

Second Swedish acquisition, strengthening platform in the Nordics

FORWARD FUNDING ACQUISITION OF 13,181 SQM LOGISTICS PROPERTY IN PRIME LOCATION JUST NORTH OF STOCKHOLM, SWEDEN FOR SEK 284 MILLION (€27.9 MILLION¹)

Tritax EuroBox plc (“Tritax EuroBox” or the “Company”) (ticker: EBOX (Sterling) and BOXE (Euro)), which invests in high-quality, large, sustainable, prime logistics real estate strategically located across Continental Europe, announces that conditional contracts have been entered into to acquire the land and provide forward funding for the development of a new high specification and sustainable logistics asset for a total consideration of SEK 284 million (€27.9 million¹) in a prime location just north of Stockholm, Sweden.

This is the Company’s second acquisition in Sweden and comprises a 13,181 sqm logistics facility consisting of two separate units of 8,204 sqm and 4,977 sqm to be constructed between November 2021 and December 2022. The development is being undertaken by Verdion, a highly experienced European industrial and logistics real estate specialist, which has recently expanded into the Nordic area opening offices in Sweden and Denmark and has a growing number of projects in the Nordics. The land purchase is conditional on receiving the building permit which is expected in the near-term.

The buildings are located in the established logistics market of Rosersberg, one of the best logistics hubs in Sweden, strategically situated close to Stockholm Arlanda Airport on the E4 motorway to Stockholm. Given its strategic location, market rents in Rosersberg are amongst the highest in Sweden and its importance as a hub is expected to increase further in coming years.

This acquisition is structured as a forward funding development opportunity, where the Company will buy the land initially and then fund the construction of the buildings. The total development cost is capped at SEK 284 million (€27.9 million¹). From completion of the land purchase and during the construction phase, the Company will receive from the developer an income return equivalent to the agreed net initial yield.

The Company will also benefit from a 12-month rental guarantee of SEK 12 million (€1.18 million¹) from completion of construction which is estimated to be in December 2022. This rental guarantee is in line with the current estimated market rental value per annum assuming a rent of SEK 907 (€89¹) per sqm.

Due to the strength of the local leasing market the Company is confident that it will be able to lease the units quickly and benefit from any increased value that a new lease may create. Verdion will assist the Company with the letting based on pre-agreed leasing criteria with an incentive mechanism. Verdion will be retained as asset manager.

As is standard in the Nordic markets, the ESG credentials of the development will be strong. The development is targeting a minimum BREEAM Very Good certification, and the construction will include a range of energy saving initiatives and staff wellbeing measures.

The acquisition price of SEK 284 million reflects a net initial yield of 4.2% based on the income from the rental guarantee.

Alina Iorgulescu, Assistant Fund Manager of Tritax EuroBox, commented:

“We are delighted to acquire our second asset in Sweden, following the acquisition of the Gothenburg asset in June this year, building up our presence in this important market, which we expect to continue to perform well due to strong fundamentals. Tenant demand is strong and land supply is constrained in the prime markets in Sweden such as Stockholm and Gothenburg where we are investing.

Acquiring assets using a forward funding structure is an effective way of accessing the best assets in the best locations at prices discounted to the market. We expect both assets to perform well and deliver good value to our shareholders.”

Notes

¹ Exchange rate assumed at 1SEK = €0.098

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Notes:

Tritax EuroBox plc invests in and manages a well-diversified and sustainable portfolio of well-located Continental European logistics real estate assets that are expected to deliver an attractive capital return and secure income to shareholders. These assets fulfil key roles in the logistics and distribution supply-chain focused on the most established logistics markets and on the major population centres across core Continental European countries.

Occupier demand for Continental European logistics assets is in the midst of a major long-term structural change principally driven by the growth of e-commerce. This is evidenced by technological advancements, increased automation and supply-chain optimisation.

The Company's Manager, Tritax Management LLP, has assembled a full-service European logistics asset management capability including specialist “on the ground” asset and property managers with strong market standings in the Continental European logistics sector.

Further information on Tritax EuroBox plc is available at www.tritaxeurobox.co.uk