THINK BIG

TRITAX EUROBOX

Annual Report 2019

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Financial highlights

Basic NAV: €477.3m

EPRA NAV:* €484.2m

IFRS earnings per share: 6.25c

EPRA EPS:* 2.96c

Total return for the period:* 3.4%

Dividend declared: 3.4c

* See pages 164 to 165 for reconciliation

A Compelling Proposition

- We operate in a highly attractive market, underpinned by structural change
- Our Manager is a leading sector specialist, with an extensive network of relationships
- We have a clearly defined strategic focus and investment strategy
- Our platform is scalable and underpinned by a flexible capital structure
- Our income streams are resilient and growing

AT A GLANCE

Who we are and what we do
Tritax EuroBox floated on the London Stock Exchange in July 2018. We invest in and manage a well-diversified portfolio of large, high-quality logistics real estate assets, known as Big Boxes, across Continental Europe.

We focus on key logistics hubs, which are close to major population centres in Europe's most-established logistics markets and have good availability of labour. Our assets benefit from strong transport links and are often near to Europe's major ports and railheads, making them well positioned for regional, national and global distribution occupiers. Their modern designs and state-of-the-art construction helps them to meet both our tenant partners' sustainability goals, and our ambition to invest in assets which demonstrate minimal long-term environmental impact. By choosing areas of constrained supply, our investments provide the best platform for rental growth, underpinning strong future returns.

The Manager
Our Manager, Tritax Management LLP, has assembled a full-service European investment management capability. This combines the Manager's outstanding stock-picking and portfolio management expertise with dedicated on-the-ground asset and property managers, with strong market standings. This gives us a deep understanding of individual market dynamics and the ability to implement our strategy and effectively manage our assets.

BELGIUM

€84m **Investment (representing 13% of total acquisition value)**

92,348 sqm **Gross internal area**

2 **Assets**

SPAIN

€150m **Investment (representing 22% of total acquisition value)**

186,139 sqm **Gross internal area**

1 **Asset**

GERMANY

€262m Investment
(representing 38% of total acquisition value)

246,880 sqm Gross internal area

5 Assets

POLAND

€55m Investment
(representing 8% of total acquisition value)

101,536 sqm Gross internal area

1 Asset

ITALY

€118m Investment
(representing 19% of total acquisition value)

158,373 sqm Gross internal area

1 Asset

THINK BIG.

OCCUPIER DEMAND FOR CONTINENTAL EUROPEAN LOGISTICS REAL ESTATE ASSETS IS UNDERGOING A MAJOR LONG-TERM STRUCTURAL CHANGE, PRINCIPALLY DRIVEN BY THE GROWTH OF E-COMMERCE ACROSS EUROPE AND OCCUPIERS' NEED TO SUSTAINABLY OPTIMISE SUPPLY CHAINS.

AT THE SAME TIME, SUPPLY IS CONSTRAINED, WITH LIMITED AVAILABILITY OF SUITABLE LAND IN KEY LOGISTICS LOCATIONS.


Big


ASSETS
EXIT

THIS IS WHAT

BIG LOOKS LIKE

THE BIG NUMBERS

785,276

785,276 sqm
of logistics space
across the portfolio

5.1%

PORTFOLIO AVERAGE NET INITIAL PURCHASE YIELD

ELEVEN YEARS' WEIGHTED AVERAGE UNEXPIRED LEASE TERM

70%

OF PORTFOLIO ACQUIRED OFF MARKET SINCE IPO

£34.8m pa CONTRACTED PASSING RENT

50m

€691.7m

Portfolio value of €691.7m

BIG

OPPORTUNITY

Led by the growth of e-commerce across Continental Europe, occupiers' need for supply chain efficiency and technological innovation are driving occupational demand for large, modern, sustainable logistics real estate assets.

Yet supply is constrained, with limited availability of suitable assets and land in key logistics locations.

This acute demand/supply dynamic underpins the prospects for rental growth in our sector.

Market drivers:

E-commerce
page 11

Efficiency
page 13

Technology
page 15

Sustainability
page 17

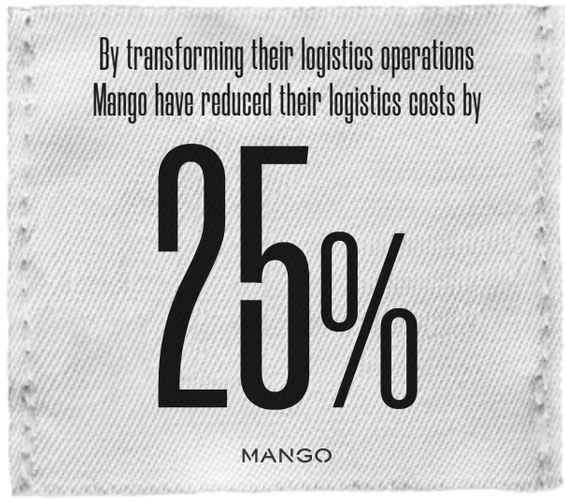
MARKET DRIVERS

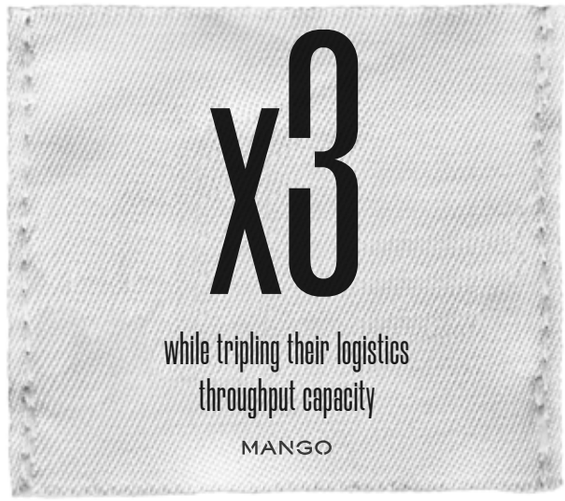
E-COMMERCE

INTERNET SHOPPING IS IN ITS RELATIVE INFANCY IN CONTINENTAL EUROPE.

ONLINE SALES IN FRANCE AND GERMANY ARE HALF OF THE ONLINE SALES IN THE UK.

ONLINE SALES IN SPAIN ARE ONE QUARTER OF THE ONLINE SALES IN THE UK.





More information
See how we are helping Mango transform their retail operations on page 25

EFFICIENCY

OCCUPIERS' MARGINS ARE UNDER SUSTAINED PRESSURE.

THEY MUST IMPROVE OPERATIONAL EFFICIENCY TO REDUCE COSTS.

CONSOLIDATION INTO FEWER STRATEGICALLY LOCATED, LARGER BIG BOX ASSETS PROVIDES ECONOMIES OF SCALE AND REDUCES COSTS.


amazon.com

TECHNOLOGY

ARTIFICIAL INTELLIGENCE, AUTOMATION AND ROBOTICS ENABLE OCCUPIERS TO REDUCE COSTS, IMPROVE INVENTORY MANAGEMENT AND DRIVE FURTHER OPERATIONAL EFFICIENCIES.

TECHNOLOGY IS PROVING TO BE AN OVERARCHING ENABLER FOR PROFITABILITY.

SUSTAINABILITY

TODAY'S OCCUPIERS SEEK SUSTAINABLE, MODERN ASSETS THAT MINIMISE THEIR ENVIRONMENTAL FOOTPRINT, OPTIMISE THEIR USE OF NATURAL RESOURCES AS WELL AS HELP REDUCE OPERATIONAL COSTS.

DEMAND

THE ONLINE RETAIL REVOLUTION IS DRIVING DEMAND FOR THE BEST PROPERTIES

SUPPLY

THERE ARE FEW SITES IN KEY LOGISTICS LOCATIONS WHICH CAN ACCOMMODATE VERY LARGE BIG BOX FACILITIES

HOWEVER,

IT'S THE SMALLER DETAILS THAT MAKE IT ALL WORK

There are four things that are central to our success.
Together they give us competitive advantage.

OUR COMPETITIVE ADVANTAGE

Knowledge and expertise of each European market.

The Manager is a leading logistics real estate investment specialist. Their expertise and deep understanding of logistics operators, combined with strategic alliances with expert logistics asset managers, creates an effective platform across Continental Europe.

More information
page 97

Relationships that generate valuable opportunities.

The Manager's extensive network of occupiers, investors, developers and agents, combined with its reputation for reliability, clarity, simplicity and transaction certainty delivers access to a high-quality pipeline of assets that can be acquired largely off market, offering pricing advantage.

More information
page 52

Asset management that creates further value.

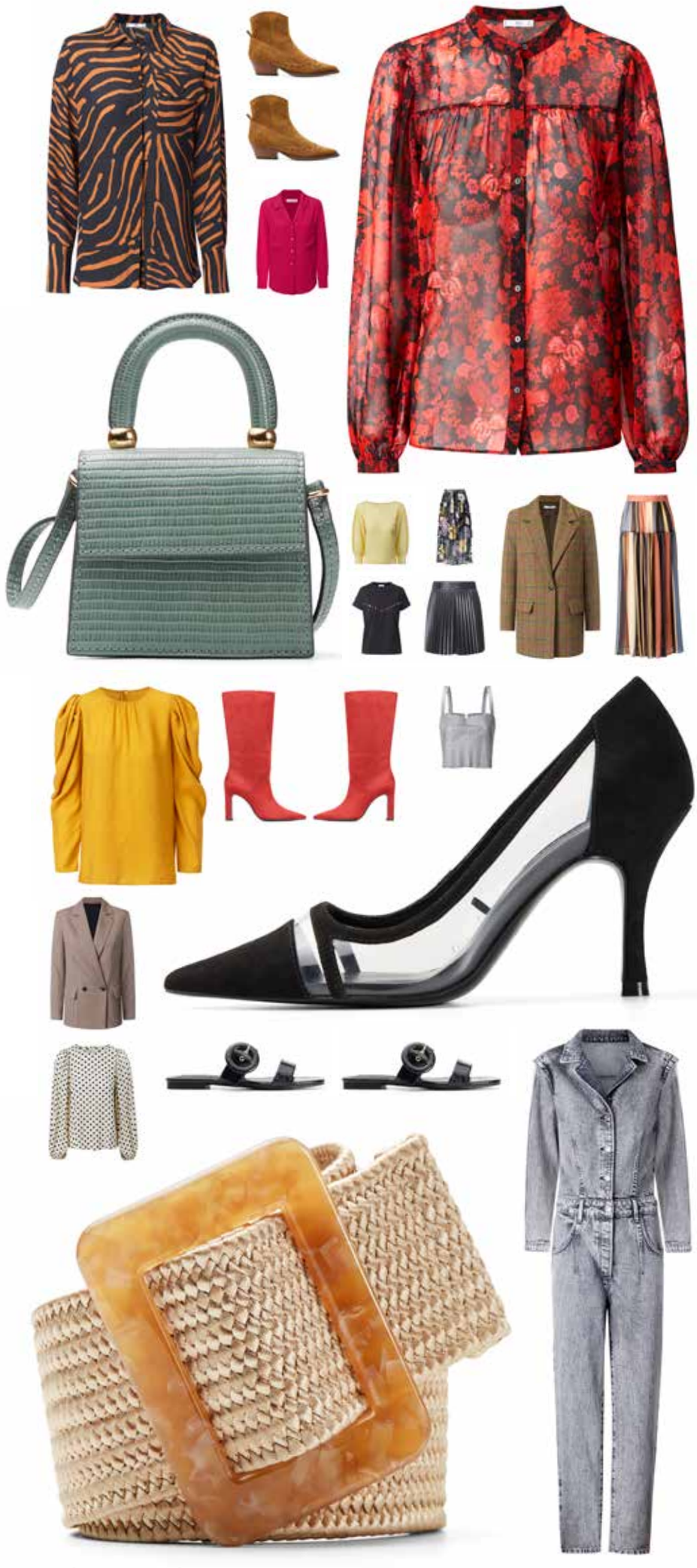
The Manager's asset management expertise helps us to drive value creation, delivering both income and capital growth. Local management teams work with occupiers to ensure any opportunities are explored rapidly and effectively.

More information
page 54

Clear strategic focus and delivery.

The Company's focused investment strategy ensures highly selective asset acquisition. It deliberately focuses on the specific sector of the logistics market which it believes provides the best prospects for rental growth based on favourable supply/demand dynamics.

More information
page 44



CASE STUDY: TRANSFORMING MANGO'S LOGISTICS OPERATIONS

In 2016, Mango consolidated its logistics network from several smaller units into a brand-new 186,000 sqm global distribution centre, strategically located at Lliçà d'Amunt, some 30km from Barcelona.

This initiative tripled Mango's logistics throughput capacity, as well as reduced their supply chain costs by 25% – from €0.25 to €0.19 per garment.

This asset facilitates the distribution to 2,100 stores in 110 countries.

Mango invested €230m into the fit out of this state-of-the art facility, equipping it with 400 automated systems facilitating the entire process from reception to picking.

186,000 sqm
EQUIVALENT OF MORE THAN 30 FOOTBALL PITCHES

75,000
GARMENTS PROCESSED PER HOUR

600,000
GARMENTS PROCESSED PER DAY

27m
GARMENTS STORED

HOW WE PERFORME 2019

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CHAIRMAN'S STATEMENT
ROBERT ORR

“I am pleased to report on our first financial period. We have benefited from strong support from Shareholders during the period, which has enabled us to capitalise on the opportunity we identified at IPO.”

Ahead of our IPO in July 2018, we identified a clear opportunity to establish a listed investment vehicle with a clear focus on the Big Box subsector of the European logistics market, which we believe represents a compelling investment proposition.

The Board has set a focused strategy for the business to ensure we rapidly scale up to capitalise on this opportunity. The business model is scalable, and we have the financial and real estate expertise to execute this strategy. We have delegated responsibility of delivering this strategy to Tritax Management LLP, a Manager that brings proven sector knowledge and expertise. Together we believe we are uniquely placed to capitalise on it.

An expert and dedicated Manager
We are already benefiting significantly from the Manager's capabilities and relationships which have enabled us to acquire and manage an attractive portfolio of assets. Just as importantly, the team is demonstrating an energy and passion for driving our business forward and for seizing the opportunity that was originally identified. The Manager's culture is firmly aligned with our purpose and strategy and its "can do" ethos is a key differentiator for us. Building our pan-European platform has been a sizeable task and the team's dedication stands us in good stead for the future. The Board engages closely with the Manager and we look forward to continuing to work with the team to create further value for our Shareholders.

Constructing an attractive portfolio
The effective platform the Manager has created and now operates has allowed us to build rapidly a well-diversified portfolio of 10 assets, spread across key logistics locations in five core Continental European countries. Europe is a large, fragmented and disparate market and buying the right type of assets, in the most sought-after locations, which combine to form a diversified, yet cohesive and complementary portfolio is a critical skill. In an increasingly competitive environment, the Manager's valuable relationships, supplemented by the market intelligence and pipelines of our specialist asset managers, have enabled us to buy well, with 70% of the portfolio by value secured off-market.

We believe our portfolio is well placed to benefit from the continuing structural change in the logistics market, which is generating such strong occupational demand for Big Box assets. At the same time, the financial strength of our tenant partners, their geographic diversity and the average unexpired lease term of 11 years all combine to give us a robust and secure income stream, underpinned by the quality of the properties. This should help to safeguard our business from any economic headwinds.

At 30 September 2019, the portfolio was independently valued at €691.67 million[1]. This valuation assumes the deduction of a notional €14.29 million of Real Estate Transfer Tax ("RETT"), which would be payable if the assets were sold outside a corporate structure. European market practice is typically for assets to be acquired via a corporate structure, in which case some or even all of the RETT attributed to the portfolio would not be payable.

Adding value through asset management
Although the Group has only been operating for a short time, the Manager has already demonstrated its asset management capabilities, completing two value-enhancing lettings and restructuring a lease on improved terms. In addition, there are attractive opportunities in the short to medium term to add value by utilising unused or adjacent land within the portfolio. These opportunities confirm the Manager's ability to source assets for us with built-in value creation potential. See page 54 for more on asset management during the period.

Following the period end, we signed an agreement with our tenant in Barcelona, Mango, to fund the extension of the property by 88,000 sqm. We have been able to secure this at an attractive yield on cost, which will enhance the income and capital value of the asset.

A solid capital base
The Company's IPO in July 2018 was significantly oversubscribed and raised gross proceeds of €339.3 million or £300 million, which we were able to invest quickly. On 29 May 2019, we raised a further €135.0 million of gross proceeds through a placing, with investment from both new investors and existing Shareholders. This demonstration of support from Shareholders has enabled us to achieve a great deal in a limited time and I want to thank Shareholders for their continued support.

The Company has also been successful in obtaining attractive debt financing. In October 2018, we agreed a €200 million unsecured Revolving Credit Facility (RCF) with HSBC Bank plc and BNP Paribas, for an initial term of five years. We have since expanded the facility with Bank of America Merrill Lynch ("BAML") providing an additional €100 million commitment in December 2018. Bank of China and Banco de Sabadell committed a further €125 million in aggregate, in September 2019. This gave us a total facility at the period end of €425 million.

1 Including property held for sale and rent guarantees.

Basic NAV
€477.3m

EPRA NAV*
€484.2m

IFRS earnings per share
6.25c

EPRA EPS**
2.96c

TOTAL RETURN FOR THE PERIOD**
3.4%

* See pages 164 to 165 for reconciliation.

** Refer to note 12.

The RCF offers us an attractive cost of debt. Unusually for a company as young as ours, it is unsecured. This demonstrates our banking syndicate's understanding and support for our strategy and the potential for further growth. It provides us with operational flexibility and the scope for further expansion when the conditions are right.

At 30 September 2019, we had drawn €235.5 million against the RCF. This gave us an LTV ratio of 33.3%, against our medium-term LTV target of 45% and the maximum permitted by our investment policy of 50%.

Robust financial results
At the period end, the basic NAV attributable to owners of the Company was €477.3 million or €1.13 per share. The EPRA NAV was €484.2 million (€1.15 per share).

IFRS earnings per share ("EPS") was 6.25 cents. The EPRA EPS was 2.96 cents. Adjusted EPS, which adjusts for non-cash items in the income statement, was 3.25 cents for the period. The Board considers Adjusted EPS to be the most appropriate measure when considering dividend distributions. However, all measures of EPS for the period reflect the dilutive effect of the equity raise in May 2019 and the time taken to invest the proceeds and become income producing.

On track for our dividend target
The dividend is a vital component of our Total Return target of 9.0% per annum. At IPO, we set an initial dividend target of 5.37 cents per annum (representing 4.75% of the issue price of equity at the IPO)[2], on a fully invested and geared basis. The Board has declared four interim dividends in respect of the period ending 30 September 2019, totalling 3.40 cents per share. Details of these dividends can be found on page 67. The total dividend was 85.3% covered by Adjusted Earnings**. We remain on track to meet our dividend target once fully invested and geared and expect then to be able to increase the dividend progressively, supported by the regular indexation events in the underlying lease agreements, and the capture of market rental growth.

The Total Return for the period was 3.4%.

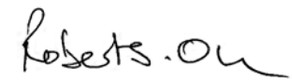
Market listing and benchmark inclusion
At IPO, the Company's shares were admitted to the Specialist Fund Segment of the London Stock Exchange's Main Market. On 7 May 2019, the shares were listed on the Official List and trading transferred to the premium segment of the Main Market. This was an important move, since it facilitates the Company's inclusion in key stock market indices and broadens the range of potential Shareholders. The shares were included in the FTSE All-Share index on 24 June 2019 and we anticipate inclusion in the FTSE EPRA NAREIT Global Real Estate Index Series at the end of the first quarter of 2020.

Strong corporate governance
Strong corporate governance and a Board culture that promotes open, honest and robust debate have been fundamental to our success during this first period of trading. We have a fully independent Board, with a diverse range of skills and extensive European real estate experience. We have met frequently with the Manager and I believe that regular engagement and effective communication is key to our constructive working relationship. More information about our corporate governance framework and the Board's activities in the period can be found on pages 103 to 131.

A compelling outlook
The outlook for our market remains compelling. The structural change which is driving occupier demand for Big Boxes has only recently started and hence has much further to run, while the supply of appropriate new assets to meet this demand is likely to remain constrained. This implies a continuation of the supportive market conditions for our Company's strategy.

When acquiring, the Group will continue to target the largest logistics assets, while maintaining our rigorous focus on quality, location and capital discipline.

Overall, the Board remains confident in the future of the business and I look forward to reporting on continued progress next year.



Robert Orr
Chairman
9 December 2019

2 These are targets only and not profit forecasts. There can be no assurances that these targets will be met and they should not be taken as indications of the Company's expected or actual future results.

OUR PROGRESS SO FAR

CORPORATE

9 July 2018
Shares admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, following a significantly oversubscribed IPO which raised gross proceeds of €339.3 million (£300 million).

22 October 2018
Agreed a €200 million unsecured revolving credit facility with HSBC and BNP Paribas.

17 December 2018
Agreed a €100 million increase to the RCF with Bank of America Merrill Lynch, to give a total unsecured RCF of €300 million.

7 March 2019
Declared an interim dividend of 0.40 cents per share, in respect of the period from 1 July to 31 December 2018.

7 May 2019
Shares admitted to the premium listing segment of the Official List and trading transferred to the premium segment of the Main Market of the London Stock Exchange.

9 May 2019
Declared an interim dividend of 1.0 cent per share, in respect of the period from 1 January 2019 to 31 March 2019.

29 May 2019
Raised gross proceeds of €135 million through the placing of 122,727,273 Ordinary Shares at €1.10 per share.

24 June 2019
The shares were included in the FTSE All-Share index.

22 July 2019
Appointed Non-Executive Director Keith Mansfield as the Company's Senior Independent Director.

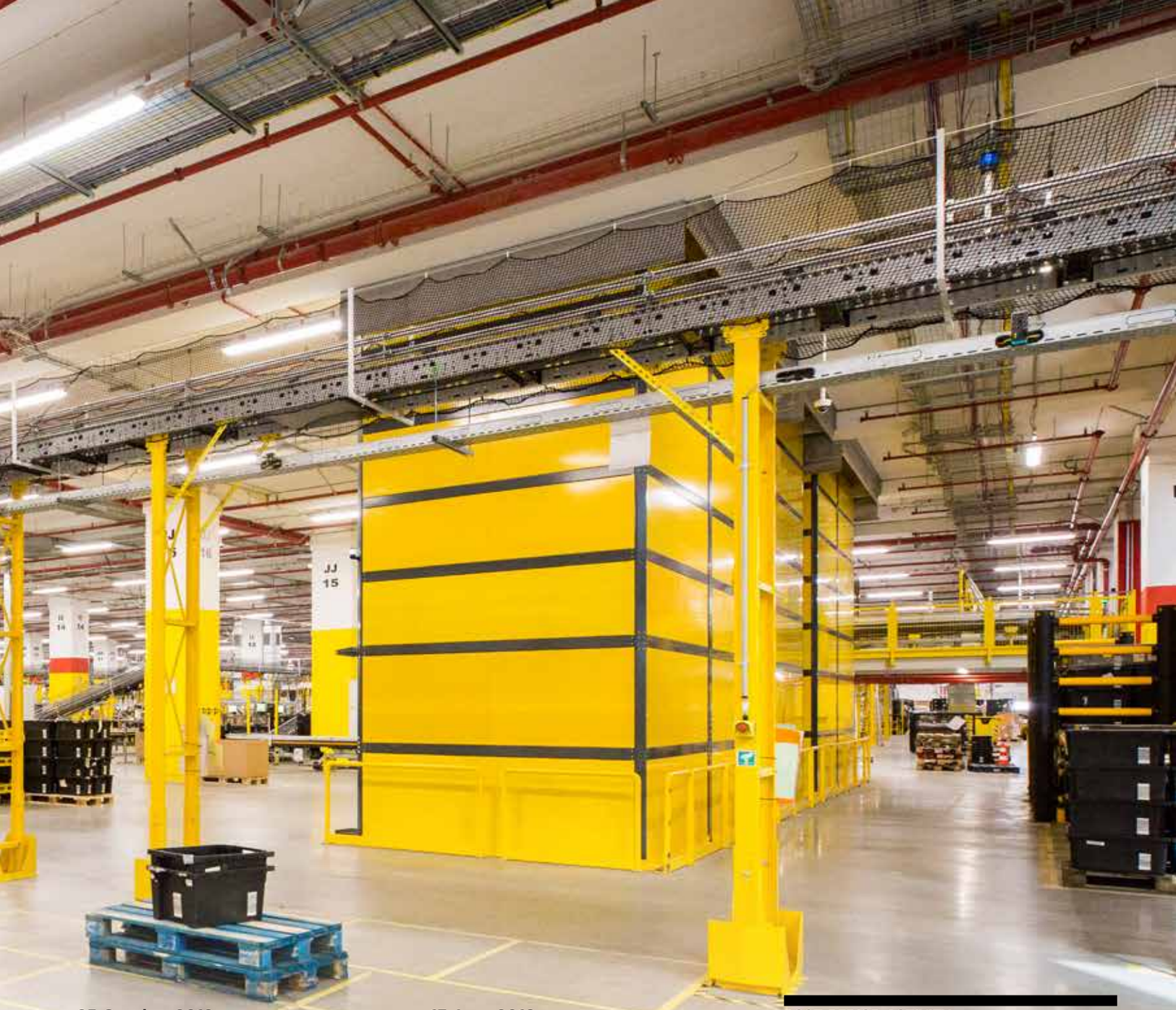
8 August 2019
Declared an interim dividend of 1.0 cent per share, in respect of the period from 1 April 2019 to 30 June 2019.

30 September 2019
Further increased the RCF to €425 million, through additional commitments from Bank of China and Banco de Sabadell.

ACQUISITIONS

25 September 2018
Acquired a Global Distribution Centre let to Mango in Barcelona, Spain, for €150 million.

16 October 2018
Acquired a Regional Distribution Centre let to Amazon in Rome, Italy, for €118 million.



25 October 2018
Acquired two logistics assets in Belgium at Rumst (let to Cummins) and Bornem (let to Alcon-Couvreur and Pharma-Distri Center) for €84 million.

4 December 2018
Acquired a logistics asset let to Action near Hannover, Germany, for €86 million.

7 November 2018
Acquired a logistics asset in Bochum, Germany, let to SVH Handels and WM Group for €37.8 million.

21 November 2018
Exchanged contracts to forward fund a cold store logistics facility at Wunstorf near Hannover, Germany, pre-let to HAVI Logistics, for €27.5 million.

12 April 2019
Completed contracts to forward fund a new logistics facility in Strykov near Lodz, Poland, pre-let to Castorama for €55 million. This asset reached practical completion on 31 May 2019.

13 June 2019
Acquired a logistics asset in Hammersbach near Frankfurt, Germany, let to ID Logistics, for €50.6 million.

24 September 2019
Acquired two logistics buildings in a prime location in Bremen, Germany for €60.3 million.

ASSET MANAGEMENT

6 March 2019
Signed a nine-year lease with BD myShopi at our Bornem asset in Belgium.

20 March 2019
Signed a five-year lease with Gruber Logistics in relation to one of the vacant units at our Bochum asset in Germany.

5 September 2019
Completion of a lease re-gear in Belgium to Alcon-Couvreur Group.

POST PERIOD ACTIVITY

19 November 2019
Four out of our five existing lenders agreed a one-year extension to our RCF. This extended our average debt maturity to approximately 4.75 years.

27 November 2019
Signed an agreement to fund the extension of 88,000 sqm at the Mango Distribution Centre, Barcelona.

OUR MARKET

STRONG MARKET FUNDAMENTALS

The Group operates in a market with strong fundamentals. While the market trends discussed overleaf are common across the countries we are targeting, it must be remembered that the Continental European real estate market is diverse and fragmented, with different laws, planning environments and tax regimes in each country. Successfully investing in and managing a pan-European portfolio of Big Box logistics assets therefore requires us to understand and optimise the specific nuances of each country, drawing on the Manager's skills and the on-the-ground expertise of our specialist asset managers.

Driving occupational demand
Logistics property occupiers are facing profound structural and operational change in their markets, to which they must respond to ensure the sustainability of their business models. In particular, they must focus on:

- meeting the needs of modern consumers;
- optimising their supply chains to reduce costs; and
- ensuring they occupy sustainable assets.

These trends have been prevalent in the US and UK for some time and are now spreading rapidly across Continental Europe. Overall, we estimate that the effects of these changes in Continental Europe is between four and 10 years behind the UK.

Many of these trends were first identified and introduced to the logistics market by retailers who have had to adapt their businesses to the omnichannel retail model – acknowledging the impact of the benefits of using automation to improve inventory management and efficiency and the resulting cost savings.

Meeting the needs of modern consumers
Changes in the retail market and the move to online shopping are among the most significant drivers of occupier demand for Big Boxes. Faced with the high costs of occupying shops and rising online retail spending, retailers are looking to reposition their operations and have a dual in-store and online presence. These retailers have to compete fiercely in both formats on price, product range and speed of delivery. This is being implemented by store closures, improved online presence and more efficient distribution networks.

Retailers have realised that consolidation of their logistics function into very large, well located, highly automated properties is more efficient and reduces costs. Big Boxes are fundamental to this consolidation, allowing traditional stores and online consumers access to a retailer's entire product range and then facilitating quick, flexible and cheap delivery and returns of those orders. The logistics space requirements of this new business model are substantial, as use of traditional retail space contracts, and the take up of logistics space increases to better serve both in-store and online consumers.

These changes are in their relative infancy in the European market and, as a result, have much further to run.

Online sales are now increasing rapidly from a low base in many Continental European countries, following the trend seen in the UK, which began a similar growth trajectory over five years ago. It is anticipated that this growth of online sales will continue and follow and will mirror that seen in the UK.

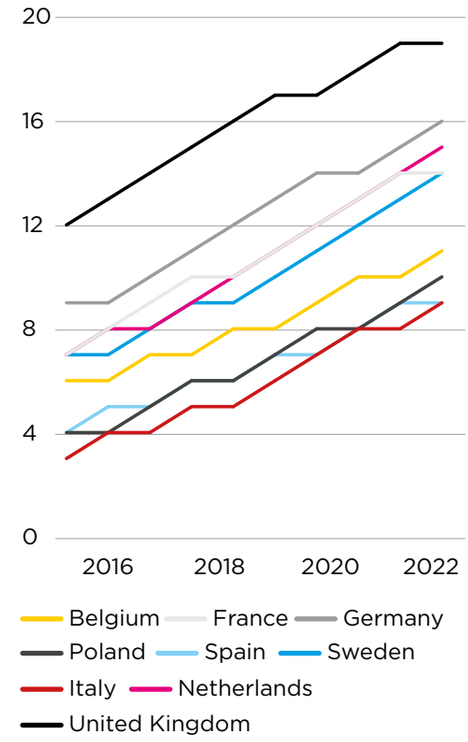
As online retail becomes more established, consumer expectations are also evolving. Consumers are increasingly demanding faster and more flexible delivery methods, which are shaping supply chains and creating a need for more efficient property types that enable shorter throughput and delivery times.

Optimising supply chains
While e-commerce and the retail sector is a major driver of demand for Big Boxes, it is not the only one. Occupiers in many other sectors are also finding their margins under sustained pressure, and they too are looking for opportunities to increase efficiency and reduce costs and are learning from the experiences of the retail sector. As a result, across the logistics industry, there is a strategic move to fewer, larger and more modern properties. This provides all occupiers with the efficiencies and economies of scale and the opportunity to automate processes which would not be possible in smaller properties. Larger units tend to be higher, allowing for mezzanine floors and more efficient automated racking and storage systems.

Occupying sustainable assets
Sustainability is increasingly central to occupiers' corporate strategies. The pressure to be sustainable has the benefit of cost savings that can be delivered through efficiency gains and also companies' desire to be responsible corporate citizens. Companies are responding to increasing consumer awareness of environmental issues and their wish to buy from businesses which are actively looking to minimise their environmental impact.

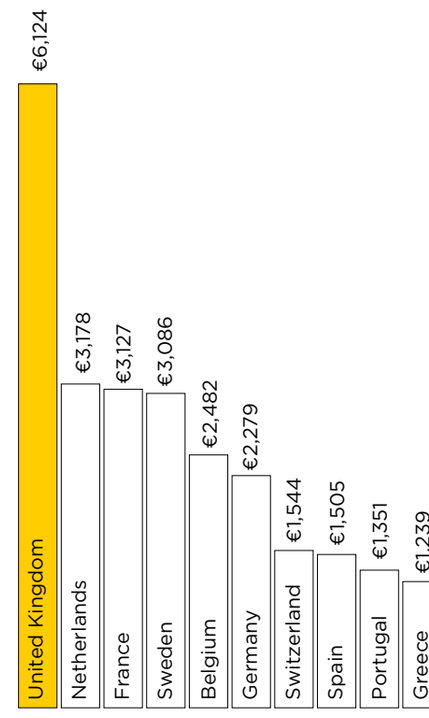
Modern Big Boxes, such as those we invest in, help our tenant partners to meet their sustainability objectives. By occupying assets built with state-of-the-art design and materials, and which incorporate initiatives such as low-carbon technologies and energy efficiency, they can minimise their environmental footprint and optimise their use of natural resources. From an investment perspective, these more environmentally friendly properties will suffer lower obsolescence and also prove more attractive to occupiers in the long term.

E-commerce sales as percentage of total sales



Source: Global Data 2019

Average household yearly spend on e-commerce in 2018



Source: European Logistics Trends – 2019
Hickey and Associates

Supply remains constrained
Rising occupier demand for the best logistics assets facilities and the relative lack of speculative development over the last decade have created significant shortages of high-quality stock available to rent. Currently, new supply is considerably less than the demand for logistics space across Europe, and we do not expect this position to change in the foreseeable future for the following reasons.

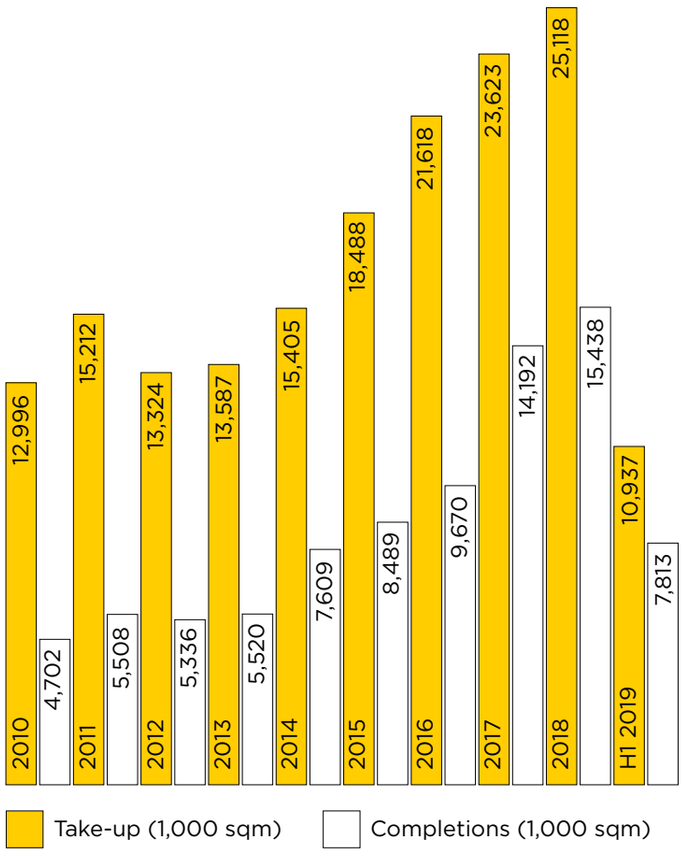
In Continental Europe, the prime logistics locations are typically close to densely populated conurbations. There are comparatively few sites in these locations which can accommodate very large Big Box facilities, which have an available and affordable labour supply, and which can also meet the requirements for electrical power and proximity to appropriate transport links and infrastructure needed to service these large properties. In addition, our experience shows that local municipalities are often reluctant to zone land for the development of the largest logistics properties.

These restrictions of space, labour supply, sufficient power, good transport links and local authority sensitivities together constrict and control the supply of Big Box development land.

The difficulty of acquiring suitable new land for development means that many developers are exhausting their land banks as they pursue their development programmes with current occupier demand remaining strong. Adding all these effects together, we expect to see increasing land values which, combined with increasing construction costs, will increase overall development costs, and hence the value of these properties.

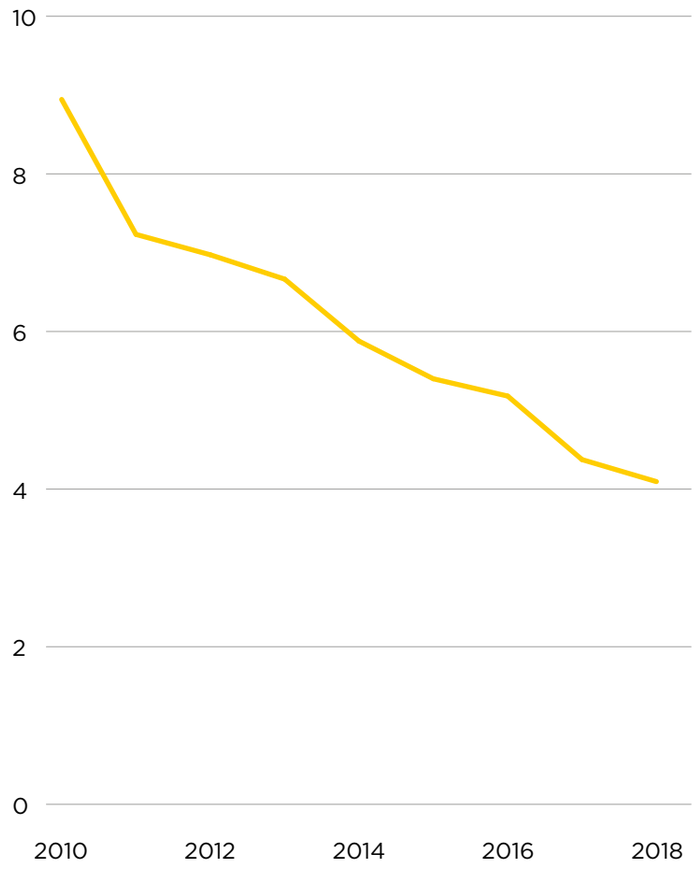
More generally, the amount of available land zoned for industrial uses has decreased, particularly around major urban centres, as developers have preferred to convert ageing industrial properties to higher-value uses such as residential. This, combined with the lack of speculative development over the last decade, is providing occupiers with few choices. The consequence is that logistics vacancies across Continental Europe are at, or near, all-time lows.

European take-up and new completions
New supply is considerably less than demand for new, high-quality logistics space.



Source: CBRE (countries include Top Tier 1 – UK, Germany, France, Netherlands, Italy, Spain, Belgium, Poland, Czech Republic).

Average vacancy rate in Europe (%)
Average vacancy rates in Europe are at an all-time low.



Source: CBRE 10,000 sqm+ (countries include Top Tier 1 – UK, Germany, France, Netherlands, Italy, Spain, Belgium, Poland, Czech Republic).

Rental growth is evident
Historically, rental growth has been limited, as the European industrial and logistics development market has been able to create supply through zoning more land to meet the demand for logistics use, in particular as the demand from occupiers has been for small and mid-sized properties where land plots have been more readily available for development.

We believe that the situation in the future is likely to be different, particularly when considering the very largest buildings and the scale of sites they require. The supply of very large sites in the right locations, where occupiers want to be, is extremely limited and developers are having to pay ever-higher prices for them. Construction costs are also rising, due to raw material and labour cost inflation.

Until recently, higher input costs have not led to rental growth, as falling investment yields meant developers could offset rising costs by selling the finished property at a higher value. However, as investment yields in the sector plateau, developers are being forced to demand higher rents from occupiers to maintain their profitability on projects. This effect is now being seen in key logistics markets across Europe, as shown in the case studies on pages 38 to 40.

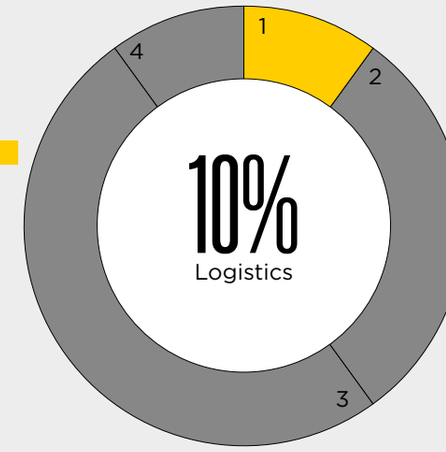
As illustrated opposite, logistics costs make up just 10% of typical supply chain operational costs, with logistics real estate forming just 0.75% of total costs. Of course, such industry standard metrics vary according to different types of occupiers. However, it does illustrate that rent comprises a small component of the overall supply chain operational costs.

We believe, therefore, that occupiers have capacity to absorb higher rental costs as the economies and associated efficiency benefits, such as lower transportation costs, ensure that higher rental levels are sustainable in the longer term.

Typical supply chain operational costs

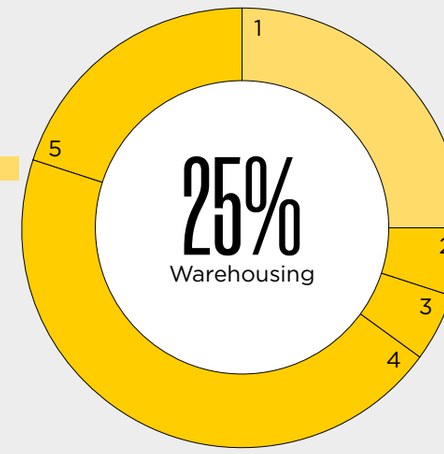
Total costs including logistics
Typically operational logistics costs are 10% of total costs

1. Logistics	**10%**
2. Sales, marketing and administration	30%
3. Cost of goods sold	50%
4. Profit	10%



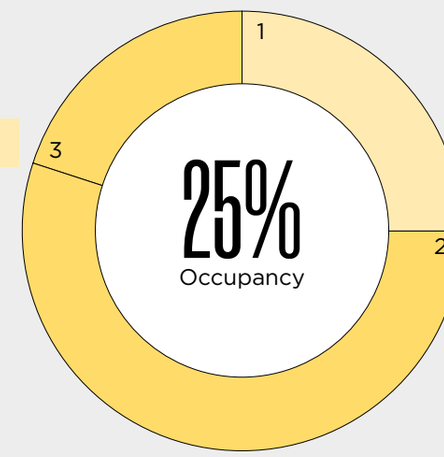
Breakdown of logistics costs
Breaking down the 10% of logistics costs shows that typically 25% is spent on warehousing.

1. Warehousing	**25%**
2. Customer service	5%
3. Logistics administration	5%
4. Transportation	45%
5. Inventory carrying	20%



Breakdown of logistics warehousing costs
Warehousing costs fall broadly into three categories:

1. Occupancy (including rent and other costs)	**25%**
2. Wages and benefits	55%
3. Supplies and equipment	20%



Logistics real estate is typically just 0.75% of an occupier's total logistics cost.

0.75%

Source: Savills

EMERGING RENTAL GROWTH

CASE STUDY: BARCELONA

Barcelona is Spain's second largest city and its logistics market is one of the strongest in Europe.

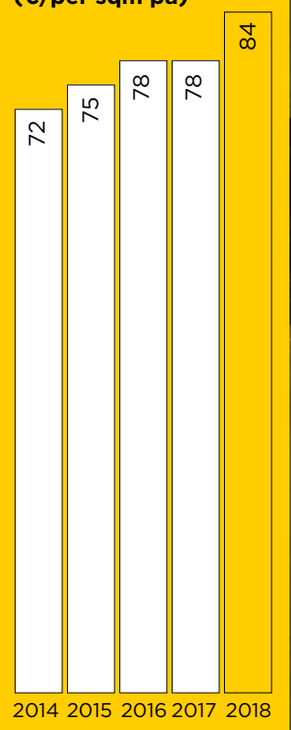
The city benefits from exceptional transport infrastructure, with immediate accessibility to Europe's motorway network, airport and Spain's principal port for international traffic.

As one of Spain's major logistics hubs, the deep tenant demand is combined with a very constrained supply of available logistics buildings and development land, especially for large-scale logistics assets.

Zoned land for logistics in Barcelona is amongst the highest in Europe, with prices recently reaching up to €400 per sqm.

The supply/demand dynamics evident in the Barcelona logistics market is reflected in rising rents and attractive returns for investors.

Prime rent (€/per sqm pa)



Source: CBRE (10,000 sqm and above)

CASE STUDY: FRANKFURT

Thanks to its geographic location, strong infrastructure and rising e-commerce penetration, occupier demand in key logistics hubs in Germany, such as Frankfurt, has remained strong.

As one of Germany's most important logistics locations the availability of suitable existing stock is tight, and the availability of development sites, within proximity of the city, extremely limited. Such market dynamics have ensured that occupier demand remains unsatisfied, resulting in attractive levels of market rental growth during 2018.

The progressing scarcity of space in the region surrounding Frankfurt has also caused land values to increase to around £250 per sqm. A likely consequence of rising values is further rental growth in core locations, as developers will no longer be able to pass on rising land and construction costs to end investors.

Prime rent (€/per sqm pa)

Source: CBRE (10,000 sqm and above)

CASE STUDY: MILAN

Northern Italy's logistics market continues to see strong and growing demand from occupiers, which is met with the limited availability of large-scale, modern, grade A logistics buildings and suitable development land. Throughout the last 12 months e-commerce, large-scale distribution retailers and 3PLs have been the most active players, requiring modern, efficient and strategically located warehouses.

During 2019, Milan and Greater Milan have been re-confirmed as the most attractive submarkets in Italy, followed by Bologna and the Greater Veneto Corridor.

The supply/demand dynamics evident in the Central Italy logistics market has underpinned the rental growth evidenced in recent years.

Prime rent (€/per sqm pa)

Source: CBRE (10,000 sqm and above)

Improving lease terms
Another important trend that is now evident across European logistics markets is the improvement of lease terms in favour of the property owner. In most European markets, it has been usual for leases to contain a number of occupier-friendly clauses, such as restricted indexation provisions, provision for certain expenditure to be paid for by the landlord and options to renew on terms favourable to the occupier. Leases have also been relatively short with a typical length of around five years.

However, with the balance of the market dynamic shifting in favour of the asset owner, occupiers are increasingly signing longer leases. Occupying assets on long leases enables them to retain control of strategically important assets and to amortise their often-substantial investment in fitting out and automation over a longer period. Longer leases also suit international companies who are looking to harmonise their lease obligations across different geographies. The trend towards longer leases is evidenced by the Group's own portfolio, which contains a number of leases in excess of 10 years and had a weighted average unexpired lease term at the period end of 11 years.

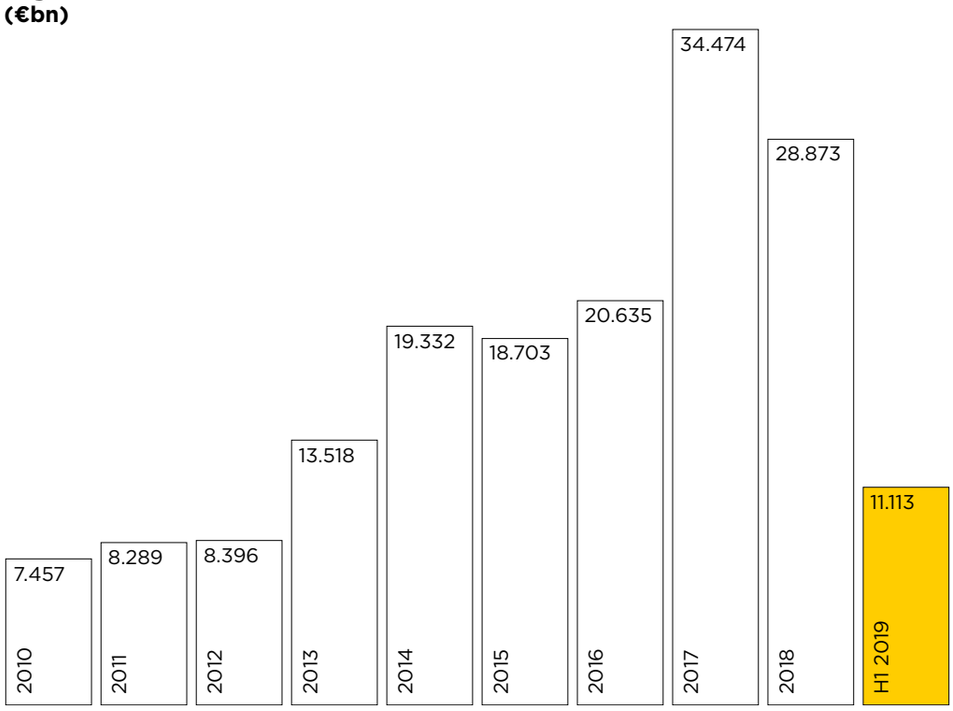
We are seeing that the terms that occupiers are prepared to sign up to are more landlord friendly. Even in the relatively short time the Company has been trading, we have been able to negotiate better indexation clauses and more advantageous renewal options. This is a key focus for the Company going forward as we seek to take advantage of the strength of the occupier market and the scarcity of options open to them. The impact of these improvements in lease terms helps drive the value of the assets.

Investment demand is robust
The attractions of the market for investors mean that investment demand is strong and looks set to remain so. Competition is therefore fierce for openly marketed opportunities. Effectively sourcing investment opportunities at favourable prices therefore requires a different strategy to competing in the open market.

The Manager's broad network of pan-European relationships spans occupiers, developers and other investors. The Manager has an established reputation for providing security, reliability, honesty and speed in transacting. Together, these attributes help the Group to acquire suitable assets directly from sellers, without properties being openly marketed. The evidence of this approach is that seven of the 10 assets acquired to date have been secured off-market.

The Manager will continue to maintain and develop relationships, particularly with top-quality European development companies, to ensure a continuing robust pipeline of assets to support future portfolio expansion. These long-term relationships are particularly fruitful with developers who are keen to generate repeat business with reliable counterparties.

Logistics investment volume (€bn)



Source: CBRE

WHAT THIS MEANS FOR US

Stock selection is key
Only the best assets in the best locations will meet the demands of occupiers now and into the future.

Our approach to stock selection is described in our investment policy which governs our acquisition strategy. We focus on large, high-quality logistics assets which typically:

- are well located in established distribution hubs, within or close to densely populated areas;
- are in locations with limited supply, that are likely to benefit from structural changes in occupational demand;
- fulfil a key part of the occupiers' logistics and distribution supply chain;
- are large and modern; and
- benefit from index-linked leases.

When reviewing potential acquisitions, we also consider:

- transport connectivity, the availability of labour and operational efficiencies;
- the duration of the lease and potential for future rental growth;
- the tenant's financial strength;
- the tenant's commitment to the asset, in terms of the capital expenditure committed to it and the role it plays in the tenant's operations; and
- the potential for asset management and value-adding initiatives during and after the lease term.

More information on our investment strategy can be found on page 44.

Proactive asset management is vital for long-term value
We need to actively manage our assets, to ensure they remain fit for the evolving business needs of our tenant partners, as megatrends such as the rise in e-commerce continue. See page 54 for our asset management strategy.

Sustainability will underpin our success
In order to meet the requirements of today's occupiers, we need to continue to acquire modern assets with the strongest sustainability credentials and further enhance the sustainability performance of existing assets, through our active asset management.

BIG RESPONSIBILITY

More information on our approach to responsible business can be found on page 59.

OUR BUSINESS MODEL

THE ROLE OF THE BOARD

The Board has overall responsibility for setting and reviewing our Investment Objectives and Policy (see page 44). It also monitors our investment and corporate activity, performance, business conduct and strategy against our Investment Objectives and Policy. The Board meets the Manager at Board meetings to challenge, debate and discuss potential investment decisions and ensure ongoing compliance with the Company's Investment Policy and Investment Objectives. The Board also has a Management Engagement Committee, which reviews the performance of the Manager and its principal service providers. Its report can be found on page 122.

THE ROLE OF THE MANAGER

The Board has delegated day-to-day decision-making responsibility to the Manager in respect of portfolio strategy and composition and risk management, in line with the Investment Management Agreement. The Manager is our key source of competitive advantage. Its extensive record in the logistics sector, deep market knowledge and extensive networks of contacts enable us to identify and transact assets, where appropriate forward fund pre-let developments and proactively manage the portfolio to add value.

OUR RESOURCES

We use the following resources to create value for Shareholders and other stakeholders:

Financial capital
We are funded by Shareholders' equity, third-party debt and recycled funds.

Physical assets
We have a portfolio of high-quality Big Box logistics assets strategically located throughout Continental Europe, let to financially sound tenants.

Our people
We have an experienced Board and a Manager with a high-calibre specialist team with a strong reputation which make us a partner of choice for vendors, developers and occupiers.

Valuable relationships
We build mutually beneficial and long-term relationships with our occupiers and draw on the Manager's extensive contacts with key influencers across the subsector.

WHAT WE DO

We acquire, lease and manage Big Box logistics assets across strategic locations in core countries in Continental Europe.

The Group aims to deliver consistent returns to Shareholders over the medium to long term, through investing in properties that deliver secure and rising rental income and capital growth.

Our sector focus and the fact that we typically hold investments for the medium to long term, as well as avoiding taking speculative development risk, distinguishes us from other competitors in our market, who are often primarily developers or financial institutions investing in a range of different asset classes and looking for shorter-term gains.

HOW WE DO IT

Source high-quality investments
To source suitable assets, the Manager uses its extensive logistics experience and established network of relationships. This enables the Manager to acquire properties for us which are not being openly marketed, thereby reducing the competition for such assets. The Manager's expertise and reputation make us an attractive partner for occupiers and for sellers looking to dispose of their assets.

Buy and sell for value
Before making an offer to acquire an asset, the Manager carefully assesses its fit with our investment criteria, which are set out on page 44. Every acquisition is considered alongside the existing portfolio, to ensure good diversification, and avoid concentration of risk.

We intend to hold assets for the long term. However, we periodically assess the potential upside in disposing of assets and recycling capital into new opportunities.

Develop on a risk-controlled basis
The Manager's relationships enable it to source and invest in forward funded developments for us, which have been pre-let to a specific tenant. Funding the construction of a property in this way enables us to invest in brand new buildings leased to institutional grade tenants on long leases, while substantially reducing any development risk.

The Manager can also acquire land for us which is zoned for logistics use, allowing us to capture a greater share of the development profit. The Manager will only acquire such land, already zoned for logistics use, from a developer who is incentivised to secure planning and a pre-let with a financially sound tenant, at which point the land will become a forward funded pre-let development.

Proactively and responsibly manage assets
The Manager has assembled a full-service European logistics asset management platform. As well as providing a local presence in our target markets the platform enables the Manager to work with our tenant partners to maximise the building's usefulness to their operations and to adapt the space as their needs change. Our asset management strategy is set out on page 54.

HOW WE DELIVER RETURNS

A significant majority of our revenue is rental income which our tenants are obliged to pay to us under multi-year lease contracts. The weighted average length of these leases to expiry was 11 years at 30 September 2019, giving us excellent predictability of income generated by the current portfolio.

Rents typically increase each year through a relevant inflation index, in some cases with a cap or collar on the increase. Rental payments are usually received quarterly or monthly, converting our revenue quickly into cash, and the financial strength of the tenants minimises the risk of bad debts.

Assets we acquire typically have an occupier in place and strong demand for our high-quality properties helps us to quickly let any vacancy that arises. Lease renewals, new lettings and significant asset management initiatives allow us to capture market rental growth over and above the indexation inherent in the leases.

Our cost base enables us to convert a significant proportion of our rental income into profit. A number of our costs are partially or largely fixed, which will result in increasing profitability as the portfolio expands.

We also generate capital growth as the value of our portfolio increases. This may come from yield compression across the market, rising income from our assets or the benefits of our asset management activities.

THE VALUE WE CREATE

For our tenant partners
Our tenant partners benefit from large, modern, flexible and well-located logistics space, owned by a landlord who is an expert in the sector and committed to supporting their operations in the long term.

For lenders
Our lenders benefit from having interest serviced from regular and stable cash flows, underpinned by financially strong tenants.

For society
Our assets are integral to the communities where they are located. They support employment in the local areas around our assets and they generate tax revenues which support government spending, both locally and nationally. Our assets also provide efficient logistics space which supports modern lifestyles, particularly in the online shopping market, allowing rapid delivery and consumer choice from occupiers of these buildings.

For the environment
We take the environmental impact of our assets very seriously. When building new properties, we will work with development partners to ensure that the properties are as energy efficient and environmentally friendly as possible. We also look to enter into new leases with occupiers that aim to facilitate working together with the occupier to reduce the environmental impact of their occupation of the property.

For shareholders
We look to pay a progressive, secure and sustainable dividend and generate capital growth in a low-risk way. Our dividend and Total Return targets are set out on page 44.

OUR OBJECTIVES, STRATEGY AND KEY PERFORMANCE INDICATORS

Objectives
At IPO, we set two targets for the returns we aim to deliver to Shareholders:

- **Dividends:** we are targeting an initial 5.37 cents per annum, reflecting 4.75% of the IPO issue price, on a fully invested and geared basis, which is expected to increase progressively thereafter.
- **Total Return:** we aim to achieve a Total Return of 9.0% per annum over the medium term.

Our strategy
Our strategy for achieving our target returns to investors is set out below.

Investment strategy
Our investment strategy is informed by our Investment Policy, which determines the type of assets we want to acquire. This is overlaid by the strategic choices we make about the countries we want to invest in, recognising that European logistics is not a single market and that there is considerable variation between countries and in the type and quality of logistics properties available. Our chosen countries are shown in the map on page 68 and our stock selection criteria can be found on page 41.

We look to diversify the portfolio by geography and tenant partner, and to maintain a WAULT of more than five years. A proportion of the portfolio may offer exposure to urban distribution hubs, which help fulfil the final mile part of the distribution chain.

Our investment philosophy
Our investment strategy also encompasses our four-pillar investment philosophy. Our strategy is to build up a core of Foundation assets to underpin the delivery of secure and attractive dividends, while acquiring assets in the other pillars that help us to capture greater capital and income growth for our Shareholders.

The four pillars are:

- **Foundation assets:** modern buildings in prime locations, let on long leases to institutional-grade tenants. They provide our core, low-risk rental income.
- **Value Add assets:** let to strong tenant covenants and offering opportunities to enhance returns through asset management.
- **Growth Covenant assets:** fully let and well located but undervalued due to the current financial strength of the occupier. Asset value is expected to be driven by improvements in tenant credit quality.
- **Strategic land:** we can invest in land zoned for logistics use, with the opportunity to deliver enhanced returns through pre-let forward funded developments. We will not speculatively develop buildings.

The Manager's Report on pages 51 to 85 explains how it has implemented our investment strategy during the period.

Our asset management strategy
The Manager develops a business plan for each asset we acquire. This business plan identifies where we can expect to create value through applying asset management techniques such as:

- restructuring leases, for example to remove tenant break clauses, extend lease terms, or amend rental levels or indexation clauses;
- funding key tenant fit out which enhances the building, such as mezzanine floors, racking or energy efficiency initiatives, to improve income levels or deliver more favourable lease terms; or
- funding an extension to the building to meet the tenant partners' business growth plans, again to improve income levels and deliver more favourable lease terms.

Where we acquire Value Add assets, we look to turn them into Foundation assets through asset management. We regularly monitor and assess the delivery of each asset's business plan. Information on our asset management activities in the period can be found on page 54.

Our financing strategy
Our financing strategy is to fund acquisitions using our unsecured revolving credit facility, then refinance when necessary by raising further equity. This reduces the dilutive effects of holding large cash balances, which arise when using an equity-first approach. We also look to buy assets in corporate structures which helps to minimise transaction costs and therefore improve returns generated by the asset.

We have a medium-term loan-to-value target of 45% and the maximum permitted by our investment policy is 50%. We use interest rate caps to hedge the cost of our variable rate debt. As the business grows, we may look to secure additional sources of debt financing, such as private placements or bond issues. See page 66 for information on our current financing arrangements.

Our sustainability strategy
We recognise the critical importance to our tenant partners and to our own long-term success of ensuring our assets provide sustainability advantages, such as high levels of energy efficiency and ensuring that the construction and occupation of our buildings has a positive effect on the surrounding community and environment.

KEY PERFORMANCE INDICATORS

KPI and definition	Relevance to strategy	Performance
1. Dividend Dividends paid to shareholders and declared in relation to the period.	The dividend reflects our ability to deliver a growing income stream from our portfolio and is a key element of our Total Return. The Company's dividend target set at IPO is, once fully invested and geared, 4.75% per annum by reference to the IPO issue price equating to 5.37 cents per annum.	3.40 CENTS/SHARE for the period to 30 September 2019
2. Total Return (TR) TR measures the change in the EPRA net asset value over the period plus dividends paid.	TR measures the ultimate outcome of our strategy, which is to create value for our shareholders through our portfolio and to deliver a secure and growing income stream. The Company's medium-term TR target set at IPO is 9% per annum by reference to the IPO issue price.	3.4% for the period to 30 September 2019
3. Basic Net Asset Value Net asset value in IFRS GAAP.	Basic Net Asset Value measures the net value of the Company under IFRS.	€477.27m/ €1.13/SHARE as at 30 September 2019
4. Adjusted earnings Post-tax adjusted EPS attributable to shareholders, adjusted for other earnings not supported by cash flows. See note 12, page 149.	Adjusted EPS reflects our ability to generate earnings from our portfolio, which ultimately underpins our dividend payments.	€10.79m/ 3.25 CENTS/SHARE for the period to 30 September 2019
5. Loan to value ratio (LTV) The proportion of our gross asset value (including cash) that is funded by borrowings.	The LTV measures the prudence of our financing strategy, balancing the additional returns and portfolio diversification that come with using debt against the need to successfully manage risk. The Company will maintain a conservative level of aggregate borrowings with a medium-term target of 45% of gross asset value and a maximum limit of 50% (in each case, calculated at the time of borrowing).	33.3% at 30 September 2019
6. Weighted average unexpired lease term (WAULT) The average unexpired lease term of the property portfolio weighted by annual passing rents.	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream. The Company seeks to maintain a WAULT of greater than five years across the portfolio in accordance with typical lease lengths prevalent in Continental Europe.	11.0 YEARS at 30 September 2019
7. Dividend cover Dividends paid and proposed to shareholders in relation to the financial period.	The dividend cover helps indicate how sustainable a dividend is. It measures the proportion of dividends which is supported by adjusted earnings.	85.3% for the period to 30 September 2019
8. Interest cover The ratio of net property income to the interest incurred in the period.	It is a measure of a company's ability to meet its interest payments.	6.0 TIMES for the period to 30 September 2019
9. Like-for-like rental growth Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation and not under development during the two full preceding periods.	This measures the company's ability to grow its rental income over time.	1%/€0.3m This is not applicable being a first year reporting. As an exception for this period, this is comparing the annualised passing rent at the Balance Sheet date against the annualised passing rent at acquisition date.

EPRA PERFORMANCE MEASURES

Performance measures and definition	Relevance to strategy	Performance
1. EPRA NAV Basic NAV adjusted for mark-to-market valuation of derivatives.	The EPRA NAV reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.	€484.21m/ €1.15/SHARE at 30 September 2019
2. EPRA Earnings Earnings from operational activities.	A key measure of the Group's underlying results and an indication of the extent to which current dividend payments are supported by earnings.	€9.81m/ 2.96 CENTS/SHARE for the period to 30 September 2019
3. EPRA Net Initial Yield (NIY) Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	4.5% at 30 September 2019
4. EPRA 'Topped-up' NIY This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	4.8% at 30 September 2019
5. EPRA Vacancy Rate Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio. Currently 100% of the portfolio is income producing whereby the vacant space is under rental guarantee from vendors.	A "pure" (%) measure of investment property space that is vacant, based on ERV.	1.2% for the period to 30 September 2019
6. EPRA Cost Ratio Administrative and operating costs (including costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.	34.5% for the period to 30 September 2019
7. EPRA Triple Net Asset Value (NNNAV) EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate company.	€477.27m €1.13/SHARE At 30 September 2019

COMPLIANCE STATEMENTS

Going concern and Viability Statement
The Strategic Report describes the Group's financial position, cash flows, liquidity position and borrowing facilities. The Group's cash balance as at 30 September 2019 was €17.9 million all readily available. It also had undrawn amounts under its debt facilities of a further €189.5 million which do not expire until 30 September 2023. The Group currently has substantial headroom against its borrowing covenants, with a Group LTV of 33% as at 30 September 2019 against a borrowing covenant limit of 65%. The Group's borrowings are on an unsecured basis, providing the Group with a deeper pool of liquidity and with more flexibility over its arrangements.

The Group also benefits from a secure income stream from leases with long average unexpired terms, which are not overly reliant on any one tenant and such diversification mitigates the risk of tenant default. As a result, the Directors believe that the Group is well placed to manage its current and future financial commitments and other business risks.

Having reviewed the cash flow forecasts of the Group which show that liabilities can be met as they fall due, the Directors believe that there are currently no material uncertainties in relation to the Company's ability to continue for a period of at least 12 months from the date of approval of the Company's financial statements. The Board is, therefore, of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.

Assessment of viability
The period over which the Directors consider it feasible and appropriate to report on the Group's viability is the three-year period to December 2022. This period has been selected mainly based on the Group's debt maturity profile.

The assumptions underpinning these forecast cash flows and covenant compliance forecasts were sensitised to explore the resilience of the Group to the potential impact of the Group's significant risks, or a combination of those risks. The principal risks on pages 98 to 101 summarise those matters that could have significant impact on the Group's ability to remain in operation and meet its current obligations.

The principal risks assessed by the Directors, whilst having an impact on the Group's business model, are not considered by the Directors to have a reasonable likelihood of impacting the Group's viability over the three-year period to December 2022.

The sensitivities performed were designed to be severe but plausible and to take full account of the availability of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks to the forecast cash flows. The key risks considered, separately and in combination, include:

1. An increase in Euribor;
2. The value of the portfolio decreases; and
3. Two key tenants default and are not replaced.

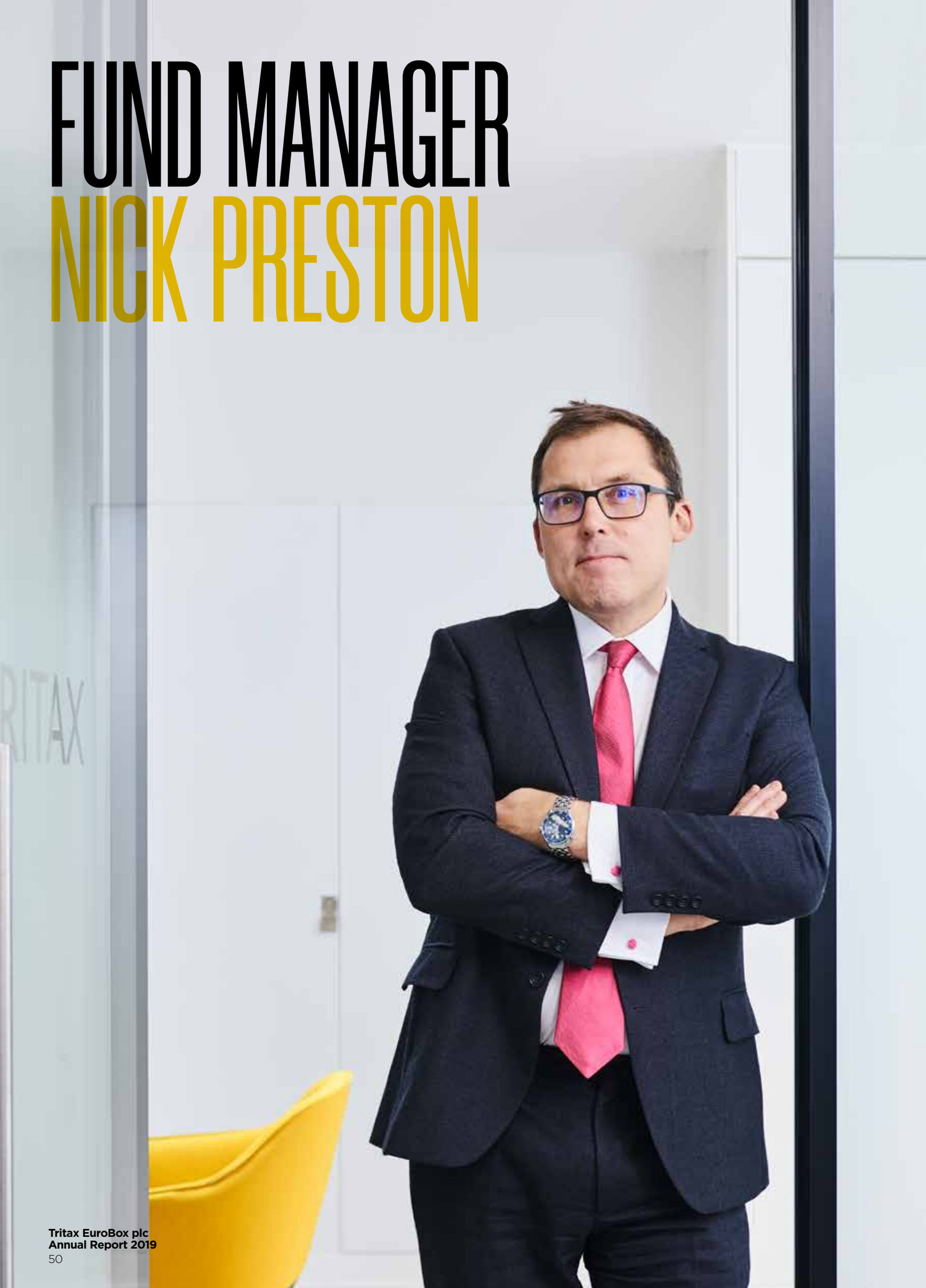
Viability Statement
The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Having considered the forecast cash flows and covenant compliance and the impact of the sensitivities in combination, the Directors confirm that 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 three-year period of their assessment to December 2022.

MANAGER'S REPORT

2018 WAS THE START OF SOMETHING BIG

FUND MANAGER
NICK PRESTON



“This was a strong first period for the Group.
Following the successful IPO in July 2018, we were able to deploy the net proceeds rapidly on the Group’s behalf, creating a cornerstone portfolio of top quality assets which will deliver long and secure income and provide the potential for capital growth. This portfolio underpins the Group’s dividend and Total Return aspirations.”

OUR PORTFOLIO CHARACTERISTICS

Big
49.4% of our assets are over 100,000 sqm. The average size of our assets is 78,528 sqm[1].

Modern
84% of our portfolio has been built since 2016. The average age of our assets is 2.9 years[2].

Highly specified
40% of our portfolio benefits from high levels of automation, with the remaining 60% being high-quality, flexible distribution space[1].

Well located
100% of our portfolio is located in key logistics locations, within our target investment markets.

Well diversified
16 different tenant partners occupy our assets, which are spread across five countries.

Pure logistics
100% of our portfolio are logistics assets – we do not invest in other industrial real estate asset classes.

Sustainable
53/100 was the score the Company achieved in the 2019 Global Real Estate Sustainability Benchmark ("GRESB") Real Estate Assessment.

1 Split by Investment Value.

2 Split by Gross Internal Area.

ASSEMBLING A HIGH-QUALITY AND WELL-DIVERSIFIED PORTFOLIO

During the period, we demonstrated our ability to execute our pan-European investment strategy on behalf of our Shareholders. The Group acquired nine standing assets and one pre-let forward funded development.

In total, we successfully deployed €669.3 million (excluding acquisition costs) of cash for the Group, in line with its investment policy. Seven of the 10 assets were acquired off-market, utilising our direct relationships with developers and vendors, a result of the strength of our relationship network. More details of each of the assets can be found in the Acquisition Highlights on pages 70 to 85.

Six of the assets are Foundation assets, which provide the Group's core, low-risk income. The two Value Add assets and two Growth Covenant assets provide enhanced opportunities for value creation.

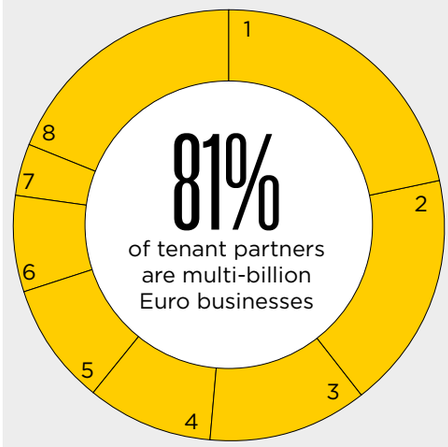
The Group has benefited from our expertise in structuring transactions, in order to reduce costs, mitigate risk and preserve long-term income. This requires a detailed understanding of Europe's disparate legal and taxation regimes, as we look to minimise leakage to rental income.

Having completed the first phase of investment, we are delighted with the composition of the portfolio. We have developed strong relationships with our tenants, and have already uncovered a number of significant opportunities to work with them to help deliver their business objectives, and importantly also providing the Company with the opportunity to add value to the portfolio. We cover the detail of these asset management initiatives further on page 54.

DELIVERING SECURE INCOME

The income generated by the portfolio is well-diversified. In total, the Group has 16 tenant partners, 81% of which are multi-billion Euro companies, representing a diverse spread of different businesses.

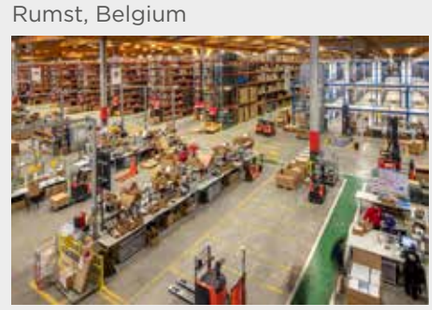
Secure and diverse income



Percentage of contracted rent by tenant

1.	Mango	22%
2.	Amazon	18%
3.	Action	12%
4.	Cummins	9%
5.	Castorama	9%
6.	ID Logistics	7%
7.	HAVI	4%
8.	Other	19%

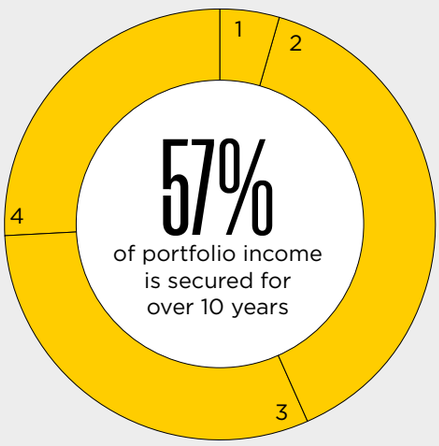
Rumst, Belgium



DELIVERING LONG INCOME

The Group benefits from a long income profile, with an average unexpired lease term at the period end of 11 years, compared with the target of at least five years. The unexpired lease terms at the period end ranged from one year to 17 years. 96% of the portfolio income is secured for more than five years, with 57% secured for more than 10 years.

Long income



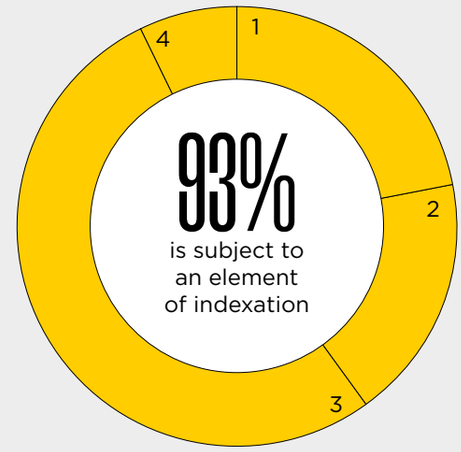
1.	<5 years	4%
2.	5-10 years	39%
3.	10-15 years	31%
4.	>15 years	26%

Peine, Germany

DELIVERING GROWING INCOME

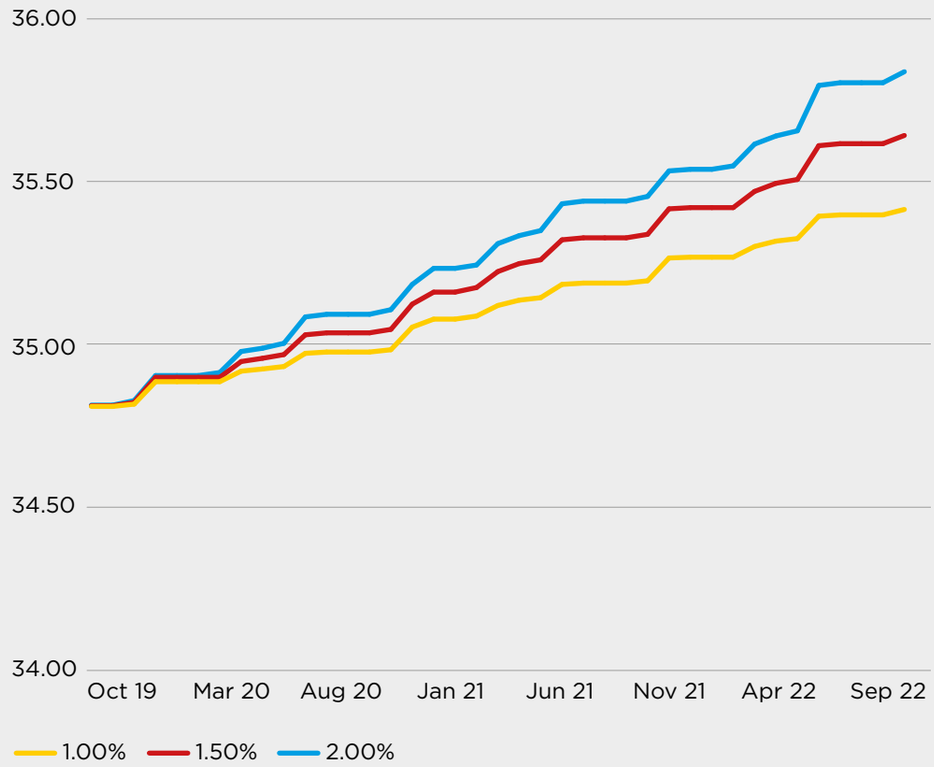
All leases within the portfolio benefit from annual indexation increases, either fixed or indexed to local inflation, offering the regular annual compounding of income that supports the Group's dividend growth policy. The chart below illustrates the potential for our income stream to grow during the next three years as a result of the embedded rent increases.

We also look for opportunities to capture market rental growth, which we expect to exceed indexation, through asset management initiatives (see below), providing further upside to the Group's income.



1.	Fixed uplift	22%
2.	Index linked	18%
3.	Index linked – Other	53%
4.	No uplift	7%

Embedded income growth within our portfolio (€m) [1]



1 This forecast includes all of the Fixed and/or Index-linked uplifts, Hurdles, Caps, Collars and Percentage Pass-Throughs, included in the portfolio's rent review provisions. This chart is on a passing rent basis. Under IRFS, stepped rents or minimum uplifts are disclosed on a straight-line basis over the lease term.

Capturing embedded value
Our sector expertise, specialist occupier knowledge and proactive approach to asset management are all key to unlocking further value and to protecting and enhancing the Group's income streams.

When we review potential acquisitions for the Group, we use our stock-picking intelligence to identify assets to which we can add value in the near to medium term. Opportunities can also be found through strong relationships with occupiers, which we build through ongoing engagement.

As a result, there are opportunities to add value to assets across all of the Group's portfolio, but particularly for those we classify as Value Add assets. These assets are well-located, good-quality buildings, which are typically let to financially sound tenant partners and offer the potential for us to apply our asset management expertise to enhance income and/or capital value. In doing so, we seek to change these assets from Value Add to Foundation assets.

An important feature of significant asset management opportunities is that they offer the potential to capture market rental growth now evidenced in many of the Group's markets. For example, a tenant partner may agree to an increase in rent to market rates, in return for the Group funding an extension to the building in support of the tenant partner's strategic ambitions.

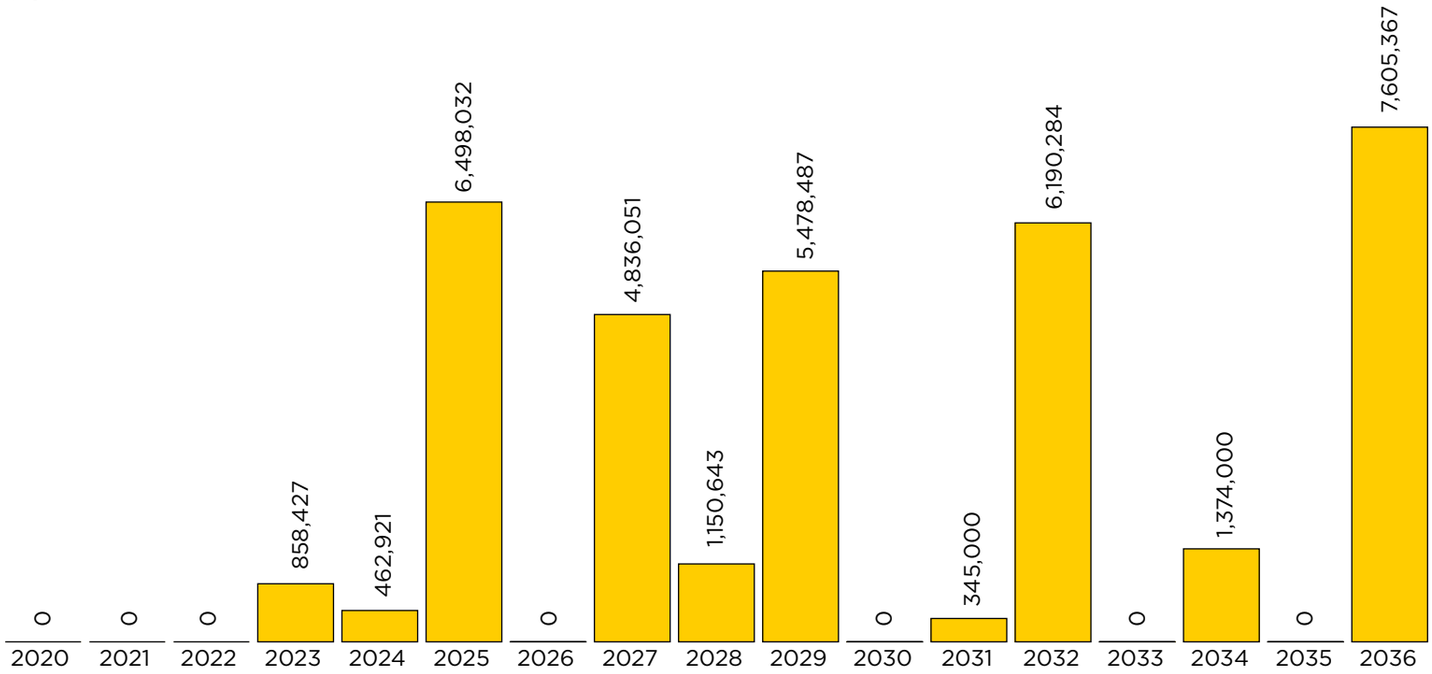
The timing of the portfolio's lease expiries over the coming years also facilitates the Group's ambition to capture and deliver income growth. Our strategy is to balance long, secure leases which benefit from annual indexation, with shorter leases which provide the opportunity to capture rising market rents. However, we have carefully constructed the portfolio to ensure that there is no particular concentration of lease expiries in a particular year.

Our proactive approach delivers results
On acquisition, there were two vacant units at the Bochum site and one at the Bornem property, all of which benefited from rental guarantees from the vendors. We have let two of these units and are close to securing the third. We have also negotiated a lease re-gear at the Group's asset in Bornem.

The successful execution of these initiatives so soon after acquisition demonstrates our asset management capabilities. These draw on a combination of our in-house expertise and the pan-European asset and property management platform we have put in place for the Group. Such prompt lettings and re-gears are also evidence of our ability to buy the right assets in the right locations.

At Bochum in Germany we secured the letting of the first vacant unit to Gruber Logistics, an established transportation and logistics service provider in Germany. The five-year lease began on 1 April 2019, with the initial rent in line with the rental guarantee provided by Dietz AG at acquisition. Rent is subject to annual uplifts reflecting 100% of the German Consumer Price Index, with a hurdle of 2%.

Our portfolio by rent expiry (€pa)



Half of the Group's assets have adjacent expansion land.

Post period: 88,000 sqm expansion agreement in Barcelona

Mango, Barcelona

One of the two units at our Bornem property in Belgium had been vacant for more than 18 months before the Group acquired it. Through our understanding of the local market, we were able to identify the reasons why it had not let, and we let the unit ahead of the timescale expected at acquisition. The new tenant partner, Belgische Distributiedienst NV ("BD NV"), is part of the BD myShopi NV group, which acts as guarantor to the lease. The nine-year lease from 1 July 2019 has an initial annual headline rent in line with the expected rental value and 30% above the level of income cover secured at acquisition. The new rent will compound annually at 100% of the Belgian Health Index.

The second building at Bornem, a single warehouse, is let to two occupiers with interconnected business activities. On acquisition, the principal tenant Alcon-Couvreur NV occupied the majority of the property on a lease expiring on 31 August 2027, with a break option in August 2022. The second tenant, Pharma Distri Centre, a third-party logistics supplier to Alcon, occupied the remainder of the property on a lease expiring on 31 January 2020.

In September 2019, we negotiated a lease re-gear, whereby Alcon Laboratories Belgium took occupation of the entire premises and their 2022 break option was removed, delivering a combined WAULT to expiry of 7.2 years. Swiss-based Alcon Pharma Ltd is the guarantor to the new lease.

The successful implementation of the business plan we developed as part of the acquisition process has resulted in a longer income profile and enhances the value of this well-located asset.

Expansion and land sale opportunities
Looking forward, there are a number of further opportunities to add value across the portfolio. Part of the value of Big Boxes for occupiers is their inherent flexibility – they are agile assets that can be adapted in response to evolving requirements.

The Group's tenant partners have fast-moving businesses and we are aware of their need to expand their logistics operations in response to growing demand. We have, therefore, sought to acquire assets for the Group that can accommodate extensions to existing properties. This helps future proof the Group's assets and assists tenant partner retention for the longer term.

Following the period end, we have signed an agreement with Mango, our tenant partner in Barcelona, to fund the extension of the property by 88,000 sqm. We have been able to agree this at an attractive yield on cost, which will enhance the income and the capital value of the asset overall.

Five assets out of the Group's portfolio of 10 assets have adjacent expansion land. There are several plots adjacent to the properties in Bornem and Rumst, which together could accommodate 28,000 sqm of logistics space.

Following the period end, we exchanged conditional contracts to sell a 16,400 sqm plot of non-core development land at Bornem, Belgium. This plot of land sits outside of our core strategy as it is better suited to smaller industrial unit development which sits. Once completed the sale receipt will reflect a 60% increase on latest valuation.

The Group's assets in Barcelona, Rome and Wunstorf also have identified plots of expansion land. We are appraising these projects, with the expectation of delivering value enhancing opportunities in the short to medium term.

Looking forward
Our portfolio is in great shape. It achieves the objectives we set out at IPO and also provides a strong base for future performance for shareholders. We have achieved a lot over the last 18-month period, with our internal team and platform of advisers settling in well and working effectively together.

The market trends that we identified before IPO remain favourable, with occupiers continuing to expand, particularly targeting the largest format logistics properties. Coupled with ever tightening supply, we are seeing rental values increase in most key logistics markets.

Looking forward, with the benefit of the portfolio we have established and the team we have built up, we are looking to continue the growth of the Company. Our relationships and reputation in the investment market allow us to continue to access interesting investment opportunities that meet our investment objectives. With a strong pipeline of new opportunities, along with our established and performing portfolio, we are confident about the future growth of the Company.

Our specialist pan-European platform
We combine our specialist in-house investment and market expertise and strong occupier relationships with the deep local knowledge of our two dedicated on-the-ground asset managers to identify and unlock valuable asset management opportunities.

Dietz AG:Dietz is a full-service real estate company, focused on the German logistics market. It has more than 40 years' experience covering a wide range of services, including development and asset management.

Logistics Capital Partners ("LCP"): LCP is an established pan-European developer and provider of project development and asset management services for logistics real estate in Europe, with offices in the UK, the Netherlands, France, Belgium, Italy, Spain and Luxembourg. LCP's management team has extensive experience in the investment, development and occupier sectors of the European logistics market.

REPOSITIONING THE GROUP'S ASSETS

BOCHUM, RHINE-RUHR, GERMANY

20 March 2019
Signed a five-year lease
Let one of the vacant units to Gruber Logistics, an established transportation and logistics service provider in Germany

The five-year lease commenced on 1 April 2019, with the initial rent in line with the rental guarantee provided by Dietz AG at acquisition

Rent is subject to annual uplifts reflecting 100% of the German Consumer Price Index, with a hurdle of 2%

BORNEM, ANTWERP, BELGIUM

6 March 2019
Let vacant unit
Signed a nine-year lease with Belgische Distributiedienst NV ("BD NV"), which is part of the BD myShopi NV group

Lease commenced on 1 July 2019 on an initial annual headline rent in line with the expected rental value and 30% above the level of income cover secured at acquisition

The new rent will compound annually at 100% of the Belgian Health Index

5 September 2019
Lease re-gear
Negotiated a lease re-gear, whereby Alcon Laboratories Belgium took occupation of the entire premises and their 2022 break option was removed, delivering a combined WAULT to expiry of 7.2 years

Swiss-based Alcon Pharma Ltd is the guarantor to the new lease

The successful implementation of the business plan we developed as part of the acquisition process has resulted in a longer income profile and enhances the value of this well-located asset

BIG

RESPONSIBILITY

We recognise that times have changed for companies. Society is calling for us to be measured by more than just financial performance. We need to act more responsibly and ethically and consider their impact on the planet.

Most of the logistics facilities we acquire for the Group have an EPC rating of A, achieved a minimum BREEAM rating of "Very Good" or have been awarded a DGNB Gold Standard.

As Manager, we are responsible for developing and implementing the Group's sustainability strategy. We aim to act responsibly in the areas we can influence on the Group's behalf. In its role as a purchaser and landlord of large-scale logistics assets, we are committed to minimising the Group's environmental impact, while enhancing the lives of those who live in the surrounding communities.

We have worked closely with the Board to design an approach that aligns with the Group's mission and purpose. Along with strong and effective corporate governance, this approach is being integrated into the Group's corporate strategy and placed at the core of its business model.

So far, we have made good progress on developing a robust sustainability strategy. We are engaging our tenants to understand how we can support and work collaboratively, set up a CSR Committee, appointed a Sustainability Manager, conducted a materiality assessment to understand strategic themes and engaged with GRESB to measure our current performance and identified areas to improve and build on.

Growing and managing the portfolio
Sustainable investing and management are at the core of the Group's investment strategy. We want to make sure our assets are fit for purpose today but also resilient to future climate change and environmental impacts. From acquisition through to disposal, we integrate sustainability considerations at each stage to ensure all risks and opportunities are assessed. We include sustainability criteria in all investment decisions we make on the Group's behalf and focus on acquiring modern, sustainable assets. As well as buying and developing sustainable assets we also seek to purchase assets we can proactively work on with occupiers to improve the sustainability performance.

Acquiring sustainable assets
One of the key objectives of the Group's investment strategy is to acquire either new or modern, high-quality, well-specified assets that meet the needs of modern occupiers. We undertake environmental due diligence during our acquisition process, including assessing energy efficiency, legislative risk and the risk of flooding. Most of the logistics facilities we acquire for the Group have an EPC rating of A, achieved a minimum BREEAM rating of "Very Good" or have been awarded a DGNB Gold Standard.

This information helps us to understand whether there are material sustainability risks that could impact the Group's ability to lease the asset in the future or the asset value, for example the need to mitigate flood risks or install more efficient technologies.

Case study:
Rome, Italy
Situated in Passo Corese, 40km north-east of Rome, our asset let to Amazon is one of its most sustainable in Europe. Amazon describes it as "an example of the green excellence of the Italian network". This facility is equipped with state-of-the-art Amazon robotics technology, which fulfils customer orders throughout Italy. The building has a BREEAM "Very Good" certification and high energy efficiency, with LED lighting and a building energy management system that stores and conserves energy throughout the day. There are charging stations for electric cars and a free shuttle bus service to the local railway station to encourage sustainable travel for employees. Water conservation techniques are applied throughout the building, including a closed-circuit water system that generates heat during winter.

Amazon started operating in Passo Corese in September 2017 and, while it employs 400 permanent employees who mainly come from neighbouring countries, it always pays the utmost attention to the local community and the environment.

To support this, as landlord, the Group has set aside a site and associated irrigation facilities for the community, who use it to produce olive oil and honey. As well as providing environmental and ecological benefits, children from a local educational establishment maintain the olive trees and the production process, as part of their education. A local beekeeper maintains the hives and honey production.

Proactively improving the sustainability of the Group's assets
We proactively engage with all the Group's tenants to improve the environmental performance of the assets and minimise their impact on climate change. We are currently surveying the tenant to determine their appetite for:

- installing roof-mounted photovoltaic (PV) panels, to provide renewable energy and reduce carbon emissions and energy consumption;
- installing LED lighting and metering systems, to reduce energy consumption;
- providing recycling points and rooftop allotments, to educate others about the need to care for the environment; and
- installing other environmental improvements, such as electric vehicle charging points, rainwater harvesting and biomass boilers.

The results from these surveys will be used as the basis for working collaboratively with tenants to improve their sustainability performance and sharing best practice and innovations across the portfolio.

Case study:
Rumst, Belgium
At Rumst, we have worked closely with our tenant, Cummins NV, to support their sustainability objectives and improve the sustainability performance of the asset. Cummins requested to install LED lighting throughout both its warehouse units, which total 59,000 sqm. We are working closely with them to facilitate the lighting upgrade. This will reduce energy consumption and heat and reduce maintenance through the longer life of bulbs. We are also working with Cummins to consider the viability of installing a wind turbine, which will provide further cost efficiencies and reduce the need for grid-sourced electricity.

In addition to working with Cummins on their LED lighting, both warehouse buildings at Rumst have photovoltaic (PV) units fitted to their roofs. The units benefit from the Belgian "Green Certificate" regime. In addition to receiving this fixed price tariff, power is sold to the tenant, with any surplus sold to the grid. This gives all tenants the benefit of reduced energy costs, with long-term cost certainty.

Case study:
Bornem, Belgium
The Bornem assets consist of two standalone warehouse units: Building A, which was vacant at purchase, and Building B, which is fully occupied by Alcon-Couvreur and Pharma-Distri Center.

Neither warehouse had an EPC certificate at purchase. As a condition of the successful leasing of Building A to BD myShopi, we funded the replacement of the lighting with a modern LED system at a cost of €175,000. We have instructed an EPC assessment and expect that the investment in lighting will improve the building rating and improve efficiency.

We also extensively refurbished the vacant office and staff areas in Building A, investing a further €500,000. Although guided by the tenant partner's budget and requirements, the Company was able to apply its expertise to improve the environmental credentials of the building and also create an energy efficient and low-impact design, with a pleasant working environment for BD's employees.

Both buildings at Bornem have extensive PV units fitted to roofs. As with the asset at Rumst, these benefit from the Belgian "Green Certificate" regime and enable power to be sold to the tenant partners, with any surplus sold back to the grid.

Developing sustainable assets
When undertaking new developments, we choose development partners with high sustainability standards that meet our own standards. For example, we:

- partner with responsible developers and aim for high industry standards, such as BREEAM "Very Good"; and
- ensure that contractors comply with industry codes of practice and best practice schemes, including an emphasis on health and safety management.

As part of the development process, we appraise the choice of materials, transport and recycling opportunities and shape the approach for future property management. To ensure the assets are resilient in the long-term to impacts of climate change and other environmental impacts, we seek to ensure the developments are as efficient as possible, and protect

Case study:
Peine, Hannover, Germany
This new state-of-the-art 93,000 sqm property near Frankfurt, completed in Q4 2018 and let to Action on long-term lease. It achieved a Gold DGNB certificate for Logistics Buildings, having achieved 74% performance in the framework, covering environmental, economic, social, process and technical aspects.

The scheme is highly sustainable, having achieved full marks for a number of aspects: Occupant-related environmental effects; Managing Local Environmental Risk; Lifecycle Costs in Construction; Sustainable Procurement; Optimal Use and Management of the building; Construction Site Processes and Quality Assurance.

This provides the tenant with an efficient and sustainable building that has taken tenant use into consideration in the construction. In addition, 53,653.47 sqm of land has been designated as "green space", providing natural habitat growth around the building, which increases the biodiversity in the area, provides habitat corridors and space for local fauna, and provides carbon absorption.

ecology and enhance biodiversity, for example through careful landscaping and incorporating trees and plants that support biodiversity. We also look to minimise the impact of construction-related traffic on neighbours and the public. The success of this approach is reflected in the BREEAM rating achieved.

Measuring our performance
We believe that transparency through public disclosure is important for driving sustainability performance. External benchmarks and frameworks play a central role in measuring progress against the Group's sustainability strategy.

During the period, the Group participated in the Global Real Estate Sustainability Benchmark ("GRESB") and participated in the 2019 Real Estate Assessment. This first engagement has provided valuable insight to inform the Group's sustainability strategy, for example, identifying the need to work with our tenants to obtain whole building sustainability data and, using the tenant sustainability surveys to increase our engagement and collaboration with tenants.

During the year to September 2020, the Group will seek to offset at least one tonne of CO_2 per 1,000 sqm of logistics space owned.

Looking forward, we will enhance transparency and expand the Group's reporting by subscribing to EPRA Sustainability Best Practice Recommendations ("EPRA sBPR") and seek to cover all aspects applicable to the business. EPRA sBPR are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. Each year, EPRA recognises companies which have issued best-in-class sustainability performance reports.

GRESB

Case study:
Using GRESB to assess our performance and inform our strategy
GRESB is one of the largest and most respected ESG benchmarks for the global real estate sector. Its annual assessments are guided by factors that investors and the industry consider to be material to the sustainability performance of real asset investments.

The GRESB assessment evaluates performance against seven sustainability aspects:

1. management;
2. policy and disclosure;
3. risks and opportunities;
4. monitoring and environmental management systems (EMS);
5. stakeholder engagement;
6. performance indicators; and
7. building certification.

The score in each of these areas is aggregated on a weighted basis to derive an overall GRESB Score, which is divided into two "dimensions": Management & Policy and Implementation & Measurement. The overall GRESB Score and the score for each of the two dimensions are marked out of 100.

In the 2019 GRESB assessment, the Group achieved a GRESB Score of 53/100 (against a peer average of 66) and a "Green Star" rating. A Green Star rating applies to entries with scores of 50 or more for both dimensions. Unlike the GRESB rating, which is a relative rating, the Green Star is based on absolute performance.

Specific areas of existing strength identified through the assessment included the Group's building certifications, green building standards, on-site renewable energy generation and the socio-economic impact of the Group's assets on the community. In these areas, the Group outperformed 80% of its peers. Areas to improve include increasing the assets' energy ratings, implementing data management systems across the Group and increasing the sustainability criteria in procurement. We will work to improve the Group's performance in these areas in 2020.

A dedicated team with specialist sustainability skills
As Manager, we have formed a CSR Committee, led by senior members of the team and including representatives from across the business including asset management, investor relations and human resources. The Committee's purpose is to:

- oversee and carry out the responsibilities we delegate to it relating to corporate social responsibility and sustainability;
- agree actions we and the Board can take to improve social responsibility awareness and be good corporate representatives in the community, while furthering long-term strategic objectives;
- monitor social and environmental trends, risks and opportunities that affect business strategy and performance; and
- communicate, engage and build relationships with communities, stakeholders and decision makers, in order to build and sustain public trust and confidence.

Further information about how the Committee feeds into the Group's governance can be found on page 103.

Following the period end, we were pleased to announce the appointment of Helen Drury as Sustainability Lead. Helen holds an MA in Environmental Impact Assessment and Management Tools, and is a Chartered Environmentalist, having spent nearly a decade helping to create long-term value in organisations, with extensive expertise in the real estate industry. This includes driving sustainability, environmental performance and corporate responsibility within organisations and managing relationships to implement and communicate strategy and results on a broad range of sustainability issues.

Helen will be a key member of the CSR Committee and will be responsible for leading and developing the sustainability strategy and driving its integration and implementation across the Group.

Identifying the Group's strategic priorities
To ensure we prioritise and focus the Group's sustainability strategy and efforts in the right areas, we need to understand the business within a sustainability context. We therefore commissioned a materiality assessment, to identify which sustainability issues are most relevant to the Group and its stakeholders and central to operational longevity and success.

The assessment considered a wide spectrum of sources and opinions, including the immediate business and stakeholder groups, peers and competitors, industry organisations and associations, commentators and international standards (such as GRI, UN SDGs, and UN PRI).

The Group's charitable partnership
We are aware that our impact goes beyond our assets and of the indirect impacts of the logistics sector on the environment, for example, carbon emissions, air and ocean pollution and habitat loss are all impacts that are felt globally.

To support this wider sustainability agenda the Board and the Manager's Charity Committee has developed a partnership with environmental charity, Tree Nation, who support reforestation projects, to offset carbon emissions, reducing the Group's total carbon footprint, and improving biodiversity to support critical ecosystem services.

The scheme is certified by the Plan Vivo Standard, which supports rural smallholders and community groups with improved natural resource management.

During the year to September 2020, the Group will seek to offset at least one tonne of CO_2 per 1,000 sqm of logistics space owned. At 16 September 2019, the Group had 727,150 sqm of logistics space under management, and we have funded Tree Nation to offset 784,015 tonnes of CO_2. On this basis, the Company donated €7,841.50 for the first year, which equates to planting 4,313 trees.

Tree Nation
Tree Nation was founded in 2007. Headquartered in Belgium, it has 14 current projects in South America, Africa, Indonesia, France and Spain. It currently works with 1,284 companies, including specific projects with Unilever, PwC, JLL and Google.

Since 2007, Tree Nation has planted 5,177,088 trees globally through 182 planting projects in 33 countries, involving 123,000 citizens.

Driving performance through stakeholder engagement
In our role as the Group's Manager, we are passionate about engaging with our own staff and the Group's tenant partners, and to maintaining high standards of governance, to ensure we are an excellent employer and a great company to do business with.

Employee engagement and development
While the Group has no employees, as Manager we employ 29 people, including 13 who work on the Group's behalf. Retention levels are high. We endeavour to provide a professional and enjoyable place to work, with a focus on constructive teamwork. Our employees receive an annual appraisal and career review with their line manager, followed by a further reflection meeting with another senior member of staff.

We organise professional training and attendance at industry educational and networking events. Employees are encouraged to take part in industry events, with a number appearing on panels and talking at conferences in both the UK and overseas. Several are members of professional bodies, such as the Royal Institution of Chartered Surveyors, the Investment Property Forum, the Institute of Chartered Accountants, the Law Society and the Institute of Chartered Secretaries and Administrators.

We invite students for work experience during university holidays and provide a programme including property inspections. We have also participated in graduate research projects.

In our aim to be an attractive and inclusive employer we have a series of Group policies relating to equal opportunities, disability, flexible working, health and safety, and whistleblowing.

We also endeavour to support employee's health and wellbeing. We regularly organise formal and informal social events for employees and support individuals who undertake sponsored events, such as triathlons and marathons; and allow employees to take one day of paid volunteering leave each year. We also provide a range of healthy lifestyle initiatives such as free yoga classes and healthy snacks.

Tenant engagement
Working collaboratively with our tenants is critical to delivering sustainable buildings as the use phase is significant to the building's life cycle impacts. We enjoy good relationships with our tenants, which means we have already been able to deliver sustainability solutions in partnership for some of our assets. We want to expand this and create a tenant engagement programme where we can work collaboratively with all of our tenants. Carrying out the tenant sustainability surveys has been an essential first step in achieving this ambition.

Slavery and human trafficking policy
The Group is committed to maintaining the highest standards of ethical behaviour and expects the same of its business partners. Slavery and human trafficking are entirely incompatible with the Group's business ethics.

We recognise that the real estate and construction sectors rank highly for modern slavery risks. We believe that every effort should be made to eliminate slavery and human trafficking in the Group's supply chain. We seek to mitigate the Group's exposure by engaging with reputable professional service firms based in the United Kingdom, who adhere to the Modern Slavery Act 2015.

We also regularly request formal governance information from the Group's suppliers, to enable ongoing monitoring of business and supply chain risk and conduct due diligence and risk assessment on potential new suppliers. We will continue to monitor and collaborate with the Group's suppliers and tenant partners, to ensure that they have systems and controls that reduce the risk of facilitating modern slavery and human trafficking.

Looking forward
Sustainability is integral to long-term success. Getting it right makes businesses more resilient, improves stakeholder relationships, reduces costs and addresses the evolving burden of legislation and regulation.

Our actions during the period give us a strong foundation on which to build. Our priorities for 2020 are:

- use the results of the materiality assessment to help us formalise the Group's strategy, creating a framework and objectives which will guide our efforts and enable better monitoring of progress;
- development of internal frameworks and standards for consistently embedding sustainability across the Group;
- creation of tenant engagement programmes, including environmental management systems (EMS), to improve the operational performance of our assets;
- strategic assessment of solar PV opportunities across the Fund; and
- further improve transparency through public disclosure, in particular by adopting the EPRA Sustainability Best Practice Recommendations.

Nick Preston
Fund Manager
Tritax Management LLP
9 December 2019

FINANCIAL REVIEW

MEHDI BOURASSI

"The Group benefited from the support of Shareholders through a further equity raise in May 2019.
The Group was also able to obtain, and subsequently increase, an unsecured revolving credit facility to provide debt to sit alongside the equity raised. The support shown by both our Shareholders and our syndicate of lending banks reinforces the attractions of the sector and their confidence in our ability to implement the Group's strategy to facilitate its growth."

IPO
€339.3m RAISED

ADDITIONAL GROSS PROCEEDS
€135m

LOAN TO VALUE
33.3%

UNSECURED REVOLVING CREDIT FACILITY
€425m

REVOLVING CREDIT FACILITY
INITIAL MATURITY:
5 YEARS

Valuation
The portfolio was independently valued by JLL as at 30 September 2019, in accordance with the RICS Valuation – Global Standards 2017.

The portfolio's total value at the period end was €691.7 million[1], including forward funded development commitments of €27.5 million, of which £6 million remained to be incurred. This valuation is calculated after an assumed €14.3 million of real estate transaction tax ("RETT"), which would arise if the assets were sold outside a corporate structure. It is market practice in Europe to buy and sell assets such as these via a corporate structure, in which case some or all of the RETT attributed to the portfolio would not be payable.

Equity financing
On IPO on 4 July 2018, the Company issued 300 million Ordinary Shares at a price of €1.1311 (or £1.00) per share, through a placing, offer for subscription and intermediaries offer. This raised gross proceeds of €339.3 million (or £300 million). The issue was significantly oversubscribed.

Having deployed the IPO proceeds and debt financing, on 24 May 2019, the Company raised a further €135 million of gross proceeds (approximately £119.1 million) through the placing of 122,727,273 Ordinary Shares at a price of €1.10 (or £0.97) per share.

Debt financing
The Group maintains a prudent level of debt and looks to achieve a low cost of borrowing, while maintaining operational flexibility. The medium-term target is an LTV ratio of 45%, with a maximum of 50%, in each case calculated at the time of borrowing.

In October 2018, the Company agreed a €200 million revolving credit facility ("RCF") with HSBC Bank plc and BNP Paribas. The RCF had an opening margin of 1.55% over the higher of zero or Euribor. This increases up to 2.2%, depending on the LTV ratio. The RCF has an initial maturity of five years, which can be extended for a further two years with lender support. Importantly, the facility is unsecured, providing operational flexibility for the Group.

Subsequently in December 2018, the Company announced that Bank of America Merrill Lynch had agreed to provide a further €100 million commitment alongside HSBC and BNP Paribas, increasing the unsecured RCF to €300 million.

Following the May 2019 equity raise, the Company agreed a further increase in the RCF and added two institutions to its lending syndicate. This increased the facility by €125 million to €425 million, with the additional commitment provided by Bank of China and Banco de Sabadell.

At 30 September 2019, €235.5 million had been drawn against the RCF. This resulted in an LTV ratio of 33.3% at that date.

The Group's hedging strategy for its variable-rate debt includes using interest rate caps to benefit from current low interest rates, while minimising the effect of a significant rise in underlying interest rates. The Group therefore holds derivative instruments, which hedge €300 million of its borrowing commitments. The derivative instruments comprise two interest rate caps running coterminous with the debt facilities, with a total weighted average cap of 0.67%.

Since financial period-end, four out of five lenders approved a one-year extension of the RCF. This results in €325 million debt maturing in 2024 and €100 million maturing in 2023.

Financial results
Rental income for the period was €24.5 million.

The Group's operating and administrative costs were €8.5 million, which primarily comprised:

- the Management Fee payable to the Manager of €3.3 million;
- a fee for running an SGR structure in Italy, which ensures the Italian property holding company is exempt from corporation tax;
- the Administration fee; and
- the Directors' fees.

The EPRA cost ratio was 34.5%. This is a key measure of the Group's operational performance, as rigorous cost control supports profitability and the ability to pay dividends. As a start-up, the Company incurred fixed and exceptional costs during its first financial year while income was staggered over the period as new assets were acquired. We expect the EPRA cost ratio to decrease over time as the size of the portfolio increases and the Group benefits from economies of scale.

Total interest expenses for the year were €4.1 million resulting in a comfortable interest cover ratio of 6.0 times.

The profit before tax for the period was €26.3 million, with Adjusted Earnings[2] for the period of €10.8 million.

1 Including property held for sale and rent guarantees.
2 See note 12.

The current taxation charge for the period was 4.2% of the Group's net property income. This taxation is primarily incurred in the local jurisdictions in which the Company invests. As an HMRC-approved investment trust, the Company is exempt from UK corporation tax on its chargeable gains. The Company is also exempt from UK corporation tax on dividend income received, whether from UK or non-UK companies, provided the dividends fall within one of the exempt classes under the Corporation Tax Act 2009. The corporation tax rate in future periods will depend primarily on the jurisdictions where the Group acquires assets, given the differing tax rates across Continental Europe. The Group does not use any structures designed to artificially reduce its tax liabilities and looks to pay the appropriate level of tax where it is due.

Basic Earnings Per Share ("EPS") for the period was 6.25 cents. The EPRA EPS, which excludes the valuation movement, was 2.96 cents for the period.

Given the Group's income focus, the Board has adopted adjusted EPS as a key performance indicator. This adjusts the income shown in the Group Statement of Comprehensive Income to reflect the underlying cash movements. Adjusted EPS for the period was 3.25 cents. More information about the calculation of basic, EPRA and adjusted EPS can be found in note 12 to the financial statements.

Cash flow
The Group benefits from stable, growing and long-term cash flows generated from rental income from the tenants. The cash from operations was negative €2.9 million. The artificially negative figure is driven by unrecovered VAT paid (€12 million) on the acquisition of the Group's Italian asset. We expect the full amount to be recovered in 2020. Excluding the Italian VAT element, the Group generated €9.1 million from its operations over the period. We expect the figure to increase significantly in the next financial year as the Group's properties will be cash generating for the full financial year.

Net assets
The EPRA NAV per share at 30 September 2019 was €1.15, after adjusting for the deferred tax and fair value adjustments recognised against our interest rate derivatives. The basic NAV per share was €1.13 at that date.

Related-party transactions
Transactions with related parties in the period included the Management Fee paid to the Manager, the Directors' fees and agency fees paid to SG Commercial. More information can be found in note 26 to the financial statements.

Alternative Investment Fund Manager ("AIFM")
The Company is an Alternative Investment Fund within the meaning of the AIFMD and has appointed the Manager as its AIFM. The Manager is authorised and regulated by the Financial Conduct Authority as a full-scope AIFM.

Looking forward
The Company has ambitious growth plans for the short to medium term. The financial structure of the Group has been designed to benefit from economies of scale and we aim to help the Group to achieve critical scale during 2020. We believe there is a healthy pipeline of suitable investment opportunities and the team is fully committed to sourcing new real estate assets that fit the Company's investment strategy.

We expect that the Company will qualify for inclusion in the FTSE EPRA Nareit Global Real Estate Index series in early 2020. This should allow the Group to access a broader investor base, seeking exposure to the listed European real estate sector, as well as increasing the liquidity in its shares.

From a debt perspective, the Group will aim to obtain a credit rating in the short to medium term. Should the Group achieve an Investment Grade rating, the cost of debt would automatically reduce by 25 to 30 bps (dependant on LTV) under the current terms of the RCF. It should also open new borrowing possibilities, including access to the bond markets.

Above all, the Group will seek to increase the level of quarterly dividend payments gradually, with the aim to achieve the returns objectives set at IPO. Specifically, the Group will aim to deliver a fully covered dividend during the next financial year.

Mehdi Bourassi
Finance Director
Tritax Management LLP
9 December 2019

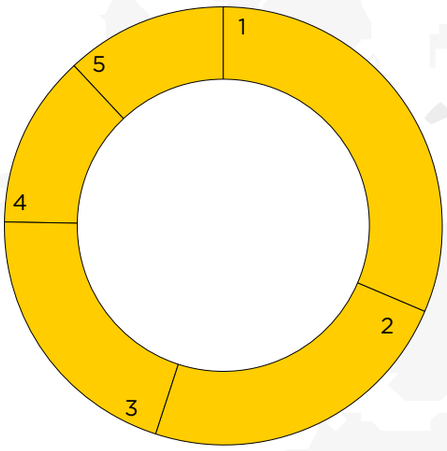
Dividends
The interim dividends declared and paid in respect of the financial period are set out below:

Declared	Amount per share	In respect of	Date paid/to be paid
7 March 2019	0.4 cents	1 July to 31 December 2018	29 March 2019
9 May 2019	1.0 cent	1 January to 31 March 2019	12 June 2019
8 August 2019	1.0 cent	1 April to 30 June 2019	9 September 2019
10 December 2019	1.0 cent	1 July to 30 September 2019	15 January 2020

The total dividend in respect of the period was, therefore, €12.7 million. The total dividend was 85.3% covered by adjusted earnings of €10.7 million.

FOCUSED ON COUNTRIES WITH GOOD TRANSPORT LINKS AND GROWING POPULATIONS

Passing rental income by country



1.	Germany	31.4%
2.	Spain	23.7%
3.	Italy	20.2%
4.	Poland	12.9%
5.	Belgium	11.8%

NUMBER OF ASSETS

10

Barcelona
Spain

Rome
Italy

Bornem, Antwerp
Belgium

Rumst, Antwerp
Belgium

Peine, Hannover
Germany

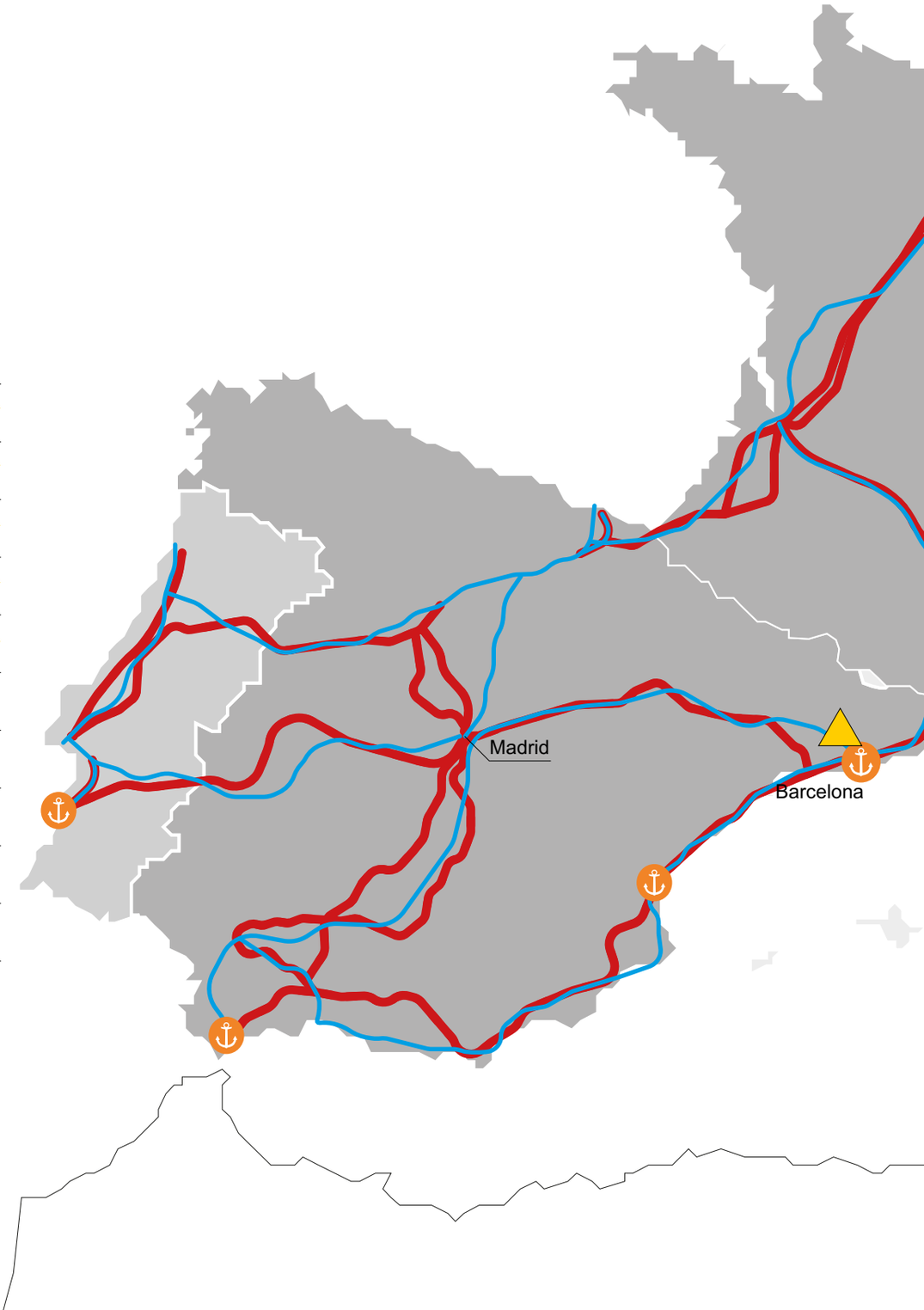
Bochum, Rhine-Ruhr
Germany

Wunstorf, Hannover
Germany (minority interest)

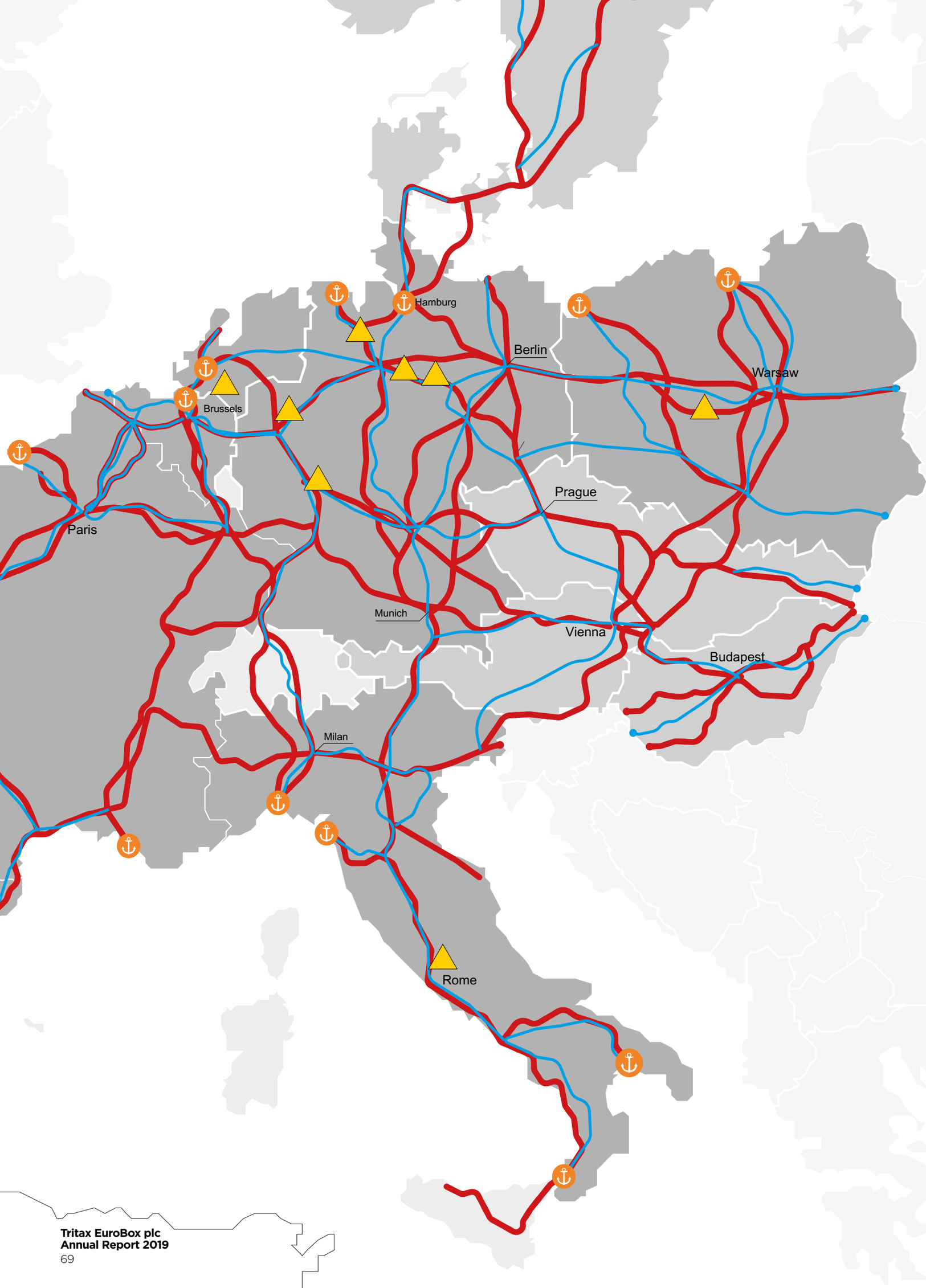
Lodz
Poland

Hammersbach, Frankfurt
Germany

Bremen
Germany



Key
- Main port
- Main highways
- Main railways


Hamburg
Berlin
Warsaw
Brussels
Paris
Prague
Munich
Vienna
Budapest
Milan
Rome

ACQUISITION HIGHLIGHTS

ACQUISITION PRICE:

€150M

BARCELONA, SPAIN

Tenant partner
Mango

Acquisition price
€150.0 million

Net initial yield
5.0%

Gross internal area
186,139 sqm

Let on a 30-year lease from December 2016 with a break in year 20 to the established, global instore/ online retailer

Tenant's global distribution centre

High-specification, purpose-built, logistics facility with maximum eaves height of 40m

Significant capital commitment by the tenant incorporating a high level of automation and racking

EPC rating of A, sustainable re-use of excavation land and forest biomass, sustainable management of rainwater

Strategically located north-east of Barcelona, close to major road infrastructure and Barcelona's port and airport

Acquired with embedded expansion land allowing extension

Constrained logistics/ industrial land supply in the Barcelona region

ACQUISITION PRICE:

€118M

ROME, ITALY

Tenant partner
Amazon

Acquisition price
€118.0 million

Net initial yield
5.0%

Gross internal area
c.158,000 sqm

Let on a long lease to the world-leading retailer Amazon

Key part of the occupier's pan-European logistics network and principal "small items" fulfilment centre

Highly specified new logistics building built over three levels

Significant capital investment by tenant incorporating a high level of automation and robotics

BREEAM "Very Good" certification

Acquired with on-site expansion potential, internal and external

BORNEM, ANTWERP, BELGIUM

Tenant partners
Alcon-Couvreur and Pharma-Distri Center

Acquisition price
€26.0 million

Net initial yield
5.3%

Gross internal area
c.31,000 sqm

Two modern, well-specified logistics warehouses

Strategically positioned between Antwerp, Europe's second largest port, and Brussels

The vacant building was acquired with the benefit of a 12-month income cover from the vendor

Three development plots provide the opportunity to create additional value and grow income return

Solar panels providing a sustainable source of energy to the warehouses

During the period the Company signed a nine-year lease with BD myShopi on the vacant unit

ACQUISITION PRICE:

€26M

ACQUISITION PRICE:

€58M

RUMST, ANTWERP, BELGIUM

Tenant partner
Cummins

Acquisition price
€58.2 million

Net initial yield
5.7%

Gross internal area
c.59,000 sqm

Two modern, well-specified logistics warehouses let to the substantial covenant of Cummins NV, a global leader in power solutions

Building functions as a principal EMEA distribution hub for the tenant

Situated in a prime location between Antwerp, Europe's second largest port, and Brussels

Acquired with two plots of development land included totalling >35,000 sqm

Solar panels providing a sustainable source of energy to the warehouses

ACQUISITION PRICE:

€86M

PEINE, HANNOVER, GERMANY

Tenant partner
Action

Acquisition price
€86.0 million[1]

Net initial yield
4.8%

Gross internal area
92,735 sqm

Let to Action, the fastest growing non-food discount retailer in Europe, on a long index-linked lease

Established logistics location close to Hannover with excellent road and rail connectivity

Central location between Hamburg, Berlin and the Ruhr

Newly built, well-specified, purpose-built asset

Building fulfils a key part of the logistics and distribution supply chain for occupier

This highly sustainable scheme achieved DGNB Gold standard, with offices heated and cooled by heat exchange pumps

1 Purchase price corresponds to 100% of the shares in the SPV holding the asset and excludes a minority interest.

ACQUISITION PRICE:

€38M

BOCHUM, RHINE-RUHR, GERMANY

Tenant partners
SVH Handels, WM Group, Gruber Logistics

Acquisition price
€37.8 million[1]

Net initial yield
4.9%

Gross internal area
c.36,047 sqm

A newly built logistics warehouse comprising four units, let to SVH Handels, WM Group GmbH and Gruber Logistics

The one vacant unit benefits from a five-year rental guarantee from acquisition

Located in the Rhine-Ruhr region, a core logistics location with excellent transport links

Strong potential to capture rental growth

The energy usage of the warehouse is approximately 20% below the EPC requirement

During the period the Company signed a five-year lease with Gruber Logistics GmbH and is in advanced discussions with potential occupiers for the one unit still available to let

1 Purchase price corresponds to 100% of the shares in the SPV holding the assets and excludes a non-controlling interest.

WUNSTORF, HANNOVER, GERMANY

Tenant partner
HAVI Logistics

Acquisition price
€27.5 million

Net initial yield
4.9%

Gross internal area
c.16,423 sqm

Acquired as a forward funded investment pre-let to Havi Logistics with security from the parent company, a global food logistics company

Well-specified cold store facility, with only 25% site cover and the opportunity to extend the building by c.10,000 sqm

Established urban logistic location, 20km from the centre of Hannover

Practical completion expected in December 2019

ACQUISITION PRICE:

€28M

ACQUISITION PRICE:

€55M

LODZ, POLAND

Tenant partner
Castorama

Acquired
12 April 2019

Acquisition price
€55.0 million

Net initial yield
5.7%

Gross internal area
101,536 sqm

Let to the strong covenant of Castorama, the European subsidiary of Kingfisher plc

Second warehouse in Lodz for tenant that has consolidated distribution functions to this location, therefore critical to supply chain

A new specified building which is doubling in size as a result of the development work undertaken between exchange and completion

Optimum location in Central Poland adjacent to A2 and A1 motorway intersection

Poland provides competitive labour supply and property costs compared to Western Europe

Good growth prospects from low rent per sqm with annual indexation

ACQUISITION PRICE:

€51M

HAMMERSBACH, FRANKFURT, GERMANY

Tenant partner
ID Logistics

Acquisition price
€50.6 million

Net initial yield
4.75%

Gross internal area
43,139 sqm

Brand new, well-specified and purpose-built facility let to ID Logistics, operating for a leading global e-commerce retailer on new 10-year index-linked lease, with breaks at the end of years five and six

Prime Frankfurt location benefits from exceptional logistics links, high occupier demand, low vacancy rate and limited availability of logistics buildings and land for development

ACQUISITION PRICE:

€60M

BREMEN, GERMANY

Tenant partner
Kieserling Spedition + Logistik, THIMM Packaging Systems, Bremer Spirituosen

Acquisition price
€60.3 million

Net initial yield
4.8%

Gross internal area
57,537 sqm

Two high-specification facilities purpose-built in 2013 and 2019 respectively

The 2019 property is exclusively let to Bremen-based logistics operator Kieserling Spedition + Logistik on a 10-year lease from February 2019

The 2013 property is let to Kieserling Spedition + Logistik, THIMM Packaging Systems, a leading packaging and logistics company, and Bremer Spirituosen, on shorter leases with the benefit of a third-party rental guarantee

Upon acquisition the weighted unexpired lease term of both properties is 8.7 years, with rent subject to annual indexation of 85% of the German CPI

Situated in the prime logistics location of GVZ Bremen, the largest freight area in Germany, close to Bremen and Bremerhaven, the country's second largest port area

THE MANAGE
A STRONG TE
THE RIGHT EX

R:
AM WITH
PERIENCE

NICK PRESTON
FUND MANAGER

As Fund Manager for Tritax EuroBox plc Nick has overall responsibility for the provision of investment management and advisory services to the Company. He acts as the principal liaison for investors and oversees all the investment and management activity.

Nick has extensive experience at managing portfolios of commercial real estate across the UK and Continental Europe. He began his career in 1991 at Hillier Parker, evolving into CBRE Global Investors. His roles included all aspects of investment management across a wide variety of portfolios and funds with a particular focus on the industrial and logistics sector. In 2012 Nick took a position at Grosvenor Fund Management as Managing Director and Head of Portfolio for the European business. Nick joined the Tritax Group in 2017.

MEHDI BOURASSI
FINANCE DIRECTOR

Mehdi is the Finance Director for the Company. He reports to the Board on all financial matters, including half-year and period-end reporting, transaction structuring, corporate compliance, budgeting/forecasting, treasury management, monitoring of internal financial controls and the Company's wider capital market activities.

Mehdi has 10 years' experience in pan-European real estate finance roles. Most recently, Mehdi worked at Savills Investment Management as Finance Manager. From 2013 to 2016 he worked as Financial Controller in real estate at Abu Dhabi Investment Authority. Mehdi began his career at PricewaterhouseCoopers (PwC) in Luxembourg. Mehdi joined Tritax in May 2019.

JAMES DUNLOP
PROPERTY SOURCING

James has responsibility for the identifying, sourcing and structuring of suitable investment assets for the Company. James started his career at Weatherall Green and Smith (now BNP Paribas Real Estate) where he qualified as a chartered surveyor in their Investment Development and Agency division in 1991. In 2000, James formed SG Commercial, then became a partner in the Tritax Group in 2005.

James has extensive relationships with many of the leading firms of agents and institutions.

HENRY FRANKLIN
STRUCTURING AND LEGAL

Henry has overall responsibility for tax, legal and compliance activities. His role for the Company is to ensure the robustness of the tax and legal structure, working closely with the Board and the management team as well as external advisers.

Henry is a qualified solicitor who completed his articles with Ashurst LLP in 2001, specialising in taxation, mergers and acquisitions. He qualified as a chartered tax adviser in 2004 before moving to Fladgate LLP in 2005, specialising in the structuring of commercial property funds. Henry joined the Tritax Group in 2008.

ALINA IORGULESCU
ASSISTANT FUND MANAGER

Alina is one of two Assistant Fund Managers, reporting in to Nick Preston. Her main focus is the acquisition and ongoing management of the Company's holdings in Germany, Spain and the Netherlands.

She joined Tritax from JLL's pan-European logistics capital markets team, where she was extensively involved in advising on transacting logistics properties and portfolios across Europe. Alina has more than 11 years' experience working in the real estate industry and provides the team with a strong capability in transaction origination and execution.

FREDDIE JAMES
ASSISTANT FUND MANAGER

Freddie is the second Assistant Fund Manager in the team, assisting Nick Preston in running all aspects of transacting and managing assets in the Belgian, Italian, Polish and French markets.

Freddie started his career at Montagu Evans, qualifying as a chartered surveyor in 2010. He focused on advising on a wide range of investment and development transactions. In 2014 Freddie joined Legal & General as part of the asset management team. He joined Tritax Group in 2016, firstly working on Tritax Property Income Fund, before moving to join the Tritax EuroBox team at IPO.

ANISHA D'CRUZ
LEGAL COUNSEL

Anisha's role as Legal Counsel is to oversee the Company's acquisitions, tax and structuring functions across Europe. While co-ordinating all transactions, she also ensures that the ongoing management of the portfolio meets all necessary legal requirements.

Anisha qualified as a solicitor in 2011 and has significant experience in real estate investment and development, acting for funds, trusts, developers, property companies and occupational tenants. Anisha also has broad experience in real estate finance, acting for both lenders and borrowers.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for risk management and internal controls, with the Audit Committee reviewing the effectiveness of the risk management process on our behalf.

We aim to operate in a low-risk environment, focusing on the Continental European logistics real estate sector to deliver an attractive capital return and secure income for Shareholders. The Board recognises that effective risk management is key to the Group's success. Risk management ensures a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for Shareholders.

Approach to managing risk
Our risk management process is designed to identify, evaluate and mitigate (rather than eliminate) the significant risks we face. The process can, therefore, only provide reasonable, and not absolute, assurance. As an investment company, we outsource key services to the Manager, the Administrator and other service providers, and rely on their systems and controls.

At least three times a year, the Board undertakes a formal risk review, with the assistance of the Audit Committee, to assess the effectiveness of our risk management and internal control systems. During these reviews, the Board has not identified or been advised of any failings or weaknesses which it has determined to be material.

Risk appetite
We have a specific Investment Policy, which we adhere to and for which the Board has overall responsibility.

Our risk appetite is low and, in particular, we do not undertake any speculative development. We have high-quality tenant partners, with a portfolio of modern buildings and one of the longest unexpired lease terms in the sector, coupled with an average term to maturity on our debt of four years, most of which is subject to interest rate derivative caps.

Principal risks and uncertainties
Further details of our principal risks and uncertainties are set out on pages 98 to 101. They have the potential to affect our business materially, either favourably or unfavourably. Some risks are currently unknown, while others that we currently regard as immaterial, and have therefore not included here, may turn out to be material in the future.

Risk management framework

PRINCIPAL RISKS

The matrix below illustrates our assessment of the impact and probability of the principal risks identified, the rationale for which is contained within the commentary for each risk category.

Property risks

1. Default of one or more tenant partners
2. The performance and valuation of the property portfolio
3. Our ability to grow the portfolio may be affected by the availability of suitable assets at acceptable prices
4. Concentration of risk, in particular, exposure to country risk
5. Development activities are likely to involve a higher degree of risk than investment in standing investments

Operational risks

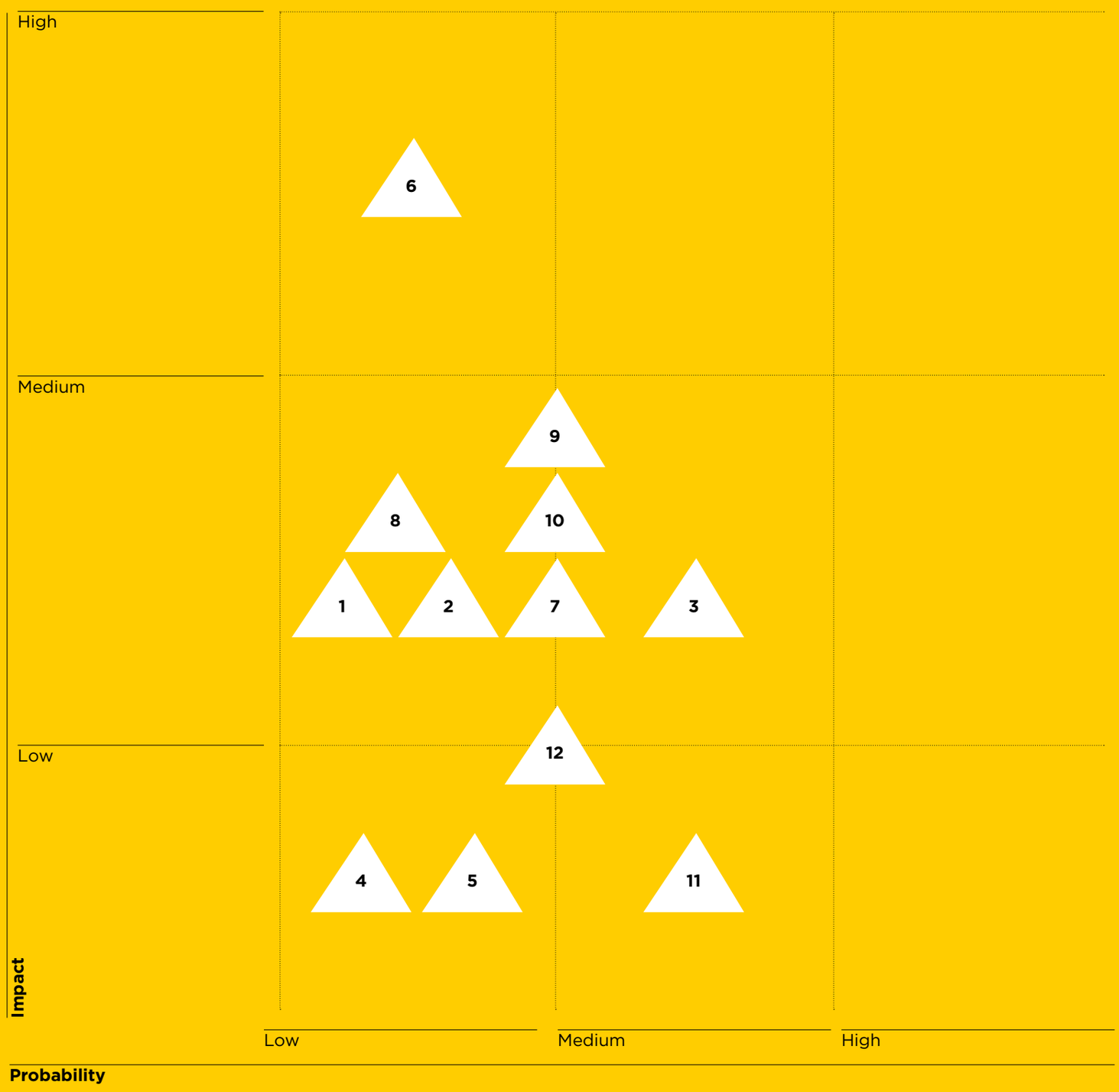
6. We rely on the continuance of the Manager
7. Our use of floating rate debt will expose the Group to underlying interest rate movements
8. A lack of debt funding at appropriate rates may restrict our ability to grow
9. We must be able to operate within our debt covenants

Taxation risks

10. Maintenance of Investment Trust status
11. Changes to local tax legislation in countries in which the Company has investments

Political risks

12. The vote to leave the EU could result in political and/or economic uncertainty that could have a negative effect on the performance of the Company



PROPERTY RISKS

1. Default of one or more tenant partners

Probability	Impact	Mitigation
Low	**Medium** The default of one or more of our tenant partners would reduce revenue from the relevant asset(s). There may be a continuing reduction in revenues until we find a suitable replacement tenant, which may affect our ability to pay dividends to Shareholders.	We select assets with strong property fundamentals (location close to population centres, access to infrastructure and energy supply), which should be attractive to other tenants if the current tenant partner fails. In addition, while we focus on tenant partners with strong financial covenants, we also negotiate various guarantees or deposits, to enable us to cover income while looking for a new tenant. While there is no restriction on the Group's exposure to any one tenant partner, our Investment Policy requires us to deliver a high-quality, diversified portfolio.

2. The performance and valuation of the property portfolio

Probability	Impact	Mitigation
Low	**Medium** Property valuation is inherently subjective and uncertain and the appraised value of our properties may not accurately reflect the current or future value of the Group's assets. In addition, our due diligence may not identify all risks and liabilities in respect of a property acquired, leading to, among other things, an adverse change in the future valuation of that asset. An adverse change in our property valuation may lead to a decrease in our Net Asset Value and affect our ability to meet our target returns. In an extreme scenario, it could also lead to a breach of our banking covenants, which may force us to sell assets to repay loan commitments.	As at 30 September 2019, our property portfolio was 100% cash generating from leases, license fees and rental guarantees, with long unexpired weighted average lease terms of 11 years and a strong tenant partner base. 93% of leases (by income) include rent indexation (with different features in each country). Combined with the fact that we focus on the best locations, where land supply is tight, and undertake significant due diligence using the services of relevant third parties, we believe these factors reduce the risk of significant adverse property valuation movements.

3. Our ability to grow the portfolio may be affected by the availability of suitable assets at acceptable prices

Probability	Impact	Mitigation
Medium	**Medium** The fundamentals of the prime logistics locations in Continental Europe (see page 41 for further details) mean that the availability of land suitable for large logistics properties is limited. In addition, the Big Box sector currently attracts a lot of new investors. This results in acquisition yields that are currently at record lows. This may restrict our ability to secure suitable logistics real estate assets in targeted countries in Continental Europe, in order to grow our portfolio while maintaining our target returns.	Our business model is based on undertaking predominantly off-market transactions, sourced through the Manager's network of contacts across Europe, and through our partnership with local development companies. The Manager has also developed strong relationships with a number of vendors and tenants in the industry. Our reliability, experience and speed of execution gives us an edge over many other potential investors. In addition, the increase in the capital value of our portfolio as a result of both the market dynamics and our asset management initiatives, is expected to have a positive impact on returns for Shareholders.

4. Concentration of risk, in particular, exposure to country risk

Probability	Impact	Mitigation
Low	**Low** Our Investment Policy does not include restrictions relating to the Group's exposure to individual assets or tenant partners and includes only limited restrictions relating to our exposure to individual countries. Significant economic and/or political changes affecting a country the Group has invested in, or the Eurozone, generally, could have an adverse impact on the income derived from investments within said country and, hence, on the valuation of those assets. This could lead to weaker overall portfolio performance, both in terms of revenue generation and value.	Our Investment Policy requires us to deliver a high-quality, diversified portfolio of assets. While we adopt a "bottom up" approach in the selection of real estate investments, we also consider the impact on the concentration of risk within our portfolio, including the Group's exposure to any single country (considering its economic and political stability) at the time of investment. Specifically, the Investment Policy restricts our ability to invest more than 20% of Gross Assets (in aggregate) in Austria, Czech Republic, Portugal and Slovakia.

5. Development activities are likely to involve a higher degree of risk than investment in standing investments

Probability	Impact	Mitigation
Low	**Low** Any forward funded developments are likely to involve a higher degree of risk than is associated with standing investments. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. If any of the risks associated with our developments materialised, this could reduce the value of these assets and our portfolio.	Only one of our investments is a forward funded development asset, totalling c.16,000 sqm under construction as at 30 September 2019. This asset is pre-let to a sound tenant covenant. Any risk of investment into forward funded projects is minimal, as the developer takes on a significant amount of construction risk and the risk of cost overruns. Funds for forward funded developments remain with us and are only released to the developer on a controlled basis, subject to milestones as assessed by our independent project monitoring surveyors.

OPERATIONAL RISKS

6. We rely on the continuance of the Manager

Probability	Impact	Mitigation
Low	**High** We continue to rely on the Manager's services and its reputation in the property market, as well as the performance and reputation of the asset managers appointed by the Manager (currently LCP and Dietz). As a result, the Group's performance will, to a large extent, depend on the Manager's abilities to source adequate assets, and to actively manage these assets, relying on the local knowledge of the asset manager, where necessary. Termination of the Investment Management Agreement would severely affect our ability to manage our operations and may have a negative impact on the Company's share price.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 24 months' written notice, which may not be served before 9 July 2021. The Management Engagement Committee monitors and will regularly review the Manager's performance, including the performance of the key third-party service providers to the Group. In addition, the Board meets regularly with the Manager to ensure it maintains a positive working relationship.

FINANCIAL RISKS

7. Our use of floating rate debt will expose the Group to underlying interest rate movements

Probability	Impact	Mitigation
Low to medium	**Medium** Interest on our revolving credit ("RCF") facility is payable based on a margin over Euribor. Any adverse movement in Euribor could affect our profitability and ability to pay dividends to Shareholders.	The Company has entered into interest rate derivatives to hedge our direct exposure to movements in Euribor. These derivatives cap our exposure to the level to which Euribor can rise and have terms coterminous with the loans. We aim to minimise the level of unhedged debt whilst also considering the average level of draw down on the RCF.

8. A lack of debt funding at appropriate rates may restrict our ability to grow

Probability	Impact	Mitigation
Low	**Medium** Without sufficient debt funding, we may be unable to pursue suitable investment opportunities in line with our investment objectives. This may impair our ability to reach our targeted returns and our ability to grow.	During the year, we secured long-term unsecured debt with five major financial institutions. This demonstrates the capacity of the Manager to source adequate debt, and the appetite from lenders. As the Group grows, we anticipate that it will reach a size that enables an investment-grade debt rating. This would facilitate significant additional debt opportunities.

9. We must be able to operate within our debt covenants

Probability	Impact	Mitigation
Low to medium	**Medium** If we were unable to operate within our debt covenants, this could lead to a default and our debt funding being recalled. This may result in us selling assets to repay loan commitments.	We continually monitor our debt covenant compliance and perform stress tests. We have significant headroom before there is a risk of a breach and our covenants have a soft breach feature, which enables the Manager to act and remedy in case of breach.

TAXATION RISKS

10. Maintenance of Investment Trust status

Probability	Impact	Mitigation
Low to medium	**Medium** If the Company fails to maintain approval as an Investment Trust, its income and gains will be subject to UK corporation tax and it will be unable to designate dividends as interest distributions.	The Board is ultimately responsible for ensuring we adhere to the UK Investment Trust regime and we monitor strict adherence to the relevant regulations. We have also engaged top-tier third-party tax advisers to help monitor our compliance requirements.

11. Changes to local tax legislation in countries in which the Company has investments

Probability	Impact	Mitigation
Medium	**Low** A change in local taxation status or tax legislation in any of the countries we invest in may lead to increased taxation of the Group and have a negative impact on the Company's profits and returns to Shareholders.	The Board relies on top-tier third-party providers to advise of any tax changes in every country in which we invest. In addition, the Group has been structured on a conservative basis, with reasonable internal debt ratios, in line with international transfer pricing requirements.

POLITICAL RISKS

12. The vote to leave the EU could result in political and/or economic uncertainty that could have a negative effect on the performance of the Company

Probability	Impact	Mitigation
Low to medium	**Low to medium** The UK has been granted an extension of Article 50 TEU up until 31 January 2020, with flexibility for the UK to leave the EU before this deadline if a withdrawal agreement is approved by Parliament. Failure of the UK to agree a withdrawal agreement resulting in a "no-deal Brexit" may have the following consequences: – we may lose our AIFMD passporting rights, which would affect our ability to raise further equity from investors in certain EU member states; – the Company may no longer be able to benefit from EU taxation directives which may increase the amount of tax payable by the Group on returns from underlying investments and reduce the amounts available to distribute to investors accordingly; and – there may be significant volatility in equity markets, which could have an impact on our share price. The economy in Europe may be impacted or demand for European property may decrease, hence leading to potentially lower valuations.	Notwithstanding the potential loss of AIFMD passporting rights, we believe that investors in key jurisdictions would continue to be able to participate in equity fundraisings and we would seek legal advice at the time with a view to facilitating this. The Company was established in 2018 after the UK had voted to leave the EU. Since incorporation, therefore, the Company and its advisers have been aware of the potential tax consequences associated with the UK leaving the EU and they have taken those risks into account when considering potential investments. They have also structured investments to minimise, so far as possible, any additional tax costs which may result from the Company no longer being able to benefit from EU taxation directives. In particular, the Company should be able to benefit from double tax treaties which the UK has in place with the countries across Europe in which the Company invests.

Board approval of the Strategic Report
The Strategic Report was approved on behalf of the Board by:

Robert Orr
Chairman
9 December 2019

HOW WE ARE GOVERNED

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CHAIRMAN'S STATEMENT
ROBERT ORR

I am pleased to present the Company's first Corporate Governance Report which covers the financial period to 30 September 2019.

Strong and effective corporate governance has been at the core of our business since the Company's launch in 2018. The Company's culture promotes, values and encourages open, honest and robust debate within a challenging yet supportive environment. We believe that this has been fundamental to the success of the Company's first period of trading and will remain integral to the continuing growth and development of the Company going forward.

The period since our IPO in July 2018 was extremely active and saw us exceed our short-term objectives and make strong progress towards our medium-term objectives. During the period, the Company completed two equity raises, agreed an unsecured Revolving Credit Facility ("RCF") with five banks, acquired 10 assets and gained admission to the premium listing segment of the FCA Official List. Further details of the Company's activities can be found on pages 31 to 32 of the Strategic Report.

Strong corporate governance is integral to the achievement of the Company's objectives and during this very active period, the Board has met frequently and interacted intensively with the Manager. This section of the Annual Report sets out the corporate governance principles the Board has adopted, how these have been applied and highlights the key governance events which have taken place during the period.

The Board

The Company has a strong and fully independent Board with a diverse range of skills and extensive European real estate experience. The Directors were appointed at the Company's launch in 2018 and each was formally elected by Shareholders at the Company's first Annual General Meeting ("AGM") in March 2019.

The Board comprises myself as Chairman, Keith Mansfield as Senior Independent Director and Taco de Groot as Non-Executive Director. Keith Mansfield, former Partner of PwC, is also Chair of the Company's Audit Committee and we were pleased to announce that he accepted the role of Senior Independent Director ("SID") in July 2019. Taco de Groot, CEO of Vastned Retail NV (a European retail property company listed on Euronext Amsterdam) Chairs the Company's Management Engagement Committee. Taco de Groot has significant industrial and logistics real estate experience from his previous roles with Halverton and M7 Real Estate. I was previously with JLL for over 29 years, during which time I served as country manager for Germany and later as the JLL Group's European CEO. I also Chair the Company's Nomination Committee.

We have built a strong and cohesive working relationship. Our broad experience and diverse backgrounds ensure that the Company's activities are challenged and debated thoroughly with the Manager before decisions are taken. Whilst responsibility for certain matters has been delegated to the Manager, given our governance structure, we are all kept fully informed, consulted and engaged in decisions made.

Looking ahead, our intention is to complement this strong foundation with the appointment of an additional Non-Executive Director. We are committed to having a balanced Board and consider the Board's diversity carefully when recruiting, whilst ensuring that we always appoint on merit and in the best interests of the Company.

The Manager

Tritax Management LLP (the "Manager") is the Company's appointed Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Manager Directive ("AIFMD"). The Manager is a leading real estate fund management house with a strong, experienced team specialising in acquiring, developing and managing logistics property portfolios.

The Board has delegated authority to the Manager to conduct portfolio and risk management services on behalf of the Company. As such, the Manager has ultimate responsibility for making the final decision on these matters. We meet with the Manager at Board meetings to challenge, debate and discuss potential investment decisions and ensure ongoing compliance with the Company's Investment Policy and Investment Objectives. We also hold dedicated meetings to consider the Company's strategy and objectives over the short, medium and long term, and meet with representatives of the Manager on an ad hoc basis to discuss specific matters, where necessary. This approach complies with the latest European Securities and Markets Authority ("ESMA") guidelines published on 13 August 2013 and as updated from time to time, in respect of the correct interpretation of the AIFMD and ensures that the Company adopts best governance practice. The Management Engagement Committee Report sets out how the Company's relationship with the Manager is governed.

We are pleased with the progress the Manager has made in building the Group's portfolio since IPO and we look forward to working with the Manager to develop the portfolio and further embed the Company's governance principles.

Equity and debt financing

Following our IPO in July 2018, we raised further equity of €135 million (gross) through the issue of c.122.7 million Ordinary Shares in May 2019, pursuant to the Company's Placing Programme.

In October 2018, the Company entered into a new €200 million unsecured RCF, which was increased by a further €100 million in December 2018 and €125 million in September 2019. This unsecured RCF provides us with debt financing up to October 2023, with the option to extend by a further two years, subject to lender support.

Subsequent to year-end, €325 million debt has been extended by one year.

Shareholder and stakeholder engagement

Regular engagement with our Shareholders and other stakeholders is important to the Board. In March 2019, we held the Company's first AGM and we also presented the Company's Interim Results. I attended both events which provided valuable opportunities to engage with our Shareholders. Outside of these presentations, either myself, the SID, the Fund Manager or the Finance Director regularly engage with investors to discuss their views and any queries they may have regarding the Company's governance and strategy.

I also regularly engage with the Company's financial advisers Jefferies International Limited ("Jefferies") and Kempen & Co Securities ("Kempen") to discuss investor feedback they have received. As a Board, we collectively discuss this feedback at our Board meetings. We also provide investors with regular updates on significant business events, specifically financial performance and investment activity, through announcements via the Regulatory News Service of the London Stock Exchange ("RNS").

In May 2019, we, together with members of the Manager, the Company's advisers and some of our largest investors, visited one of our flagship assets in Barcelona, Spain. The tour was extremely informative and insightful and provided both us and our stakeholders with a valuable opportunity to experience a prime Big Box asset in operation and to understand better the type of assets we are focused on acquiring. The feedback received was very positive and the Manager will continue to run these asset tours going forwards.

Sustainability
In addition to Shareholder engagement, we are mindful of the importance of engagement with the communities in which we operate, the sustainability of our operations and the impacts of the logistics sector on the environment. Our Environmental Policy sets out our approach to managing the environmental impact of our assets and we prepare a Green Action Plan for each asset. During the period, we have implemented a Modern Slavery Policy, and we are currently in the process of ensuring our occupiers and service providers are fully aware of it. The Manager set up a CSR Committee during the year to manage and review the Company's ESG performance and policies, including its ESG policy.

We have also begun a partnership with Tree Nation, a global charity dedicated to planting more trees around the world, to increase biodiversity and support carbon emission reductions.

We engaged with GRESB in 2019, achieving an initial score of 53/100. We scored ahead of our peers in building certification and green building standards, as well as for our on-site renewable energy generation and the positive socio-economic impact of our developments. This gives us a strong foundation to improve our sustainability credentials, delivering value for our tenants and society.

Robert Orr
Chairman
9 December 2019

KEY BOARD STATEMENTS

Requirement	Board statement	Further information
Going concern and viability	The Board agrees with the going concern and viability basis adopted in the preparation of the Annual Report.	Further details are set out on page 47 of the Strategic Report.
Annual review of systems of risk management and internal control	There is an established process for identifying, evaluating and managing risks the Company faces. The Board has reviewed and approved the effectiveness of the internal control systems.	Further details are set out on page 116 of the Accountability section.
Fair, balanced and understandable	The Directors confirm that to the best of their knowledge the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.	Further details can be found in the Audit Committee Report on page 121.
Appointment of the Manager	The Directors consider the continuing appointment of the Manager on the terms agreed in the Investment Management Agreement dated 14 June 2018 ("IMA") to be in the interests of the Company's Shareholders as a whole.	Further details are set out on page 122 of the Management Engagement Committee Report.
Robust assessment of the principal risks to the business model, future performance, solvency and liquidity of the Company	The Audit Committee and the Board undertake a full risk review regularly throughout the year. Risks and uncertainties facing the Company and its subsidiaries are also considered when making any Board decisions.	Further details can be found in the Principal Risks and Uncertainties section of the Strategic Report on pages 98 to 101.

Statement of compliance
The Board has considered the principles and recommendations of the 2016 AIC Code of Corporate Governance (2016 AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The 2016 AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the 2016 AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. The Company has complied with the recommendations of the 2016 AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these specific 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. Full details of how the Company has applied the principles of the 2016 AIC Code can be found on pages 107 to 108.

THE 2016 AIC CODE – APPLICATION OF THE PRINCIPLES

THE BOARD

1. The Chairman should be independent
The Company's Chairman, Robert Orr, is independent. In addition, the Senior Independent Director takes the lead in the annual evaluation of the Chairman and is an alternative contact for Shareholders.

2. A majority of the Board should be independent of the Manager
The Board currently comprises three Non-Executive Directors, all of whom are independent of the Manager.

3. Directors should be submitted for re-election at regular intervals
All Non-Executive Directors will stand for election or re-election on an annual basis with the next time being at the Company's AGM in February 2020.

4. The Board should have a policy on tenure
The Company's practice is to appoint Directors for a minimum three-year term, subject to annual re-election, in-line with the Board's Policy on Tenure.

5. There should be full disclosure of information about the Board
Full information about the Board, as a whole, and the independent Non-Executive Directors, as individuals, is set out, inter alia, in this Annual Report.

6. The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company
In making appointments to the Board, the Nomination Committee considers the wide range of skills, knowledge and experience required to maintain an effective Board. The Nomination Committee has undertaken a review of the Board's composition and, while satisfied that the Board has the requisite skills, knowledge and experience, the Committee decided it would be beneficial to recruit another Non-Executive Director with international retail, logistics and supply chain experience. The Nomination Committee Report is on page 118.

7. The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors
Details of the 2019 Board evaluation are set out on page 115.

8. Directors' remuneration should reflect their duties, responsibilities and the value of their time spent
The Board as a whole is responsible for reviewing the scale and structure of the Directors' remuneration and sets remuneration appropriately to ensure long-term strategic performance of the Company. The fees paid to the Directors are listed on page 127 of this report.

9. The independent Non-Executive Directors should take the lead in the appointment of new Directors and the process should be disclosed in the Annual Report
The appointment of new Non-Executive Directors to the Board is led by the Nomination Committee. Further details of the activities of the Nomination Committee can be found on page 118.

10. Director induction programme
Directors receive bespoke induction training programmes on appointment designed to give them a comprehensive overview of the Company, including its business and strategic aims and its governance structure. The Company Secretary also provides a bespoke induction pack of documents and an introduction to the Company.
All Directors received this training on appointment in 2018, in addition to the requisite training on their regulatory responsibilities at IPO. As no further Directors were appointed during the period, no further induction training took place.

11. The Chairman (and the Board) should be brought into the process of a new launch at an early stage
The Company continues to invest in logistics property and does not expect to change its business activity. However, whenever the Company carries out equity fundraisings, the Chairman and the Board are always involved and are integral to the process from an early stage.

BOARD MEETINGS AND RELATIONSHIP WITH THE MANAGER

12. Boards and Managers should operate in a supportive, cooperative and open environment
The Chairman promotes an open and constructive environment in the boardroom and actively invites the Non-Executive Directors' views. The Non-Executive Directors provide objective, rigorous and constructive challenge to the Manager and communicate regularly among themselves.

13. The primary focus at regular Board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues
The Chairman, with assistance from the Company Secretary, sets the agendas for Board meetings, manages the meeting timetable and facilitates open and constructive dialogue during the meetings. The Board has a schedule of matters specifically reserved for its decision making which includes matters such as the approval of budgets, setting investment and performance objectives and policies, the approval of the Company's financial statements and published reports and the approval of equity and debt fundraising.

Prior to each meeting, the Non-Executive Directors are provided with a comprehensive set of papers providing information on the Company's proposed investments, its financial position and performance, an update on relevant sectors including the commercial property and retail sectors, a monthly Shareholder analysis and a report on regulatory and governance matters.

14. Boards should give sufficient attention to overall strategy
Strategy is a key focus of the Board and the Investment Committee.

The Board, together with the Manager, regularly considers the overall strategy of the Company in light of its performance and the sector overall. The Board held a specific strategy meeting in July 2019.

15. The Board should regularly review both the performance of, and contractual arrangements with, the Manager
The performance of the Manager is assessed on a regular basis by the Management Engagement Committee. Further details of the review in 2019 are set out in the Management Engagement Committee Report on pages 122 to 124.

The Board, through the Audit Committee, sets the Group's risk appetite and annually reviews the effectiveness of the Group's risk management and internal control systems. The activities of the Audit Committee, which assists the Board with its responsibilities in relation to the management of risk, are summarised in the Audit Committee Report on pages 119 to 121.

16. The Board should agree policies with the Manager covering key operational issues
The Board has an agreed set of policies with the Manager covering key operational areas and the implementation of such policies is subject to a regular, independent review. Further details of this review of internal controls are set out in the section entitled Accountability on page 116. Langham Hall UK Depositary LLP acts as depositary for the Company and conducts an independent review of the internal controls of the Company. Further details of the role of Langham Hall UK Depositary LLP are set out on page 117.

17. The Board should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it
The Board monitors the performance of the Company's share price both on an absolute level and relative to the prevailing Net Asset Value per Ordinary Share. The Directors have at their disposal the authority to buy back or issue Ordinary Shares (within certain parameters) which would allow them to address anomalies in the performance of the Ordinary Shares, if necessary. The Board works with the Company's joint financial advisers and corporate brokers to maintain regular contact with the investors and monitor investor sentiment.

18. The Board should monitor and evaluate other service providers
The Management Engagement Committee together with the Manager reviews the continuing appointment of its service providers to ensure that terms remain competitive and in the best interests of Shareholders, through an annual review of the relevant contracts.

The Board has access to independent professional advisers at the Company's expense.

SHAREHOLDER COMMUNICATIONS

19. The Board should regularly monitor the Shareholder profile of the Company and put in place a system for canvassing Shareholder views and for communicating the Board's views to Shareholders
Representatives of the Manager engaged regularly with Shareholders throughout 2019, providing the Board with feedback on Shareholder views and concerns. Please see Relations with Shareholders and stakeholders for further information on page 125.

The Directors make themselves available at general meetings to address Shareholder queries and the Annual General Meeting, in particular, provides the Board with an important opportunity to meet with Shareholders, who are invited to meet the Board following the formal business of the meeting.

20. The Board should normally take responsibility for, and have direct involvement in, the content of communications regarding major corporate issues even if the Manager is asked to act as spokesperson
All communications with Shareholders are subject to sign off by one or more of the Directors, as appropriate. Any communications regarding major corporate issues are approved by the Board prior to release.

21. The Board should ensure that Shareholders are provided with sufficient information for them to understand the risk:reward balance to which they are exposed by holding the Company's shares
The Board places great importance on communication with Shareholders. It aims to provide Shareholders with a full understanding of the Company's activities and performance and reports formally to Shareholders twice a year by way of the Interim and Annual Reports including, in particular, the Strategic Report. The Strategic Report is set out on pages 1 to 101 and provides information about the performance of the Company, the Investment Policy, strategy and the risks and uncertainties relating to the Company's future prospects.

This is supplemented by frequent notifications via a Regulatory Information Service on developments such as asset acquisitions, debt financings and fundraising activities, and the Company's website is regularly updated.

LEADERSHIP

The Board is responsible to Shareholders, its occupiers and other stakeholders for promoting the long-term sustainable success of the Company through effective leadership. The Board and the Manager work together to maintain the highest standards of corporate governance by the Company.

Our Board

During the period, the Board consisted of three Directors, all of whom are Non-Executive and fully independent of the Manager. The current Directors had been in post since the Company's launch in 2018, however, in accordance with the 2016 AIC Code, each stood for election at the Company's AGM in March 2019, being the first AGM since their respective appointments, and were, therefore, formally elected in March 2019. Details of the skills and experience of the Board can be found in their biographies on pages 110 to 111.

Whilst we believe that the Board possesses the required breadth of skills, variety of backgrounds, relevant experience and expertise to ensure it effectively promotes the long-term sustainable success of the Company, whilst generating Shareholder value, the Nomination Committee undertook a review of the Board's composition and concluded that another Non-Executive Director would further strengthen the Board. We are therefore in the final stages of the selection process and plan to appoint our fourth Non-Executive Director by the end of December 2019.

Responsibilities

The Board has overall responsibility for setting and reviewing the Company's Investment Objectives and Policy, and continually monitoring the Company's investment and corporate activity, performance, business conduct and strategy in line with the Investment Objectives and Investment Policy, against a backdrop of sound corporate governance.

We have delegated day-to-day decision-making responsibility in respect of portfolio and risk management to the Manager, which the Manager executes with regular engagement with the Board. Aside from the operational aspects of running the Company, there are certain matters which remain reserved for our consideration and approval as a Board.

Details of the matters delegated to the Manager and reserved for Board decision-making are clearly set out in the Investment Management Agreement between the Manager and the Company, full details of which can be found on the Company's website at www.tritaxeurobox.co.uk/strategy/. It is important to note that, although there is a clear delineation of responsibilities, the Board takes strategic direction from the Manager in making Board decisions. Equally the Board is fully involved in constructively challenging the investment decisions of the Manager in light of the Company's Investment Objectives and strategy. The Management Engagement Committee Report discusses how the Company's relationship with the Manager is governed.

Committees

The Board has delegated responsibilities for three key business areas to formal Committees, being the Nomination, Audit and Management Engagement Committees, details of which are set out in the diagram on page 112. The Company ensures that all the Board Committees have sufficient resources and skills to carry out their obligations and that all Board members are fully informed and consulted regarding Committee business.

These Committees are each chaired by a different Director and have their own terms of reference which can be found on the Company's website (or copies are available on request from the Company Secretary). The terms of reference are reviewed, as necessary, by the Board as a whole. The Company Secretary acts as secretary to these Committees and the outcome of Committee meetings is recorded.

Remuneration

We have not established a Remuneration Committee as the Board has no Executive Directors and the Company has no other employees. The Board as a whole is responsible for reviewing the scale and structure of the Directors' remuneration. Details of the Directors' remuneration for the period ended 30 September 2019 are included in the Directors' Remuneration Report on page 127.

The key reserved matters include:

- reviewing and approving Board composition and powers, including the appointment of Directors;
- approving and implementing the Company's strategy;
- approving the budget, financial plans and annual and interim financial reports;
- approving the dividend policy;
- reviewing property valuations and valuations of its interest rate derivatives;
- overseeing treasury functions and managing the Company's capital structure;
- reviewing and monitoring the Manager's ongoing compliance with the Company's Investment Objectives and Investment Policy;
- overseeing the services provided by the Manager and, in conjunction with the Manager, the Company's principal service providers; and
- reviewing and approving all compliance and governance matters.

THE BOARD OF DIRECTORS

ROBERT ORR, MRICS BSC
INDEPENDENT CHAIRMAN

Appointed: 5 June 2018

Committee memberships:
- Chair of the Nomination Committee
- Member of the Audit Committee
- Member of the Management Engagement Committee

Relevant skills and experience:
- Extensive board experience at a strategic and operational level in the real estate industry, most significantly as JLL Inc's European CEO and currently as a Non-Executive Director of M&G European Property Fund SICAV
- Chartered surveyor with an in-depth knowledge of the real estate industry, in particular the European real estate markets
- Founded the International Capital Group for JLL in 2005, establishing strong relationships with international investors seeking real estate investment opportunities

Significant previous external experience:
- JLL Inc's European Chief Executive Officer (1980 to 2009)
- Non-Executive Director of RDI REIT P.L.C. (2015 to 2019)
- Non-Executive Director of Tishman Speyer Properties UK Limited (2012 to 2018)
- Senior Adviser to Canaccord Genuity Limited (2010 to 2017)

Principal external appointments:
- Non-Executive Director of M&G European Property Fund SICAV and Non-Executive Manager of M&G Real Estate Funds Management S.a.r.l. (March 2018)
- Non-Executive Director of the advisory board of APCOA Parking Holdings GmbH (July 2016)
- Member of the Investment Advisory Committees of EQT Real Estate (October 2015)
- Senior Adviser to Blue Coast Capital (Lewis Trust Group) (April 2008)

KEITH MANSFIELD, BSC ACA ATII
SENIOR INDEPENDENT DIRECTOR

Appointed: 5 June 2018 as Non-Executive Director, and 22 July 2019 as Senior Independent Director

Committee memberships:
- Chair of the Audit Committee
- Member of the Management Engagement Committee
- Member of the Nomination Committee

Relevant skills and experience:
- Chartered accountant with extensive experience of leading significant international transactions
- Partner at PricewaterhouseCoopers ("PwC") for 22 years, where he developed a specialisation in the real estate industry, serving as regional Chairman of PwC in London for seven years

Significant previous external experience:
- Partner at PwC for 22 years (1996 to 2018)
- Non-Executive Director and Chairman of the Audit Committee of Tarsus Group plc (2018 to 2019 following a private equity takeover)

Principal external appointments:
- Chair of Real Time Sports Bingo Limited (January 2019)
- Chair of Albemarle Fairoaks Airport Limited (February 2018)

TACO DE GROOT, MRE MRICS
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: 5 June 2018

Committee memberships:
- Chair of the Management Engagement Committee
- Member of the Audit Committee
- Member of the Nomination Committee

Relevant skills and experience:
- Chartered surveyor with significant experience in the real estate and investment funds markets
- Experienced Non-Executive Director, CEO and Partner across a number of pan-European real estate and investment companies

Significant previous external experience:
- One of the founding partners of M7 Real Estate LLP in the UK (2009 to 2013)
- One of the founding partners of GPT/Halverton LLP, Heston Real Estate B.V. and Rubens Capital Partners
- Chief Executive Officer of Cortona Holdings BV, Amsterdam (1997 to 2005)

Principal external appointments:
- CEO of Vastned Retail NV, a European retail property company listed on Euronext Amsterdam (September 2011)
- Visiting lecturer at the University of Amsterdam and Hogeschool of Rotterdam
- Non-Executive Director of EPP NV, a real estate investment company that operates throughout Poland (June 2019)

OUR GOVERNANCE STRUCTURE

THE BOARD

Responsible for maintaining consistent and progressive Shareholder returns.

Audit Committee
- Reviewing the integrity of the Group financial statements and any significant financial reporting judgements.
- Reviewing and monitoring the relationship with the Auditor.
- Reviewing the Manager's and financial service provider's (CBRE) internal controls.
- Overseeing the Company's risk management process.
- Advising the Board on whether the Annual Report and Accounts provide a fair, balanced and understandable view of the Company's performance, position and strategy.
- Considering and reviewing the Company's Viability Statement and Going Concern Statement.

Nomination Committee
- Reviewing the Board composition and assessing whether the balance of skills, experience, knowledge, diversity and independence is appropriate to enable the Board to operate effectively.
- Managing succession planning and ensuring that the Directors receive necessary training.

Management Engagement Committee
- Reviewing the Company's main suppliers including the Manager, the Joint Financial Advisers, the Valuer and the Registrar to ensure that the Company is receiving a high level of performance along with value for money.
- Overseeing re-tenders and new appointments.

THE MANAGER

Day-to-day running of the Company including making the final decisions in respect of investments and divestments, financial management, asset management and Investor Relations. Nick Preston, as the Fund Manager of the Company, and Henry Franklin, as COO of the Manager, oversee the Manager's relationship with the Company.

CSR Committee (Committee of the Manager)
- Chaired by Henry Franklin, comprises various members of the Manager.
- Responsible for oversight of CSR and sustainability matters.
- Reviewing and making recommendations to the Manager and the Company's Board regarding progress on integrating environmental, social and governance ("ESG") factors into business strategy and decision-making.
- Providing oversight of the Manager's policies in terms of performance, communication and engagement on CSR and sustainability matters, to ensure the Manager and the funds it manages are effective in meeting their social and regulatory obligations and achieving their objective of being a socially responsible corporate entity.

Investment Committee
- Reviewing and recommending investments and divestments.
- The Investment Committee is chaired by James Dunlop, and comprises of Nick Preston, the Fund Manager for the Company, and various members of the Manager.

Company Secretariat and Compliance
- Overseeing the Company's governance structure and managing the Company's regulatory compliance.
- The Company Secretariat also administers the Group's subsidiaries.

Board meetings
During the period to 30 September 2019, we held 13 scheduled Board meetings (of which one was a strategy meeting) plus 13 additional ad hoc meetings to deal with transactional and other specific events, such as equity raises and debt financing. The table below shows each individual Director's attendance at the scheduled Board and Committee meetings during the year.

The Board meetings follow a formal agenda, which is approved by the Chairman and circulated by the Company Secretary in advance of the meeting to all the Non-Executive Directors and other attendees. Board papers are disseminated to the Non-Executive Directors in advance via a secure online platform for efficiency and protection against cyber security risks. This platform enables the Board to access current and past Board papers easily.

At each Board meeting, every agenda item is considered against the Company's strategy, its Investment Objectives and Investment Policy.

A typical agenda includes:

- a review of investment performance;
- a review of investment and asset management initiatives currently in progress;
- a review of the Company's financial performance;
- a review of the Company's financial forecasts, cash flow and ability to meet targets;
- a review of the Company's financial and regulatory compliance;
- updates on Shareholder and stakeholder relations; and
- specific regulatory, compliance or corporate governance updates.

The Manager's role
The Board is kept fully informed of potential investment opportunities, along with wider property market intelligence, through a comprehensive set of Board papers prepared by the Manager prior to each Board meeting. Included within this pack are the investment reports prepared by the Manager's Investment Committee for each acquisition and asset management opportunity. Representatives of the Manager attend the Board meetings together with the Company Secretary. Representatives of the Company's other advisers are also invited to attend Board meetings from time to time, particularly representatives from the Company's brokers, financial advisers and lawyers.

Outside the Board meetings, the Manager shares recommendations made and notifies the Board when an offer is made for and accepted on a property and regularly updates the Board on the progress of the transaction. The Board also has full access to the Management team and the Company Secretarial team at all times to discuss any specific matters.

Attendance at Board and Committee meetings during the period ended 30 September 2019
All Non-Executive Directors are expected to devote sufficient time to the Company's affairs to fulfil their duties as Directors and to attend all scheduled meetings of the Board and Committees on which they serve. As demonstrated by the attendance table below, the Board makes every effort to do so. On the rare occasion that a Director is unable to attend a meeting, they provide their comments on the Board papers, received in advance of the meeting, to the Chairman who shares such input with the rest of the Board and the Manager. The Nomination Committee is satisfied that all Non-Executive Directors, including the Chairman, have sufficient time to meet their requirements.

The table below sets out the Board and Committee attendance at scheduled meetings since IPO. During this period the absence shown was as a result of a pre-planned commitment. The Board and Audit Committee also held a number of ad hoc meetings throughout the year in relation to corporate transactions.

	Robert Orr	Taco de Groot	Keith Mansfield
Board	12/12	12/12	12/12
Audit	4/4	3/4	4/4
Nomination	3/3	3/3	3/3
MEC	1/1	1/1	1/1
Strategy	1/1	1/1	1/1

Conflicts of interest
A Director has a duty to avoid a situation in which he or she has a direct or indirect interest that may conflict with the interests of the Company. The Board operates a policy to identify conflicts and has the ability to allow any potential conflicts, where appropriate, in accordance with the Articles of Association. Where a potential conflict of interest arises, a Director will declare their interest and not participate in the decision-making in respect of the business in which they are conflicted. Conflicts are declared and recorded in the minutes of each Board meeting.

Strategy
Our 2019 strategy meeting, held in July 2019, focused on whether the Company had followed its objectives set out at IPO and reviewed where changes should be made to ensure the long-term success of the Company. We resolved that the Company is fulfilling its strategic objectives, as highlighted by the purchase of 10 Big Box assets to date, with an aggregate purchase price commitment of c.€680 million including acquisition costs, funded through a mix of equity and debt. Looking forward, it was agreed that the Company should continue to aim for growth and diversification of its portfolio by tenant, asset and geography in order to deliver further value to Shareholders and continue to focus on value enhancement of acquired assets through asset management initiatives. Further details of the Company's strategy can be found on page 44 of the Strategic Report.

Culture
We consider the culture and ethos of the Company to be integral to the Company's success. The Board promotes open dialogue and frequent, honest and open communication between the Manager and other key providers and advisers to the Company. Whilst the Company is being externally managed, we are confident that the culture within the Manager is aligned with the Company's purpose, culture, values and strategy and that it is complementary to the Company. In addition, different representatives from the Manager attend Board meetings as and when requested to provide updates and training on specific matters. We believe that regular engagement and effective communication allows for mutual broadening of perspectives and is key to our successful working relationship.

Sustainability
Managing sustainability is core to how we do business. We have a CSR Committee that is run through the Management and covers all aspects of sustainability. This year the Committee has overseen the creation of a new ESG policy, which sets out the Group's approach to managing sustainability from acquisition, development and asset management. We regularly monitor the regulatory landscape to ensure we adhere to all relevant ESG-related legislation and our membership of the UK Green Building Council – a global network dedicated to a sustainable built environment – means we can access best practice advice and guidance to ensure we future-proof our assets against the risks of climate change and other environmental impacts. The Group has recruited a Sustainability Lead to develop a long-term sustainability strategy and improve the sustainability performance of the Group.

KEY ACTIVITIES OF THE BOARD DURING THE PERIOD

Q3 and Q4 2018
- Successfully raised gross proceeds of €339.3 million, through significantly oversubscribed IPO.
- Shares admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.
- Agreed a €200 million unsecured RCF with HSBC and BNP Paribas.
- Agreed a €100 million increase to the RCF with Bank of America Merrill Lynch, to give a total unsecured RCF of €300 million.
- Acquisition of six logistics assets.

Q1 2019
- Completed contracts to forward fund a cold store logistics facility near Hannover, Germany for €27.5 million.
- Declared an interim dividend of 0.40 cents per share, in respect of the period from 9 July to 31 December 2018.
- Signed a nine-year lease with BD myShopi at the Bornem asset in Belgium.
- Signed a five-year lease with Gruber Logistics in relation to one of the units at the Bochum asset in Germany.

Q2 2019
- Shares transferred to the premium listing segment of the Official List and to trading on the premium segment of the Main Market of the London Stock Exchange.
- Declared an interim dividend of 1.0 cent per share, in respect of the period from 1 January to 31 March 2019.
- Successfully raised gross proceeds of €135 million through the placing of 122,727,273 Ordinary Shares at €1.10 per share.
- Acquisition of a logistics asset in Frankfurt.
- Completed contracts to forward fund a new logistics facility in Lodz, Poland for €55 million.

Q3 2019
- Appointed Non-Executive Director Keith Mansfield as the Company's Senior Independent Director.
- Declared an interim dividend of 1.00 cent per share, in respect of the period from 1 April to 30 June 2019.
- Further increased the RCF to €425 million, with additional commitments from Bank of China and Banco de Sabadell.
- Acquisition of a logistics asset in Bremen, Germany.
- Completion of a lease re-gear in Belgium to Alcon B.V.

Post period Q4 2019
- Signed an agreement to fund the extension of 88,000 sqm at the Mango Distribution Centre, Barcelona.
- Conditional exchange of sale contracts in respect of a 16,400 sqm plot of development land at Bornem, Belgium.
- Declared an interim dividend of 1.0 cent per Ordinary Share in respect of the period from 1 July to 30 September 2019.
- Agreed a €325 million extension of the debt facility.

EFFECTIVENESS

Effective performance of the Board is closely aligned with strong governance. Emphasis on both areas facilitates delivery of the Company's strategic objectives and helps to promote the success of the Company for its Shareholders and other stakeholders.

Board performance and evaluation

The Board's policy is to carry out an evaluation of the Board, its Committees and the performance of individual Directors every year, with a view to holding an external evaluation once in each consecutive three-year period. The Board carried out its first evaluation this year, which took the form of a questionnaire delivered to each of the Directors and three key representatives of the Manager by the Company Secretarial team. We were asked to consider:

- Board composition, expertise and dynamics;
- management and focus of meetings;
- Board support;
- strategic oversight;
- risk management and internal control;
- stewardship; and
- professional development and succession planning.

The outcome of the 2019 Board evaluation displayed an aligned and effective working relationship between the Board and the Manager and a sense of common purpose to deliver the strategic objectives of the Company, whilst striking the right balance between constructive challenge and support. The evaluation also highlighted the effective leadership of the Chairman as a positive trend.

The review provided a valuable opportunity to consider ways in which to strengthen the Board further. The Board identified a number of areas for consideration and has created a set of actions to be monitored by the Nomination Committee during the year. Areas of consideration for further improvement included:

- benchmarking of the Company's performance against peers;
- documenting the Company's purpose;
- documenting Board effectiveness objectives;
- increasing focus on Board and stakeholder interaction;
- strengthening cognitive diversity on the Board, as part of future succession planning;
- monitoring the Manager's performance;
- timeliness and quality of Board and Committee reports;
- clarity of delegated authorities; and
- ongoing professional development and training, including new NED induction programme.

Following the first Board evaluation, the Board determined that all Non-Executive Directors remain independent in character and judgement and have sufficient time to carry out their duties.

Led by the Senior Independent Director, Keith Mansfield, the Directors appraised the Chairman's performance. The Chairman's review was very positive. The Directors appreciated that he had played an influential role during a formative period for the Company and concluded that he had chaired the Board well since appointment.

Directors' training programme

We recognise that it is essential to keep abreast of regulatory and compliance changes. Accordingly, the Board received extensive training, focusing on the legal and regulatory environment in which the Company operates, the ongoing regulatory requirements and the consequences of non-compliance, prior to the Company's IPO in June 2018. In 2019, the training programme included training on the requirements of the premium listing and the Board's, individual Directors' and Committees' respective roles under the 2016 AIC Code. This training was delivered by the Company's lawyers, Ashurst LLP, in May and September 2019. The Board evaluation identified that a commitment to ongoing professional development and updated training was important to the Directors. In 2020, the Company will continue to offer relevant development opportunities.

In addition to the bespoke training sessions arranged by the Manager, each Director is expected to maintain their individual professional skills and is responsible for identifying any individual training needs to help them ensure that they maintain the requisite knowledge to be able to consider and understand the Company's responsibilities, business and strategy. All Directors have access to the advice and services of the Company Secretary, who manages the Company's governance procedures, and the Manager, and may request training sessions on specific areas if required. The Directors are also entitled to take independent advice at the Company's reasonable expense at any time.

The Company maintains Directors and Officers' Liability Insurance, which provides appropriate cover for legal action brought against its Directors.

ACCOUNTABILITY

The Board is responsible for delivering sustainable value to its Shareholders by working to achieve the Company's strategic objectives. Undertaking a thorough assessment of the risks which face the Group and effectively managing these is a key responsibility of the Board. The main risks identified as most relevant to the Group are set out on pages 98 to 101 of the Strategic Report.

Internal controls review

The Directors are responsible for maintaining the Company's system of internal control and risk management in order to safeguard the Company's assets. The Audit Committee has reviewed the effectiveness of the internal control system in place; further details can be found on pages 119 to 121.

The Board and the Manager have together reviewed all financial performance and results notifications. Non-financial internal controls include the systems of operational and compliance controls maintained by the Company's administrator, CBRE (the "Administrator"), and by the Manager in relation to the Company's business, as well as the management of key risks referred to in the Strategic Report.

We have contractually delegated responsibility for administrative and accounting services to CBRE and for company secretarial services to the Manager. The Manager and CBRE have their own internal control systems relating to these matters, which we have reviewed as part of the Company's Financial Position and Prospects Procedures document, which was reviewed, updated and approved in June 2019 to better reflect the operations of the Company. The Financial Position and Prospects Procedures document is reviewed, updated and approved by the Audit Committee annually.

The Company's internal control safeguards are designed to identify, manage and mitigate the financial, operational and compliance risks that are inherent to the Group. The safeguards and systems in place are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Internal controls processes

The Board regularly monitors the effectiveness of the Company's internal controls and ensures their adequacy. The Board has established a process for identifying, evaluating and managing the risks the Company faces. This includes:

- reviewing reports from the Auditor (details of which are included in the Audit Committee Report);
- reviewing quarterly reports prepared by Langham Hall UK Depositary LLP (see page 117 for further information);
- reviewing the formal risk assessments conducted by the Audit Committee;
- actively considering risk mitigation measures when reviewing investment opportunities, asset management initiatives, debt and equity fundraisings and other financial matters against the requirements of the Company's Investment Objectives and Investment Policy. The Manager is asked to consider all the risks which face the Group such as specific transactional risks (for example, an occupier facing financial difficulties or a sudden change in market conditions before the launch of an equity raise or debt issue). We as a Board then analyse whether the risk factors attributed to each individual risk are fair and accurate in light of any mitigating factors;
- conducting a thorough assessment of the risks to the business model, future performance, solvency and liquidity of the Company on a bi-annual basis; and
- challenging the Manager to review the risks it includes in its risk assessment at dedicated strategy meetings.

Risk
The Board has delegated responsibility for managing internal risks and for establishing appropriate procedures in respect of financial and other risks to the Manager in line with the AIFM Directive. The Board considers the risks the Group faces at each Board meeting and the longer-term outlook at the strategy meetings. The Audit Committee considers the principal risks facing the Group, its appetite and mitigating factors put in place in respect of those risks in depth at least twice a year, along with an assessment over whether the risk has heightened or reduced during the previous 12 months.

The key outcome of these meetings during the period was the recommendation of the Board and the Manager to replace Deloitte as financial administrator with CBRE. This was effected by the Manager in May 2019. Further details on CBRE's appointment can be found in the Management Engagement Committee Report on pages 122 to 124.

Anti-bribery, corruption and tax evasion
The Board has a zero-tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. In considering The Bribery Act 2010 and the Criminal Finances Act 2017 at the date of this report, the Board had assessed the perceived risks to the Company arising from bribery and corruption and identified aspects of the business which may be improved to mitigate such risks. The Manager actively reviews and monitors perceived risks.

Responsibility for anti-bribery and corruption has been assigned to the Head of Compliance within the Manager where a risk register is maintained, recording perceived risks and associated actions, and this is regularly shared with the Board for approval.

Depositary statement
Established in 2013, Langham Hall UK Depositary LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depositary. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity represents net assets of US $50 billion and deploys services to over 90 alternative investment funds across various jurisdictions worldwide. Our role as depositary primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive (AIFMD).

Our cash monitoring activity provides oversight of all the Company held bank accounts with specific testing of bank transactions triggered by share issues, property income distributions via dividend payments, acquisitions and third-party financing. We review whether cash transactions are appropriately authorised and timely. The objective of our asset verification process is to perform a review of the legal title of all properties held by the Company, and shareholding of special purpose vehicles beneath the Company. We test whether on an ongoing basis the Company is being operated by the Manager in line with the Company's prospectus, and the internal control environment of the Manager. This includes a review of the Company's and its subsidiaries' decision papers and minutes.

We work with the Manager in discharging our duties, holding formal meetings with senior staff on a quarterly basis and submit quarterly reports to the Manager and the Company, which are then presented to the Board of Directors, setting out our work performed and the corresponding findings for the period.

In the period from inception to 30 September 2019 our work included the review of two equity and one management share awards, eight investment property acquisitions, two third-party financing arrangements and two property income distributions. Based on the work performed during this period, we confirm that no issues came to our attention to indicate that controls are not operating appropriately.

Joe Hime
Head of Depositary
For and on behalf of
Langham Hall UK Depositary LLP,
London, UK
18 September 2019

Langham Hall UK Depositary LLP is a limited liability partnership registered in England and Wales (with registered number OC388007).

NOMINATION COMMITTEE REPORT

Robert Orr
Chairman

Membership
Robert Orr (Chair)
Keith Mansfield
Taco de Groot

Key areas of focus for 2019
- The size, structure and composition of the Board; and
- The appointment of a new Non-Executive Director to the Board.

I am pleased to present the first Nomination Committee Report which covers the period from IPO on 9 July 2018 to 30 September 2019. During the period, the Nomination Committee has focused on reviewing the size, structure and composition of the Board, and where it could be strengthened.

The Nomination Committee is responsible for reviewing the size, structure and composition of the Board to ensure that the Board has the right mix of skills, experience and knowledge to facilitate the delivery of the Company's strategy. The Committee is also responsible for making recommendations for new appointments to the Board and for reviewing the performance and the terms of engagement of the existing Directors. The Committee operates within defined terms of reference which are available on the Company's website or on request from the Company Secretary.

Appointment of a new Non-Executive Director
The Board identified the need to appoint another suitably experienced Non-Executive Director to strengthen the Board's current skill set, with a particular focus on strengthening the cognitive diversity on the Board. It was important to the Board that the successful candidate brings a fresh perspective to the oversight of our fast-growing business and complements the existing skill set and expertise on the Board.

The Committee is responsible for leading the process of new Director appointments and met three times during the period to evaluate the skills and experience considered necessary to complement the existing Board composition and to commence the recruitment process. Following a presentation to the Committee by three specialist recruitment agencies, Korn Ferry were appointed to conduct the recruitment process. Korn Ferry has no other connection with the Company, apart from the provision of Non-Executive Director recruitment services.

The Nomination Committee held a number of interviews and is in the final stages of the selection process, hoping to recommend the appointment of the new Non-Executive Director to the Board by the end of December 2019.

Review of independence and performance
The Committee is also responsible for reviewing the ongoing independence of each of the Directors, their respective skills and experience and whether they are able to commit sufficient time to the Company, in light of their other external appointments. All Directors are required to notify the Company Secretary of any other professional commitments they have, which place demands on their time. The Committee concluded that each Director has contributed a significant amount since their respective appointments during the formative period in the Company's evolution, which saw the Company build a strong portfolio, carry out a further equity raise, secure and extend its unsecured RCF, gain admission to the Official List and move its share trading to the premium segment of the Main Market of the London Stock Exchange.

We are mindful of the circumstances of each Director and the importance of planning for orderly succession in the medium and longer term, and to ensure plans are in place for sudden, unforeseen absences. Non-Executive Directors are appointed for an initial term of three years. All Non-Executive Directors will stand for re-election at the Company's next AGM in February 2020. In accordance with best governance practice the Board reviews individual Directors' performance each year to ensure they remain independent and continue to fulfil their roles effectively. However, in accordance with the principles of the 2016 AIC Code, we do not consider it necessary to mandatorily replace a Director after a predetermined period of tenure and consider each appointment in the best interests of the Company.

Board diversity and inclusion
The Board recognises the importance of cognitive diversity in the boardroom and the benefits it brings, and we are supportive of the recommendations of the Hampton-Alexander review and the Parker review. We have adopted a Diversity & Inclusion Policy to ensure that the Board of Directors has the necessary balance of skills, qualifications and experience to oversee delivery of the Company's strategy, and these principles are reflected in the operating practices of the Manager.

We consider, however, that each candidate should be appointed on merit; what is important to us is the ability to be a successful Non-Executive Director based on the individual's skill set and professional experience. Qualifications are considered when necessary to ensure compliance with regulations, such as in relation to appointments to the Audit Committee. For these reasons, we do not consider it appropriate, or in the best interest of the Company and its Shareholders, to set prescriptive diversity targets for the Board.

With regard to the Non-Executive Director search, the Nomination Committee briefed Korn Ferry on the recruitment criteria, established following thorough discussion by the Committee, and the importance of diversity ranks highly on this.

Robert Orr
Chair of the Nomination Committee
9 December 2019

AUDIT COMMITTEE REPORT

Keith Mansfield
Chairman

Membership
Keith Mansfield (Chair)
Robert Orr
Taco de Groot

Key areas of focus for 2019
- Reviewed the Interim Report 2019 and recommended it to the Board for approval;
- Recommended to the Board that the Annual Report and Accounts for 2019 was fair, balanced and understandable and that it provided the information necessary for Shareholders to assess the Company's performance, business model and strategy;
- Monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- Reviewed the robustness of the Company's internal financial controls and the efficiency of the internal control and risk management processes;
- Assessed the quality of the interim and annual property valuations prepared by the Company's independent valuers and challenged the assumptions used in preparing the valuations;
- Reviewed and considered the basis of the Viability and Going Concern statements;
- Reviewed and monitored the Company's relationship with the Auditor and their independence; and
- Reviewed and considered the bi-annual valuation of our asset portfolio.

I am pleased to present the first Audit Committee Report which covers the period from IPO on 9 July 2018 to 30 September 2019. The Audit Committee's focus during the period has been on overseeing the half-yearly results review and annual audit, the bi-annual property valuations, the Company's system of internal control and risk management.

The Audit Committee's role is to oversee the Company's financial reporting process, including the risk management and internal financial controls in place within the Manager, the valuation of the property portfolio, the Group's compliance with accepted accounting standards and other regulatory requirements as well as the activities of the Auditor.

The Audit Committee, led by the Chair, conducted their own annual performance evaluation. The evaluation identified a number of positive trends, including active engagement with the external auditors; sufficient time and commitment demonstrated in fulfilling their responsibilities; and the Audit Committee's positive response to business challenges.

The key areas for development were identified as:

- ensuring the Audit Committee works efficiently with other Board Committees and their responsibilities are clearly defined;
- to fully evidence that recommendations made to the Board are based on an effective process and robust assessment; and
- the level of Audit Committee communication with stakeholders to be monitored.

Committee membership and terms of reference
All of the current Audit Committee members are independent Non-Executive Directors, not connected to the Manager or the Auditor. This includes Robert Orr, the Company's Chairman, who is a member of the Audit Committee to enable his greater understanding of the issues facing the Company.

I am an ACA, registered with the Institute of Chartered Accountants in England and Wales and have extensive, recent and relevant financial experience, gained in my previous role as a Partner at PwC. I also served as Chair of the Audit Committee of Tarsus Group plc until the sale of the company in August 2019. The Audit Committee considers all its members to have relevant experience. Our biographies can be found on pages 110 to 111 of this Annual Report.

We operate within defined terms of reference, which are available on the Company's website and on request from the Company Secretary.

Meetings
We met four times during the period to 30 September 2019, following the Company's corporate calendar, which ensures that the meetings are aligned to the Company's financial reporting timetable. The Company Secretary ensures that the meetings are of sufficient length to allow the Committee to consider all important matters. The Committee is satisfied that it received full information in a timely manner to allow it to fulfil its obligations. These meetings are attended by the Committee members, as well as representatives of the Manager, the Company Secretary and the Auditor. We also met with the Auditor without any representative of the Manager present. I have had regular meetings with the Company Secretary and the Finance Director and the Committee regularly holds discussions throughout the year outside of the formal Committee meetings. Further details of the Audit Committee meetings can be found on page 113 of the Governance Report.

Risk management and internal controls
As part of each Board meeting and each Audit Committee meeting, the Board reviews the financial position of the Group and assesses any risks in relation to the Company's businesses model, the Group's future performance, liquidity and solvency as well as any risks relating to specific existing or proposed investments and specific tenants or initiatives relating to specific assets. To facilitate this process, the Manager produces financial reports, which include the most recent management accounts, a review and report on the Company's financial forecast, a report on proposed and existing investment and asset management initiatives, substantiation of any dividend payments and a general update on the financial health of the Company.

The Committee reviewed the principal business risks of the Company on 20 March, 22 July and 18 September 2019. The Company's principal risks are found on pages 98 to 101.

In line with the AIFM Directive, the Manager is subject to reporting and ongoing compliance under the AIFMD. As part of this regulatory process, Langham Hall UK Depositary LLP has been retained by the Company and is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. Langham Hall UK Depositary LLP report to the Board and the Manager on a quarterly basis. Please refer to page 117 for a description of Langham Hall UK Depositary LLP's role.

The Manager also employs a Compliance Officer & Head of Risk to assist the regulatory team with the discharge of the Manager's obligations in accordance with the AIFMD.

The Company does not have an internal audit function and, following an internal risk review, we do not consider it necessary for the Company to have one. The Company is managed externally by the Manager. All payments of the Company funds are authorised by the Manager in accordance with the duties delegated to it, pursuant to the terms of the IMA and in accordance with the provisions of the AIFMD. Langham Hall UK Depositary LLP, as part of its role as Depositary, reviews each material payment in relation to the specific areas as mentioned in the report on page 117. We consider that the internal controls in place and the function undertaken by Langham Hall Depositary UK LLP make it unnecessary for the Company to employ an internal audit function.

Financial reporting and significant judgements

We monitor the integrity of the financial information published in the Interim and Annual Reports and consider whether the Manager has made suitable and appropriate estimates and judgements in respect of areas which could have a material impact on the financial statements. We seek support from the Auditor to assess these significant judgements. We also consider the processes undertaken by the Manager to ensure that the financial statements are fair, balanced and understandable.

A variety of financial information and reports were prepared by the Manager and provided to the Board and to the Audit Committee for consideration over the course of the year. These included budgets, periodic re-forecasting following acquisitions or corporate activity and specific papers to assess the impact of transactions, including:

- the issue of further equity in May 2019; and
- the arrangement of the RCF in October 2018 and its increase in December 2018, August and September 2019.

We also regularly review the Company's ability to continue to pay a progressive dividend. This financial information was fully reviewed and debated both at Committee and Board level across a number of meetings.

The Manager and Auditor update us on changes to accounting policies, legislation and best practice and areas of significant judgements by the Manager. They pay particular attention to transactions which they deem important due to size or complexity. The main areas where significant judgement is required include the assessment of fair values of investment property and developments as well as interest rate derivatives, business combinations and operating lease contracts.

Business combinations

At the time of acquiring a subsidiary that owns investment property, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Where an acquisition is judged not to be the acquisition of a business, it is not treated as a business combination. Of the 10 acquisitions in the year, all were considered to be asset acquisitions.

Valuation of property portfolio

The property portfolio is independently valued by JLL biannually. Following production of the draft valuation by JLL, the Manager meets with JLL to discuss and challenge various elements of the property valuation, if necessary. The Auditor, in fulfilling its function as independent auditor to the Company, also meets with JLL to discuss, and where necessary challenge, the property valuations. The Board receives a copy of the property valuation of the portfolio once it has been assessed by the Manager and meets with JLL to discuss the property valuations.

The Group has property assets valued at approximately €692 million as explained in note 14 to the financial statements; JLL has independently valued the properties in accordance with IAS 40: Investment Property. The Audit Committee met with the Valuer in October 2019, to discuss and challenge the valuation and to ensure it was conducted properly, independently and could be fully supported. We have also reviewed the assumptions underlying the property valuations and discussed these with the Manager and JLL and have concluded that the valuation is appropriate.

Fair, balanced and understandable financial statements

The production and audit of the Company's Annual Report is a comprehensive process, requiring input from a number of contributors. To reach a conclusion on whether the Company's Annual Report is fair, balanced and understandable, as required under the 2016 AIC Code, the Audit Committee has considered whether the Annual Report fulfils these requirements. In reaching our conclusion, we, as the Audit Committee, have considered the following:

- the comprehensive documentation that outlines the controls in place for the production of the Annual Report, including the verification processes to confirm the factual content;
- the detailed reviews undertaken at various stages of the production process by the Manager, Administrator, Joint Financial Advisers, Auditor and the Audit Committee, which are intended to ensure consistency and overall balance;
- controls enforced by the Manager, Administrator and other third-party service provider, to ensure complete and accurate financial records and security of the Company's assets; and
- KPI/APM (Alternative performance measures) review conducted in September 2019 to ensure measures adopted are relevant. Further details can be found on pages 45 to 46 of the Strategic Report.

As a result of the work performed, we have concluded and reported that the Annual Report for the year ended 30 September 2019, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy. The Board's conclusions in this respect are set out in the Chairman's Governance Overview on page 105.

External Auditor

KPMG are appointed as the Company's external Auditor. Following the retirement of former Audit Partner Bill Holland during 2019, the Company transitioned to David Neale as Lead Audit Partner. Richard Long, Audit Director, remains in post to provide continuity of service. The Auditor formally confirmed their independence both before and after the rotation of Audit Partner.

The Committee, having met with key members of the audit team, are satisfied that KPMG possess the knowledge of the Company and continuity of team to produce a detailed, high-quality and in-depth audit. The Committee considered KPMG's internal quality control procedures, found them to be sufficient and continue to ensure that the audit process is of good quality and transparency.

Please refer to note 8 in the financial statements for a summary of fees paid to the Auditor.

Audit process

We meet with the Auditor and the Manager before the preparation of the Interim and Annual Reports to plan and discuss the scope of the audit or review, as appropriate, and challenge where necessary to ensure its rigor. At these meetings, the Auditor prepares a detailed audit or review plan which is discussed and questioned by us and the Manager to ensure that all areas of the business are appropriately reviewed and that the materiality thresholds are set at the appropriate level, which varies depending on the matter in question.

We also discuss with the Auditor their views over significant risk areas and why they consider these to be risk areas. The Audit Committee, where appropriate, continues to challenge and seek comfort from the Auditor over those areas which drive audit quality.

The timescale for the delivery of the audit or review is also set at this meeting. We meet with the Auditor again just prior to the conclusion of the review or audit to consider, challenge and evaluate findings in depth.

We believe that in exceptional circumstances, the external Auditor's understanding of the Company's business can be beneficial in improving the efficiency and effectiveness of advisory work. Any use of KPMG for non-audit work requires specific prior approval from the Audit Committee. Deloitte LLP has been appointed to assist with financial and tax due diligence on corporate acquisitions and to provide specific tax compliance advice.

Other than the review of the Company's Interim Results, the Company did not use the Auditor for non-audit services during 2019. The Board has adopted a Policy for Non-Audit Services.

The ratio of audit to non-audit services received in the year was 73%.

Keith Mansfield
Chair of the Audit Committee
9 December 2019

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

Taco de Groot
Chairman

Membership
Taco de Groot (Chair)
Robert Orr
Keith Mansfield

Key areas of focus for 2019
- Establishing a framework of future Committee reporting; and
- Re-tender for the role of the Company's financial administrator.

I am pleased to present the first Management Engagement Committee Report which covers the period from IPO on 9 July 2018 to 30 September 2019. During the period, the Management Engagement Committee focused on establishing a framework for future reporting. All members of the Management Engagement Committee are independent of the Manager.

The Management Engagement Committee's role is to review the performance of the Manager and the Company's principal service providers and to recommend their re-tender or appointment for consideration by the Board.

The Management Engagement Committee met once in the year to 30 September 2019. The Committee discussed and agreed the framework for future reporting. In addition the Manager reported on the performance of the Company's key suppliers. It was agreed that, on the whole, the Company's key suppliers had provided a good service to the Company. The Committee, however, determined that it would be appropriate to re-tender for the role of the Company's financial administrator in early 2019 so as to improve operational efficiency. As a result, CBRE was appointed to replace Deloitte in Q2 2019. Going forward, the Committee will receive a detailed report on the performance of the Company's key suppliers annually. The performance of the Manager will be evaluated annually by the members of the Committee without the Manager present.

Under the terms of the Investment Management Agreement, the Board has delegated day-to-day responsibility for running the Company to the Manager. This includes sourcing of investment opportunities, taking investment decisions in accordance with the Company's Investment Policy, asset management of the portfolio, negotiation of debt facilities within the parameters of the Company's policy on gearing and liaising with the Company's advisers on equity fundraisings. The Manager is entitled to appoint service providers to assist in the performance for certain functions or duties, for example property and asset management and advisory services.

In July 2019 and after consultation with the Manager, the Board decided to appoint Akur Limited ("Akur") as financial adviser to the Company, to act alongside Jefferies and Kempen. Akur is an independent corporate finance and equity capital markets adviser, in particular specialising in listed closed-ended funds.

The Manager
AIFM Directive
The AIFMD became part of UK law in 2013. It regulates AIFMs and imposes obligations on managers who manage alternative investment funds ("AIFs") in the EU or who market shares in AIFs to EU investors. Under the AIFMD, the AIF must comply with various organisational, operational and transparency obligations.

The Manager is authorised by the FCA as an AIFM and provides all relevant management and advisory services to the Company, including regulated activities. The Manager is responsible for making investment decisions in respect of the Company's assets as part of its regulatory responsibility for the overall portfolio and risk management of the Company. This is in line with published ESMA guidance on the application of the AIFMD.

Investment Objectives
The Manager has adopted a focused approach to achieving the Investment Objectives set by the Company at IPO through investment in, and management of, a portfolio of logistics assets in core locations across continental Europe, diversified by geography and tenant, which offer opportunities for capital appreciation through income growth and asset management initiatives. The Company added 10 assets to the portfolio in the period to 30 September 2019, with an aggregate purchase price commitment of approximately €680 million (including costs). For details of the Company's Investment Objectives please see page 44.

The Board remains responsible for ensuring that all decisions taken by the Manager are in line with the Company's Investment Objectives. The Board reviews all investment, divestment and material asset management decisions and is kept appraised of potential investment opportunities. Representatives of the Manager attend all Board meetings to update us on the Company's investments, discuss the general market conditions and opportunities, financial performance and the forward-looking strategy of the Company.

Culture and resourcing
The Committee also reviewed the Manager's culture and resourcing. The Manager increased the number of employees in 2019 to ensure that the Company is well serviced. These appointments included a new Finance Director with exclusive focus on the Company's business, an Assistant Company Secretary, a Head of Financial Reporting and a Sustainability Lead. Following our review, we are confident that the Manager continues to provide an excellent service to the Company which represents fair value for money to the Company's Shareholders.

Management fee
Under the terms of the IMA, the Manager is entitled to a Management Fee in consideration for its services. This is payable in cash by the Company to the Manager on a quarterly basis and is calculated as a percentage of the Company's Net Asset Value ("NAV"), disregarding cash or cash equivalents. The fee is payable in arrears. If the Group buys or sells assets after the date at which the relevant NAV is calculated, the NAV is adjusted pro rata for the net purchase or sale price, less any third-party debt drawn or repaid while remaining capped at NAV.

The Management Fee as a percentage of NAV is set out below:

Basic NAV (excluding cash balances)	Annual management fee (percentage of Basic NAV)
Up to and including €1 billion	1.30%
Above €1 billion and up to and including €2 billion	1.15%
Above €2 billion	1.00%

On a semi-annual basis, once the Company's Basic NAV has been announced, 10% of the Management Fee (net of any applicable tax) for the relevant six-month period will be applied by the Manager in subscribing for, or acquiring, Ordinary Shares. The Manager has agreed not to transfer, dispose of or grant any options over Management Shares subscribed for or acquired by the Manager for a period of 12 months following the date of its subscription for or acquisition of Ordinary Shares pursuant to these arrangements without the prior written consent of the Company.

All costs in relation to core asset management services (which includes the fees paid to LCP and Dietz) and property management services are paid by the Manager from the Management Fee.

On 6 June 2019, the Manager purchased shares in the market and allocated 40,381 Ordinary Shares to staff in respect of the net cash amount, relating to the initial period to 31 March 2019. 10,579 of those shares were allotted to Nick Preston, who was designated a PDMR on 9 December 2019, and is therefore shown separately below. The purchase price was €1.08 per Ordinary Share, compared to the prevailing and latest published audited basic NAV of €1.10 per Ordinary Share.

Following the purchase of Ordinary Shares, the Manager has the following beneficial interests as at the date of this report:

PDMR	Position	Number of Ordinary Shares held	% of issued share capital
Colin Godfrey	Partner	125,448	0.03
James Dunlop	Partner	125,448	0.03
Mark Shaw	Partner	125,448	0.03
Henry Franklin	Partner	83,656	0.02
Bjorn Hobart	Partner	20,000	0.005
Petrina Austin	Partner	20,000	0.005
Nick Preston	Fund Manager	60,579	0.01
Tritax Management LLP	Manager	0	0
Staff of Tritax Management LLP	Staff of the Manager	29,802	0.01
Total		**590,381**	**0.14**

AIFM remuneration policy applied by the Manager
As a full scope AIFM, the Manager is required to apply a remuneration policy in line with its business strategy, objectives, values and interests, as well as those of the AIFs it manages or their investors. The policy must include measures to avoid conflict of interest.

The Manager's partnership board therefore meets at least twice a year to discuss the remuneration of its entire staff. Staff are remunerated in accordance with their seniority, expertise, professional qualifications, responsibilities and performance. They are paid salaries in line with market rates and, in profitable years, awarded a discretionary bonus from a bonus pool of 5% of the Manager's profits.

The Manager's partners are entitled to allocate a proportion of the Management Shares to selected members of staff. The discretionary bonus may consist of cash or shares which form part of the management fees payable to the Manager's partners in respect of the Company (or other AIFs managed by the Manager). This means that staff remuneration is predominantly fixed and the variable element is determined by the Manager's profitability, rather than the performance of a particular AIF.

The Manager's partners are entitled to their partnership share of its profits and losses. None of the partners are entitled to additional partnership drawings that depend on the performance of any AIF managed by the partnership. Each partner's remuneration, therefore, depends on the Manager's profitability, rather than the performance of any AIF. This ensures that the partners have a vested interest in ensuring the Manager remains financially sound.

Term
The IMA has an initial term of five years from 8 July 2018. The Company or the Manager may terminate the IMA for any reason by giving to the other party not less than 24 months' written notice, provided such notice may not be served until 8 July 2021. The IMA contains provisions allowing the parties to terminate without notice in certain circumstances which include material breach and/or loss of key personnel.

Conflict management
Pursuant to the IMA, the Manager may not manage or advise another fund with an investment policy, objective and/or strategy similar to that of the Company or that focuses on distribution and/or logistics assets in any or all of the countries targeted by the Company. In addition, the Manager may not acquire any distribution or logistics assets located in such countries for or on behalf of itself, its affiliates or any entity other than the Company unless it has consulted with and obtained the prior written consent of the Board and followed the procedure specified in the IMA.

Suppliers
As at the date of our Committee meeting, the Company's advisers had been appointed for just over one year. On the Manager's recommendation we re-tendered the Company's provider of investment administration, reporting and accounting services. The decision was taken, following extensive consultation between the Manager and the Committee, to appoint CBRE as the Company's administrator.

CBRE was an existing supplier of property management services to the Company and the consolidation of both administration and property management services with one supplier using the same software and systems is expected to deliver better operational efficiencies.

CBRE provides investment accounting and reporting solutions which is unique in the fund administration sphere in that it has expertise across all real estate asset classes in a range of simple to complex investment structures.

The controls framework including control objectives and controls within the operational processes is defined and audited on an annual basis by KPMG. CBRE is SOC1 compliant. This attestation must be supported by evidence of monitoring of key controls throughout the period. In compliance with this requirement the internal control monitoring is conducted throughout the year.

Save for the above, our review did not reveal any material weaknesses in the advice and support provided to the Group. We therefore did not suggest any material changes to the engagement terms of any other advisers or service providers. We agreed with the Manager that the performance of the Company's service providers for the past year had been good, and in several cases exceptional. As such, we are satisfied that the Company is benefiting from added value in respect of the services it procures and resolved that the remaining service provider appointments would not be re-tendered in this first year.

A re-tender schedule will be prepared in 2021, being the third year of the Company's operation. However, as noted and evidenced above, this does not prevent the Committee from taking action at an earlier stage if necessary and in the interests of the Company.

Conclusion
We will review the continuing appointment of all the Company's principal service providers and the performance of the Manager on an annual basis and ensure they are in the best interests of Shareholders as a whole. As CBRE's appointment is very recent, we intend to conduct a further Committee review in February 2020, which will include a review of CBRE's appointment.

The Board has established a productive and effective working relationship with the Manager with regular and open lines of communication. We as a Board make recommendations to the Company Secretary where we feel the method or timeliness of communication can be improved. Overall, the Committee was pleased with the progress that the Manager has made since IPO and did not recommend any changes to the terms of the appointment.

Taco de Groot
Chair of the Management Engagement Committee
9 December 2019

RELATIONS WITH SHAREHOLDERS AND STAKEHOLDERS

Maintaining strong relationships with the Company's Shareholders and stakeholders and understanding their priorities and concerns is of utmost importance to the Board.

The Chairman and the Senior Independent Director, alongside the Fund Manager and Finance Director, are the Company's principal spokesmen who regularly communicate with the Company's Shareholders, the press, analysts, investment community and other stakeholders. This interaction happens in a number of forms, including one-on-one meetings, formal lunches and informal events. All Directors are available to speak to Shareholders on any matters relating to the Company.

Investor relations
During the year, the Manager together with the Company's Joint Brokers, Kempen and Jefferies, devoted time to meeting with existing Shareholders and prospective new investors in the UK, continental Europe and North America. The roadshows, together with a series of ongoing ad hoc meetings with Shareholders and other stakeholders, enabled the Manager to listen to and understand the views of Shareholders and other stakeholders and report those views to the Board so we could consider and appreciate these opinions. On the whole, feedback from the roadshows and other meetings has been positive and constructive over the year.

In January 2019, the Company appointed Maitland AMO as its new communications adviser. Maitland AMO together with the Manager's Head of Marketing & Communications provide regular investor relations reports to us, which include major press coverage, analyst reports and Shareholder feedback. The Manager also produces a quarterly fact sheet on behalf of the Company which can be viewed on the Company's website.

Site visits
In May 2019, the Manager arranged an investor tour to the Mango Logistics Park in Barcelona. This asset is a good example of the type of Big Box logistics assets in which the Company aims to invest and the tour, which was attended by some of the Company's largest investors and other stakeholders, was very well received. We will continue the initiative of site visits in 2020 as we believe that they provide Shareholders and other stakeholders with a better insight into the nature of the assets we invest in and our strategy, as well as providing a further opportunity for us to engage with our Shareholders to understand their priorities better.

Annual General Meeting and results presentations
All Directors attended the 2019 AGM and various Directors attend the Interim results presentations. Shareholders are encouraged to attend and vote at the Company's general meetings and these occasions provide an opportunity for them to discuss governance and strategy with the Board and the Manager. The Board is available to answer Shareholders' questions at these meetings and the Chairman also makes himself available, as necessary, outside these meetings to speak to Shareholders. In addition, the Senior Independent Director is also available for Shareholders to contact if other channels of communication with the Company are not available or are inappropriate. The Chairman and the Senior Independent Director, or any Director, can be contacted via the Company Secretary by emailing: cosec@tritaxeurobox.co.uk or by post at the Company's registered office, and she will pass the communication directly to the relevant person.

Public communications
The Company ensures that any price sensitive information is released to all Shareholders at the same time and in accordance with regulatory requirements. All Company announcements, which are released through the London Stock Exchange's Regulatory News Service, are also made available on the Company's website. The website also holds the quarterly fact sheets, share price information, investor presentations, the Key Information Document required by PRIIPS regulations and the Annual and Interim Reports, which are available for download. The Annual and Interim Reports are also available in hard copy on request.

DIRECTORS' REMUNERATION REPORT

Robert Orr
Chairman

Annual statement
The Company was incorporated in May 2018 and became a publicly traded company in July 2018. The Company only has Non-Executive Directors. The only relevant remuneration decisions taken in the year under review were on the level of Non-Executive Director fees and the overall cap.

As a newly publicly traded company, the Directors' remuneration policy, the Annual report on remuneration set out below and this statement will be presented for Shareholder approval for the first time at the AGM to be held on 13 February 2020.

As the Board has no executive Directors, it does not consider it necessary to establish a separate Remuneration Committee. The Board as a whole is therefore responsible for discussions regarding remuneration. The Directors' remuneration for the period ended 30 September 2019 is disclosed in the Annual report on remuneration set out below. The Board is not planning to make any changes to the Directors' remuneration in the financial year ending 30 September 2020.

Board's process to determine policy and conflicts of interest
In determining the policy, the Board considered whether the remuneration provisions set out in the Company's Prospectus dated 14 June 2018 were still appropriate taking market considerations into account.

Where the Board sets its own remuneration, there are inherent conflicts of interest. However, the Board seeks to minimise these through appropriate benchmarking.

Directors' remuneration policy
All Directors are currently entitled to the remuneration set out in the Company's prospectus dated 14 June 2018, subject to a cap of £400,000 per annum or as the Company may otherwise determine by ordinary resolution. Subject to this limit, the Company's policy is to determine the level of Directors' fees with regard to those payable to non-executive directors of comparable investment companies, generally, and the time each Director dedicates to the Company's affairs. In addition, each Director is entitled to recover all reasonable expenses (grossed up for any tax payable) incurred in connection with performing their duties as a Director. The Company maintains Directors' and Officers' liability insurance cover, at its expense, on the Directors' behalf.

No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company.

Approach to recruitment remuneration
The Board's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role within the overall cap.

Letters of appointment
All letters of appointment are available for viewing at the Company's registered office. All Directors are appointed for a three-year term subject to annual election and notice periods as set out in the Annual report on remuneration.

Notice period and policy on payment for loss of office
All Directors' appointments are terminable by three months' notice from either the Company or the Director. The Directors' appointments can be terminated in accordance with the Articles and without compensation in certain circumstances.

Statement of consideration of Shareholder views
The Board will seek Shareholder views when evaluating and setting ongoing remuneration strategy and prior to any significant changes to the remuneration policy, where appropriate. The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Company will seek the reasons for any such vote and will detail any resulting actions in the following Directors' Remuneration Report. The AGM to be held on 13 February 2020 will be the first opportunity for Shareholders to vote on the Directors' remuneration policy. The remuneration policy, if approved, shall take effect from the end of that meeting.

External advisers
The Board did not use any external professional advisers on Directors' remuneration in the period.

Annual report on remuneration
Each Director has been appointed pursuant to a Letter of Appointment dated 5 June 2018. All Directors are appointed for a three-year term, subject to annual re-election at the Company's AGM. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the notice provisions and the Articles and, in certain circumstances, without compensation. The terms of appointment of the Directors are set out in the table below.

Directors' remuneration

Name	Appointment	Expected and actual date of expiry	Unexpired term as at 30 September 2019	Notice period
Robert Orr	05-Jun-18	05-Jun-21	21 months	3 months
Keith Mansfield	05-Jun-18	05-Jun-21	21 months	3 months
Taco de Groot	05-Jun-18	05-Jun-21	21 months	3 months

Each Director is entitled to receive a fee from the Company at a rate determined in accordance with the Articles, as set out on page 127.

The fees paid to the current Directors in the period to 30 September 2019, which have been audited, are set out in the table below. In addition, each Director is entitled to recover all reasonable expenses incurred in connection with performing their duties as a Director. Directors' expenses for the period to 30 September 2019 totalled £7,570. No other remuneration was paid or payable during the period to any Director.

Director	Annual fee (£)	Total fee paid for the period to 30 September 2019 (£)**	Expenses (£)	Total (£)
Robert Orr	70,000	86,513	1,483	87,996
Keith Mansfield	*45,000	55,615	1,203	56,818
Taco de Groot	40,000	49,436	4,884	54,320
Total	**155,000**	**191,564**	**7,570**	**199,134**

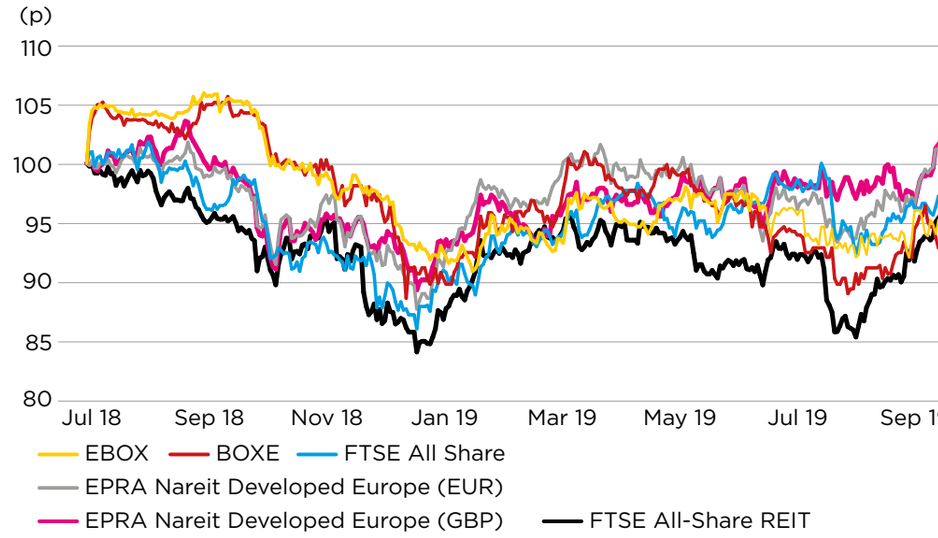
This information was audited by KPMG.

* Base NED fee is £40,000; fee for Audit Committee Chairman is an additional £5,000.

** The annual fee is included within the total fee paid.

Total shareholder return

The following graph compares for the period since IPO, the total shareholder return (as required by company law) of the Company's Ordinary Shares relative to a return on a hypothetical holding over the same period in the FTSE 350.



Total shareholder return is the measure of returns provided by a Company to Shareholders reflecting share price movements and assuming reinvestment of dividends.

Directors' shareholdings (audited)

There is no requirement for the Directors of the Company to own shares in the Company. As at 30 September 2019, the Directors and their persons closely associated held the interests (all of which are beneficial) in the shares of the Company in respect of transactions notifiable under Article 19 of the Market Abuse Regulation that have been disclosed by the Company listed below.

Director	Volume	Total % of Issued Share Capital
Robert Orr	20,000	0.005
Keith Mansfield	290,000	0.069
Taco de Groot	25,000	0.006

The shareholdings of the Directors are not significant and, therefore, the Board does not believe it compromises their independence.

Relative importance of spending on pay

	For the period to 30 September 2019* €m
Directors' remuneration	0.23
Investment Management fee	4.64
Dividends paid to Shareholders	8.43

* No prior year comparison can be made. The Investment Management fee has been included as it relates to the operational expense of the Company. Further details of Directors' remuneration are set out in note 9.

Other items

The Company intends to continue to implement the remuneration policy with no changes through to 2020.

Robert Orr
Chairman
9 December 2019

DIRECTORS' REPORT

Introduction
The Directors are pleased to present their Annual Report, including the Company's audited financial statements, for the period 1 July 2018 to 30 September 2019.

The Directors' Report, together with the Strategic Report on pages 1 to 101, comprise the "Management Report", for the purposes of Disclosure and Transparency Rule 4.1.5R.

Disclosure of information to the Auditor
The Directors who were members of the Board at the time of approving the Directors' Report have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is not aware; 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.

Statutory information contained elsewhere in the Annual Report
Information required to be part of this Directors' Report can be found elsewhere in the Annual Report and is incorporated into this report by reference, as indicated in the relevant section.

Financial results and dividends
The financial results for the period can be found in the Group Statement of Comprehensive Income on page 138.

The Company declared the following dividends:

- 29 March 2019 – interim dividend in respect of the period from 9 July 2018 to 31 December 2018 of 0.4 cents per Ordinary Share;
- 12 June 2019 – interim dividend in respect of the period from 1 January 2019 to 31 March 2019 of 1.0 cent per Ordinary Share;
- 9 September 2019 – interim dividend in respect of the period from 1 April 2019 to 30 June 2019 of 1.0 cent per Ordinary Share; and
- 15 January 2020 – interim dividend in respect of the period from 1 July to 30 September 2019 of 1.0 cent per Ordinary Share.

Post balance sheet events
For full disclosure of post balance sheet events please refer to note 27 on page 157.

Directors
The names of the Directors currently serving the Company are set out on page 105, together with their biographical details on pages 110 to 111.

Directors' interests in shares
The Directors' interests in the Company's shares are disclosed in the Directors' Remuneration Report on page 127.

Future developments
An indication of the likely future developments of the Company's business is set out in the Strategic Report on pages 1 to 101.

Political donations
No political donations were made during the year.

Employees
The Group has no employees and therefore no employee share scheme, employee engagement activities or policies on equal opportunities and disability. The Manager's employees are required to adhere to the Manager's policies.

Financial instruments
Details of the Group's financial risk, management objectives and policies, together with its exposure to material financial risks, are set out in note 20 to the consolidated financial statements.

Share capital
On 7 May 2019 the Company's shares were listed on the premium segment of the Financial Conduct Authority's Official List and were admitted to trading on the premium segment of the Main Market of the London Stock Exchange.

As part of the Company's IPO on 9 July 2018, the Company issued 299,999,999 Ordinary Shares at a price of 113.11 cents per share. The shares were admitted to trading on the Specialist Fund Market of the London Stock Exchange.

The Company undertook a further equity raise in May 2019, raising gross proceeds of €135 million (c.£119.1 million). A total of 122,727,273 Ordinary Shares were placed with new and existing institutional investors at a price of 110 cents per share.

As at 30 September 2019 there were 422,727,273 Ordinary Shares in issue.

Date	No. of Ordinary Shares (EUR 0.01)	No. of redeemable Preference Shares (EUR 1)	Detail
17-May-18	1		Allocation on incorporation
08-Jun-18		57,100	Allocation of Preference Shares
Subtotal 30-Jun-18	**1**	**57,100**	
09-Jul-18		(57,100)	Preference Shares redeemed
09-Jul-18	299,999,999		IPO – first day of dealings
29-May-19	122,727,273		Equity raise
Total	**422,727,273**	**–**	

Restrictions on transfer of securities in the Company
There are no restrictions on the transfer of securities in the Company, except as a result of:

- the FCA's Listing Rules, which require certain individuals to have approval to deal in the Company's shares; and
- the Company's Articles of Association, which allow the Board to decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company or the Manager breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company.

Securities carrying special rights
No person holds securities in the Company carrying special rights with regard to control of the Company.

Greenhouse gas emissions reporting
The Board has considered the requirement to disclose the Company's measured carbon emissions as follows.

During the period ended 30 September 2019:

- the principle of operational control has been applied;
- any emissions from the Group's properties have been the tenants' responsibility rather than the Group's;
- any emissions that are either produced from the Company's registered office or from offices used to provide administrative support are deemed to fall under the Manager's responsibility; and
- the Group has not leased or owned any vehicles which fall under the requirements of Mandatory Emissions Reporting.

As such, the Board believes that the Company has no reportable emissions for the period ended 30 September 2019, as the Company is a Low Energy User (under 40 MWh per annum) and, as such, is exempt from reporting. Whilst no formal reporting is undertaken, we work closely with our occupiers to consider the impact of their operations and a number have been willing to share their emissions data and consider future projects to reduce emissions, such as through the use of renewable energy generated by roof-mounted solar PV panels. The Company is considering reporting against EPRA sustainability best practice reporting, which may in the future include voluntary reporting on GHG emissions.

Substantial shareholdings
As at 29 November 2019, the Company is aware of the following interests, notified under Disclosure Guidance and Transparency Rule 5, in the Company's issued share capital.

Shareholder name	Holding as at 29 November 2019	%
Aviva Investors	40,667,207	9.62
Brookfield Asset Management	34,183,362	8.09
Fidelity International	29,294,027	6.93
CCLA Investment Management	24,175,304	5.72
East Riding of Yorkshire	20,000,000	4.73
EFG Harris Allday, stockbrokers	16,445,256	3.89
Close Brothers Asset Management	15,135,025	3.58

Powers in relation to the Company issuing and purchasing its shares
At the AGM held on 26 March 2019 (the "2019 AGM"), the Directors were granted a general authority to allot shares or grant rights to subscribe for or to convert any security into shares in the Company for any purpose:

a) up to a nominal value of €1,000,000 (100,000,000 Ordinary Shares), which is equivalent to approximately one-third of the total issued Ordinary Share capital of the Company as at 21 February 2019; and
b) in connection with a pre-emptive rights issue up to an aggregate nominal value of €2,000,000 (200,000,000 Ordinary Shares), which is (before any reduction) approximately two-thirds of the Company's issued share capital as at 21 February 2019.

Of those Ordinary Shares, the Directors were granted authority to issue up to an aggregate nominal amount of €150,000 (which is equivalent to approximately 5% of the Company's issued Ordinary Share capital as at 21 February 2019) and a further €150,000 (which is equivalent to approximately 5% of the Company's issued Ordinary Share capital as at 21 February 2019) in connection with the financing (or refinancing, if the power is to be used within six months after the original transaction) of a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on a non pre-emptive basis.

However, at the time of the Company's IPO (as set out in the prospectus dated 14 June 2018), the Directors were granted authority to issue shares up to an aggregate nominal amount of €5,000,000 (or, if less, such nominal amount as represents 500,000,000 Ordinary Shares and/or C Shares) for cash on a non pre-emptive basis, such authority to expire only at the earlier of 31 March 2020 or the conclusion of the AGM to be held in 2020. As the Company issued further Ordinary Shares under its Placing Programme in May 2019 (after passing relevant resolutions at the 2019 AGM), the Directors have undertaken not to issue shares pursuant to the 2019 AGM authorities set out above.

The Company has also been granted authority to purchase its own shares up to the maximum of 10% of the Company's issued share capital as at 21 February 2019 on the following basis:

a) the maximum number of Ordinary Shares which may be purchased is 30,000,000; and
b) the minimum purchase price which may be paid for any Ordinary Share is €0.01 and the maximum purchase price is an amount equal to the higher of:
   - 5% of the average of the middle market quotations for an Ordinary Share as derived from the LSE Daily Official List for five business days immediately preceding the day of purchase; and
   - the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out.

These authorities expire at the conclusion of the next AGM on 13 February 2020.

Change of control
Under the Group's financing facility, any change of control at the borrower or immediate Parent Company level may trigger a repayment of the outstanding amounts to the lending banks or institutions.

Independent Auditor
KPMG LLP was appointed as Auditor and has expressed its willingness to continue as Auditor for the financial year ending 30 September 2020.

Manager and service providers
The Manager during the year was Tritax Management LLP. Details of the Manager and the Investment Management Agreement are set out in the Management Engagement Committee Report.

Additional information
In accordance with Listing Rule (LR) 9.8.4C R, the only disclosure requirement required under LR 9.8.4 R is the disclosure of capitalised interest, which is disclosed in note 10 on page 148.

Annual General Meeting
The Company's AGM will be held at the offices of:

Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW at 10am on 13 February 2020.

This Directors' Report was approved by the Board and signed on their behalf by:

Tritax Management LLP
Company Secretary
Company Registration Number: OC326500
9 December 2019

STATEMENTS 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 period. 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 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.

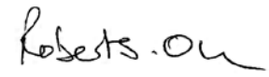
Responsibility statement of the Directors in respect of the annual financial report

Each Director, whose name and function appears on pages 110 to 111, confirms that (solely for the purpose of Disclosure Guidance and Transparency Rule 4) to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable UK law and 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; and
- the Strategic Report/Directors' Report include 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.

The Directors consider the Annual Report and Accounts, 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.

Signed on behalf of the Board by:



Robert Orr
Chairman
9 December 2019

1. Our opinion is unmodified

We have audited the financial statements of Tritax EuroBox plc ("the Company") for the period 1 July 2018 to 30 September 2019 which comprise the Group Statement of Financial Position, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group Cash Flow Statement, the Company Balance Sheet and Company Statement of Changes in Equity and the related notes, including the accounting policies in notes 2 to 4 and note 1 of the Group and Company financial statements respectively.

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 30 September 2019 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- 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 Directors on 9 December 2019. The period of total uninterrupted engagement is for the one financial year ended 30 September 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	€7.40m 1% of total Group assets
Coverage	100% of total Group assets
Key audit matters	
Risks	**Group:** Valuation of investment properties
	Parent: Recoverability of investment in and receivables from subsidiaries

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

Key audit matters are those matters that, in our professional judgement, 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 decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results 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 these matters.

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

	The risk	Our response
Valuation of investment properties (Group) (€687.58 million) Refer to page 120 (Audit Committee Report), page 143 (accounting policy) and pages 150 to 152 (financial disclosures).	**Subjective valuation :** Investment properties are the largest balance in the Group financial statements. The portfolio comprises 10 properties which are externally valued by a qualified independent valuer (JLL) and held at fair value at the balance sheet date. Each property is unique and the fair value includes subjective selection of assumptions, most significantly the estimated rental value and the yield. These key assumptions will be impacted by a number of factors including location, quality and condition of the building, tenant credit rating and lease length. Whilst comparable market transactions, including the price paid by the Group for the property in the current accounting period, can provide valuation evidence, the unique nature of each property means that a key factor in the property valuations are the assumptions made by the valuer. The effect of these matters is that, as part of our risk assessment, we 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, and possibly many times that amount. The financial statements (note 14) disclose the sensitivity estimated by the Group.	Our procedures included: – **Valuer's credentials:** We assessed JLL's objectivity, professional qualifications and experience through discussions with them and reading their valuation reports; – **Methodology choice:** We critically assessed the methodology used by the valuer by using our own property valuation specialist to assist us in checking whether the valuation report is in accordance with the RICS Valuation – Global Standards, IFRS and that the valuation methodology adopted is appropriate by reference to acceptable valuation practice; – **Benchmarking assumptions:** With the assistance of our own property valuation specialist, we held discussions with the external valuer to understand movements in property values. We challenged the key assumptions upon which the valuations are based, including those relating to forecast market rents and yields, by making comparisons to our own understanding of the market or the price the Group paid for the property; and – **Assessing transparency:** We considered the adequacy of the Group's disclosures about the degree of estimation and sensitivity to key assumptions made when valuing properties. **Our results** – We found the valuation of investment properties to be acceptable.
Recoverability of investment in and receivables from subsidiaries (Parent) (€691.44 million) Refer to pages 160 to 161 (accounting policy) and pages 162 to 163 (financial disclosures).	**Low risk, high value** The carrying amount of the Parent Company's investments in and receivables from subsidiaries represents over 99% 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: We compared the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount. We assessed 100% of Group receivables to identify, with reference to the relevant subsidiaries' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed. **Our results** – We found the Group's assessment of the recoverability of the investment in subsidiaries and recoverability of the Group receivables balance from subsidiaries to be acceptable.

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 €7.40 million, determined with reference to a benchmark of total Group assets of €741 million, of which it represents 1.0%.

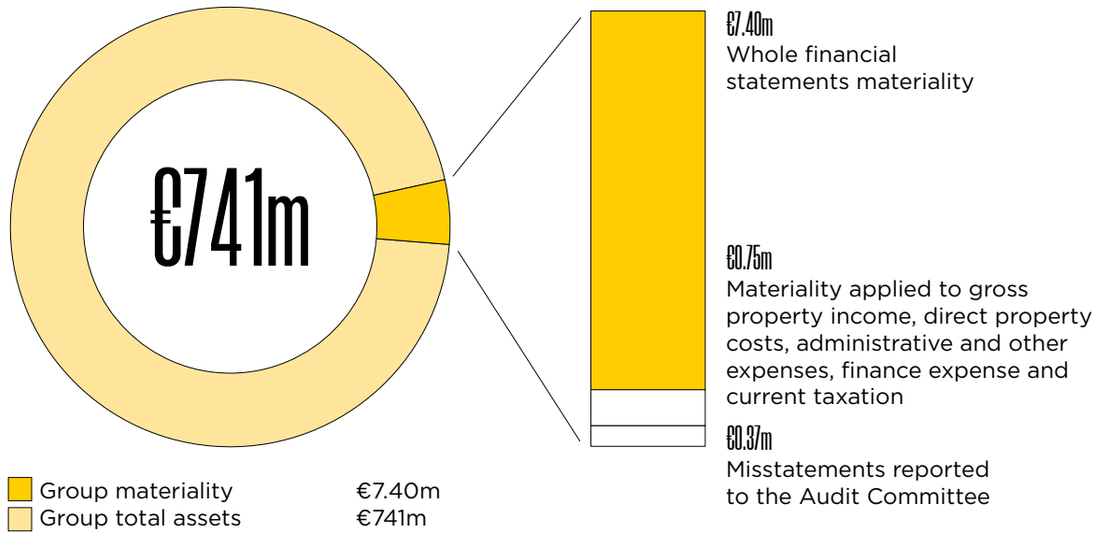
In addition, we applied materiality of €0.75 million to gross property income, direct property costs, administrative and other expenses, finance expense and current taxation for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Group.

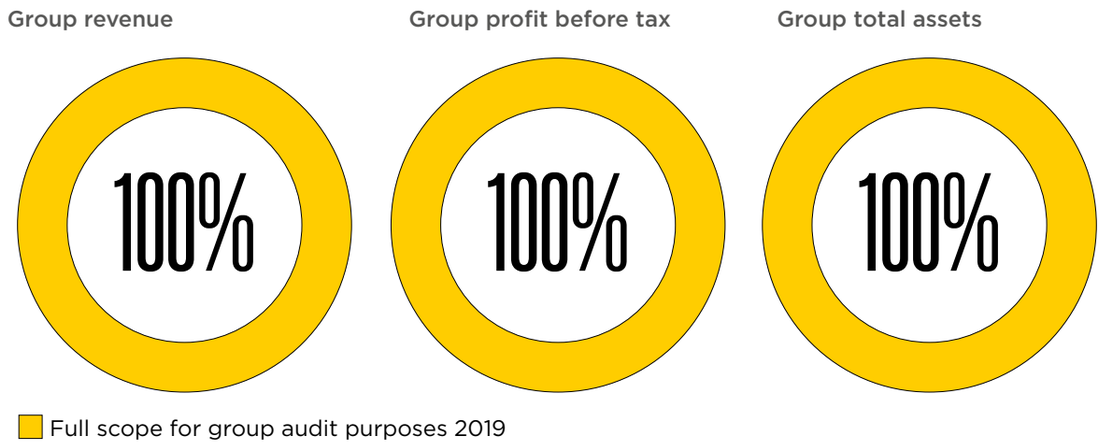
Materiality for the Parent Company financial statements as a whole was set at €7.20 million, determined with reference to a benchmark of Company total assets of €694 million, of which it represents 1.0%.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.37 million, or €0.1 million for misstatements relating to accounts to which the lower materiality was applied, in addition to other identified misstatements that warranted reporting on qualitative grounds.

The components within the scope of our work accounted for the percentages illustrated below.

The Group team performed the audit of the Group as if it was a single aggregated set of financial information. The Group team performed the Parent Company audit. The audit was performed using the materiality levels set out above.





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.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were the impact of changes in valuation of investment properties and the impact of a default of one or more tenants on a debt covenant compliance.

As these were risks that could potentially cast significant doubt on the Group's and the Company's ability to continue as a going concern, 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 and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise.

Based on this work, 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 2.1 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 12 months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 131 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

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 (page 47) 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 Viability Statement. We have nothing to report in this respect.

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

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 judgements 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.

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 eleven 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. Other matter – prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 131, 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.

8. Respective responsibilities continued

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 and other management (as required by auditing standards), and discussed with the Directors and other management 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 Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and its qualification as an Investment Trust under UK tax legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, 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 Group 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 or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group'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 and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

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.

9. 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. 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 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.

David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
10 December 2019

GROUP STATEMENT OF COMPREHENSIVE INCOME

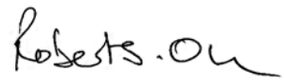
FOR THE PERIOD FROM 1 JULY 2018 TO 30 SEPTEMBER 2019

	Note	**Period from 1 July 2018 to 30 September 2019 €m**	Period from 17 May 2018 to 30 June 2018 €m
Rental income	6	**24.49**	–
Service charge income	6	**3.32**	–
Other income	6	**0.37**	–
Gross property income	6	**28.18**	–
Direct property costs	7	**(3.70)**	–
Net property income		**24.48**	–
Fair value gain on investment properties	14	**17.85**	–
Administrative and other expenses	8	**(8.45)**	–
Operating profit		**33.88**	–
Finance expense	10	**(5.03)**	–
Effect of foreign exchange differences		**(0.16)**	–
Changes in fair value of interest rate derivatives	20	**(2.35)**	–
Profit before taxation		**26.34**	–
Taxation	11	**(5.62)**	–
Profit for the period		**20.72**	–
Total comprehensive income for the period attributable to the Shareholders		**20.72**	–
Earnings Per Share (EPS) (expressed in cents per share)			
EPS – basic and diluted	12	**6.25**	–

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	30 September 2019 €m	30 June 2018 €m
Non-current assets			
Investment properties	14	**687.58**	–
Derivative financial instruments	20	**0.12**	–
Trade and other receivables	15	**1.17**	–
Deferred tax assets	11	**0.59**	–
Total non-current assets		**689.46**	–
Current assets			
Assets held-for-sale	14	**1.52**	–
Trade and other receivables	15	**31.75**	0.06
Cash and cash equivalents	16	**17.90**	–
Total current assets		**51.17**	0.06
Total assets		**740.63**	0.06
Current liabilities			
Trade and other payables	17	**(16.72)**	–
Income tax liability		**(1.06)**	–
Total current liabilities		**(17.78)**	–
Non-current liabilities			
Loans and borrowings	18	**(231.95)**	–
Deferred tax liabilities	11	**(5.18)**	–
Other liabilities	19	**(7.28)**	–
Tenant deposit	23	**(1.17)**	–
Total non-current liabilities		**(245.58)**	–
Total liabilities		**(263.36)**	–
Net assets		**477.27**	0.06
Equity			
Share capital	24	**4.23**	0.06
Share premium reserve		**131.21**	–
Retained earnings		**341.83**	–
Total equity		**477.27**	0.06
Net Asset Value (NAV) per share (expressed in Euro per share)			
Basic NAV	25	**1.13**	–
EPRA NAV	25	**1.15**	–

These financial statements were approved by the Board of Directors on 9 December 2019 and signed on its behalf by:



Robert Orr
Chairman

GROUP STATEMENT OF CHANGES IN EQUITY

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At incorporation		–	–	–	–
Net result for the period		–	–	–	–
Total comprehensive income		–	–	–	–
Contributions and distributions:					
New preference shares subscribed	24	0.06	–	–	0.06
At 30 June 2018		**0.06**	**–**	**–**	**0.06**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 July 2018		0.06	–	–	0.06
Net profit for the period		–	–	20.72	20.72
Total comprehensive income		–	–	20.72	20.72
Contributions and distributions:					
New share capital subscribed	24	4.23	470.10	–	474.33
Associated share issue costs		–	(9.35)	–	(9.35)
Share premium cancelled by special resolution		–	(329.54)	329.54	–
Cancellation of preference shares	24	(0.06)	–	–	(0.06)
Dividends paid	13	–	–	(8.43)	(8.43)
Total contributions and distributions		4.17	131.21	321.11	456.49
At 30 September 2019		**4.23**	**131.21**	**341.83**	**477.27**

The 1 cent shares listed on the Main Market of the London Stock Exchange on 9 July 2018 were issued for €1.13 (or £1.00). Following a Special Resolution of Tritax EuroBox plc the High Court cancelled this share premium on 25 September 2018. This resulted in the full balance being transferred into distributable reserves.

GROUP CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JULY 2018 TO 30 SEPTEMBER 2019

	Note	**Period from 1 July 2018 to 30 September 2019 €m**	Period from 17 May 2018 to 30 June 2018 €m
Cash flows from operating activities			
Profit for the period		**20.72**	–
Changes in fair value of investment properties		**(17.85)**	–
Changes in fair value of interest rate derivatives		**2.35**	–
Tax expense		**5.62**	–
Finance expense		**5.03**	–
Accretion of tenant lease incentive	6	**(3.65)**	–
Amortisation of tenant lease incentives and lease commissions	6	**0.02**	–
Increase in trade and other receivables		**(32.50)**	–
Increase in trade and other payables		**17.37**	–
Cash generated from operations		**(2.89)**	–
Tax paid		**(0.53)**	–
Net cash flow used in operating activities		**(3.42)**	–
Investing activities			
Purchase of investment properties		**(645.57)**	–
Improvements to investment properties and development expenditure		**(14.76)**	–
Net cash flow used in investing activities		**(660.33)**	–
Financing activities			
Proceeds from issue of Ordinary Share capital		**474.33**	–
Cost of share issues		**(9.35)**	–
Loans received	18	**235.50**	–
Loan arrangement fees paid	18	**(4.03)**	–
Loan interest paid		**(4.01)**	–
Interest rate cap premium paid	20	**(2.47)**	–
Dividends paid to equity holders	13	**(8.43)**	–
Net cash flow generated from financing activities		**681.54**	–
Net movement in cash and cash equivalents for the period		**17.79**	–
Cash and cash equivalents at start of the period		**–**	–
Unrealised foreign exchange gains		**0.11**	–
Cash and cash equivalents at end of the period		**17.90**	–

1. Corporate information

The consolidated financial statements of the Group for the period ended 30 September 2019 comprise the results of Tritax EuroBox plc ("the Company") and its subsidiaries (together "the Group") and were approved by the Board for issue on 9 December 2019. The Company is a public limited company incorporated and domiciled in England and Wales. The Company was established on 17 May 2018. Prior to the listing of the Company on the London Stock Exchange, the Company filed unaudited dormant company financial statements as of and for the period to 30 June 2018. The Company's Ordinary Shares were listed on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 9 July 2018. The registered address of the Company is disclosed in the Company Information.

The nature of the Group's operations and its principal activities are set out in the Strategic Report.

Accounting policies

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and in accordance with the Companies Act 2006. These are the first financial statements prepared by the Group in accordance with IFRS. The previous financial statements for the Company for the period ended 30 June 2018 were dormant company accounts. No adjustments were required on transition to IFRS.

These consolidated financial statements are for the period 1 July 2018 to 30 September 2019. The comparative financial statements are for the period 17 May 2018 to 30 June 2018.

The Group's financial statements have been prepared on a historical cost basis, as modified for the Group's investment properties and interest rate derivatives, which have been measured at fair value through the Group profit or loss.

The Group has chosen to adopt EPRA (European Public Real Estate Association – www.epra.com/finance/financial-reporting/guidelines) best practice guidelines for calculating key metrics such as net asset value and earnings per share. These are disclosed in notes 12 and 25.

2.1. Going concern

The Directors have assessed the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for at least 12 months from the date of approval of these financial statements. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Further details of the going concern assessment can be found on page 47.

2.2. Foreign currency translation

The presentation currency of the Company is Euro. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All entities in the Group have Euro as the functional currency.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date that the fair value was determined. Gains and losses arising on exchange are included in the profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly to equity, and any exchange component of that gain and loss is also recognised directly to equity.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Business combinations

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Under IFRS 3, a business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. A business will usually consist of inputs, processes and outputs. Therefore, the Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax relating to pre-acquisition property valuation gains arises.

In the current period all acquisitions were accounted for as asset acquisitions as none of the acquisitions included the acquisition of an integrated set of activities.

3. Significant accounting judgements, estimates and assumptions continued

3.2. Estimates

Fair valuation of investment property

The fair value of investment property is determined, by an independent property valuation expert, to be the estimated amount for which a property should exchange on the date of the valuation in an arm's-length transaction. Properties have been valued on an individual basis. The valuation expert uses recognised valuation techniques, applying the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards July 2017 ("the Red Book"). Factors reflected include current market conditions, annual rentals, lease lengths and location. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in note 14.

4. Summary of significant accounting policies

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company up to 30 September 2019.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. For acquisitions not considered business combinations, the cost of acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised. Any non-controlling interests are stated at the minority's proportion of the fair values of the assets and liabilities recognised.

For each of the subsidiaries within the Group with non-controlling interests (see note 4 of the Company financial statements), the Group has issued put options to the non-controlling interest. The Group has adopted the anticipated acquisition method under which the underlying interests of the non-controlling interest are presented in the Group Statement of Financial Position and the Group Statement of Comprehensive Income as if they are already acquired by the Group.

The day-to-day operations of Fondo Minerva Eurobox Italy are managed by Savills IM ("Savills") in accordance with the requirements of the Italian REIF regime. The Company has the power to replace Savills with another operator and therefore considers the investment to be a subsidiary under IFRS 10.

The results of subsidiaries where control is acquired or disposed of during the period are included in the Group profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those of the Group.

All intercompany transactions and balances between Group companies are eliminated on consolidation. These consolidated financial statements include the financial statements of the Company and the subsidiary companies as listed in note 4 of the Company accounts.

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in European Big Box assets. The Directors consider that these properties have similar economic characteristics and as a result these individual properties have been reported as a single operating segment.

4.2. Investment property and investment property under construction

Investment property comprises completed property that is owned or held under a lease to earn rentals or for capital appreciation, or both, and property under development where the Group intends to retain ownership on completion.

Investment property is recognised when the risks and rewards of ownership have been transferred and is measured initially at cost including transaction costs. The cost of investment property includes potential payments under put options granted to non-controlling interests of subsidiaries which own investment property. Transaction costs include transfer taxes, professional fees for legal and other services and other costs incurred in order to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the Group profit or loss.

Investment properties under construction are financed by the Group where the Group enters into contracts for the development of a pre-let property under a funding agreement. All such contracts specify a fixed amount of consideration. The Group does not expose itself to any speculative development risk as the proposed building is pre-let to a tenant under an agreement for lease and the Group enters into a fixed price development agreement with the developer. Investment properties under construction are initially recognised at cost (including any associated costs), which reflect the Group's investment in the assets. Subsequently, the assets are remeasured to fair value at each reporting date. The fair value of investment properties under construction is estimated as the fair value of the completed asset less any costs still payable in order to complete, which include an appropriate developer's margin.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, which are expected to accrue to the Group. All other property expenditure is expensed in the Group profit or loss as incurred.

The corresponding entry upon recognising lease incentives or fixed/minimum rental uplifts is made to investment property. For further details please see accounting policy note 4.8.1.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Group profit or loss in the year of retirement or disposal.

4. Summary of significant accounting policies continued

4.3. Assets held-for-sale

A non-current asset or disposal group to be classified as held-for-sale if it is highly probable that its carrying amount will be recovered principally through a sale transaction instead of through continuing use. Such assets, or disposal groups are generally measured at the lower of the carrying amount and fair value less costs to sell and once classified as held-for-sale, the asset is no longer amortised or depreciated. Investment property that is classified as held-for-sale is held at fair value.

4.4. Financial instruments

Fair value hierarchy

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

4.4.1. Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Derivative financial instruments

Derivative financial instruments refer to interest rate caps purchased for hedging purposes which are initially recognised at fair value plus costs of acquisition and are subsequently measured at fair value, being the estimated amount that the Group would receive or pay to terminate the agreement at the period end date, taking into account current interest rate expectations of the Company and its counterparties. The Group does not apply hedge accounting and hence the gain or loss at each fair value remeasurement date is recognised in the profit or loss.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows which are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss disclosed in the Group profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

4.4.2. Financial liabilities

The Group classifies its financial liabilities as amortised cost.

The Group's accounting policy for each type of financial liability is as follows:

Bank borrowings

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

Other non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially at the date that the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value less initial direct costs and subsequently measured at amortised cost. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

4. Summary of significant accounting policies continued

4.5. Put option liabilities

Liabilities for put options held by non-controlling interests are initially and subsequently recognised at the present value of the exercise price of the option. This is taken to be the non-controlling interests' proportionate share of the current market value of investment property, the carrying amount of other net assets plus the present value of anticipated payments to be made by the Group under dividend guarantees to the non-controlling interest.

Changes in the carrying amount of the put liability are recognised within finance expenses in the Group Statement of Comprehensive Income.

4.6. Forward funded pre-let investments

The Group enters into forward funding development agreements for pre-let investments. The Group will enter into a forward funding agreement with a developer and simultaneously enter into an agreement for lease with a prospective tenant willing to occupy the building once complete.

During the period between initial investment in a forward funded agreement and the rent commencement date under the lease, the Group usually receives licence fee income. Usually this is payable by the developer to the Group throughout this period and typically reflects the approximate level of rental income that is expected to be payable under the lease, as and when practical completion is reached. IAS 40.20 states that investment property should be recognised initially at cost, being the consideration paid to acquire the asset, therefore such licence fees are deducted from the cost of the investment and are shown as a receivable.

4.7. Dividends payable to Shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

4.8. Property income

4.8.1. Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in gross rental income in the Group profit or loss. The lease term is the non-cancellable period of the lease. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. Included in the straight-line basis are the effects of future fixed or minimum uplifts. Any contingent rental uplifts are excluded until the amounts are known. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Rental income is invoiced, either monthly or quarterly in advance and, for all rental income that relates to a future period, this is deferred and appears within current liabilities on the Group Statement of Financial Position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Group profit or loss when the right to receive them arises.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease; once practical completion has taken place and the formal lease is signed, rental income commences to be recognised in the Group profit or loss.

4.8.2. Service charges and other income

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service charge and insurance premiums and other such receipts are included in the gross rental income gross of the related costs, as the Directors consider that the Group acts as principal in this respect.

4.9. Finance income

Finance income is recognised as interest accrues on cash balances held by the Group. Interest charged to a tenant on overdue rental income is also recognised within finance income.

4.10. Finance costs

Finance costs consist of interest and other costs that the Group incurs in connection with bank and other borrowings, and the holding of deposits in Euro bank accounts. All interest costs are expensed to the Group profit or loss in the period in which they occur on an effective interest basis and all loan issue costs paid are offset against amounts drawn on the facilities and are amortised over the term of the facilities.

The Group has elected not to capitalise interest on investment properties under development.

4. Summary of significant accounting policies continued

4.11. Taxation

The Company is approved by HMRC as an investment trust under sections 1158 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 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 2009. The Company is also 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 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. If the Company designates any dividend it pays in this manner, it is able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

The Company's status as an approved investment trust does not impact the taxation of its subsidiaries or the Group's liability to tax in the other countries in which the Group operates.

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.

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 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 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.

5. Standards in issue and effective from 1 January 2019

IFRS 16: Leases

The Directors are currently assessing the impact on the financial statements of this standard; however, at present they do not anticipate that the adoption of this will have a material impact on the Group's financial statements as the Group does not hold any material operating leases as lessee.

6. Gross property income

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Rental income	**20.86**	–
Spreading of tenant incentives	**3.65**	–
Amortisation of capital contribution and lease commission	**(0.02)**	–
Gross rental income	**24.49**	–
Service charges recoverable	**3.32**	–
Other income	**0.37**	–
Gross property income	**28.18**	–

The Group derives property income from the following countries:

	Belgium	Germany	Spain	Italy	Poland	Total
Gross property income	**5.10**	**5.87**	**9.00**	**6.67**	**1.54**	**28.18**

The future minimum lease payments under non-cancellable operating leases receivable by the Group are as follows:

	Less than 1 year €m	2-5 years €m	More than 5 years €m	Total €m
30 September 2019	**33.42**	**136.96**	**215.59**	**385.97**

The Group's investment properties are leased mainly to single tenants, some of which have guarantees attached, under the terms of a commercial property lease. The majority have rent indexation that are linked to either RPI/CPI or fixed uplifts.

There are four tenants representing more than 10% of rental income during the period (€8.38 million, €5.93 million, €3.31 million and €3.01 million). As at 30 September 2019, three tenants represented more than 10% of passing rent.

7. Direct property costs

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Service charge expense	**3.37**	–
Other expenses	**0.33**	–
Total property expenses	**3.70**	–

8. Administrative and other expenses

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Investment management fees (note 26)	**4.64**	–
Directors' remuneration (note 9)	**0.23**	–
Auditor's fees		
– Fees payable for the audit of the Company's accounts	**0.22**	–
– Fees payable for the review of the Company's interim accounts	**0.14**	–
– Fees payable for the audit of the Company's subsidiaries	**0.16**	–
Total Auditor's fee	**0.52**	–
Corporate administration fees	**0.97**	–
Regulatory fees	**0.10**	–
Legal and professional fees	**1.63**	–
Marketing and promotional fees	**0.23**	–
Other administrative costs	**0.13**	–
Total administrative and other expenses	**8.45**	–

Fees relating to the share issuances have been treated as share issue expenses and offset against share premium. The transaction costs related to the loan and borrowings have been treated as part of the arrangement fees for issuing the debt. The fees in relation to the acquisition of assets have been capitalised in to the cost of the respective assets.

9. Directors' remuneration

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Directors' fees	**0.21**	–
Employer's National Insurance	**0.02**	–
Total Directors' remuneration	**0.23**	–

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report.

Personnel
During the period under review the Company did not have any personnel, besides the Directors of the Company. Furthermore, the Company does not have the intention to engage other personnel in future.

10. Finance expense

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Interest payable on loans and bank borrowings	**3.07**	–
Commitment fees payable on bank borrowings	**1.02**	–
Loss on remeasurement of put option	**0.30**	–
Bank fees	**0.15**	–
One-off cost of extinguishment of bank loans	**0.01**	–
Amortisation of loan arrangement fees	**0.48**	–
Total finance expense	**5.03**	–

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €4.09 million of which nil was capitalised in the period and amortisation of loan arrangement fees of €0.48 million of which €4.03 million was capitalised into the loan in the period (see note 18).

11. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Current taxation:		
UK taxation	**–**	–
Overseas taxation	**1.03**	–
Deferred taxation:		
UK taxation	**–**	–
Overseas taxation	**4.59**	–
Total tax charge	**5.62**	–

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the period, in accordance with its status as an Investment Trust Company ("ITC").

b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Profit before taxation	**26.34**	–
Theoretical tax at UK corporation tax rate of 19% (30 June 2018: 19%)	**5.00**	–
Losses where no deferred taxes have been recognised	**0.21**	–
Impact of different tax rates on foreign jurisdictions	**0.41**	–
Total	**5.62**	–

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Deferred tax assets:		
Differences between tax and property revaluation	**0.59**	–
Total	**0.59**	–

11. Taxation continued

b) Factors affecting the tax charge for the period continued

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
Deferred tax liabilities:		
Differences between tax and property revaluation	**5.18**	–
Total	**5.18**	–

12. Earnings per share

Earnings per share (EPS) amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Group by the weighted average number of Ordinary Shares in issue during the period. As at 30 September 2019 there are no dilutive or potentially dilutive equity arrangements in existence.

The calculation of EPS is based on the following:

For the period ended 30 September 2019	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings per share Cent
Basic EPS	**20.72**	**331,599**	**6.25**
Adjustments to remove:			
Deferred tax charge (note 11)	4.59		
Changes in fair value of investment properties (note 14)	(17.85)		
Changes in fair value of interest rate derivatives (note 20)	2.35		
EPRA EPS	**9.81**		**2.96**
Adjustments to include/(exclude):			
Licence fee receivable on forward funded developments	0.87		
Rental income recognised in respect of fixed uplifts	(3.63)		
Amortisation of loan arrangement fees	0.48		
Unrealised foreign exchange currency loss	0.11		
Loss on remeasurement of put option	0.30		
Rental guarantee receipts excluded from property income[2]	2.85		
Adjusted EPS	**10.79**		**3.25**

1 Based on the weighted average number of Ordinary Shares in issue throughout the period.

2 This is offset against the cost of investment properties.

Adjusted earnings is a performance measure used by the Board to assess the level of the Group's dividend payments. The metric mainly adjusts EPRA earnings for:

i. Exclusion of non-cash items credited or charged to the Group Statement of Comprehensive Income, such as fixed rental uplift adjustments and amortisation of loan arrangement fees;
ii. Inclusion of licence fees which relates to cash received from developers during development periods, in order to access the land; and
iii. Inclusion of rental guarantee adjustments relate to acquired assets with properties which have had an income guarantee attached to them as part of the acquisition of the asset. The rental guarantee is released as distributable income over the period of the lease which it is intended to cover – however, this release does not go through rental income in the Group Statement of Comprehensive Income, and as such an adjustment is made to recognise the receipt.

13. Dividends paid

	Period from 1 July 2018 to 30 September 2019 €m	Period from 17 May 2018 to 30 June 2018 €m
First interim dividend in respect of period ended 30 September 2019 at 0.4 cent per Ordinary Share (30 June 2018: nil)	**1.20**	–
Second interim dividend in respect of period ended 30 September 2019 at 1.0 cent per Ordinary Share (30 June 2018: nil)	**3.00**	–
Third interim dividend in respect of period ended 30 September 2019 at 1.0 cent per Ordinary Share (30 June 2018: nil)	**4.23**	–
Total dividends paid	**8.43**	–
Total dividends paid for the year	**2.40 cent**	Nil cent
Total dividends unpaid but declared for the year	**1.00 cent**	Nil cent
Total dividends declared for the year	**3.40 cent**	Nil cent

On 9 December 2019, the Directors of the Company declared a fourth interim dividend in respect of the period from 1 July 2019 to 30 September 2019 of 1.00 cent per Ordinary Share, which will be payable on or around 15 January 2020 to Shareholders on the register on 20 December 2019.

Out of €12.66 million dividends declared for the year, €1.70 million is designated as interest distribution.

14. Investment properties

The Group's investment property has been valued at fair value by Jones Lang LaSalle Limited ("JLL"), an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 ("the Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13. In forming its opinion, JLL makes a series of assumptions, which are typically market related, such as net initial yields and expected rental values and are based on the Valuer's professional judgement and the current tenancy of the properties.

The valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board.

Total valuation fee incurred by the Group in the period ended 30 September 2019 amounts to €130,400 (period ended 30 June 2018: nil). The fee is not contingent on the valuation of the properties.

Other than Tritax EuroBox plc, the external valuer provides valuation and research-related services to the Tritax Group, as well as to other funds Tritax Group manages. The Directors ensure full independence of the valuer.

All corporate acquisitions during the period have been treated as asset purchases rather than business combinations (see note 3.1).

During the period, the following investment properties were acquired:

Location	Date acquired
Barcelona, Spain	25 September 2018
Rome, Italy[§]	16 October 2018
Rumst and Bornem, Belgium	25 October 2018
Peine, Germany	4 December 2018
Bochum, Germany	7 November 2018
Wunstorf, Germany*[§]	12 February 2019
Lodz, Poland[§]	12 April 2019
Hammersbach, Germany	13 June 2019
Bremen, Germany	24 September 2019

* Currently under construction.

§ Acquired based on asset deal.

14. Investment properties continued

	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
At incorporation	–	–	–
Acquisition of properties	**649.00**	**5.22**	**654.22**
Improvements to investment properties	**0.72**	**–**	**0.72**
License fees and rental guarantees	**(2.59)**	**(1.37)**	**(3.96)**
Development expenditure	**–**	**16.28**	**16.28**
Fixed rental uplift and tenant lease incentives[1]	**4.24**	**–**	**4.24**
Amortisation on rental uplift and tenant lease incentives[1]	**(0.25)**	**–**	**(0.25)**
Transfer to assets held-for-sale[2]	**(1.52)**	**–**	**(1.52)**
Change in fair value during the period[3]	**16.15**	**1.70**	**17.85**
As at 30 September 2019	**665.75**	**21.83**	**687.58**

1 This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent-free periods, which requires the recognition of rental income on a straight-line basis over the lease term. The difference between this and cash receipts change the carrying value of the property against which revaluations are measured (also see note 6).

2 The Group has identified one of its investment properties as held-for-sale in accordance with IFRS 5. The carrying value at the Balance Sheet date was €1.52 million (2018: €nil).

3 Included in the fair value change in the period was unrealised gains of €45.53 million and unrealised losses of €27.68 million.

	30 September 2019 €m	30 June 2018 €m
Investment properties in Balance Sheet	**687.58**	–
Assets held-for-sale	**1.52**	–
Rental guarantee held in separate receivable	**2.57**	–
Total external valuation of investment properties	**691.67**	–

As at 30 September 2019, the Group had capital commitments of €5.99 million in relation to its forward funded pre-let development assets. All commitments fall due within one year from the date of this report. These costs are not provided for in the Statement of Financial Position. Capital commitments represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin.

Valuation risk

A detailed valuation summary can be found in the Strategic Report on page 98.

There is risk to the fair value of real estate assets that are part of the portfolio of the Group, comprising variation in the yields that the market attributes to the real estate investments and the market income that may be earned.

Real estate investments can be impacted adversely by external factors such as the general economic climate, supply and demand dynamics in the market, competition and increase in operating costs.

Besides asset specific characteristics, general market circumstances affect the value and income from investment properties such as the cost of regulatory requirements related to investment properties, interest rate levels and the availability of financing.

The Manager of the Group has implemented a portfolio strategy with the aim to mitigate the above stated real estate risk. By diversifying in regions, risk categories and tenants, it is expected to lower the risk profile of the portfolio.

As of the date of this Annual Report, the only investments of the Group that have been identified consist of the current portfolio as specified in the management report. While the Group is negotiating to acquire further properties, there is no guarantee that these properties will form part of the portfolio of the Group.

With respect to new investments, management will be targeting specific investment categories based on the Group's investment objective and restrictions. Because such investments may be made over a substantial period of time, the Group faces the risk of interest rate fluctuations in the case of leveraging these investments and adverse changes in the real estate markets.

14. Investment properties continued

Fair value hierarchy

The Group considers that all of its investment properties and investment properties under construction fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

The valuations have been prepared on the basis of Market Value (MV), which is defined in the RICS Valuation Standards, as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Market Value as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques

Investment properties completed: income approach
The income method (or income approach) quantifies the net present value of future benefits associated with the ownership of the equity interest or asset by totalling the current tenancy of the property, followed by the demand market rent on lease expiry, capitalised at an appropriate yield.

Investment properties under construction: residual approach
The residual approach for properties under construction takes the expected valuation of the finished property using the income approach and deducts forecast costs to complete the development and an allowance for developer's profit.

Unobservable input: estimated rental value ("ERV")
The rent per square metre at which space could be let in the market conditions prevailing at the date of valuation (range: €32.10-€71.12 per square metre, per annum).

ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location.

Unobservable input: net initial yield
The net initial yield is defined as the initial net income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase (average: 4.77% or range: 4.26%-5.78%).

Sensitivities of measurement of significant unobservable inputs

As set out within significant accounting estimates and judgements above, the Group's property portfolio valuation is open to estimation uncertainty and is inherently subjective by nature.

As a result the following sensitivity analysis has been prepared for investment properties:

	-5% in ERV €m	+5% in ERV €m	+0.25% net initial yield €m	-0.25% net initial yield €m
(Decrease)/increase in the fair value of investment properties as at 30 September 2019*	(10.51)	13.15	(34.20)	37.79

* The sensitivity analysis has been prepared excluding investment properties under construction.

The JLL valuation includes deductions for transaction costs that would be incurred by a hypothetical purchaser at the valuation date. These costs include Real Estate Transfer Tax (RETT) equivalent to stamp duty except for properties in Italy and Belgium. In the former, this is due to Italy being an Investment Management Company (SGR) and in the latter, the local valuation practice is to exclude such costs given the prevalence of corporate rather than asset transactions in these markets.

Under the assumption that all assets in the portfolio are disposed under a "corporate sale" scenario, the fair valuation of the assets would be adjusted by the saving of the RETT and would result in a valuation of €705.96 million (€14.29 million increase).

15. Trade and other receivables

Non-current trade and other receivables	**30 September 2019 €m**	30 June 2018 €m
Cash in public institutions	**1.17**	–

The cash in public institutions is a deposit of €1.17 million given by the tenant for the property in Barcelona, Spain.

Current trade and other receivables	**30 September 2019 €m**	30 June 2018 €m
Trade receivables	**1.97**	–
Prepayments, accrued income and other receivables	**7.39**	–
Escrow cash	**6.79**	–
VAT receivable*	**15.60**	–
	31.75	–

* VAT receivable relates mainly to VAT reclaim due on the purchase of the property in Italy (€12 million).

15. Trade and other receivables continued

The following table sets out the ageing of trade receivables as at 30 September 2019:

Past due but not impaired	**30 September 2019 €m**	30 June 2018 €m
<30 days	**1.35**	–
30-60 days	**0.37**	–
60-90 days	**0.18**	–
90 days+	**0.07**	–
Total	**1.97**	
Past due and impaired	**–**	–
Total	**1.97**	–

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Both the expected credit loss provision and the incurred loss provision in the current and prior period are immaterial.

No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

16. Cash and cash equivalents

	30 September 2019 €m	30 June 2018 €m
Cash and cash equivalents to agree with cash flow	**17.90**	–

17. Trade and other payables

	30 September 2019 €m	30 June 2018 €m
Trade and other payables	**6.47**	–
Bank loan interest payable	**0.24**	–
Deferred income	**0.34**	–
Accruals	**9.00**	–
VAT liability	**0.67**	–
	16.72	–

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

18. Loans and borrowings

In October 2018, the Group agreed a long-term, Revolving Credit Facility ("RCF") of €200 million with HSBC Bank PLC and BNP Paribas. The facility is for five years, with an option to extend for a further two years and is unsecured. The loan has a margin of 1.55% to 2.2% above the higher of zero or Euribor, depending on the drawn level and the prevailing LTV (loan-to-value) ratio. The RCF was extended in December 2018, August 2019 and September 2019 respectively, to include €100 million of accordion funding from BAML, €25 million of accordion funding from Banco de Sabadell and €100 million of accordion funding from Bank of China respectively, taking the total facility to €425 million. Following the financing activity as noted above, the weighted average term to maturity of the Group's debt as at the period-end is 4.0 years.

As at 30 September 2019, all of the Group's debt facility commitments are floating term. The LTV across all drawn debt was 33% against a target of 45% (with a limit of 65% in the RCF). The Group has been in compliance with all of the financial covenants of the Group's bank facilities as applicable throughout the period covered by these financial statements.

Any associated fees in arranging the loan and borrowings that are unamortised as at the period-end are offset against amounts drawn on the facilities as shown in the table below:

	30 September 2019 €m	30 June 2018 €m
Bank borrowings drawn: due in more than one year	**235.50**	–
Loan issue costs paid	**(4.03)**	–
Non-cash amortisation of loan issue costs	**0.48**	–
Non-current liabilities: loan and borrowings	**231.95**	–

Maturity of loans and borrowings

	30 September 2019			30 June 2018
	Drawn €m	**Undrawn €m**	**Total debt available €m**	Total debt available €m
Repayable between one and two years	**–**	**–**	**–**	–
Repayable between two and five years	**235.50**	**189.50**	**425.00**	–
Repayable in over five years	**–**	**–**	**–**	–
	235.50	**189.50**	**425.00**	–

19. Other liabilities

The Group's properties in Germany are held in subsidiaries in which the Group holds 94.9% or 89.9% of the shares in those subsidiaries. As part of the purchase agreements, the Group issued put options to the minority shareholders. The options are exercisable 10 years after acquisition and would require the Group to acquire all shares held by the minority shareholder at the then market value. Prior to the option date the Group has guaranteed a fixed dividend to the minority shareholder. If this is not met by the subsidiary, then the Company is required to settle this obligation.

20. Derivative financial instruments

To mitigate the interest rate risk that arises as a result of entering into variable rate loans, a number of interest rate caps have been taken out in respect of the Group's variable rate debt to cap the rate to which three-month Euribor can rise. Each cap runs coterminous to the initial term of the respective loans.

As at the period end the Group had notional value of interest rate caps of €300 million to act as a hedge against the €425 million revolving credit facility (see note 18).

The weighted average capped rate, excluding any margin payable, for the Group as at the period-end was 0.67%. The total premium payable in the period towards securing the interest rate caps was €2.47 million.

	30 September 2019 €m	30 June 2018 €m
Interest rate cap premium paid	**2.47**	–
Fair value movement	**(2.35)**	–
Non-current assets: interest rate derivatives	**0.12**	–

The interest rate derivatives are marked to market by the relevant counterparty banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark to market values of the derivatives are taken to the Group profit or loss.

As at the period-end date the total proportion of debt hedged via interest rate derivatives equated to 127%. The percentage is above 100% at the end of the period due to the feature of the bank debt which allows flexible drawdown/repayment. This allows the Company to manage its treasury in the context of timing difference between an equity raise and an equity deployment.

Fair value hierarchy

The fair value of the Group's interest rate derivatives is recorded in the Group Statement of Financial Position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the period end. This valuation technique falls within Level 2 of the fair value hierarchy, as defined by IFRS 13. The valuation was provided by the counterparty to the derivatives. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

21. Financial risk management

Financial instruments

The Group's principal financial assets and liabilities are those that arise directly from its operations: trade and other receivables, trade and other payables and cash held at bank. The Group's other principal financial assets and liabilities are bank borrowings and interest rate derivatives, the main purpose of which is to finance the acquisition and development of the Group's investment property portfolio and hedge against the risk of interest rates rising. The book value of the Group's financial instruments that are carried in the financial statements approximates their fair value at the end of the period.

Risk management

The Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk. The Board of Directors oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks that are summarised below.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Group that are affected by market risk are principally the Group's cash balances and bank borrowings along with interest rate derivatives entered into to mitigate interest rate risk.

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis performed to ascertain the impact on the Group Cash Flow Statement and net assets which shows that a 50 basis point decrease/increase in interest rates would result in an increase of €nil or a decrease of €0.41 million to net assets, based on the nominal borrowings at the period-end.

The Group currently operates in six countries. The current distribution of total assets is as follows:

	Belgium	Germany	Spain	Italy	Poland	UK	Total
Total assets	**91.50**	**273.65**	**163.03**	**146.64**	**63.47**	**2.34**	**740.63**

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions. Credit risk is mitigated by tenants being required to pay rentals in advance under their lease obligations. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement or acquiring a let property. The Group holds collateral by way of bank deposits totalling €1.17 million (see note 15).

Outstanding trade receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset less the collateral held.

Credit risk related to cash deposits

One of the credit risks of the Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks, who are committed lenders to the Group, with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and, going forward, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements (see note 14). It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, as the majority of the Group's assets are property investments and are therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management ensuring it has appropriate levels of cash and available drawings to meet liabilities as they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including interest charges:

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3-12 months €m	1-2 years €m	Between 2-5 years €m	More than 5 years €m
30 September 2019							
Loans and borrowings	**231.95**	**256.23**	**1.30**	**3.89**	**5.18**	**245.86**	**–**
Trade and other payables*	**15.71**	**15.71**	**15.71**	**–**	**–**	**–**	**–**
Non-current liabilities	**7.28**	**7.28**	**–**	**–**	**–**	**–**	**7.28**
Tenant deposit	**1.17**	**1.17**	**–**	**–**	**–**	**–**	**1.17**
	256.11	**280.39**	**17.01**	**3.89**	**5.18**	**245.86**	**8.45**

* Excludes VAT and deferred income as these are not financial liabilities.

Foreign currency risk

The Group is Euro denominated. The Group operates internationally, mainly in the Euro zone. The Group keeps some cash in foreign currency to finance its working capital.

As at 30 September 2019 the Group has a cash balance of GBP 0.54 million and PLN 6.49 million, equivalent to €0.61 million and €1.48 million respectively, at the Balance Sheet date.

Development risk

Development risk is the exposure that Group takes in projects where building is not yet completed. Construction risk is mitigated by the Group by entering into fixed price contracts with the developers. Letting risk is alleviated by entering into pre-let agreements with tenants or rental guarantees with the developers or vendors.

21. Financial risk management continued

Taxation risk

Tax laws in these countries may change in the future, representing an increase in tax risk to the Company.

22. Capital management

The primary objective of the Group's capital management is to ensure that it remains a going concern.

The Board, with the assistance of the Investment Manager, monitors and reviews the Group's capital so as to promote the long-term success of the business, facilitate expansion and to maintain sustainable returns for Shareholders. The Group considers proceeds from share issuances, bank borrowings and retained earnings as capital. The Group's policy on borrowings is as set out below:

The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds.

The Directors intend that the Group will maintain a conservative level of aggregate borrowings with a medium-term target of 45% of the Group's gross assets (with a limit of 50%).

The Group has complied with all covenants on its borrowings up to the date of this report. The targets mentioned above sit comfortably within the Group's covenant levels, which include loan to value ("LTV") and interest cover ratio. The Group LTV at the period end was 33.3%.

23. Tenant deposit

Non-current liabilities	**30 September 2019 €m**	30 June 2018 €m
Tenant deposit	**1.17**	–

This balance relates to a cash deposit given by the tenant for the property in Barcelona, Spain.

24. Share capital

The share capital relates to amounts subscribed for share capital at its nominal value:

	30 September 2019 Number	**30 September 2019 €m**	30 June 2018 Number	30 June 2018 €m
Issued and fully paid at 1 cent each				
Balance at beginning of period:				
€0.01 Ordinary Shares	**1**	**–**	–	–
Shares issued in the period	**422,727,272**	**4.23**	1	–
Balance at end of period	**422,727,273**	**4.23**	1	–

The 1 cent shares listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 9 July 2018 were issued for €1.13 (or £1.00). Following a Special Resolution of Tritax EuroBox plc, an application was made to the High Court to cancel the share premium, which was granted on 25 September 2018. This resulted in the full balance being transferred into distributable reserves.

On 29 May 2019, the Group increased its share capital by another 122,727,273 Ordinary Shares for €1.10 or £0.97 each. As a result, the Group's issued share capital increased to 422,727,273 Ordinary Shares with voting rights.

	30 September 2019 Number	**30 September 2019 €m**	30 June 2018 Number	30 June 2018 €m
Issued and fully paid at €1 each				
Balance at beginning of period:				
€1.00 Preference Shares	**57,100**	**0.06**	–	–
Shares issued in the period	**–**	**–**	57,100	0.06
Shares cancelled in the period	**(57,100)**	**(0.06)**	–	–
Balance at end of period	**–**	**–**	57,100	0.06

On 26 September 2018, the Group cancelled 57,100 redeemable preference shares with a nominal value of €57,100. The preference shares did not carry any rights to a dividend.

The Group has one class of Ordinary Shares which carry no right to fixed income.

25. Net asset value (NAV) per share

Basic NAV per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to ordinary equity holders of the Parent by the number of Ordinary Shares outstanding at the end of the period. As there are dilutive instruments outstanding basic NAV per share is shown below:

	30 September 2019 €m
Net assets per Group Statement of Financial Position	**477.27**
EPRA NAV (see Additional Information)	**484.21**
Ordinary Shares:	
Issued share capital (number)	**422,727,273**
NAV per share (expressed in Euro per share)	
Basic NAV per share	**1.13**
EPRA NAV per share	**1.15**

EPRA NAV is calculated as net assets per the Consolidated Statement of Financial Position excluding cumulative fair value adjustments for debt-related derivatives and deferred tax adjustment.

No comparative is disclosed as the Group did not hold any investment properties in the prior period.

26. Transactions with related parties

For the period ended 30 September 2019, all Directors and the Partners of the Manager are considered key management personnel. The terms and conditions of the Investment Management Agreement are described in the Management Engagement Committee Report. The fee payable to the Manager for the period to 30 September 2019 was €3.28 million (2018: €nil).

The total amount outstanding at the period-end relating to the Investment Management Agreement was €1.06 million.

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report. Throughout the period SG Commercial LLP ("SG Commercial") has provided general property agency services to the Group. SG Commercial has been paid fees totalling €0.67 million in respect of agency services for the period; this represents a total of 14.70% of agency fees paid by the Group during the period. None was outstanding as at the period end. Of the four controlling Members of the Manager, namely Mark Shaw, Colin Godfrey, James Dunlop and Henry Franklin, all except Henry Franklin are also the controlling Members of SG Commercial. While there are currently no existing contractual arrangements between the Group and SG Commercial, the Group may choose to appoint SG Commercial in the future from time to time on either a sole or joint agency basis. Any such appointments have been and will continue to be made on normal market-based contractual terms. In the event that any such appointment is proposed by the Manager, the Board has and shall continue to be consulted and asked for its approval.

During the period the Directors received the following dividends: Robert Orr: €480, Keith Mansfield: €4,560 and Taco de Groot: €600.

During the period the four controlling Members of the Manager received the following dividends: Colin Godfrey: €3,011, Mark Shaw: €3,011, James Dunlop: €3,011 and Henry Franklin: €2,008. None of the Directors received any dividends in the period from 17 May 2018 to 30 June 2018.

27. Subsequent events

Since financial year-end, four out of five lenders approved a one-year extension of the RCF. This results in €325 million debt maturing in 2024 and €100 million maturing in 2023.

On 27 November 2019, the Group announced that it would finance the construction of the extension to its global distribution centre in Barcelona, Spain, for an estimated capital commitment of €30.5 million.

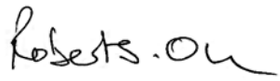
COMPANY BALANCE SHEET

COMPANY REGISTRATION NUMBER: 11367705

	Note	At 30 September 2019 €m	At 30 June 2018 €m
Non-current assets			
Derivative financial instruments		**0.12**	–
Trade and other receivables	5	**447.92**	–
Investment in subsidiaries	4	**240.84**	–
Total non-current assets		**688.88**	–
Current assets			
Trade and other receivables	5	**2.83**	0.06
Cash held at bank	6	**2.05**	–
Total current assets		**4.88**	0.06
Total assets		**693.76**	0.06
Current liabilities			
Trade and other payables	7	**(6.36)**	–
Income tax liability		**–**	–
Total current liabilities		**(6.36)**	–
Non-current liabilities			
Loans and borrowings	8	**(231.95)**	–
Total non-current liabilities		**(231.95)**	–
Total liabilities		**(238.31)**	–
Total net assets		**455.45**	0.06
Equity			
Share capital	9	**4.23**	0.06
Share premium reserve		**131.21**	–
Retained earnings		**320.01**	–
Total equity		**455.45**	0.06

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss attributable to the Parent Company for the period ended 30 September 2019 amounted to €1.10 million.

These financial statements were approved by the Board of Directors on 9 December 2019 and signed on its behalf by:



Robert Orr
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At incorporation		–	–	–	–
Net result for the period		–	–	–	–
Total comprehensive income		–	–	–	–
Contributions and distributions:					
New preference shares subscribed	9	0.06	–	–	0.06
At 30 June 2018		**0.06**	**–**	**–**	**0.06**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 July 2018		0.06	–	–	0.06
Net loss for the period		–	–	(1.10)	(1.10)
Total comprehensive loss		–	–	(1.10)	(1.10)
Contributions and distributions:					
New share capital subscribed	9	4.23	470.10	–	474.33
Associated share issue costs		–	(9.35)	–	(9.35)
Share premium cancelled by special resolution		–	(329.54)	329.54	–
Cancellation of preference shares	9	(0.06)	–	–	(0.06)
Dividends paid	3	–	–	(8.43)	(8.43)
Total contributions and distributions		4.17	131.21	321.11	456.49
At 30 September 2019		**4.23**	**131.21**	**320.01**	**455.45**

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2016. These are the Company's first financial statements under FRS 101. The previous financial statements were dormant company accounts. No adjustments were required on transition to FRS 101.

The Company financial statements are for the period 1 July 2018 to 30 September 2019. Comparative information is presented for the period from 17 May 2018 to 30 June 2018.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all applicable disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows and related notes;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the Tritax Eurobox plc Group.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- financial instruments; and
- fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

Currency

The Company financial statements are presented in Euro which is also the Company's functional currency and all values are rounded to the nearest million (€m), except where otherwise indicated.

Dividends payable for Shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the Group profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

1. Accounting policies continued

Amortised cost

These assets arise principally from the provision of goods and services to customers such as trade receivables, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the Group profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Investment in subsidiaries

The investment in subsidiary companies is included in the Company's Balance Sheet at cost less provision for impairment.

Financial liabilities

The Company classifies its financial liabilities as amortised cost.

The Company's accounting policy for each type of financial liability is as follows:

Bank borrowings

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Company Balance Sheet. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

Other non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially at the date that the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value less initial direct costs and subsequently measured at amortised cost. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. There were no significant accounting judgements, estimates or assumptions in preparing these financial statements.

2. Taxation

	Period ended 30 September 2019 €m	Period ended 30 June 2018 €m
UK corporation tax	**–**	–

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the period.

The Government announced its intention to further reduce the UK corporation tax rates from 19% to 17% from 1 April 2020. Accordingly, these rates have been applied in the measurement of the Company's tax liability at 30 September 2019.

3. Dividends paid

Please refer to note 13 of the Group accounts.

4. Investment in subsidiaries

	Shares €m
At 1 July 2018	–
Increase in investments via share purchase	**240.84**
As at 30 September 2019	**240.84**

The Company has the following subsidiary undertakings as at 30 September 2019:

	Principal activity	Country of incorporation	Ownership %
Tritax Eurobox (Spain) Holdco, S.L.	Investment Holding Company	Spain	100%*
Tritax Eurobox Barcelona SLU	Property Investment	Spain	100%
Eurobox Italy Holdco Limited	Investment Holding Company	Jersey	100%*
Fondo Minerva Eurobox Italy**	Property Investment	Italy	100%
Tritax Eurobox (Belgium) Holdco NV	Investment Holding Company	Belgium	100%*
Panton Kortenberg Vastgoed NV	Property Investment	Belgium	100%
Rumst Logistics NV	Property Investment	Belgium	100%
Rumst Logistics II NV	Property Investment	Belgium	100%
Rumst Logistics III NV	Property Investment	Belgium	100%
Pakobo NV	Property Investment	Belgium	100%
Tritax EuroBox (Wunstorf) Holdco Limited	Property Investment	United Kingdom	100%*
Tritax EuroBox (Bochum) Propco GmbH (previously known as Dietz Logistik 25. Grundbesitz GmbH)	Property Investment	Germany	94.9%*
Tritax EuroBox (Peine) Propco GmbH (previously known as Dietz Logistik 38. Grundbesitz GmbH)	Property Investment	Germany	94.9%*
Dietz Logistik 33. Grundbesitz GmbH	Property Investment	Germany	89.9%*
CLI Real Estate I GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 47. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Poland) Propco sp. z o.o (previously known as Nestral sp. z o.o.)	Property Investment	Poland	100%*
Tritax Eurobox (Netherlands) Propco Limited	Property Investment	United Kingdom	100%*

* These are direct subsidiaries of the Company.

** The day-to-day operations of Fondo Minerva Eurobox Italy are managed by Savills IM ("Savills") in accordance with the requirements of the Italian REIF regime. The Company has the power to replace Savills with another operator and therefore considers the investment to be a subsidiary under IFRS 10.

The registered addresses for the subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

Spain entities: Avenida de Felipe II, 17, 1ºC, 28009, Madrid, Spain

Jersey entities: 13-14 Esplanade, St Helier, Jersey, JE1 1EE

Italian entities: Savills Investment Management SGR S.p.A., Fondo Minerva, Via San Paolo 7, 20121 Milano, Italy

Belgium entities: Louizalaan 331-333, 1050 Brussels, Belgium

German entities: Darmstädter Straße 246, 64625 Bensheim, Germany

Poland entities: Warsaw, ul. Piękna 18, 05-077 Warsaw, Poland

United Kingdom: Standbrook House, 4th Floor, 2-5 Old Bond Street, London, United Kingdom, W1S 4PD

5. Trade and other receivables

	30 September 2019 €m	30 June 2018 €m
Amounts receivable from Group companies	**450.60**	–
Other receivables	**0.15**	0.06
	450.75	0.06

All amounts receivable from Group companies are documented under term loans which maturity exceeds four years. All borrowings are unsecured and are charged at 4% (with the exception of Poland at 2.69%). Interest is generally payable quarterly and, therefore, is classified as current assets.

	30 September 2019 €m	30 June 2018 €m
Current assets	**2.83**	–
Non-current assets	**447.92**	–
	450.75	–

6. Cash held at bank

	30 September 2019 €m	30 June 2018 €m
Cash held at bank	**2.05**	–

7. Trade and other payables

	30 September 2019 €m	30 June 2018 €m
Trade and other payables	**2.98**	–
Accruals	**3.38**	–
	6.36	–

8. Loans and borrowings

All external borrowings of the Group are held by the Company. Please refer to note 18 of the Group accounts for further details.

9. Share capital

Please refer to note 24 of the Group accounts.

10. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other wholly owned members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

Below are the amounts owed by the companies which are not wholly owned:

Amount owed from Group companies	Less than one year €m	More than one year €m
Tritax EuroBox (Bochum) Propco GmbH	–	24.46
Tritax EuroBox (Peine) Propco GmbH	–	67.75
Dietz Logistik 33. Grundbesitz GmbH	0.38	31.10
CLI Real Estate I GmbH	–	28.02
	0.38	151.33

For all other related party transactions please refer to note 26 of the Group accounts.

11. Directors' remuneration

Please refer to note 9 of the Group accounts.

12. Subsequent events

Please refer to note 27 of the Group accounts.

1. EPRA earnings per share

	Period ended 30 September 2019 €m
Total comprehensive income (attributable to Shareholders)	**20.72**
Adjustments to remove:	
Changes in fair value of investment properties	**(17.85)**
Deferred tax adjustment	**4.59**
Changes in fair value of interest rate derivatives	**2.35**
Profits to calculate EPRA earnings per share	**9.81**
Weighted average number of Ordinary Shares	**331,599,364**
EPRA earnings per share – basic and diluted	**2.96 cents**

2. EPRA NAV per share

	Period ended 30 September 2019 €m
Net assets at end of period	**477.27**
Adjustments to calculate EPRA NAV:	
Changes in fair value of interest rate derivatives – 2019	**2.35**
Deferred tax adjustment	**4.59**
EPRA net assets	**484.21**
Shares in issue at 30 September 2019	**422,727,273**
Dilutive shares in issue	**–**
	422,727,273
Dilutive EPRA NAV per share	**€1.15**

3. EPRA NNNAV

	Period ended 30 September 2019 €m
EPRA net assets	**484.21**
Include:	
Fair value of financial instruments	**(2.35)**
Deferred tax adjustment	**(4.59)**
EPRA NNNAV	**477.27**
Shares in issue at 30 September 2019	**422,727,273**
Dilutive shares in issue	**–**
	422,727,273
EPRA NNNAV per share	**€1.13**

No comparative is disclosed as the Group did not hold any investment properties in the prior period.

4. EPRA net initial yield (NIY) and EPRA "topped up" NIY

	Period ended 30 September 2019 €m
Investment property	**687.58**
Less: development properties	**(21.83)**
Completed property portfolio	**665.75**
Allowance for estimated purchasers' costs	**29.31**
Gross up completed property portfolio valuation (B)	**695.06**
Annualised cash passing rental income	**31.58**
Less: contracted rental income in respect of development properties	**–**
Property outgoings	**(0.30)**
Annualised net rents (A)	**31.28**
Contractual increases for fixed uplifts	**1.84**
Topped up annualised net rents (C)	**33.12**
EPRA Net Initial Yield (A/B)	**4.50%**
EPRA Topped Up Net Initial Yield (C/B)	**4.77%**

5. EPRA vacancy rate

	Period ended 30 September 2019 €m
Annualised estimated rental value of vacant premises	**0.41**
Portfolio estimated rental value[1]	**33.43**
EPRA vacancy rate	**1.22%**

1 Excludes land held for development.

6. EPRA cost ratio

	Period ended 30 September 2019 €m
Property operating costs	**0.33**
Administration expenses	**8.45**
Net service charge costs	**0.05**
Other operating income	**(0.37)**
Total costs including vacant property costs (A)	**8.46**
Vacant property costs	**(0.16)**
Total costs excluding vacant property costs (B)	**8.30**
Gross rental income – per IFRS (C)	**24.49**
Total EPRA cost ratio (including vacant property costs) (A/C)	**34.54%**
Total EPRA cost ratio (excluding vacant property costs) (B/C)	**33.89%**

7. Total return

	Period ended 30 September 2019 cents
Opening EPRA NAV	**113.11**
Closing EPRA NAV	**114.54**
Growth in EPRA NAV	**1.43**
Dividends paid	**2.40**
Total growth in EPRA NAV plus dividends paid	**3.83**
Total return	**3.39%**

No comparative is disclosed as the Group did not hold any investment properties in the prior period.

GLOSSARY OF TERMS

"Adjusted earnings"
Post tax earnings attributable to Shareholders, adjusted to include licence fees receivable on forward funded development assets and adjusts for other earnings not supported by cash flows, as further explained in note 12 in the Group financial statements. "Adjusted earnings per share" or "Adjusted EPS" on a per share basis.

"AIFM"
An alternative investment fund manager and has the meaning given in the AIFMD.

"AIFMD"
Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and, where the context requires, includes references to Commission Delegated Regulation (EU) No 231/2013 and any applicable local laws implementing the AIFMD into the national law of an EEA member state.

"Basic NAV" or "Basic Net Asset Value"
The value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time.

"Big Box"
A "Big Box" property or asset refers to a specific subsegment of the logistics sector of the real estate market, relating to very large logistics warehouses (each with typically over 30,000 sq m of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade tenants; annual rental indexation; having a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and typically with sophisticated automation systems or a highly bespoke fit out.

"Board"
The Directors of the Company.

"BREEAM"
Building Research Establishment's Environmental Assessment Method is a recognised environmental assessment method and rating system for best practice in sustainable building design, construction and operation measuring a building's environmental performance. A BREEAM assessment evaluates a building's specification, design, construction and use, such as energy and water use, the internal environment (health and well-being), pollution, transport, materials, waste, ecology and management processes.

"Company"
Tritax EuroBox plc (company number 11367705).

"Company Secretary"
The Manager.

"CPI"
Consumer Price Index, a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care as calculated by the relevant authority in each country.

"Corporation Tax Act 2010"
The Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force.

"Development pipeline"
The Group's current programme of developments authorised or in the course of construction at the balance sheet date, together with potential schemes not yet commenced on land owned or controlled by the Group.

"Dietz"
Dietz Asset Management GmbH.

"Directors"
The Directors of the Company as of the date of this report being Robert Orr, Keith Mansfield and Taco de Groot.

"EPRA"
European Public Real Estate Association.

"EPRA Cost Ratio"
Administrative and operating costs (including or excluding costs of direct vacancy) divided by gross rental income, as further described in EPRA Best Practices Recommendation Guidelines.

"EPRA Earnings"
Earnings from operational activities (which excludes the licence fees receivable on our forward funded development assets).

"EPRA NAV" or "EPRA Net Asset Value"
The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2016) requirements by (among other adjustments) excluding the impact of any fair value adjustments to debt and related derivatives and other adjustments and reflecting the diluted number of Ordinary Shares in issue.

"EPRA Triple Net Asset Value (NNNAV)"
EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.

"EPRA Net Initial Yield (NIY)"
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs.

"EPRA 'Topped-Up' NIY"
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives, such as discounted rent periods and step rents).

"EPRA Vacancy"
Estimated market rental value (ERV) of vacant space divided by the ERV of the whole portfolio.

"Estimated cost to completion"
Costs still to be expended on a development or redevelopment to practical completion, including attributable interest.

"Estimated rental value (ERV)"
The estimated annual market rental value of lettable space as determined by the Group's valuers. This will normally be different from the rent being paid.

"Euribor"
Euro Interbank Offered Rate, published by the European Money Markets Institute.

"FCA"
The United Kingdom Financial Conduct Authority (or any successor entity or entities).

"Forward funded development"
A pre-let forward funded development of a Big Box or other logistics asset is where the Company invests in an asset which is either ready for, or in the course of, construction and pre-let to an acceptable tenant. In such circumstances, the Company seeks to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease.

"Foundation asset"
Foundation assets provide core, low-risk income. They are usually let on long leases to tenants with excellent covenant strength. The buildings are usually new or modern and in prime locations, and the leases have regular rent reviews, either fixed or linked to Inflation Indices.

"Gearing"
Net borrowings divided by total Shareholders' equity excluding intangible assets and deferred tax provision.

"GIA"
Under the RICS Code of Measuring Practice (6th Edition) the Gross Internal Area (GIA) is the basis of measurement for valuation of industrial buildings (including ancillary offices) and warehouses; the area of a building measured to the internal face of the perimeter walls at each floor level (including the thickness of any internal walls). All references to building sizes in this document are to the GIA.

"Global Real Estate Sustainability Benchmark (GRESB) Assessment"
GRESB assesses the ESG performance of real estate and infrastructure portfolios and assets worldwide, providing standardised and validated data to the capital markets.

"Gross rental income"
Contracted rental income recognised in the period, in the income statement, including surrender premiums and interest receivable on finance leases. Lease incentives, initial costs and any contracted future rental increases are amortised on a straight-line basis over the lease term.

"Group"
The Company and all of its subsidiary undertakings.

"Growth Covenant asset"
Growth Covenant assets are fundamentally sound assets in good locations, let to tenants perceived to be undervalued at the point of purchase and who have the potential to improve their financial strength. These assets offer value enhancement through yield compression.

"Investment property"
Completed land and buildings held for rental income return and/or capital appreciation.

"Interest cover"
The ratio of net property income to the interests incurred in the period.

"IPO"
The Company's initial public offering in July 2018.

"ITC"
Investment Trust Company.

"Logistics Capital Partners" or "LCP"
LCP Services (UK) Limited.

"London Stock Exchange"
London Stock Exchange plc.

"LTV"
The proportion of gross asset value (including cash) that is funded by borrowings.

"Manager"
Tritax Management LLP (partnership number OC326500).

"Net initial yield"
The annual rent from a property divided by the combined total of its acquisition price and assumed acquisition expenses.

"Net rental income"
Gross rental income less ground rents, service charge expenses, property operating expenses and any other non-recoverable expenditure.

"Ordinary Shares"
Ordinary Shares of £0.01 each in the capital of the Company.

"Passing rent"
The annual rental income currently receivable on a property (which may be more or less than the ERV). Excludes rental income where a rent-free period is in operation. Excludes service charge income (which is netted off against service charge expenses).

"Portfolio"
The overall portfolio of the Company including both the investment and development portfolios.

"Portfolio value"
The value of the portfolio which includes capital commitments on forward funded developments and the Group's share of joint venture assets (commonly known as a proportionally consolidated basis).

"Pre-let"
A lease signed with an occupier prior to completion of a development, which commits the occupier to sign a lease on practical completion.

"RETT"
Real Estate Transfer Tax – the tax imposed by European states on the purchase of land and properties.

"Revolving Credit Facility" or "RCF"
An unsecured revolving credit facility.

"RPI"
Retail Price Index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated by the relevant authority in each country.

"SGR"
Societa'di Gestione del Risparimo, a regulated Italian investment management company.

"Shareholders"
The holders of Ordinary Shares.

"Speculative development"
Where a development has commenced prior to a lease agreement being signed in relation to that development.

"sqm"
Square metre or square metres, as the context may require.

"Strategic land"
Opportunities identified in strategic land which the Manager believes will enable the Company to secure, typically, pre-let forward funded developments in locations which might otherwise attract lower yields than the Company would want to pay, delivering enhanced returns but controlling risk.

"Topped up net initial yield"
Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent-free period at the valuation date. This is in accordance with EPRA's Best Practices Recommendations.

"Total Return"
Net total shareholder return, being the change in EPRA NAV over the relevant period plus dividends paid.

"Total Shareholder Return"
A measure of the return based upon share price movement over the period and assuming reinvestment of dividends.

"Value Add Asset"
These assets are typically let to financially strong companies and offer the chance to grow the assets' capital value or rental income, through lease engineering or physical improvements to the property.

"WAULT" or "Weighted Average Unexpired Lease Term"
The average remaining number of years until the sooner of the lease expiry, or tenant break option within the portfolio. In respect of forward funded developments, the unexpired term from lease start date.

"Yield on cost"
The expected gross yield based on the estimated current market rental value (ERV) of a development when fully let, divided by the book value of the developments at the earlier of commencement of the development or the balance sheet date plus future development costs and estimated finance costs to completion.

COMPANY INFORMATION

Company Registration Number: 11367705
Incorporated in the United Kingdom

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Non-Executive Chairman

Keith Mansfield
Senior Independent Director

Taco de Groot
Non-Executive Director

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