(300)	-	-	-
Other comprehensive (loss)/profit		(300)	(192)	(492)	7	300	307
Total comprehensive return for the period		**7,431**	**11,998**	**19,429**	**40**	**(3,780)**	**(3,740)**
Basic and diluted earnings/(loss) per share	**7**	**3.72¢**	**5.86¢**	**9.58¢**	**0.02¢**	**(2.47¢)**	**(2.45¢)**

The accompanying notes are an integral part of the financial statements.

Consolidated Balance Sheet

As at 31 December 2019

	Notes	As at 31 December 2019 Total €'000	As at 31 December 2018 Total €'000
NON-CURRENT ASSETS			
Investment properties	9	348,519	148,918
		348,519	**148,918**
CURRENT ASSETS			
Trade and other receivables	10	9,883	11,679
Cash and cash equivalents	11	24,579	50,133
Total current assets		**34,462**	**61,812**
Total assets		**382,981**	**210,730**
CURRENT LIABILITIES			
Trade and other payables	12	9,352	8,657
Derivative financial instruments	14	8	-
Total current liabilities		**9,360**	**8,657**
NON-CURRENT LIABILITIES			
Bank Loans	13	107,916	-
Deferred tax liability	5	5,428	-
Total non-current liabilities		**113,344**	**-**
Total liabilities		**122,704**	**8,657**
Net assets		**260,277**	**202,073**
SHARE CAPITAL AND RESERVES			
Share capital	15	2,645	2,122
Share premium	16	50,364	-
Special distributable reserve	17	191,579	203,691
Capital reserve	18	8,218	(3,780)
Revenue reserve		7,471	40
Equity shareholders' funds		**260,277**	**202,073**
Net asset value per share	8	**€ 1.11**	**€1.08**

The Financial Statements on pages 67 to 101 were approved and authorised for issue by the Board of Directors on 27 May 2020 and signed on its behalf by:

Caroline Gulliver
Independent Non-Executive Director

Company number: 11032222
The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Notes	Share capital €'000	Share premium €'000	Special distributable reserve €'000	Capital reserve €'000	Revenue reserve €'000	Total €'000
Balance at 31 December 2018		2,122	-	203,691	(3,780)	40	202,073
Share Issue	15/16	523	51,147	-	-	-	51,670
Share Issue costs	16	-	(783)	-	-	-	(783)
Total Comprehensive return for the year		-	-	-	11,998	7,431	19,429
Dividends paid	6	-	-	(12,112)	-	-	(12,112)
Balance at 31 December 2019		**2,645**	**50,364**	**191,579**	**8,218**	**7,471**	**260,277**

For the period 25 October 2017 to 31 December 2018

	Notes	Share capital €'000	Share premium €'000	Special distributable reserve €'000	Capital reserve €'000	Revenue reserve €'000	Total €'000
Balance at 25 October 2017		-	-	-	-	-	-
Original Share Issue	15/16	2,122	210,102	-	-	-	212,224
Share Issue costs	16	-	(2,875)	-	-	-	(2,875)
Share premium conversion		-	(207,227)	207,227	-	-	-
Total Comprehensive return for the period		-	-	-	(3,780)	40	(3,740)
Dividends paid	6	-	-	(3,536)	-	-	(3,536)
Balance at 31 December 2018		**2,122**	**-**	**203,691**	**(3,780)**	**40**	**202,073**

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 €'000	For the period ended 25 October 2017 to 31 December 2018 €'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net gain/(loss) for the period before taxation		19,921	(4,047)
Adjustments for:			
(Gains)/Losses on investment properties	9	(16,852)	4,080
Decrease/(increase) in operating trade and other receivables	10	1,796	(11,679)
Increase in operating trade and other payables	12	6,123	8,657
Finance costs	4	1,411	658
Tax paid	5	-	-
Cash generated by operations		12,399	(2,331)
Net cash inflow/(outflow) from operating activities		12,399	(2,331)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment properties	9	(182,749)	(152,998)
Derivative financial instruments		8	-
Currency translation differences		(492)	307
Net cash outflow from investing activities		(183,233)	(152,691)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	6	(12,112)	(3,536)
Finance costs	4	(1,411)	(658)
Bank loans drawn	13	107,916	-
Proceeds from share issue	15/16	51,670	212,224
Issue costs relating to share issue	16	(783)	(2,875)
Net cash inflow from financing activities		145,280	205,155
Net (decrease)/increase in cash and cash equivalents		(25,554)	50,133
Opening balance		50,133	-
Closing cash and cash equivalents		24,579	50,133
REPRESENTED BY			
Cash at bank	11	24,579	6,279
Money market funds	11	-	43,854
		24,579	50,133

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

The principal accounting policies adopted by the Group are set out below, all of which have been applied consistently throughout the period.

(a) Basis of Accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect, and to the extent that they have been adopted by the European Union, and the Listing Rules of the UK Listing Authority.

The audited Consolidated Financial Statements of the Group have been prepared under the historical cost convention as modified by the measurement of investment property and derivative financial instruments at fair value. The consolidated financial statements are presented in Euro.

In compliance with the AIC's Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (Issued November 2014 and updated in October 2019 with consequential amendments), the consolidated statement of comprehensive income is separated between capital and revenue profits and losses.

New and revised standards and interpretations issued in the current period

The accounting policies adopted have been consistently applied throughout the period presented, unless otherwise stated. This includes the below noted Standards and Interpretations that became effective during the period, which the group has incorporated in the preparation of the financial statements:

- IFRS 16 Leases ("IFRS 16") replaces IAS 17 Leases ("IAS 17") and is effective for annual periods beginning on or after 1 January 2019. The key changes are the lessee and lessor accounting models are no longer symmetrical.
- For lessees, the accounting for leases will change to a new single lessee accounting model, requiring recognition of a right-of-use asset (right to use underlying leased asset) and a lease liability (obligation to make lease payments) for a lease with a term greater than 12 months, exclusion to recognition is if the underlying asset is of a low value when new.
- For lessors, this remains relatively unchanged – IFRS 16 retains IAS 17's distinction of finance and operating lease however, IFRS 16 has introduced changes for the lessor where the lessor acts as an intermediate lessor in the lease contract.
- The Group has made an assessment of the leases, where the Group acts as intermediate lessor in the lease agreement, and has identified that the Group has no investment properties held on leased land. Subsequent to the year end the Group acquired a property on leased land which will be included in the 2020 financial statements in compliance with the requirement of IFRS 16.
- The Group has made no adjustments to its financial statements following adoption of IFRS 16.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23") is effective for annual periods beginning on or after 1 January 2019. IFRIC 23 clarifies the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Group has made no adjustments to its financial statement following adoption of IFRIC 23 and hence not discussed further.

There are a number of amended standards issued which are effective from annual periods beginning on or after 1 January 2020. The Group does not anticipate these to have a material impact on the annual consolidated financial statements of the Group and hence not discussed and are detailed below:

- Amendments to IAS 1 Presentation of Financial Statements ("IAS 1") and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") definition of material.
- An amendment of IFRS 3 Business Combinations ("IFRS 3") definition of business.

(b) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements and contingent liabilities. However, uncertainty about these judgements, assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Key estimation uncertainties

Fair value of investment properties: Investment property is stated at fair value as at the balance sheet date as set out in note 9 to these accounts.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets. The estimate of future cash flows includes consideration of the repair and condition of the property, lease terms, future lease events, as well as other relevant factors for the particular asset.

These estimates are based on local market conditions existing at the balance sheet date.

(c) Basis of Consolidation and Going Concern

The consolidated financial statements comprise the accounts of the Company and its subsidiaries drawn up to 31 December 2019. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Going Concern

The Group and Company meets its longer term funding and working capital requirements through a combination of cash balances, rental income and a number of bank loans with different banks (see note 13). Following the purchase of Den Hoorn (January 2020 €49.9m) and a further loan advance of €35.7m, also January 2020, the Group had cash resources of approximately €8m. In addition, the Company is due a repayment of VAT paid on the property at Leon amounting to €3.2 million. Repayment is expected shortly.

As detailed in note 13 there are five bank facilities none of which are due to expire before June 2025. The new loan utilised in January 2020 has a redemption date of 14 January 2028. The Group also has an undrawn £6m overdraft with Societe Generale.

The existence of the COVID-19 crisis is expected to impact the Group through a reduction in rental income and potential reduction in investment property valuation. The Company has prepared cash flow forecasts which reflect the expected impact of COVID-19, including severe but plausible downside scenarios taking into account specific tenant risks. The impact of reductions in rental income in the scenarios could be mitigated through a reduction in dividends to shareholders if considered necessary by the Board.

The scenarios model reduced rental income through to 2022 and the worst case model equates to an overall 33% reduction of rental income per annum over that period. There are no anticipated breaches of loan to value covenants as a result of reasonably possible reductions in property values or rental income. Regarding interest cover covenants of those three bank loans subject to financial covenants, two are secured over multiple properties. This affords the Group headroom on the interest cover covenants under all scenarios. The third bank loan is secured over only one property, with a single tenant, and as such is more exposed to the risk of rental reductions. The Group is able to mitigate this risk through a combination of maintaining sufficient cash resources under the modelled scenarios to, as permitted under the provisions of the loan facility agreement, potentially cure a breach should it occur, or provide additional security, or let the property should it become vacant.

While the Company cannot predict with any certainty the full impact of the COVID-19 crisis the financial forecast prepared, including the downside scenarios, indicate that it can continue to operate as a going concern and meet its liabilities as they fall due.

Accordingly, the Directors have a reasonable expectation that the Company will be able to continue as a going concern and meet its liabilities as they fall due for a period of at least 12 months from the date of this report.

(d) Functional and Presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate ("the functional currency") which is Euro. The consolidated financial statements are also presented in Euro. All figures in the consolidated financial statements are rounded to the nearest thousand unless otherwise stated.

(e) Foreign Currency

Transactions denominated in foreign currencies are converted at the exchange rate ruling at the date of the transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies held at the financial period end are translated using London closing foreign exchange rates at the financial period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Consolidated Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Consolidated Statement of Comprehensive Income within gains on investments.

(f) Revenue Recognition

Rental income, excluding VAT, arising from operating leases (including those containing stepped and fixed rent increases) is accounted for in the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term. Lease premiums paid and rent free periods granted, are recognised as assets and are amortised over the non-cancellable lease term.

Interest income is accounted for on an accruals basis and included in operating income.

(g) Expenses

All expenses are accounted for on an accruals basis. The Group's investment management fees, finance costs and all other expenses are charged through the Consolidated Statement of Comprehensive Income. Service charge costs, to the extent they are not recoverable from tenants, are accounted for on an accruals basis and are included in total expenditure. All expenses are recorded through the revenue column of the Consolidated Statement of Comprehensive Income, except for gains or losses on investment properties.

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Where corporation tax arises in subsidiaries, these amounts are charged to the Consolidated Statement of Comprehensive Income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet in the countries where the Group operates.

The Manager periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying values of the Group's investment properties are assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the Consolidated Balance Sheet regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

(i) Investment Properties

Investment properties are initially recognised at cost, being the fair value of consideration given, including transaction costs associated with the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period during which the expenditure is incurred and included within the book cost of the property.

After initial recognition, investment properties are measured at fair value, with the movement in fair value recognised in the Consolidated Statement of Comprehensive Income and transferred to the Capital Reserve. Fair value is based on the external valuation provided by CBRE GmbH, chartered surveyors, at the balance sheet date. The assessed fair value is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

On derecognition, gains and losses on disposals of investment properties are recognised in the Consolidated Statement of Comprehensive Income.

Recognition and derecognition occurs when the risks and rewards of ownership of the properties have transferred between a willing buyer and a willing seller.

Investment property is transferred to current assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

The Group may enter into forward funding agreements with third party developers in respect of certain properties. Under these agreements the Group will make payments to the developer as construction progresses. The value of these payments is assessed and certified by an expert and capitalised in the period during which the expenditure is incurred and included within the book cost of the property.

Investment properties are recognised for accounting purposes upon completion of contract. Properties purchased under forward funding contracts are recognised at certified value to date.

(j) Distributions

Interim distributions payable to the holders of equity shares are only recognised in the Consolidated Statement of Changes in Equity in the period in which they are paid. An annual shareholder resolution is voted upon to approve the Group's distribution policy.

(k) Operating Lease Contracts – the Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for leases as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

(l) Share Issue Expenses

Incremental external costs directly attributable to the issue of shares that would otherwise have been avoided are written off to the share premium reserve.

(m) Segmental Reporting

The Group is engaged in property investment in Europe. Operating results are analysed on a geographic basis by country. In accordance with IFRS 8 'Operating Segments', financial information on business segments is presented in note 19 of the Consolidated financial statements.

(n) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and other short-term highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

(o) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Comprehensive Income.

Financial assets

Financial assets are measured at amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), or financial assets 'at fair value through other comprehensive income' (FVOCI). The classification is based on the business model in which the financial asset is managed and its contractual cash flow characteristics. All purchases and sales of financial assets are recognised on the trade date basis.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment. The Group holds the trade receivables with the objective to collect the contractual cash flows. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or

- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties. The Group's financial assets are subject to the expected credit loss model. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of tenants over a period of 12 months before 31 December 2019, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include:
- changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GDP, employment and politics);
- external market indicators; and
- tenant base.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Comprehensive Income.

(p) Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Comprehensive Income.

(q) Reserves

Share Capital

This represents the proceeds from issuing Ordinary shares and is non-distributable.

Share Premium

Share premium represents the excess consideration received over the par value of Ordinary shares issued and is classified as equity. Incremental costs directly attributable to the issue of Ordinary shares are recognised as a deduction from share premium.

Special Distributable Reserve

The special reserve is a distributable reserve to be used for all purposes permitted, including the buyback of shares and the payment of dividends.

Capital Reserve

The capital reserve is a distributable reserve subject to applicable legislation and practice, and the following are accounted for in this reserve:

- gains and losses on the disposal of investment properties;
- increases and decreases in the fair value of investment properties held at the period end, which are not distributable.

Revenue Reserve
The revenue reserve is a distributable reserve and reflects any surplus arising from the net return on ordinary activities after taxation.

(r) Derivative financial instruments
The Company used forward foreign exchange contracts to mitigate potential volatility of income returns and to provide greater certainty as to the level of Sterling distributions expected to be paid in respect of the period covered by the relevant currency hedging instrument, it does not seek to provide a long-term hedge for the Company's income returns, which will continue to be affected by movements in the Euro/Sterling exchange rate over the longer term.

Derivatives are measured at fair value calculated by reference to forward exchange rates for contracts with similar maturity profiles. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income as revenue or capital depending on their nature.

2. Revenue

	Year ended 31 December 2019 €'000	Period ended 31 December 2018 €'000
Rental income	13,376	2,323
Other income	23	211
Property service charge income	2,233	-
Total revenue	15,632	2,534

Included within rental income is amortisation of rent free periods granted.

3. Expenditure

	Year ended 31 December 2019 €'000	Period ended 31 December 2018 €'000
Professional fees	1,017	353
Directors' fees	170	213
Audit fee for statutory services[1]	138	137
Other expenses	216	112
Broker fees	58	68
Depositary fees	24	26
Stock exchange fees	42	20
Directors liability insurance expense	10	20
Registrar fees	40	18
Custody expense	-	17
Employers NI	13	13
Savings scheme expense	-	8
Total expenses	**1,728**	**1,005**

[1] The auditor was paid €41,300 (exclusive of VAT) in respect of non-audit services relating to their role as reporting accountant for the additional issue of ordinary shares in the year. This cost is included within share issue costs in note 16. The Audit fee above reflects the 2019 audit fee of €115,000 and irrecoverable VAT of €23,000.

4. Finance Costs

	Year ended 31 December 2019 €'000	Period ended 31 December 2018 €'000
Liquidity fund interest paid	37	658
Interest on bank loans	1,158	-
Bank interest	98	-
Amortisation of loan costs	118	-
Total finance costs	**1,411**	**658**

The Company held cash in the Aberdeen Global Liquidity Fund plc which charges interest. Throughout the period the interest rate on this euro denominated fund was negative.

5. Taxation

The Company is resident in the United Kingdom for tax purposes. The Company is approved by HMRC as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company is, however, liable to UK Corporation tax on its income. The Company is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period referred to as the "streaming" regime. Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2010.

A reconciliation between the tax charge and the product of accounting profit/(loss) multiplied by the applicable tax rate for the year ended 31 December 2019.

(a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 31 December 2019			Period ended 31 December 2018		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Current taxation:						
Overseas taxation	415	-	415	-	-	-
Deferred taxation:						
Overseas taxation	-	4,662	4,662	-	-	-
	415	**4,662**	**5,077**	**-**	**-**	**-**

	Year ended 31 December 2019			Period ended 31 December 2018		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Net result before taxation	8,146	16,852	24,998	33	(4,080)	(4,047)
Theoretical tax at UK corporation tax rate of 19%	1,548	3,202	4,750	6	(775)	(769)
Effect of:						
Tax Losses arising	(782)	-	(782)	-	775	775
Income not taxable	(351)	(3,202)	(3,553)	(6)	-	(6)
Taxation on return	**415**	**-**	**415**	**-**	**-**	**-**

(b) Tax in the Group Balance Sheet

	Year ended 31 December 2019			Period ended 31 December 2018		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Deferred tax assets:						
On tax losses	-	766	766	-	-	-
	-	**766**	**766**	**-**	**-**	**-**

	Year ended 31 December 2019			Period ended 31 December 2018		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Deferred tax liabilities						
Differences between tax and property revaluation	-	5,428	5,428	-	-	-
Taxation on return	**-**	**5,428**	**5,428**	**-**	**-**	**-**

6. Dividends

	Year ended 31 December 2019 €'000	Period ended 31 December 2018 €'000
2018 Third interim dividend of 1.3p per share paid 22 March 2019	2,856	-
2019 First interim dividend of 1.41c (1.27p) paid 10 July 2019 (2018 First interim: 0.7p)	2,644	1,461
2019 Second interim dividend of 1.41c (1.27p) paid 7 October 2019 (2018 Second interim: 1.0p)	3,306	2,075
2019 Third interim dividend of 1.41c (1.27p) paid 20 December 2019	3,306	
	12,112	**3,536**

A fourth interim dividend of 1.41c/1.27p per share was paid on 27 March 2020 to Shareholders on the register on 24 February 2020. Although this payment relates to the year ended 31 December 2019, under IFRS it will be accounted for in the year in which it has been paid. A portion of this dividend will be paid from the revenue reserve.

7. Earnings per Share (Basic and Diluted)

	Year ended 31 December 2019	Period ended 31 December 2018
Revenue net profit attributable to Ordinary shareholders (€'000)	7,731	33
Weighted average number of shares in issue during the period	207,845,206	165,415,705
Total revenue return per ordinary share	**3.72¢**	**0.02¢**
Capital return attributable to Ordinary shareholders (€'000)	12,190	(4,080)
Weighted average number of shares in issue during the period	207,845,206	165,415,705
Total capital return per ordinary share	**5.86¢**	**(2.47¢)**
Total return per ordinary share	**9.58¢**	**(2.45¢)**

Earnings per share is calculated on the revenue and capital loss for the period (before other comprehensive income) and is calculated using the weighted average number of shares in the period of 207,845,206 (2018: 165,415,705 shares).

8. Net Asset Value Per Share

	2019	2018
Net assets attributable to shareholders (€'000)	260,277	202,073
Number of shares in issue at 31 December	234,500,001	187,500,001
Net asset value per share (€)	**1.11**	**1.08**

The Company announced an unaudited NAV of €260,720,000 as at 31 December 2019 on 28 February 2020. An additional €443,000 of accrued expenditure represents the difference between the unaudited NAV and the above. The Net asset value per share (€) is changed from 111.2c to 111.0c.

9. Investment Properties

	2019 €'000	2018 €'000
Opening carrying value	148,918	-
Purchases at cost	182,749	152,998
Gains / (losses) on revaluation to fair value	16,852	(4,080)
Total carrying value at 31 December	**348,519**	**148,918**
Losses on investment properties at fair value comprise		
Valuation gains/(losses)	15,514	(3,813)
Movements in lease incentives	1,338	(267)
	16,852	**(4,080)**

Valuation Methodology

Valuations were performed by CBRE GmbH, an accredited independent valuer with a recognised and relevant professional qualification. The valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently.

The Investment Manager appoints a suitable valuer (such appointment is reviewed on a periodic basis) to undertake a valuation of all the direct real estate investments on a quarterly basis. The valuation is undertaken in accordance with the RICS Valuation – Global Standards 2017, (Red Book), published by the Royal Institution of Chartered Surveyors.

The Investment Manager meets with the valuer on a quarterly basis to ensure the valuer is aware of all relevant information for the valuation and any change in the investments over the quarter. The Investment Manager then reviews and discusses draft valuations with the valuer to ensure correct factual assumptions are made prior to the valuer issuing a final valuation report.

The fair value of completed investment property is determined predominantly using the income capitalisation method, and in two instances the discounted cash flow method. The income capitalisation method is based on capitalising the net income stream at an appropriate yield. In establishing the net income stream the valuer has reflected the current rent payable to lease expiry, at which point the valuer has assumed that each unit will be re-let at their opinion of estimated rental value. The valuer has made allowances for vacancies and rent-free periods where appropriate, as well as deducting non- recoverable costs where applicable. The appropriate yield is selected on the basis of the location of the building, its quality, tenant credit quality and lease terms amongst other factors. The discounted cash flow method approach is based on estimations of the investment property's ability to generate future annual net operating income over a hold period of 10 years. Growth and inflation are included explicitly in the cash flow forecast. The valuer calculates the present value of cashflow generated by the investment property plus the present value of the exit value at the end of the 10-year hold period. The cash flow is discounted at a rate the valuer considers appropriate for the specific investment property.

The Property Valuer takes account of deleterious materials included in the construction of the investment properties in arriving at its estimate of Fair Value when the Investment Manager advises of the presence of such materials. The majority of the leases are on a full repairing and insurance basis and as such the Group is not liable for costs in respect of repairs or maintenance to its investment properties.

The fair value of these investment properties amounted to €350,125,000. The difference between the fair value and the value per the Consolidated balance sheet at 31 December 2019 consists of accrued income relating to the pre-payment for rent-free periods recognised over the life of the lease totalling €1,606,000 which is separately recorded in the financial statements as a current asset.

The following disclosure is provided in relation to the adoption of IFRS 13 Fair Value Measurement. All properties are deemed Level 3 for the purposes of fair value measurement and the current use of each property is considered the highest and best use.

Country and sector	Fair Value €'000	Valuation techniques	Key Unobservable inputs	Range (weighted average)
Netherlands - Logistics	135,500	Income Capitalisation and Discounted Cash Flow	Annual rent per sq ft	42.26 - 67.02 (54.54)
			Capitalisation rate	5.05% - 5.55% (5.34%)
Germany - Logistics	61,300	Discounted Cash Flow and Income Capitalisation	Annual rent per sq ft	64.92 - 67.67 (66.61)
			Capitalisation rate	3.8% - 3.95% (3.89%)
France - Logistics	72,400	Discounted Cash Flow	Annual rent per sq ft	47.94 - 90.07 (75.41)
			Capitalisation rate	4.90% - 5.00% (4.93%)
Poland - Logistics	53,400	Income Capitalisation and Discounted Cash Flow	Annual rent per sq ft	38.56 - 64.2 (51.76)
			Capitalisation rate	5.5% - 6.25% (5.86%)
Spain - Logistics	27,525	Discounted Cash Flow	Annual rent per sq ft	17.98 - 32.28 (27.08)
			Capitalisation rate	4.75% - 6% (5.54%)

Sensitivity Analysis

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment property. As the majority of Investment Properties are valued using the Income Capitalisation method, this is the most significant assumption analysed.

Country and sector	Assumption	Movement	Effect on Valuation
Netherlands - Logistics	Capitalisation rate	+50 basis points	(11,900)
		- 50 basis points	14,100
Germany - Logistics	Capitalisation rate	+50 basis points	(6,900)
		- 50 basis points	8,800
France - Logistics	Capitalisation rate	+50 basis points	(6,400)
		- 50 basis points	7,700
Poland - Logistics	Capitalisation rate	+50 basis points	(4,100)
		- 50 basis points	4,800
Spain - Logistics	Capitalisation rate	+50 basis points	(2,425)
		- 50 basis points	2,875

10. Trade and Other Receivables

	2019 €'000	2018 €'000
Rents receivable	3,327	1,174
Accrued income	160	226
VAT receivable	3,310	-
Cash held by Solicitors	165	975
Lease incentives	1,606	267
Deferred tax	766	-
Other receivables	549	9,037
Total receivables	**9,883**	**11,679**

The ageing of these receivables is as follows:

	2019 €'000	2018 €'000
Less than 6 months	5,813	11,679
Between 6 & 12 months	4,070	-
Over 12 months	-	-
	9,883	**11,679**

11. Cash and Cash Equivalents

	2019 €'000	2018 €'000
Cash at bank	24,579	6,279
Money market funds	-	43,854
Total cash and cash equivalents	**24,579**	**50,133**

12. Trade and Other Payables

	2019 €'000	2018 €'000
Rental income received in advance	2,224	710
Accrued acquisition and development costs	1,521	5,930
Management fees payable	471	563
All other fees payable	651	1,454
VAT payable	670	-
Other payables	11	-
Accruals	659	-
Trade creditors	1,948	-
Tenant deposits	1,197	-
Total payables	**9,352**	**8,657**

13. Bank Loans

	2019 €'000	2018 €'000
Bank borrowings drawn	108,900	-
Loan issue costs paid	(1,102)	-
Accumulated amortisation of loan issue costs	118	-
Total Bank Loans	**107,916**	**-**

Property	Country	Loan (€'000)	Start date	End date	Lender	Interest Rate
Erlensee	Germany	17,800	20/02/2019	31/01/2029	DZ HYP	1.62%
Florsheim	Germany	12,400	18/02/2019	30/01/2026	DZ HYP	1.54%
Avignong + Meung Sur Loire	France	33,000	12/02/2019	12/02/2026	BAYERN LB	1.57%
(Ede/Waddinxveen) + Oss	Netherlands	37,700	06/06/2019	06/06/2025	BERLIN HYP	(1.22%) 1.05%
's Heerenberg	Netherlands	8,000	27/06/2019	27/06/2025	BERLIN HYP	0.94%
		108,900				

14. Derivative Financial Instruments

	2019 €'000	2018 €'000
Forward foreign exchange contracts	8	-
	8	**-**

The Company employed currency hedging to provide greater certainty as to the level of Sterling distributions paid in respect of the year. A forward FX contract was entered into fixing the EUR: GBP exchange rate at €1.11:£1 for the three interim distributions paid in the year.

15. Share Capital

	2019 €'000	2018 €'000
Opening Balance	2,122	-
Manager's shares issued in the period	-	56
Manager's shares redeemed in the period	-	(56)
Ordinary shares issued on incorporation	-	1
Ordinary shares issued	523	2,121
As at 31 December	**2,645**	**2,122**

Ordinary shareholders participate in all general meetings of the Company on the basis of one vote for each share held.

Each Ordinary share has equal rights to dividends and equal rights to participate in a distribution arising from a winding up of the Company. The Ordinary shares are not redeemable.

The total number of shares authorised, issued and fully paid at IPO was 187,500,001. The nominal value of each share is £0.01 and amount paid for each share was £1.00. Share proceeds were received in tranches between 15 and 18 December 2017 and converted to Euro at a rate of £1:€1.131868907.

On incorporation, the issued share capital of the Company was one Ordinary Share of a nominal value of £0.01, which was subscribed for by Aberdeen Asset Management PLC. On 8 November 2017 the Company issued 50,000 Management Shares of a nominal value of £1.00 each which were subscribed for by Aberdeen Asset Management PLC. The Management Shares were fully paid up and were redeemed immediately following the Initial admission out of the proceeds of the Initial Issue. The Management Shares redeemable at any time (subject to the provisions of the Companies Act) by the Company and carried the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares did not have any right to receive notice of or vote at any general meeting of the Company.

On 31 July 2019, the Group increased its share capital by the issue of 47,000,000 new Ordinary Shares at 98.75p (€1.09) per share.

16. Share Premium

	2019 €'000	2018 €'000
Opening Balance	-	-
Premium arising on issue of new shares	51,147	210,102
Share issue costs deducted	(783)	(2,875)
Transfer to special distributable reserve	-	(207,227)
Balance at 31 December	**50,364**	**-**

The share premium was converted to EUR using the issue date exchange rate of 1.0827021 (2018: 1.131869).

17. Special Distributable Reserve

	2019 €'000	2018 €'000
Opening Balance	203,691	-
Transfer from share premium account	-	207,227
Dividends Paid	(12,112)	(3,536)
Balance at 31 December	191,579	203,691

At a General Meeting held on 8 November 2017, a special resolution was passed authorising, conditional on the issue of Ordinary shares by the Company, the amount standing to the credit of the share premium account of the Company following issue to be cancelled. In order to cancel the share premium account the Company was required to obtain a Court Order, which was received on 13 March 2018. A Statement of Capital form was lodged at Companies House with a copy of the Court Order on 16 March 2018. With effect from that date the amount of the share premium account cancelled was credited as a special distributable reserve in the Company's books of account.

18. Capital Reserves

	Realised capital reserve €'000	Unrealised gains/(losses) €'000	Total capital reserve €'000
As at 31 December 2018	345	(4,125)	(3,780)
Movement in deferred taxation	-	(4,662)	(4,662)
Movement in fair value gains of investments	-	16,852	16,852
Currency (losses)/gains during the year	(200)	8	(192)
Balance at 31 December 2019	**145**	**8,073**	**8,218**

	Realised capital reserve €'000	Unrealised losses €'000	Total capital reserve €'000
As at 25 October 2017	-	-	-
Movement in fair value losses of investments	-	(4,080)	(4,080)
Realised currency gains/(losses) during the year	345	(45)	300
Balance at 31 December 2018	**345**	**(4,125)**	**(3,780)**

19. Operating Segments

The Group's reportable segments are the geographical areas in which it operates. These operating segments reflect the components of the Group that are regularly reviewed to allocate resources and assess performance.

2019	Netherlands €'000	Poland €'000	Germany €'000	Spain €'000	France €'000	Parent Company €'000	Total €'000
Total Assets	142,387	56,872	63,252	32,416	77,258	10,796	382,981
Total Liabilities	47,825	3,138	32,953	1,776	36,007	1,055	122,704
Total Comprehensive return for the period (Revenue)	4,622	449	1,759	563	3,208	(3,170)	7,431
Total Comprehensive return for the period (Capital)	1,588	1,575	2,638	1,222	(200)	5,175	11,998
Included in Total Comprehensive Income							
Net gain / (loss) from the fair value adjustment on investment property	5,455	1,622	5,315	2,197	2,263	-	16,852
Rental income	5,319	1,324	2,494	637	3,602	-	13,376

2018	Netherlands €'000	Germany €'000	Spain €'000	France €'000	Parent Company €'000	Total €'000
Total Assets	89,772	24,081	1,689	47,726	47,462	210,730
Total Liabilities	6,211	439	20	1,386	601	8,657
Total Comprehensive return for the period (Revenue)	828	932	(26)	322	(2,016)	40
Total Comprehensive return for the period (Capital)	(3,427)	(266)		(387)	300	(3,780)
Included in Total Comprehensive Income						
Net gain / (loss) from fair value adjustment on investment property	(3,427)	(266)	-	(387)	-	(4,080)
Rental income	885	1,025	-	413	-	2,323

20. Financial instruments and investment properties

Fair value hierarchy

IFRS 13 requires the Group to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

Level 1 – quoted prices in active markets for identical investments;

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.); and

Level 3 – significant unobservable inputs.

The following table shows an analysis of the fair values of investment properties recognised in the balance sheet by level of the fair value hierarchy:

31 December 2019	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
Investment properties	-	-	348,519	348,519

31 December 2018	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
Investment properties	-	-	148,918	148,918

The lowest level of input is the underlying yields on each property which is an input not based on observable market data.

31 December 2019	Level 1 €'000	Level 2 €'000	Level 3 €'000
Derivative Financial Instruments	-	8	-

The lowest level of input is EUR:GBP exchange rate.

21. Risk Management

The Group's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Group also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, for the purpose of managing currency and market risks arising from the Group's activities. No derivatives transactions were undertaken during the year.

The main risks the Group faces from its financial instruments are (a) market price risk (comprising of (i) interest rate risk, (ii) foreign currency risk and (iii) other price risk), (b) liquidity risk and (c) credit risk.

(a) Market price risk

The fair value or future cash flows of a financial instrument held by the Group may fluctuate because of changes in market prices. This market risk comprises three elements - interest rate risk, foreign currency risk and other price risk.

(i) Market risk arising from interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Interest risk profile
The interest rate risk profile of the portfolio of financial assets and liabilities at the year end were as follows:

As at 31 December 2019	Interest rate %	Local currency '000	Foreign exchange rate	Euro equivalent €'000
Assets:				
Euro	(0.60)	23,393	€1.00	23,393
Pound Sterling	0.07	1,005	0.85	1,186
Total				**24,579**

As at 31 December 2018	Interest rate %	Local currency '000	Foreign exchange rate	Euro equivalent €'000
Assets:				
Euro	(0.60)	46,774	€ 1.00	46,774
Pound Sterling	0.07	3,015	0.89757	3,359
Total				**50,133**

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates.

An increase of 1 per cent in interest rates as at the reporting date would have increased the reported profit by €501,000. A decrease of 1 per cent would have reduced the reported profit by €501,000. Other financial assets (eg debtors) are not subject to interest rate risk.

(ii) Market risk arising from foreign currency risk
The income and capital value of the Groups investments and liabilities can be affected by exchange rate movements as some of the Group's assets and income are denominated in currencies other than Euro which is the Group's reporting currency.

The revenue account is subject to currency fluctuation arising from overseas income.

Foreign currency risk profile
Foreign currency risk exposure by currency of denomination:

As at 31 December 2019	Investment exposure €'000	Net monetary exposure €'000	Total currency exposure €'000
Pound Sterling	-	4,652	4,652
Total foreign currency	-	4,652	4,652
Euro	348,519	(92,894)	255,625
Total	**348,519**	**(88,242)**	**260,277**

As at 31 December 2018	Investment exposure €'000	Net monetary exposure €'000	Total currency exposure €'000
Danish krone	-	6	6
Norwegian krone	-	26	26
Pound Sterling	-	3,129	3,129
Total foreign currency	-	3,161	3,161
Euro	148,918	49,994	198,912
Total	**148,918**	**53,155**	**202,073**

The asset allocation between specific markets can vary from time to time based on the manager's opinion of the attractiveness of the individual markets.

Foreign currency sensitivity
The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on net return before tax and equity shareholders' funds. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	As at 31 December 2019 €'000	As at 31 December 2018 €'000
Danish krone	-	0.6
Norwegian krone	-	2.6
Pound Sterling	465.2	312.9

(iii) Market risk arising from other price risk
Other price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

Other price risk sensitivity
If the investment valuation fell by 10% at 31 December 2019, the impact on net return before tax and equity shareholders' funds would have been negative €35m. If the investment portfolio valuation rose by 10% at 31 December 2019, the impact on net return before tax and equity shareholders' funds would have been positive €35m. Exposures vary throughout the period as a consequence of changes in the net assets of the Group arising out of the investment and risk management processes.

(b) Liquidity risk
This is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. All creditors are payable within three months.

The Group's liquidity risk is managed by the Investment Manager placing cash in liquid deposits and accounts. Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments and also includes:

- The level of dividends and other distributions to be paid by the Group may fluctuate and there is no guarantee that any such distributions will be paid.
- The Group's target returns are targets only and are based on estimates and assumptions about a variety of factors all of which are beyond the Group's control and which may adversely affect the Group's ability to make its target returns. The Group may not be able to implement its investment policy and strategy in a manner that generates dividends in line with the target returns or the Group's investment objective. Liquidity risk is not considered to be significant.

(c) Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Group suffering a loss.

The risk is not considered significant by the Board, and is managed as follows:

The Group acquired a portfolio of European logistics properties and has a number of leases with tenants. In the event of default by a tenant, the Group will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property until it is re-let. The Board receives regular reports on concentrations of risk and any tenants in arrears. The Investment Manager monitors such reports in order to anticipate and minimise the impact of defaults by tenants. Cash is held only with reputable financial institutions with high quality external credit ratings.

None of the Group's financial assets is secured by collateral.

The maximum credit risk exposure as at 31 December 2019 was €34.2m (2018 - €61.8m). This was due to trade receivables and cash as per notes 10 and 11.

(d) Taxation and Regulation risks

All cash is placed with financial institutions with a credit rating of -A or above. Bankruptcy or insolvency may cause the Group's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the financial institutions currently employed significantly deteriorate, the Investment Manager would move the cash holdings to another financial institution. There are no significant concentrations of liquidity risk within the Group.

The Company must comply with the provisions of the Companies Act and, as the shares are admitted to the premium segment of the Official List, the Listing Rules and the Disclosure Guidance and Transparency Rules. A breach of the Companies Act could result in the Company and/or the Board being fined or being the subject of criminal proceedings. Breach of the Listing Rules could result in the shares being suspended from listing. Legal and regulatory changes could occur that may adversely affect the Company. Changes in the regulation of companies may adversely affect the value of the Portfolio and the ability of the Company to pursue its investment objective. The Company has obtained UK Investment Trust Company status. The Company must comply with the provisions of sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instruments 2011/2999 to maintain this status. Breaching these regulations could result in the Company paying UK Corporation Tax it would otherwise be exempt from, adversely affecting the Company's ability to pursue its investment objective.

Capital Management

The Group considers that capital comprises issued Ordinary shares and long term borrowings. The Group's capital is deployed in the acquisition and management of subsidiaries in line with the Group's investment objective. Specifically to provide a regular and attractive level of income return together with the potential for long term income and capital growth from investing in high quality European logistics real estate.

The following investment limits and restrictions apply to the Group and its business which, where appropriate, are measured at the time of investment and once the Group is fully invested:

- the Group will only invest in assets located in Europe;
- no more than 50 per cent. of Gross Assets will be concentrated in a single country;
- no single asset may represent more than 20 per cent. of Gross Assets;
- forward funded commitments will be wholly or predominantly pre-let and the Group's overall exposure to forward funded commitments will be limited to 20 per cent. of Gross Assets;
- the Group's maximum exposure to any single developer will be limited to 20 per cent of Gross Assets;
- the Group will not invest in other closed-ended investment companies;
- the Group may only invest in assets with tenants which have been classified by the Investment Manager's investment process as having strong financial covenants; and
- no single tenant will represent more than 20 per cent. of the Group's annual gross income measured annually.

The Group's principal use of cash will be to fund investments in accordance with its investment policy, on-going operational expenses and to pay dividends and other distributions to shareholders, as set out in the Prospectus. The Group may from time to time have surplus cash (for example, following the disposal of an investment). Pending reinvestment of such cash, it is expected that any surplus cash will be temporarily invested in cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with financial institutions or other counterparties having a single –A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or "government and public securities" as defined for the purposes of the FCA rules.

The Group monitors capital primarily through regular financial reporting and also through a gearing policy. The Group intends to use gearing with the objective of improving shareholder returns. Debt will typically be secured at the asset level and potentially at the Group level with or without a charge over some or all of the Group's assets, depending on the optimal structure for the Group and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles. Borrowings will typically be non-recourse and secured against individual assets or groups of assets and the aggregate borrowings at asset level will always be subject to an absolute maximum, calculated at the time of drawdown for a property purchase, of 50 per cent. of Gross Assets. Where borrowings are secured against a group of assets, such group of assets shall not exceed 25 per cent. of Gross Assets in order to ensure that investment risk remains suitably spread. The Board has established gearing guidelines for the AIFM in order to maintain an appropriate level and structure of gearing within the parameters set out above. Under these guidelines, aggregate borrowings at asset level are expected to be at or around 35 per cent. of gross assets. The Board will keep the level of borrowings under review and the aggregate borrowings will always be subject to the absolute maximum set at the time of the Group's launch, calculated at the time of drawdown for a property purchase, of 50 per cent. of Gross Assets.

22. Related Party Transactions

The Company's Alternative Investment Fund Manager ('AIFM') throughout the period was Aberdeen Standard Fund Managers Limited ("ASFML"). Under the terms of a Management Agreement dated 17 November 2017 the AIFM is appointed to provide investment management services, risk management services and general administrative services including acting as the Company Secretary. The agreement is terminable by either the Company or ASFML on not less than 12 months' written notice.

Under the terms of the agreement portfolio management services are delegated by ASFML to Aberdeen Standard Investments Ireland Limited ('ASIIL'). The total management fees charged to the Consolidated Statement of Comprehensive Income during the period were €1,695,000 (2018: €587,000), of which €471,000 (2018: €563,000) were payable at the period end. Under the terms of a Global Secretarial Agreement between ASFML and Aberdeen Asset Management PLC ('AAM PLC'), company secretarial services are provided to the Company by AAM PLC.

The remuneration of Directors is detailed below. Further details on the Directors can be found on pages 44 to 45.

	2019 €'000	2018 €'000
Pascal Duval	21	51
Caroline Gulliver	40	45
John Heawood	34	39
Tony Roper	41	39
Diane Wilde	34	39
	170	213

Please note the above figures are all Euro, while those in the directors remuneration report are stated in GBP. Mr Duval retired on 11 June 2019.

The Directors' shareholdings are detailed below. On 31 July 2019 Mr Roper acquired 15,000 shares, Ms Gulliver acquired 15,000 shares, Ms Wilde acquired 20,000 shares and Mr Heawood acquired 10,000 shares all transactions having been undertaken as part of the Placing, Open Offer and Offer for Subscription at 98.75p per share.

	31 December 2019 Ordinary shares	31 December 2018 Ordinary shares
T Roper	45,000	30,000
C Gulliver	40,000	25,000
J Heawood	30,000	20,000
D Wilde	40,000	20,000
P Duval[1]	n/a	30,000

[1] Retired as a Director on 11 June 2019.

The Company invested in the Aberdeen Standard Liquidity fund which is managed by Aberdeen Standard Fund Managers Limited. As at 31 December 2019 the Company invested €0 in the Fund (2018: €43.9m). No additional fees are payable to Aberdeen Standard Fund Managers Limited as a result of this investment. Due to negative interest rates, interest of €98,000 (2018: €658,000) was incurred.

23. Lease Analysis

The group leases out its investment properties under operating leases.

The future income under non-cancellable operating leases, based on the unexpired lease length at the year end was as follows (based on total rents).

	2019 €'000	2018 €'000
Less than one year	19,039	6,894
Between one and five years	74,014	26,485
Over five years	106,778	40,499
Total	**199,831**	73,878

24. Post Balance Sheet Events

Following the year end the Group completed the acquisition of an asset in Den Hoorn, The Netherlands. The Group also drew external debt secured against 2 assets, Den Hoorn and Zeewolde.

The outbreak of the Novel Coronavirus ("COVID-19") in 2020 has resulted in significant loss of life, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving and on 11 March 2020, the World Health Organization declared a pandemic. Many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

The outbreak of COVID-19 and the resulting financial and economic market uncertainty could have a significant adverse impact on the Company, including the fair value of its investments. The most significant conditions relating to COVID-19 arose after the reporting period and as a result the Directors consider the emergence of the COVID-19 Coronavirus pandemic to be a non-adjusting post balance sheet event. Any future impact on the Company is likely to be in connection with the assessment of the fair value of investments and stability of rental income at future dates. At the date of reporting it is not possible to quantify the future financial impact of COVID-19 on the Company's investments or rental income with any degree of certainty, other than as already announced to the market through an RIS. The Directors will continue to closely analyse and review the impact of COVID-19 and will take appropriate action as required.

25. Capital Commitments

As at the 31 December 2019 the Group had capital commitments of €49.9m in relation to the acquisition at Den Hoorn, the Netherlands.

26. Ultimate Parent Company

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

Parent Company Balance Sheet

As at 31 December 2019

	Notes	2019 €'000	2018 €'000
Non-current assets			
Investment in subsidiaries	2	38,611	12,446
Intercompany loan	4	158,093	78,120
		196,704	90,566
Current assets			
Cash and cash equivalents	3	10,729	47,462
Intercompany loan interest receivable	4	4,176	1,439
Intercompany loan receivable	4	35,592	64,532
Other receivables		162	-
		50,659	113,433
Total assets		247,363	203,999
Current liabilities			
Derivative financial instruments		8	-
Trade and other payables	5	1,038	601
Total liabilities		1,046	601
Net assets		246,317	203,398
Represented by:			
Share capital	6	2,645	2,122
Share premium	6	50,364	-
Special Distributable Reserve		191,579	203,691
Revenue reserve		2,139	(577)
Capital reserve		(410)	(1,838)
		246,317	203,398

The accompanying notes are an integral part of the financial statements.

The financial statements on pages 67 to 101 were approved and authorised for issue by the Board of Directors on 27 May 2020 and signed on its behalf by:

Caroline Gulliver
Independent Non-Executive Director

Parent Company Statement of Changes in Equity

For the year ended 31 December 2019

	Notes	Share Capital €'000	Share Premium €'000	Special Distributable Reserve €'000	Revenue Reserve €'000	Capital Reserve €'000	Total €'000
At 31 December 2018		2,122	-	203,691	(577)	(1,838)	203,398
Issue of shares	6	523	51,147	-	-	-	51,670
Share Issue Costs	6	-	(783)	-	-	-	(783)
Net gain after taxation		-	-	-	2,716	1,428	4,144
Other comprehensive income		-	-	-	-	-	-
Dividends paid		-	-	(12,112)	-	-	(12,112)
At 31 December 2019		2,645	50,364	191,579	2,139	(410)	246,317

For the period ended 31 December 2018

		Share Capital €'000	Share Premium €'000	Special Distributable Reserve €'000	Revenue Reserve €'000	Capital Reserve €'000	Total €'000
At 25 October 2017		-	-	-	-	-	-
Issue of shares	6	2,122	210,102	-	-	-	212,224
Share Issue Costs	6	-	(2,875)	-	-	-	(2,875)
Share Premium conversion	6	-	(207,227)	207,227	-	-	-
Net loss after taxation		-	-	-	(577)	(2,138)	(2,715)
Other comprehensive income		-	-	-	-	300	300
Dividends paid		-	-	(3,536)	-	-	(3,536)
At 31 December 2018		2,122	-	203,691	(577)	(1,838)	203,398

The accompanying notes are an integral part of the financial statements.

Parent Company Notes to the Financial Statements

1. Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the period, are set out below.

(a) Basis of Accounting

Basis of preparation of financial statements

The Parent Company financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, impairment of assets, share-based payments and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

The Parent Company financial statements are prepared on a going concern basis as set out in Note 1 of the consolidated financial statements.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented an income statement or a statement of comprehensive income for the Company alone.

A summary of the Company's significant accounting policies is set out below.

(b) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires Directors to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these judgements, assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Key estimation uncertainties

Investments in subsidiaries are recognised at cost less any provision for impairment. The determination of impairment requires the use of estimates such as future cash flows and fair value of investment properties.

Intercompany Loans are recognised at fair value. Each intercompany loan is assessed individually in order to determine the fair value, and any gain or loss to be taken through the statement of comprehensive income. Where the Company is expected to receive all contractual payments on the loan in full, the fair value of the loan equals the face value and as such no gain or loss arises. The net asset value of each borrower is reviewed to consider if there is sufficient value within the subsidiary to meet the contractual cash flows. Fundamental to the net asset value of the borrower is the fair value of the investment properties owned. The valuation uncertainty of investment properties is detailed within the consolidated group financial statement notes. Where there are expected cash shortfalls, these are reduced from the face value of the intercompany loans to get to their fair value.

(c) Functional and Presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate ("the functional currency") which in the judgement of the directors is Euro. The financial statements are also presented in Euro. All figures in the financial statements are rounded to the nearest thousand unless otherwise stated.

(d) Foreign Currency

Transactions denominated in foreign currencies are translated at actual exchange rates as at the date of the transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies held at the financial period end are translated using London closing foreign exchange rates at the financial period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as currency translation differences through other comprehensive income. Foreign exchange movements on investments are included in the Statement of Comprehensive Income within gains on investments.

(e) Revenue Recognition
Interest income is accounted for on an accruals basis and included in finance income.

(f) Expenses
Expenses are accounted for on an accruals basis. The Company's investment management and administration fees, finance costs and all other expenses are charged through the Statement of Comprehensive Income.

(g) Taxation
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation are periodically evaluated and provisions established where appropriate.

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an asset the directors consider that the Company will recover the value of investment property through sale. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

(h) Distributions
Interim distributions payable to the holders of equity shares are only recognised in the Statement of Changes in Equity in the period in which they are paid. An annual shareholder resolution is voted upon to approve the Company's distribution policy.

(i) Share Issue Expenses
Incremental external costs directly attributable to the issue of shares that would otherwise have been avoided are written off to the share premium reserve.

(j) Cash and Cash Equivalents
Cash and cash equivalents are defined as cash in hand, demand deposits, and other short-term highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

(k) Trade and Other Receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method less any impairment losses.

(l) Trade and Other Payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

(m) Reserves
Share Capital – This represents the proceeds from issuing ordinary shares.

Share Premium Reserve – Share premium represents the excess consideration received over the par value of ordinary shares issued and is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from share premium.

Special Distributable Reserve – The special reserve is a distributable reserve to be used for all purposes permitted, including the buyback of shares and the payment of dividends.

Capital Reserve – Is a distributable reserve and the following are accounted for in this reserve:

- realised gains and losses on currency settlements and disposals.

Revenue Reserve – Any surplus arising from the net return after taxation is taken to this reserve.

The revenue reserve and special distributable reserves are both distributable.

(n) Investments in subsidiaries
Investments in subsidiaries are initially recognised at cost, then at the cost less any provision for impairment.

(o) Intercompany Loans
Intercompany loans are recognised at fair value.

2. Investments In Subsidiaries

As at 31 December 2019 the total cost of shares purchased in ASELI Florsheim BV was €5,171,000 (2018: €5,171,000). The net assets of ASELI Florsheim BV are €7,564,000 as at 31 December 2019 (2018:€5,444,000). ASELI Florsheim BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in ASELI Erlensee BV was €1,000 (2018: €1,000). The net assets of ASELI Erlensee BV are €3,008,000 as at 31 December 2018 (2018 €(40,000)). ASELI Erlensee BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in ASELI Leon BV was €6,228,000 (2018: €1,000). The net assets of ASELI Leon BV are €7,966,000 as at 31 December 2019 (2018: €(45,000)). ASELI Leon BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in ASELI Netherlands I BV was €1,000 (2018:€1,000). The net assets of ASELI Leon BV are €988,000 as at 31 December 2019 (2018:€(1,865,000) . ASELI Netherlands I BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in ASELI Netherlands II BV was €1,000 (2018: €1,000). The net assets of ASELI Netherlands II BV are €162,000 as at 31 December 2019 (2018: €20,000). ASELI Netherlands II BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in ASELI Waddinxveen BV was €1,000 (2018: €1,000). The net assets of ASELI Waddinxveen BV are €726,000 as at 31 December 2019 (2018: €(1,508,000)). ASELI Waddinxveen BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in ASELI France Holding was €10,078,000 (2018: €7,270,000). The net assets of ASELI France Holding are €12,792,000 as at 31 December 2019 (2018: €6,977,000). ASELI France Holding is a private limited company, registered in France.

As at 31 December 2019 the total cost of shares purchased in ASELI 's Heerenberg BV was €6,650,000. The net assets of ASELI 's Heerenberg BV are €6,862,000 as at 31 December 2019 (2018: €(1,508,000)). ASELI s'Heernberg BV is a private limited company, registered in the Netherlands.

As at 31 December 2019 the total cost of shares purchased in PDC Industrial 92 Sp. zo.o was €1,000 and €6,770,000 share premium. The net assets of PDC Industrial 92 Sp. zo.o are €7,422,000 as at 31 December 2019. PDC Industrial 92 Sp. zo.o is a private limited company, registered in Poland.

As at 31 December 2019 the total cost of shares purchased in PDC Industrial 72 Sp. zo.o was €88,000, and €3,620,000 share premium. The net assets of PDC Industrial 72 Sp. zo.o are €5,080,000 as at 31 December 2019. PDC Industrial 72 Sp. zo.o is a private limited company, registered in Poland.

As at 31 December 2019 the total cost of shares purchased in ASELI Netherlands Holdings BV was €1,000. The net assets of ASELI Netherlands Holdings BV was €1,000.

Indirect Subsidiaries
As at 31 December 2019 ASELI France Holdings owned 100% of the share a capital in both ASELI Meung SCI and ASELI Avignon SCI. The total cost of of shares purchased was €7,030,000 and €18,174,000 respectively. The net assets was €7,539,000 and €22,168,000 respectively. Both companies are private limited companies, registered in France.

Additional details of each subsidiary are noted below, all subsidiary shares are the same class:

Subsidiary	Address	Share Capital & Premium (€'000)	% Shares Owned	Activity
ASELI Florsheim BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	5,171	100	Property Investment
ASELI Erlensee BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	1	100	Property Investment
ASELI Leon BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	6,228	100	Property Investment
ASELI Netherlands I BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	1	100	Property Investment
ASELI Netherlands II BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	1	100	Property Investment
ASELI Waddinxveen BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	1	100	Property Investment
ASELI France Holding SAS	c/o Primexis, Tour Opus 12- La Défense 9, 77, espalanade du Général de Gaulle, 92914 Paris LA Défense Cedex	10,078	100	Property Investment
ASELI sHeerenberg BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	6,650	100	Property Investment
PDC Industrial 92 Sp. zo.o	c/o KR Group ul. Skaryszewska 7, 03-802 Warsaw, Poland	6,771	100	Property Investment
PDC Industrial 72 Sp. zo.o	c/o KR Group ul. Skaryszewska 7, 03-802 Warsaw, Poland	3,708	100	Property Investment
ASELI Netherlands Holdings BV	c/o Citco Nederland B.V. Naritaweg 165 1043 BW Amsterdam The Netherlands	1	100	Property Investment

3. Cash and Cash Equivalents

	2019 €'000	2018 €'000
Cash	10,729	3,608
Cash equivalents	-	43,854
	10,729	47,462

4. Intercompany Loans

	2019 €'000	2018 €'000
Accrued Interest on intercompany loan receivable in less than one year	4,176	1,439
	4,176	1,439
Intercompany loan receivable in greater than one year	158,093	78,120
Intercompany loan expected to be received in less than one year	35,592	64,532
	193,685	142,652

A summary of the various intercompany loans is provided in the following table:

		Balance Drawn €'000		Maturity			Outstanding
	Limit	As at	As at	Date		Interest	Interest
Borrower	€'000	31 Dec 2019	31 Dec 2018	yrs	Loan Type	Rate	€'000
ASELI Florsheim BV	10,000	-	10,000	Jan 28	Interest Bearing Loan	2.50%	-
ASELI Florsheim BV	6,125	3,725	6,125	Jan 28	Interest Bearing Loan	3.50%	65
ASELI Erlernsee BV	16,500	7,315	1,679	Jan 28	Interest Bearing Loan	2.50%	40
ASELI Erlernsee BV	10,300	-	-	Jan 28	Interest Bearing Loan	3.50%	-
ASELI Erlernsee BV	8,910	8,372	-	Jan 28	Interest Free Loan	0.00%	-
ASELI Leon BV	9,650	9,650	1,694	Jun 28	Interest Bearing Loan	2.80%	106
ASELI Leon BV	800	-	-	Jun 28	Interest Free Loan	0.00%	-
ASELI Leon BV	3,224	3,205	-	Mar 21	Interest Bearing Loan	5.00%	99
ASELI Leon BV (Coslada)	6,398	6,398	-	Dec 29	Interest Bearing Loan	4.00%	8
ASELI Leon BV (Coslada)	3,207	3,207	-	Dec 29	Interest Free Loan	0.00%	-
ASELI Netherlands I BV (Ede)	35,584	14,342	30,132	Aug 28	Interest Bearing Loan	2.80%	1,297
ASELI Netherlands I BV (Ede)	8,868	8,868	5,238	Aug 28	Interest Free Loan	0.00%	-
ASELI Netherlands II BV (Zeewolde)	23,760	23,455	14,418	Sept 28	Interest Bearing Loan	4.80%	544
ASELI Netherlands II BV (Zeewolde)	5,940	5,863	-	Sept 28	Interest Free Loan	0.00%	
ASELI France Holdings SAS (Avignon)	10,905	10,905	10,905	Oct 28	Interest Bearing Loan	3.13%	397
ASELI France Holdings SAS (Meung)	6,096	4,252	-	Feb 29	Interest Bearing Loan	3.13%	128
ASELI Avignon SCI	27,265	4,055	27,054	Oct 28	Interest Bearing Loan	3.13%	95
ASELI Waddinxveen BV	29,200	13,073	29,200	Nov 28	Interest Bearing Loan	4.50%	384
ASELI Waddinxveen BV	7,300	7,169	7,169	Nov 28	Interest Free Loan	0.00%	-
ASELI Meung SCI	15,240	8,580	1,176	Nov 28	Interest Bearing Loan	3.13%	-
PDC Industrial Center 72 sp. z.o.o.	1,029	2,113	-	Feb 29	Interest Free Loan	0.00%	-
PDC Industrial Center 72 sp. z.o.o.	18,807	18,807	-	Feb 29	Interest Bearing Loan	4.10%	651
ASELI s-Heerenberg BV	11,300	2,819	-	Jun 29	Interest Bearing Loan	5.30%	77
ASELI s-Heerenberg BV	8,000	8,000	-	Jun 29	Interest Bearing Loan	5.30%	220
PDC Industrial Center 92 sp. z o.o.	19,700	19,512	-	Oct 29	Interest Bearing Loan	4.10%	149
	304,108	193,685	144,790				4,260
Less Fair value adjustment on Waddinxveen and Netherlands I Interest Bearing loans			(2,138)				
Fair value of intercompany loans		193,685	142,652				

5. Trade and Other Payables

	2019 €'000	2018 €'000
Investment Management fee payable	471	556
Accruals and other payables	567	45
	1,038	601

6. Share Capital and Share Premium

	2019 €'000	2018 €'000
Opening Balance	2,122	-
Manager's shares issued in the period	-	56
Manager's shares redeemed in the period	-	(56)
Ordinary shares issued on incorporation	-	1
Ordinary shares issued	523	2,121
As at 31 December	2,645	2,122

Ordinary shareholders participate in all general meetings of the Company on the basis of one vote for each share held.

Each Ordinary share has equal rights to dividends and equal rights to participate in a distribution arising from a winding up of the Company. The Ordinary shares are not redeemable.

The total number of shares authorised, issued and fully paid is 234,500,001 (2018: 187,500,001). The nominal value of each share is £0.01 and amount paid for each share was £1.00. Share proceeds were received in tranches between 15 and 18 December 2017 and converted to Euro at a rate of £1:€1.131868907.

On incorporation, the issued share capital of the Company was one Ordinary Share of a nominal value of £0.01, which was subscribed for by Aberdeen Asset Management PLC. On 8 November 2017 the Company issued 50,000 Management Shares of a nominal value of £1.00 each which were subscribed for by Aberdeen Asset Management PLC. The Management Shares were fully paid up and were redeemed immediately following the Initial admission out of the proceeds of the Initial Issue. The Management Shares redeemable at any time (subject to the provisions of the Companies Act) by the Company and carried the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares did not have any right to receive notice of or vote at any general meeting of the Company.

On 31 July 2019, the Company increased its share capital by another 47,000,000 Ordinary Shares for 98.75p (€1.09).

Share Premium

	2019 €'000	2018 €'000
Opening Balance	-	-
Premium arising on issue of new shares	51,147	210,102
Share issue costs deducted	(783)	(2,875)
Transfer to special distributable reserve	-	(207,227)
Balance at 31 December	**50,364**	**-**

7. Capital Commitments

As at 31 December 2019 the company had capital commitments of €110.4m (2018 - €81.2m) relating to undrawn intercompany loans.

8. **Ultimate Parent Company**

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

9. **Fair Value of Financial Instruments**

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i .e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

Fair value hierarchy

The Company's financial instruments measured at fair value relate to intercompany loans due from group entities, disclosed on Note 4. The intercompany loans are classified as level 3 (2018: level 3) in the fair value hierarchy.

Level 3 fair value measurements

Reconciliation

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2019 €'000	2018 €'000
Opening balance	142,652	-
Issued	116,211	144,791
Repayments	(67,316)	-
FV adjustments	2,138	(2,138)
Closing balance	**193,685**	**142,653**

Valuation techniques include net present value and discounted cash flows, comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates.

Unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used at 31 December 2019 and 2018 in measuring financial instruments categorised as Level 3 in the fair value hierarchy

Range of estimates (weighted-average) for unobservable input	Fair value measurement sensitivity to unobservable inputs	Movement	Effect on valuation €'000
2 – 6% (2019: 2 – 6%)	Significant increases in any of these inputs in isolation would result in lower fair values.	+1%	(11,897) (2018:(10,479))
		-1%	11,986 (2018:10,596)

Avignon (France), new building with a 9 year lease and solar panels on roof

Corporate Information

The Company's Investment Manager is Aberdeen Standard Investments Ireland Limited, a wholly owned subsidiary of Standard Life Aberdeen plc. Assets under management of the combined investment division, Aberdeen Standard Investments, were £545 billion as at 31 December 2019.

Information about the Investment Manager

Aberdeen Standard Fund Managers Limited

Aberdeen Standard Fund Managers Limited ("ASFML"), authorised and regulated by the Financial Conduct Authority, has been appointed as alternative investment fund manager to the Company. ASFML has in turn delegated portfolio management to the Amsterdam branch of Aberdeen Standard Investments Ireland Limited ("ASIIL").

Aberdeen Standard Investments

Worldwide, Aberdeen Standard Investments manages a combined £545 billion (as at 31 December 2019) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

Aberdeen Standard Investments operates a fully integrated property investment management platform and has an extensive regional presence with offices in 14 countries across the UK and Continental Europe.

The pan-European real estate team is comprised of over 280 real estate professionals in 17 offices with expertise in fund management, research, transactions, asset management, financing and other specialist property activities.

The real estate teams are based in well-established offices in London, Frankfurt, Paris, Madrid, Amsterdam and Brussels, as well as the Nordics, and these teams are responsible for sourcing and managing all the assets acquired across the region. Having teams in the key target markets in which the Company proposes to invest provides, in the Investment Manager's view, a significant competitive advantage, with improved local market knowledge, better access to potential deals, closer implementation of asset business plans and improved ability to manage and mitigate risk.

The Investment Team Senior Managers

Evert Castelein

Fund Manager, Real Estate Investment Management

Evert is the primary Fund Manager responsible for the Company's portfolio and is based in Amsterdam. Prior to the Company's launch, he was Assistant Fund Manager for one of Aberdeen Standard Investment's flagship funds: the Aberdeen European Balanced Property Fund with 13 retail, 3 office and 7 logistics properties in 7 Eurozone countries. Evert joined the ASI Real Estate Fund team in 2012, prior to which he was responsible for the asset management of a small German and Swedish fund and also Senior Analyst within the Property Research and Strategy team of Aberdeen Asset Management PLC (AAM). Evert joined Goodman Property Investors (which was acquired by AAM in 2008) in 2006, a leading unlisted property partnership investing in logistics real estate across Europe and the FGH Bank Netherlands, market leader in the financing of Dutch commercial real estate, where he worked as a research analyst. Evert has 15 years' experience within the (direct) real estate market. Evert holds a Masters degree in Economic Geography from the University of Groningen and has a Master of Science in Real Estate (MSRE). Evert speaks Dutch, Frysian, German, French and English.

Attila Molnar

Fund Manager, Real Estate Investment Management

Attila is a Fund Manager based in Frankfurt. Attila joined Dresdner Bank's property fund management business (DEGI) in 2006, shortly before the business was acquired by Aberdeen Asset Management PLC. Attila has been involved in the planning and establishment of new product lines for institutional clients and joined the fund management teams of those funds. At present in addition to his responsibilities for the Company he is responsible for two institutional funds. Prior to joining DEGI Attila worked for PricewaterhouseCoopers where he was responsible for a diverse range of audit and due diligence projects in the property funds sector. Attila graduated with a MSc in Accounting and Finance from Budapest University of Economics and speaks English, German and Hungarian.

James Wythe

Deputy Fund Manager, Real Estate Investment Management

James is a deputy Fund Manager working on the Company's portfolio and is based in Amsterdam. He joined Standard Life Investments in 2016, just before the merger with Aberdeen Asset Management, to assist with the management of a balanced Dutch and Swedish portfolio. James then assumed responsibility for the overall management of that portfolio in 2018 before joining the team working on the Company's logistics portfolio in 2019. James graduated with a BSc in Biology from The University of Nottingham and has an MSc in Real Estate from the University of Reading. He is also a member of the RICS.

The Investment Process

The Investment Manager is responsible for sourcing and managing the transaction process for new acquisitions. The Investment Manager sources potential acquisitions through its property teams based in Europe. The teams based in the target markets have an in-depth knowledge of the local markets and a wide network of relationships for identifying and selecting the best investment opportunities. Having local teams on the ground provides for in-depth local insight and, in turn, is a significant competitive advantage that should enable the Investment Manager to implement the Company's investment policy in the key cities and regions.

Furthermore, focusing on income durability, location and propensity for rental growth, combined with the ability to carry out active asset management, enables the Investment Manager to invest in properties where the competition from other investors is weaker than for the big, long-leased properties with no asset management requirements, where competition among potential buyers is very high.

Each transaction is assessed against individual fund criteria and, if considered potentially suitable, a detailed financial and economic analysis and review is undertaken of the property, the location, quality of construction, the existing leases, the rents being paid versus market level, the tenants and the market prospects. This process is informed by a significant database of proprietary information held by the Investment Manager, experienced investment professionals, including people on the ground in the relevant markets and a dedicated research function that assists in identifying rental and capital growth prospects at country, regional, city, sub-market and sector level.

The Investment Manager operates a pan-European Investment Committee which approves all investment plans, transactions, financing decisions and material asset management activity. The Investment Committee includes senior members of the real estate team. If, following analysis, property inspections and negotiations with the owner of the property, the fund managers wish to proceed with an acquisition, Investment Committee approval is required.

An active asset management strategy (i.e. defining, implementing and regularly reviewing business plans for each property in the Portfolio) is an important element in helping to deliver investment performance. An important part of this is that the properties are managed by local asset managers in the countries where the properties are located who have better access to tenants, advisers and consultants to help generate outperformance.

Active asset management means the individual asset manager involved in acquiring the property is also responsible for implementing the business plan once acquired, resulting in carefully researched and robust assumptions and a focus on long-term performance from purchase through to any potential sale. The types of active asset management initiatives which the Investment Manager may utilise are:

- re-negotiating leases to capture market rental growth and/or extend lease duration;
- managing any vacancies to maximise rental performance;
- exploiting ancillary development opportunities on or around the properties;
- assessing and effecting changes of use where this would add value;
- undertaking refurbishments to increase rents; and
- changing unit size and configuration to maximise the potential income from a property.

The majority of the Portfolio comprises properties where the main asset management activities are likely to be renegotiating leases, managing vacancies, growing rental income and undertaking light refurbishments.

Investor Information

AIFMD

The Company has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager and NatWest Trustee and Depositary Services Limited as its depositary under the AIFMD. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's PIDD which can be found on the website eurologisticsincome.co.uk. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 110.

Comparative Indices

The Company does not have a benchmark.

Website

Further information on the Company can be found on its own dedicated website: eurologisticsincome.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

Investor Warning

Aberdeen Standard Investments has been made aware that some investors may have received telephone calls from people purporting to work for Aberdeen Standard Investments, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen Standard Investments and any third party making such offers has no link with Aberdeen Standard Investments. Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department using the details on page 106.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: fca.org.uk/consumers/scams.

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Trust's website: eurologisticsincome.co.uk and the TrustNet website: trustnet.co.uk. Direct private investors can call 0808 500 00 40 (free when dialling from a UK landline) for trust information. Alternatively, investors may email Aberdeen Standard Investments at inv.trusts@aberdeenstandard.com or write to Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing West Sussex BN99 6DA or by telephoning on 0371 384 2416. Lines are open 8.30 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes.

Changes of address must be notified to the registrars in writing. Any general enquiries about the Company should be directed to the Company Secretary, Aberdeen Standard European Logistics Income PLC, 1 George Street, Edinburgh EH2 2LL or by emailing company.secretary@aberdeenstandard.com.

Direct Investment

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through the Aberdeen Standard Investment Plan for Children, Aberdeen Standard Investment Trust Share Plan and Investment Trust ISA.

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the tax year 2020/2021.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to the Aberdeen Standard Investments Investment Trust ISA which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Pre-investment Disclosure Document (PIDD)

The AIFMD requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager of the Company, to make available to investors certain information prior to such investors' investment in the Company. The Company's PIDD is available for viewing at: eurologisticsincome.co.uk.

Literature Request Service

For literature and information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer including application forms for the Company and the Investment Manager's investment trust products, please contact:

Aberdeen Standard Investment Trust Administration
PO Box 11020
Chelmsford
Essex, CM99 2DB

Telephone: 0808 500 00 40
(free when dialling from a UK landline)

Terms and conditions for the Aberdeen Standard Investments managed savings products can also be found under the literature section of invtrusts.co.uk.

Dealing details

Investor information

There are a number of other ways in which you can buy and hold shares in this investment company.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell Youinvest; Alliance Trust Savings; Barclays Stockbrokers / Smart Investor; Charles Stanley Direct; Equiniti / Shareview; Halifax Share Dealing; Hargreave Hale; Hargreaves Lansdown; iDealing; Interactive Investor; EQi; The Share Centre; Stocktrade.

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Personal Investment Management and Financial Advice Association at: pimfa.co.uk.

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit unbiased.co.uk.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or at www.fca.org.uk/firms/financial-services-register

Email: customer.queries@fca.org.uk

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking exposure to European logistical real estate, and who understand and are willing to accept the risks of exposure to this asset class. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the shares issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs).

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Voting at Company Meetings

In light of the ongoing COVID-19 pandemic, Shareholders are strongly discouraged from attending the Company's 2020 AGM and indeed entry may be refused if Government guidance so requires.

If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the forthcoming AGM or at any other Company meeting, then you will need to make arrangements with the administrator of your share plan or platform. For the purposes of voting at the AGM, investors that hold their shares in the Company via the Aberdeen Standard Investments Plan for Children, the Aberdeen Standard Investments Share Plan and/or the Aberdeen Standard Investments ISA will find a Letter of Direction enclosed with this Annual Report. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

Further details on how to attend and vote at Company Meetings for holders of shares via other share plans and platforms can also be found at https://www.theaic.co.uk/aic/shareholder-voting-consumer-platforms.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

The information on pages 105 to 107 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

EPRA Financial Reporting (Unaudited)

One of EPRA's aims is to improve the transparency, comparability and relevance of the published results of listed real estate companies in Europe. EPRA performance measures calculated in line with 'Best Practice Recommendation Guidelines – November 2016' are therefore enclosed.

EPRA Performance Measures

	31 December 2019 Total	31 December 2018 Total
EPRA earnings (€'000)	7,247	340
EPRA earnings per share (cents)	3.49	0.18
EPRA NAV (€'000)	264,947	202,073
EPRA NAV per share (cents)	112.98	107.77
EPRA NNNAV (€'000)	260,277	202,073
EPRA NNNAV per share (cents)	110.99	107.77
EPRA Net Initial Yield	4.74%	1.68%
EPRA topped-up Net Initial Yield	5.10%	1.78%
EPRA Vacancy Rate	0.0%	0.0%
EPRA Cost Ratios - including direct vacancy costs	29%	79%
EPRA Cost Ratios - excluding direct vacancy costs	29%	79%
A. EPRA Earnings (€000)		
Earnings per IFRS income statement	19,429	(3,740)
Adjustments to calculate EPRA Earnings, exclude:		
Net changes in fair value of investment properties	(16,852)	(4,080)
Deferred tax	4,662	-
Changes in fair value of financial instruments	8	-
EPRA Earnings	7,247	340
Weighted average basic number of shares	207,845	187,500
EPRA Earnings per share (cents per share)	3.49	0.18
B. EPRA Net Asset Value (€000)		
IFRS NAV	260,277	202,073
Exclude		
Fair value of financial instruments	8	-
Deferred tax adjustment	4,662	
	264,947	202,073.00
Shares in issue at end of year	2,345,000	1,875,000
EPRA NAV per share (cents per share)	112.98	107.77

		31 December 2019 Total	31 December 2018 Total
C.	**EPRA Triple Net Asset Value (NNNAV)**		
	EPRA NAV	264,947	202,073
	Fair value of financial instruments	(8)	-
	Deferred tax adjustment	(4,662)	-
	EPRA NNNAV	260,277	202,073
	EPRA NNNAV cents per share	110.99	107.77
D.	**EPRA Net Initial Yield and 'topped up' NIY disclosure**		
	Investment property - wholly owned	350,125	149,185
	Less developments	-	(23,740)
	Completed property portfolio	350,125	125,445
	Allowance for estimated purchasers' costs	17,145	5,279
	Gross up completed property portfolio valuation	367,270	130,724
	Annualised cash passing rental income	17,717	2,391
	Property outgoings	(319)	(198)
	Annualised net rents	17,398	2,193
	Add: notional rent expiration of rent free periods or other lease incentives	1,322	138
	Topped-up net annualised rent	18,720	2,331
	EPRA NIY	4,74%	1.68%
	EPRA "topped-up" NIY	5.10%	1.78%
E.	**EPRA Cost Ratios**		
	Administrative / property operating expense line per IFRS income statement	6,075	1,843
	Less recoverable service charge	(2,233)	-
	Direct vacancy costs	-	-
	EPRA Costs (excluding direct vacancy costs)	3,842	1,843
	Gross Rental income less ground rent costs	13,376	2,323
	EPRA Cost Ratio (including direct vacancy costs)	29%	79%
	EPRA Cost Ratio (excluding direct vacancy costs)	29%	79%

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Aberdeen Standard Fund Managers Limited and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') which can be found on the Company's website eurologisticsincome.co.uk. There have been no material changes to the disclosures contained within the Prospectus.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 21 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 105) and the numerical remuneration in the disclosures in respect of the AIFM's reporting period for the year ended 31 December 2019 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross method	Commitment method
Maximum level of leverage	365.0%	185.0%
Actual level at 31 December 2019	134.5%	134.5%

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The above information above has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Glossary of Terms and Definitions and Alternative Performance Measures

Aberdeen Standard Investments or ASI
Aberdeen Standard Investments is a brand of the investment businesses of Standard Life Aberdeen plc

AIC
Association of Investment Companies

AIFMD
The Alternative Investment Fund Managers Directive

AIFM
the alternative investment fund manager, being ASFML

Alternative Performance Measures
Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes IFRS and the AIC SORP

Annual Rental Income
Cash rents passing at the Balance Sheet date

ASFML or AIFM or Manager
Aberdeen Standard Fund Managers Limited

ASIIL or the Investment Manager
Aberdeen Standard Investments Ireland Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager

Asset Cover
The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security

Contracted Rent
The contracted gross rent receivable which becomes payable after all the occupier incentives in the letting have expired

Covenant Strength
This refers to the quality of a tenant's financial status and its ability to perform the covenants in a lease

Discount
The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the NAV per share

	As at 31 December 2019	As at 31 December 2018
Share price (A)	90.40	102.25
NAV (B)	94.21	96.7
(Discount)/Premium ('C) (A - B)	(3.81)	5.55
(Discount)/Premium % (C/B)	(4.0)%	5.7%

Earnings Per Share
Profit for the period attributable to shareholders divided by the average number of shares in issue during the period

EPRA
European Public Real Estate Association

Europe
The member states of the European Union, the European Economic Area ("EEA") and the members of the European Free Trade Association ("EFTA") (and including always the United Kingdom, whether or not it is a member state of the European Union, the EEA or a member of EFTA)

ERV
The estimated rental value of a property, provided by the property valuers

Gearing[1]
Calculated as gross external bank borrowings dividend by total assets

Bank loans	€108.9m
Gross Assets	€383.0m
Gearing	28.4%

[1] Defined as an alternative performance measure.

Group	The Company and its subsidiaries
Gross Assets and Gross Asset Value (GAV)	The aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
FRC	Financial Reporting Council
IFRS	International Financial Reporting Standards
Index Linked	The practice of linking the review of a tenant's payments under a lease to a published index, most commonly the Retail Price Index (RPI) but also the Consumer Price Index (CPI), French Tertiary Activities Rent Index (ILAT)
Key Information Document or KID	The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation requires the Manager, as the Company's PRIIP "manufacturer," to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the AIFM to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed
Lease incentive	A payment used to encourage a tenant to take on a new lease, for example by a landlord paying a tenant a sum of money to contribute to the cost of a tenant's fit-out of a property or by allowing a rent free period
Leverage	For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other
NAV total return[1]	The return to shareholders, expressed as a percentage of opening NAV, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in NAV. Dividends are assumed to have been reinvested in the quarter they are paid, excluding transaction costs

	Year ended 31 December 2019	Year ended 31 December 2018
Opening NAV	107.8c	111.6c
Movement in NAV	3.2c	(3.8c)
Closing NAV	111.0c	107.8c
% increase in NAV	2.97%	(3.41%)
Impact of reinvested dividends	5.66%	0.43%
NAV total return	8.63%	(2.98%)

Net Asset Value or NAV	The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share

[1] Defined as an alternative performance measure.

Ongoing Charges[1]

Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the industry standard. A reconciliation of ongoing charges is below:

	Year ended 31 December 2019	Period ended 31 December 2018
Expenditure per Statement of comprehensive income	6,075	1,843
Less Property service charge expense	(2,233)	-
Group operating costs including property costs (A)	3,842	1,843
Less Direct property expenses and property management fees	(419)	(251)
Group operating costs (excluding property costs) (B)	3,423	1,592
Average net asset value (C)	222,725	205,902
Ongoing charges (excluding property costs) (B/C)	1.5%	0.8%
Ongoing charges (including property costs) (A/C)	1.7%	0.9%

Passing Rent

The rent payable at a particular point in time

PIDD

The pre-investment disclosure document made available by the AIFM in relation to the Company

Premium

The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share

Prior Charges

The name given to all borrowings including long and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital, irrespective of the time until repayment

Portfolio fair value

The market value of the company's property portfolio, which is based on the external valuation provided by CBRE GmbH

The Royal Institution of Chartered Surveyors (RICS)

The global professional body promoting and enforcing the highest international standards in the valuation, management and development of land, real estate, construction and infrastructure

Share price total return[1]

The return to shareholders, expressed as a percentage of opening share price, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in share price. Dividends are assumed to have been reinvested in the quarter they are paid, excluding transaction costs

	Year ended 31 December 2019	Year ended 31 December 2018
Opening Share Price	102.2p	100.0p
Movement in share price	(11.8)p	2.2p
Closing share price	90.4p	102.2p
% (decrease)/increase in share price	(11.55)%	2.20%
Impact of reinvested dividends	4.56%	0.80%
Share price total return	(6.99)%	3.00%

[1] Defined as an alternative performance measure.

SPA	Sale and purchase agreement
SPV	Special purpose vehicle
Standard Life Aberdeen Group or SLA Group	the Standard Life Aberdeen plc group of companies
Standard Life Aberdeen	Standard Life Aberdeen plc which was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017
Total Assets	Total assets less current liabilities (before deducting prior charges as defined above)
WAULT	Weighted Average Unexpired Lease Term. The average time remaining until the next lease expiry or break date

Notice

Notice of Annual General Meeting

Notice is hereby given that the second annual general meeting (the "Annual General Meeting") of Aberdeen Standard European Logistics Income PLC (the "Company") will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH, at 2:00 p.m. on 30 June 2020 for the following purposes:

To consider and if thought fit, pass the following resolutions of which Resolutions 1 to 10 will be proposed as ordinary resolutions and Resolutions 11 to 13 as special resolutions:

Ordinary Business

1. To receive and adopt the Company's financial statements for the year ended 31 December 2019, together with the directors' report and the auditor's report thereon.
2. To receive and adopt the Directors' Remuneration Report as set out in the Company's Annual Report and financial statements for the year ended 31 December 2019 (other than the Directors' Remuneration Policy as set out on pages 53 and 54 of the Directors' Remuneration Report).
3. To authorise the directors of the Company (the "Directors") to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval.
4. To re-elect Ms C. Gulliver as a Director.
5. To re-elect Mr J. Heawood as a Director.
6. To re-elect Mr T. Roper as a Director.
7. To re-elect Ms D. Wilde as a Director.
8. To re-appoint KPMG LLP as the Company's auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual general meeting at which accounts are laid before the Company.
9. To authorise the Directors to determine the auditor's remuneration.

Special Business

10. THAT in substitution for all existing powers the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company:

    (a) to allot shares in the Company up to an aggregate nominal amount of £773,850 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in sub-paragraph (b) below in excess of £773,850); and

    (b) to grant rights ("Relevant Rights") to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £1,547,700 (such amount to be reduced by the nominal amount of any shares allotted pursuant to the authority in sub-paragraph (a) above) in connection with an offer made by means of a negotiable document to (i) all holders of ordinary shares of £0.01 each in the capital of the Company ("Ordinary Shares") in proportion (as nearly as may be practicable) to the respective numbers of such Ordinary Shares held by them and (ii) to holders of other equity securities as required by the rights of those securities (but subject in either case to such exclusions, limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever);

    such authorisation to expire on 30 June 2021 or, if earlier, at the conclusion of the next annual general meeting of the Company to be held in 2021 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer or enter into an agreement which would or might require shares to be allotted or Relevant Rights to be granted after the expiry of this authorisation and the Directors may allot shares or grant Relevant Rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.

11. THAT subject to the passing of Resolution numbered 10 above and in substitution for all existing powers the Directors be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 (1), (2) and (3) of the Act) for cash either pursuant to the authorisation under section 551 of the Act as conferred by Resolution 10 above or by way of a sale of treasury shares, in each case for cash as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to:

(a) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (b) below) to any person up to an aggregate nominal amount of £234,500 which are, or are to be, wholly paid up in cash, at a price representing a premium to the net asset value per share at allotment, as determined by the Directors, and do not exceed up to 10% of the issued share capital (as at the date of the Annual General Meeting convened by this notice); and

(b) the allotment of equity securities in connection with an offer (but, in the case of the authority granted under Resolution 10(b) above, by way of a rights issue only) to (i) all holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them and (ii) to holders of other equity securities as required by the rights of those securities (but subject in either case to such exclusions, limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever) at a price representing a premium to the net asset value per share at allotment, as determined by the Directors, and such power shall expire on 30 June 2021, or, if earlier, at the conclusion of the next annual general meeting of the Company to be held in 2021 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this power make an offer or enter into an agreement which would or might require equity securities to be allotted or treasury shares to be sold after the expiry of this power and the Directors may allot securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

12. THAT, the Company be generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares and to cancel or hold in treasury such shares provided that:

(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 14.99% of the Ordinary Shares in issue as at the date of the passing of this Resolution;

(b) the minimum price which may be paid for an Ordinary Share is £0.01;

(c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than the higher of (i) an amount equal to 5% above the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;

(d) the authority hereby conferred shall expire on 30 June 2021, or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2021 unless such authority is renewed, revoked or varied prior to such time by the Company in general meeting; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

13. THAT a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board
Aberdeen Asset Management PLC
Secretaries

Bow Bells House
1 Bread Street
London
EC4M 9HH
4 June 2020

Notes:

1. In accordance with section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website eurologisticsincome.co.uk.

2. As a member, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A form of proxy is enclosed.

3. To be valid, any form of proxy or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's registrars so as to arrive not less than 48 hours before the time fixed for the meeting (excluding non working days). The return of a completed form of proxy or other instrument of proxy will not prevent you attending the Annual General Meeting and voting in person if you wish to do so.

4. The right to vote at the meeting is determined by reference to the Company's register of members as at 6.30 p.m. on 26 June 2020 or, if this meeting is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting. Changes to the entries on that register of members after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

5. As a member you have the right to put questions at the meeting relating to the business being dealt with at the meeting.

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual which can be viewed at www.euroclear.com. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. You may also submit your proxy votes via the internet. You can do so by visiting www.sharevote.co.uk. You will require your voting ID, task ID and Shareholder Reference Number. This information can be found under your name on your form of proxy. Alternatively, shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at **www.shareview.co.uk** using their user ID and password. Once logged in, click "view" on the "My Investments" page. Click on the link to vote and follow the on screen instructions.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

12. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative

exercises powers over the same share. A Director, the company secretary, or some person authorised for the purpose by the company secretary, may require any representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to such Director, company secretary or other person before permitting him to exercise his powers.

13. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

14. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

15. As at close of business on 27 May 2020 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 234,500,001 Ordinary Shares and there were no shares held in treasury. Each Ordinary Share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 27 May 2020 is 234,500,001.

16. No Director has a service contract with the Company, however, copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.

17. Under section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this Notice of Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Annual General Meeting. Under section 338A of that Act, members may request the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may be properly included in the business.

18. Members should note that it is possible that, pursuant to requests made by the members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid out before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on the website.

19. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the Annual General Meeting which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

20. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

21. There are special arrangements for holders of shares through Aberdeen Standard Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ("Plan Participants"). These are explained in the separate 'Letter of Direction' which Plan Participants will have received with this Annual Report.

22. Given the risks posed by the spread of Covid-19 and in accordance with the provisions of the Articles of Association, the Company may impose entry restrictions on certain persons wishing to attend the AGM. Such restrictions may include restricting the attendance of shareholders to a maximum of 2 and preventing attendance at the meeting in person of shareholders considered to be high risk in line with relevant guidance or who may be exhibiting signs of possible infection. Other restrictions may be imposed as the chairman of the meeting may specify in order to ensure the safety of those attending the AGM.

Contact Addresses

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