TRITAX EUROBOX

Strong platform optimising performance

Annual Report 2022

TRITAX EUROBOX

Specialists in European logistics real estate

Tritax EuroBox plc invests in and manages a well-diversified portfolio of Continental European logistics real estate assets. These assets fulfil key roles in logistics and distribution supply chains, with a focus on the most established logistics markets near to the major population centres across core Continental European countries.

Occupier demand for logistics assets in these countries continues to be driven by long-term structural trends, primarily the growth of e-commerce, the need to optimise, automate and de-risk supply chains and the growing necessity for businesses to operate from sustainable properties.

Our properties are highly sustainable, offer robust and inflation-linked income and have opportunities for capital growth through active asset management. These attributes underpin our ability to generate attractive returns for Shareholders.

Our purpose

Our purpose is to open up new futures in sustainable commercial real estate, creating compelling opportunities for our stakeholders and giving the world's most ambitious companies the space to succeed.

Our Manager

The Company's Manager, Tritax Management LLP, specialises in investing in mission-critical supply chain real assets, aligned with the structural trends shaping the future economy, including digitisation, automation, urbanisation and green energy. It has deep expertise in the sector, built up over more than 25 years.

The Manager has assembled a full-service European logistics asset management capability for the Company, including specialist on-the-ground asset and property managers, with strong market standings in the Continental European logistics sector.

Strategic report

Governance

Financial statements

Strong platform – optimising performance

Our business model

Our business model supports our purpose through our focus on investing in the most modern, best located and most sustainable logistics properties. These meet the needs of growing and ambitious companies, both now and in the future.

Source high-quality investments	**Buy and sell for value**
Develop on a risk-controlled basis	**Proactively and responsibly manage assets**

▶ Read more about our business model on pages 18 and 19

Our strategy

Our strategy is to create value at the point of acquisition and throughout the lifecycle of the asset, through careful asset selection, proactive asset management and a dedicated focus on ESG underpinned by appropriate financing. The objective of this strategy is to produce robust income streams and attractive returns over the long term.

Investment strategy	**Asset management strategy**
ESG strategy	**Financing strategy**

▶ Read more about our strategy on page 20

The value we create

By following our business model and successfully implementing our strategy, we create value for all our stakeholders.

Customers	Society	Environment	Shareholders	Lenders
The space to succeed	Jobs, tax revenues and online shopping	Reduced impact through sustainable investment	Attractive dividends and Total Returns	Interest payments backed by secure cash flows

▶ Read more about our stakeholders on pages 21 to 23

Increasing contractual visibility on income growth

Financial

Rental income (€m)

€57.9m

+31.9%

2022	57.9
2021	43.9
2020	36.0

Adjusted Earnings Per Share ("Adjusted EPS")[1]

4.24 cents

-8.0%

2022	4.24
2021	4.61
2020	4.16

Basic IFRS EPS (cents)

7.28 cents

-62.8%

2022	7.28
2021	19.59
2020	10.60

Dividend per share (cents)

5.00 cents

No change

2022	5.00
2021	5.00
2020	4.40

Portfolio value (€m)[2]

€1,765.6m

+37.8%

2022	1,765.6
2021	1,281.4
2020	837.9

EPRA Net Tangible Assets per share (€)

€1.38

+2.2%

2022	1.38
2021	1.35
2020	1.22

IFRS NAV per share (€)

€1.32

+0.8%

2022	1.32
2021	1.31
2020	1.19

Loan to value ("LTV") ratio (%)[3]

35.2%

+21.9 pts

2022	35.2
2021	13.3
2020	41.1

Total Return (%)

6.0%

-8.3 pts

2022	6.0
2021	14.3
2020	11.0

Increase in rental income and cost efficiencies supporting future earnings growth and dividend cover

- 31.9% increase in rental income to €57.9 million, reflecting 4.0% like-for-like rental growth, asset management activity and acquisitions
- Adjusted EPRA Cost Ratio of 29.5%; financial year 2023 ratio expected to be c. 25%, driven by expected future income growth and estimated €2.1 million annual savings from reduced management fee
- Adjusted EPS of 4.24 cents, down 8.0%, primarily due to timing of deployment of prior year equity raise
- Dividend per share of 5.00 cents, covered in the quarter ended 30 September 2022 and expected to be fully covered for the financial year 2023

Resilient investment portfolio let to strong customers on long-term inflation linked leases

- Portfolio value of €1,765.6 million, up 37.8% (FY2021: €1,281.4 million), primarily driven by acquisitions in the period
- 5.6% like-for-like capital growth reflecting H1 2022 increase of 8.1% offset by 2.3% decrease in H2 2022
- 9.5% (€7.1 million) portfolio reversion driven by like-for-like estimated rental value growth of 8.2%
- 97% of occupational leases subject to annual increases of which 82.6% linked to inflation
- 99.7% occupancy and significant income visibility with 8.0 years WAULT

- ▶ Read more about our strategy on page 20
- ▶ Read more about our investment proposition on pages 10 and 11
- ▶ Read more about our ESG on pages 28 to 35

1 See note 12 to the financial statements for reconciliation.
2 Valuation under IFRS (excluding rental guarantees).
3 As per KPI definition.
4 Including rental guarantee and licence fee.
5 Adjusted for vacancy.
6 Including licence fee income and rental guarantees, excluding exceptional lease surrender in Hammersbach.

Operational

Contracted annual rent[4] (€m)

€74.3m

+39.1%

2022	74.3
2021	53.4
2020	40.7

Like-for-like rental growth[5] (%)

4.0%

+1.6 pts

2022	4.0
2021	2.4
2020	0.5

Rent collection (%)

100%

No change

2022	100
2021	100
2020	100

Weighted Average Unexpired Lease Term

8.0 years

-1.3 years

2022	8.0
2021	9.3
2020	9.1

EPRA vacancy rate (%)

0.3%

-3.0 pts

2022	0.3
2021	3.3
2020	5.4

Adjusted EPRA Cost Ratio[6] (%)

29.5%

+1.0 pts

2022	29.5
2021	28.5
2020	27.8

Maximum average cost of debt (%)

1.46%

-0.44 pts

2022	1.46
2021	1.90
2020	2.30

Like-for-like valuation growth (%)

5.6%

-6.3 pts

2022	5.6
2021	11.9
2020	5.4

Like-for-like estimated rental value growth (%)

8.2%

+4.2 pts

2022	8.2
2021	4.0
2020	3.2

Operational activity reinforcing portfolio resilience and ESG performance

- Acquired nine high-quality, sustainable assets at a net initial yield of 3.7%, adding €20.2 million p.a. to the annual rent and benefiting from 11.2% reversion (€2.2 million)
- Development schemes totalling 31,200 sqm fully let producing €1.4 million of annual rental income
- Four new leases signed totalling €5.1 million of annual rent, an increase of €0.8 million (+18%) above previous rent or guarantees
- Awarded five Green Stars and "Leader in Sustainability for European Industrial Distribution Warehouse Listed Sector" by GRESB, the global ESG benchmark for real estate

Robust balance sheet with low and capped cost of debt – earliest maturity in Q4 2025

- Issued placement of €200 million, at an average coupon of 1.37% and average maturity of nine years
- 100% of debt with fixed rates or caps, with a maximum average cost of debt of 1.46%
- 4.5 years' weighted maturity with earliest refinancing in Q4 2025
- €239 million of available liquidity from undrawn debt facilities at year end
- Significant covenant headroom with LTV of 35% and interest cover of 3.9x compared to covenant levels of 65% and 1.5x respectively

Delivering resilience and strategic progress

Robert Orr
Independent Chairman

The Company made good progress in 2022 with implementing its investment strategy, including completing the deployment of capital from the prior year's equity raise and continuing to extract value from the existing portfolio through active asset management and development. All investment, asset management and development activity has been fully aligned with our ESG strategy which has been reflected in an improved overall ESG performance.

Strategic progress

Since IPO in 2018, we have focused on constructing a portfolio of best-in-class, modern logistics assets that are mission critical to our customers, and concentrated in key locations in Western Europe's major supply chain corridors. At the year end, 99.7% of the portfolio was income producing and 97% of our leases included an element of annual uplifts. These efficient portfolio characteristics generate a secure and growing income stream that supports our policy of providing an attractive dividend to Shareholders.

During the year we further enhanced the portfolio, deploying €533 million into a mix of core, value-add and development opportunities, the majority of which offer the potential to improve future rental levels. In terms of development projects, we continue to carefully manage risk by funding pre-let schemes, seeking rent guarantees on speculative developments and agreeing fixed-price contracts with leading developers, giving us certainty of project cost and delivery at a time of material shortages and elevated build cost inflation.

We made good progress with our asset management plans during the year, including handing over the major extension at Barcelona post year end and agreeing four new green leases, further diversifying our customer base. In addition, the portfolio has inherent opportunities to create further income and value through lease extensions, lettings, reversions and additional development on unutilised plots of land. These initiatives will continue to drive earnings growth as they come to fruition.

ESG is deeply integrated in our investment philosophy and our approach to asset management. In recognition of our continued focus in this important area, we were pleased to achieve a further increase in our GRESB score, which now stands at 88 out of 100 compared to 82 in 2021 (GRESB average = 74; GRESB peer group average = 79). We were awarded five stars and designated as Leader in ESG for European Industrial Distribution Warehouse Listed Sector.

We were also awarded EPRA Gold Level certification for ESG reporting best practice in the first year of inclusion in the EPRA Sustainability Best Practices Recommendations.

Post year end, we agreed an amendment to the Investment Management Agreement with the Manager, which included a reduction in the management fee (backdated to August 2022). Further details are contained in the Manager's Report. This will enable significant cost savings to accrue to the Company and consequently will benefit earnings and the EPRA Cost Ratio and will contribute to an expected covered dividend position going forward.

> "Reduced costs and income growth will support the move to a fully covered dividend in 2023."

Financial performance

The portfolio was valued at €1.77 billion at the year end (+37.8% on previous year), generating like-for-like capital and ERV growth of 5.6% and 8.2% respectively. The Company's EPRA NAV per share increased by 2.2%.

We declared quarterly dividends totalling 5 cents per share in respect of the year, in line with the prior year.

This performance contributed to a Total Return of 6% (2021: 14.3%), against our long-term average target of 9%. The decrease compared to last year is the result of a softening in capital values in the second half of the financial year.

For the full year, the total dividend represented 84.8% of Adjusted EPS. The trajectory in dividend cover is positive, with the dividend fully covered in the final quarter of the 2022 financial year. The full impact of this year's activities and the completion of further rent enhancing initiatives over the course of the next 12 months, combined with the reduction to the Manager's fee and rigorous focus on costs, mean that we believe we can achieve a fully covered dividend for full year 2023.

The Company benefits from a variety of debt sources, including bank facilities, a Green Bond and our first private placement, which we issued during the year. The interest on this debt is either fixed or capped and none of the facilities mature before Q4 2025. The year-end LTV was 35% or 41% including all our current funding commitments.

Governance

We were delighted to welcome Sarah Whitney as a Non-Executive Director with effect from 14 February 2022. Sarah was also appointed as a member of the Audit and Management Engagement Committees. Following a review of the Board and Committee composition, we are also pleased to announce that Sarah Whitney will succeed Keith Mansfield as Senior Independent Director ("SID") with effect from 6 December. Keith will continue as Chair of the Audit & Risk Committee.

Sarah brings over 35 years of senior executive experience advising international and UK organisations and boards on strategy, corporate finance, and real estate and economic development matters, as well as complementary non-executive expertise.

In September 2022, Nick Preston stepped down as Fund Manager of the Company, with Phil Redding appointed in his place. Phil was the Manager's Director of Investment Strategy prior to his appointment. He is highly experienced in the sector, with deep knowledge of Continental European markets gained during 25 years at SEGRO plc. Nick was instrumental in establishing the Company and, on behalf of the Board, I thank him for his valuable contribution.

The Board and Company held its annual strategy meeting in September to discuss the macroeconomic backdrop and ensure the Company's approach remains relevant now, and for the future. The Company has a high-quality portfolio of assets, let to a diverse and strong customer base, and has significant balance sheet headroom. The conclusion of this exercise confirmed that the Board believes the Company has the right strategy and foundations in place to continue delivering for our Shareholders.

The Board is pleased that it meets the targets set out in the FTSE Women Leaders Review (which follows the Hampton-Alexander Review) and we are committed to meeting the targets set out in the Parker Review at the appropriate opportunity.

For further information on the Company's governance activities please refer to pages 60 to 96 in the Governance Report.

Outlook

Following a strong first half for European logistics markets in 2022, the macroeconomic backdrop changed significantly in the second half with the European Central Bank responding to the elevated levels of inflation with a series of aggressive interest rate hikes. The knock-on impact of rising bond yields and debt costs, together with the increased likelihood of European economies experiencing a period of slower growth, has not yet been fully transmitted into real estate markets, with the scale and duration of adjustments to pricing and growth still uncertain.

We believe the structural tailwinds positively impacting the European logistics sector, particularly the growth of internet retail, remain in place and other demand drivers, such as the need for supply chain resilience and buildings that support ESG objectives, will continue to create additional sources of demand. Low vacancy rates and constrained supply of land also serve to underpin occupational market fundamentals.

However, we are cognisant of the recent declines in investment transaction volumes and evidence of a softening in asset pricing and we remain attentive to the potential risk of weaker occupational markets.

In these more uncertain times, the quality of our portfolio together with the strength of our balance sheet combine to provide the Company with the resilience and resources to navigate more volatile market conditions. In addition, the embedded indexation, reversion and asset management opportunities in the portfolio provide the ability to grow income and create value throughout the market cycle.

The actions taken this year to reduce costs, together with the full year impacts of new investments, indexation and the completion of the Mango extension, will also provide positive momentum to earnings, help lower the cost ratio and support a fully covered dividend for the next financial year.

Although we are taking a more cautious stance in terms of our outlook for market conditions, the Company remains well positioned for the future with a resilient portfolio and strong balance sheet enabling us to navigate a more uncertain macroeconomic backdrop.

Robert Orr
Independent Chairman
5 December 2022

A portfolio of prime, well-located assets

Our assets:

- are in established logistics hubs, close to large population centres and with limited land supply;
- have good transport links and are close to other infrastructure hubs;
- are large, modern and adaptable, with strong ESG credentials; and
- have a sufficient supply of power, data connectivity and access to a nearby pool of labour.

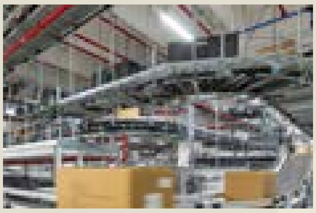
Key highlights

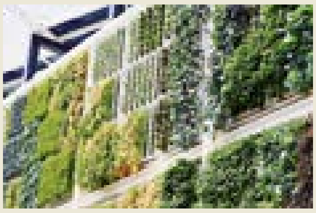
Modern
85%
of the portfolio by area has been built in the last 10 years

Long term
71%
of the portfolio income is secured for more than five years

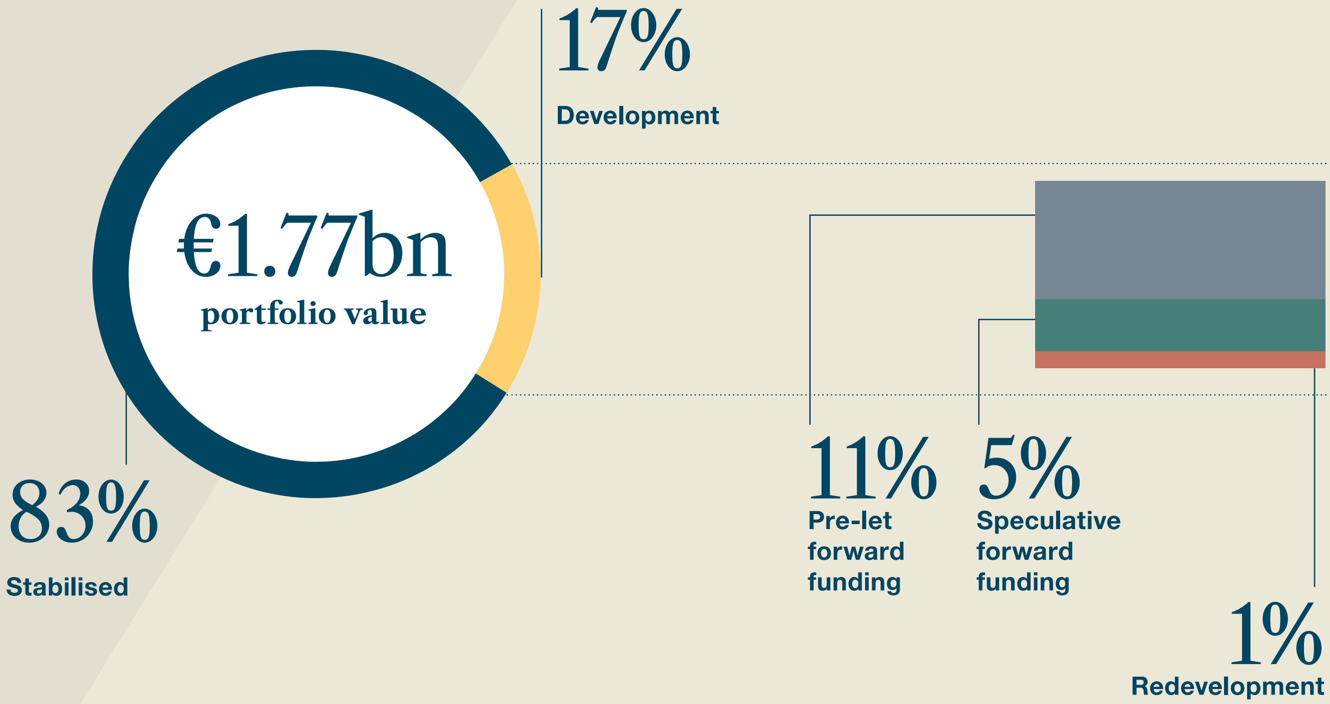
Growing
97%
of leases by income are subject to an element of annual uplifts

Sustainable
92%
of the portfolio by floor area is covered by Green Building Certifications or EPCs

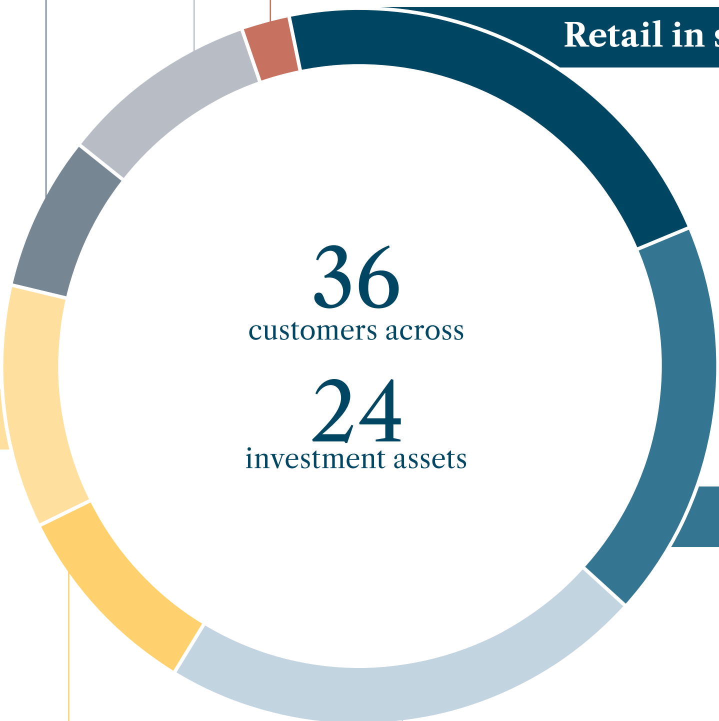




Portfolio value by investment category



Diversified by customer and sector



Food and beverage
9%

Pharma
2%

Retail in store
7%

Retail in store and online
22%

Manufacturing
11%

Retail online
18%

3P logistics
22%

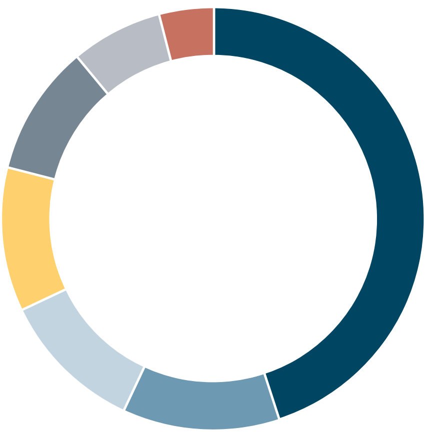
Other
9%

Our Portfolio continued

Our locations

		Population within a two-hour drive (m)
Belgium		
4	Bornem	18.6
12	Nivelles	15.0
3	Rumst	19.3
Germany		
6	Bochum	21.7
9	Bremen	9.4
19	Bönen	19.3
22	Dormagen	21.7
13	Geiselwind	7.7
18	Gelsenkirchen	22.1
8	Hammersbach	11.6
14	Lich	11.8
5	Peine	7.7
7	Wunstorf	9.5
Italy		
2	Rome	6.4
16	Settimo Torinese	8.7
18	Piacenza	13.2
The Netherlands		
10	Breda	20.5
21	Roosendaal	20.6
Poland		
11	Strykow	7.1
Spain		
1	Barcelona	6.0
Sweden		
15	Gothenburg	1.7
23	Malmö	3.8
17	Rosersberg I & II	3.1

Country allocation (by rental income) at 30 September 2022



Ideally placed to meet consumer demand

Our assets are located in established logistics hubs, close to large sources of consumption and population centres and where the supply of land is also constrained. They have strong ESG credentials, as well as operational capacity in key areas such as the supply of power, data connectivity and access to available labour.

Population within two-hour drive (average)

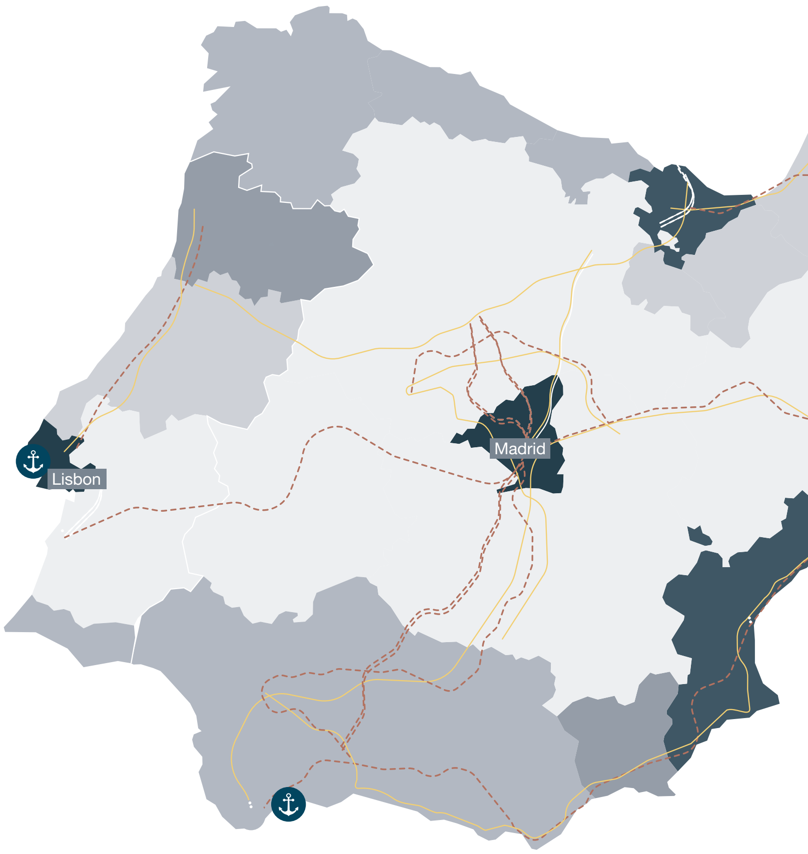
12.5m

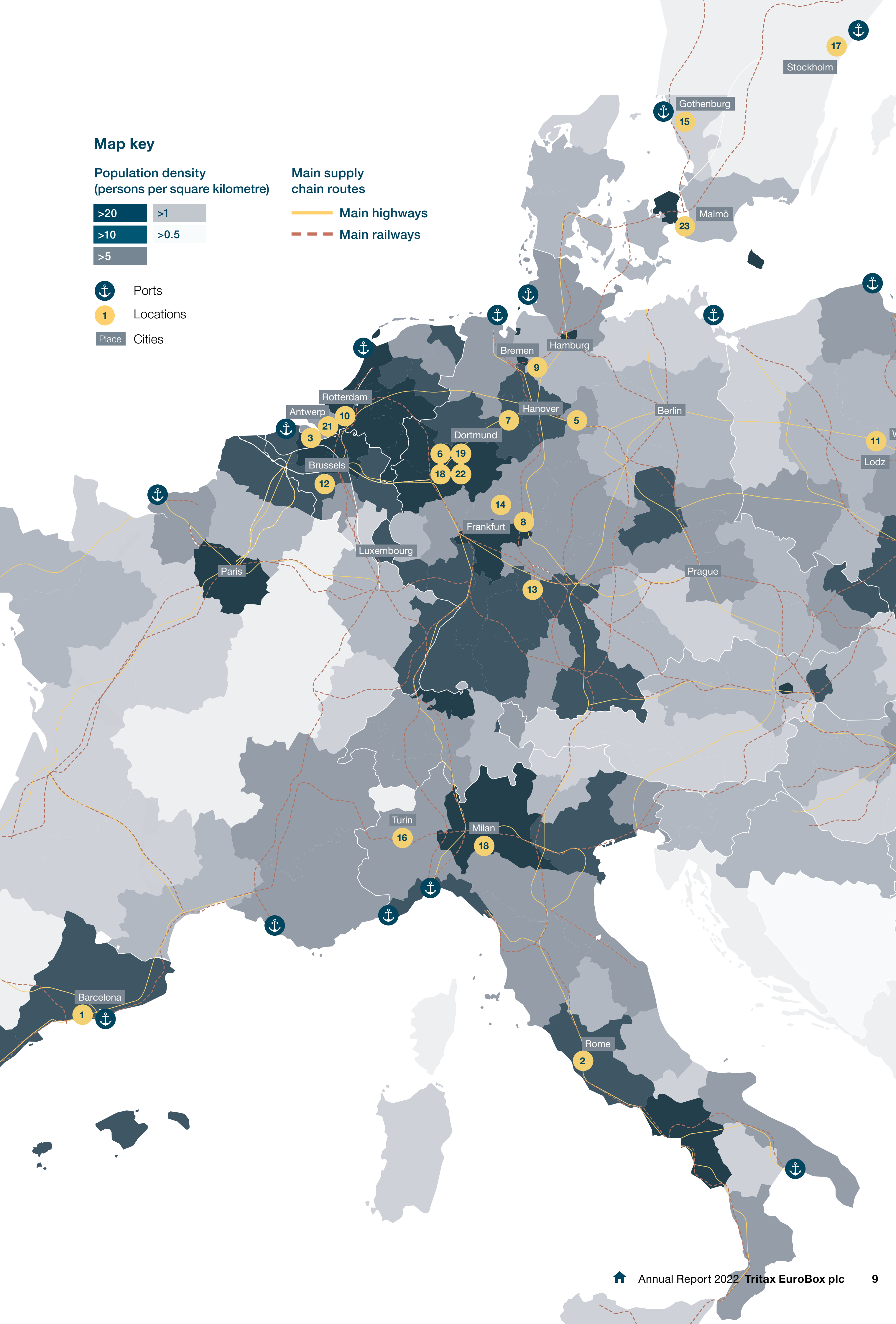
Connected to key supply chain routes

Logistics space is fundamental to successfully fulfilling e-commerce sales and companies require large, flexible, modern, and well-located properties to rapidly and efficiently deliver orders and manage returns. Our assets facilitate this requirement by being located in established distribution corridors, having excellent transport links and being close to other mission-critical supply chain infrastructure.

Number of ports

16



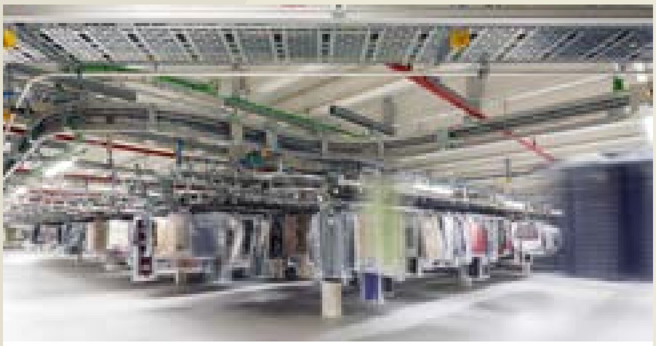

Map key
Population density
(persons per square kilometre)
>20
>1
>10
>0.5
>5
Main supply
chain routes
Main highways
Main railways
Ports
Locations
Place
Cities
Stockholm
17
Gothenburg
15
Malmö
23
Hamburg
Bremen
9
Rotterdam
Antwerp
10
21
3
Hanover
7
5
Berlin
Warsaw
11
Lodz
Dortmund
6
19
18
22
Brussels
12
14
8
Frankfurt
Luxembourg
Paris
Prague
13
Turin
16
Milan
18
Barcelona
1
Rome
2

Well placed for delivering long-term value

Our investment proposition is compelling and enduring and we remain well placed to create value for our Shareholders over the long term.

We operate in an attractive market

Our market is characterised by strong occupier demand, a limited supply of available space and high barriers to developing new assets in prime locations. These favourable market dynamics are supporting rental growth and improvements in lease terms.



Powerful long-term trends sustain enduring occupier demand

Demand for large scale logistics assets is underpinned by strong structural drivers as customers look to fulfil their e-commerce sales, secure economies of scale and efficiencies and add resilience to their supply chains. The long-term strategic nature of these investments enables customers to better withstand short-term volatility.

We have deep expertise in the logistics market

Our Manager has specialised in logistics real estate for more than 25 years and continues to add expert resources to its team, which we can draw on. Tritax Management LLP is part of abrdn, a major global investment company, giving us access to an even greater depth of expertise, knowledge and perspectives.

Strong relationships with developers enable us to secure high-quality, sought after assets

Our developer relationships give us first refusal on an off-market basis to a pipeline of the highest quality new assets. This enables us to strengthen the portfolio's quality and resilience at attractive entry points while providing us with additional opportunities to grow income and value.

"Our portfolio produces both a reliable and growing source of income and the ability to capture capital growth that supports our strategy of delivering an attractive dividend and Total Return for Shareholders over the long term."

Asset management underpins further value creation

There are numerous opportunities embedded in our portfolio to create further value through, for example, leasing unoccupied space, accelerating the capture of rental revisions and developing new buildings or extensions on unused or adjacent land.

Our portfolio offers attractive, secure and inflation-linked income and opportunities for capital growth

We have constructed an outstanding portfolio of large, modern and flexible assets in prime logistics locations across Europe. This generates a robust income stream with built-in compounding through the indexation provisions in our leases. Our portfolio produces both a reliable and growing income and the ability to capture capital growth that supports an attractive dividend and Total Return to our Shareholders over the long term.

ESG is fully integrated into our model and across the asset lifecycle

Being responsible is central to our purpose. We work in collaboration with stakeholders to create positive change and value for our customers, their staff and our other stakeholders.

A platform for resilient income growth

Phil Redding
CEO for Tritax EuroBox plc

"The structural trends driving the occupational market underpin our confidence in driving income growth as we invest with discipline and optimise performance from our existing assets."

Q: You have recently been appointed CEO for Tritax EuroBox plc. Can you tell us a bit about your background and experience?

I have been working in the European logistics markets for over 30 years, involved in all aspects of managing, leasing and transacting industrial property across different market cycles. Most recently, I was Chief Investment Officer at SEGRO plc, where I was responsible for the development and implementation of the pan-European investment strategy. I joined Tritax in November 2020 as Director of Investment Strategy providing strategic advice to EuroBox and the other Tritax funds.

Q: What are your initial impressions of Tritax EuroBox and the portfolio?

While I have been involved in EuroBox since I joined Tritax, I have now had the opportunity to visit more of the assets and meet our customers and partners. This has further underlined to me the inherent quality of the portfolio.

Concentrated in key distribution corridors across Continental Europe, these assets are modern and sustainable and on long leases to a strong roster of customers, with annual rent increases primarily linked to inflation.

In addition, the portfolio has the potential to add value and grow income through asset management and development activities. This provides an attractive mix of opportunities.

The portfolio reflects the Company's disciplined approach to capital allocation and its commitment to ESG, which is reinforced by the strong balance sheet. This combination of a high-quality portfolio and a strong financial foundation provides resilience which I believe puts the business in a solid position as we move into 2023.

Q: What is your view on the Company's approach to ESG?

I believe that ESG must be fully integrated into the decision-making processes, as a primary consideration rather than an afterthought.

Tritax EuroBox has operated in this way for a number of years and its approach and performance are now being widely recognised in the industry. In 2022 EuroBox achieved a GRESB score of 88/100, well above the peer group average of 79, as well as being awarded EPRA Gold level certification.

This is testament to the huge strides the business has made in this crucial area but we will continue to look for ways to improve and invest in initiatives to further strengthen our credentials. Importantly, this includes continuing to work collaboratively with our customers to find solutions that support their ESG objectives. This means not only reducing their environmental impact, but also creating spaces that promote wellbeing and help to attract and retain talent.

I am really encouraged by these ongoing initiatives and further progress here is a key objective for the team in 2023.

Q: Market conditions have changed significantly over the last six months; what do you think this might mean for capital values?

As we approach the end of the year, it is quite clear that the macroeconomic picture is very different to what we were experiencing at the start of 2022.

In the second half of the year, rapidly rising interest rates, bond yields and debt costs have all impacted investor sentiment with transaction volumes falling and asset prices softening. The exact impact of these changing markets conditions is difficult to predict, but I would expect capital values to weaken further over the first half of next year.

That said, it is worth remembering that the positive structural drivers and strong occupational market fundamentals mean the sector is in a robust position to withstand these more turbulent market conditions.

In addition, the resilience provided by Tritax EuroBox's high-quality portfolio, embedded income growth potential and strong financial position will serve to insulate the business from these macro headwinds.

Q: What is happening in the occupational market and what are you hearing from your customers?

Occupier market conditions remain healthy. We are seeing continued demand, with very low vacancies and insufficient supply further supporting rental growth.

My conversations with customers reinforce this position, with many recognising that creating efficient and resilient distribution networks, that meet their ESG objectives, remains of critical importance to their success.

I recognise that in the short term the wider economic backdrop is likely to lead to demand and rental growth slowing from the very high levels of late. But I remain confident that the business is well positioned to benefit from the positive, long-term structural drivers and strong market fundamentals that will continue to support the sector for some time to come.

Q: Will the changing market conditions lead to a change in the EuroBox strategy?

I fundamentally believe that the current strategy – seeking to produce a reliable and growing income stream, from the ownership of mission-critical assets, located near large centres of population along important distribution corridors – remains right for our business.

The Board and I regularly review our strategy to ensure it remains aligned to both changing market conditions and longer-term trends. We believe that the strategy underpins our objective of generating secure and growing levels of income to support the delivery of attractive dividends and Total Return for our Shareholders over the long term.

Q: What are your priorities in the year ahead?

My focus, and that of the Board, will always be to operate as efficiently as possible to ensure that we are delivering on our key objectives for Shareholders. Since taking over the leadership of the business, two key operational objectives stood out: lowering the cost ratio and covering the dividend. Considerable progress has been made on both these priorities.

The revised Investment Management Agreement between the Board and the Manager will reduce costs significantly and directly feed through into a lower cost ratio. In addition, the full impact of our portfolio activities, as well as indexation uplifts, will flow through into rental income more meaningfully as we move into 2023. The combination of lower costs and increasing rental income will support our objective of covering the dividend.

There is more work to be done but I am confident that the business will continue to make progress on both these key objectives during the year ahead.

Market fundamentals remain supportive

Our market is characterised by strong occupier demand, limited supply of available space and high barriers to developing new assets in prime locations. These favourable market dynamics are supporting rental growth and improvements in lease terms.

Powerful long-term trends are fuelling occupier demand

Demand for large scale logistics assets is underpinned by strong structural drivers as occupiers look to fulfil their e-commerce sales, secure economies of scale and efficiencies and add resilience to their supply chains.

Multi-year trend of online adoption remains upwards

While year-on-year growth rates and the speed of online adoption across Continental Europe will vary, the multi-year trend remains upwards. We expect to see further growth in the future with e-commerce as a percentage of retail sales expected to grow to potentially reach 30% by 2030.

Strong rental growth across core Continental European markets

The European logistics market continues to see a wide range of different businesses demanding warehouse space. This is reflected in the Tritax EuroBox Summer 2022 Occupier Survey[1], which showed that 89% of respondents expected to occupy the same or more space over the next three years.

The primary structural trends driving this long-term demand are:

- the growth of e-commerce, requiring companies to redefine their supply chain which often involves having large and highly automated logistics facilities, close to major population centres and strong transport links;
- the need to optimise, reinforce and de-risk supply chains, to ensure their efficiency and resilience to external shocks; and
- the growing necessity for businesses to operate from sustainable properties that will remain fit for purpose for years to come.

Global events such as the pandemic and heightened geopolitical risk have accelerated these trends in recent years.

Warehouse space is fundamental to successfully fulfilling e-commerce sales as companies require large, flexible, modern, and well-located properties to rapidly and efficiently deliver orders and manage returns. While year-on-year growth rates and the speed of online adoption across Europe will vary, the multi-year trend remains upwards. We expect to see further growth in the future with e-commerce as a percentage of retail sales expected to grow from 16% in 2021 to 20% in 2026[2] and reach 30% by 2030[3].

Supply chains used to be optimised for efficiency, productivity, and cost, but resilience is now equally critical. Companies are adopting the latest supply chain planning tools, reviewing manufacturing locations and transportation networks, and holding more critical stock closer to customers and end users. Our Tritax EuroBox Occupier Survey showed that 38% of respondents expect to hold more stock over the next three years[1]. These changes may cause companies to redesign parts of their supply chains, and in doing so, create demand for new buildings. We believe this will favour newer, well-located and technically capable buildings of the type we own.

The sustainability of their properties is increasingly at the forefront of occupiers' thinking. In addition to reducing their environmental impacts, occupiers want a workspace that promotes employee wellbeing to help them attract and retain staff. Energy generation and use are also in focus. Roof-mounted solar PV is increasingly desirable and by occupying assets built with state-of-the-art design and materials, incorporating low-carbon technologies and energy efficiencies, occupiers can further minimise their environmental footprint. Demand for clean energy will also increase as companies decarbonise their transportation. This will place new pressures on warehouse sites, such as generating clean energy and providing charging points.

Real estate market fundamentals and investment markets

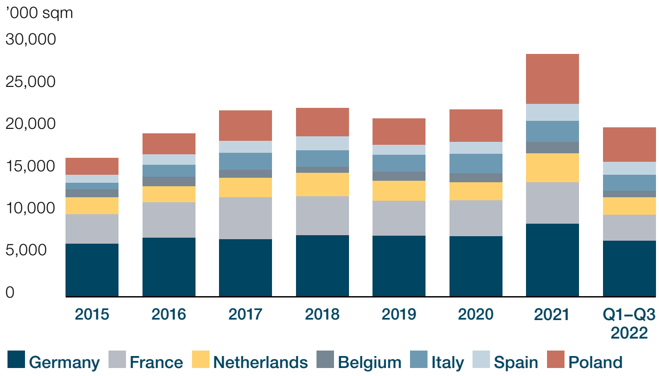
Strong levels of take-up

We continued to see strong demand for warehouse space during the 12-months to September 2022[4]. Belgium, Germany, Italy, Poland, and Spain all experienced record levels of take-up across the period. Take-up in Germany totalled 8.4m sqm, up 6% on a like-for-like basis[5]. With vacancy rates in many markets at or close to record lows, occupiers have been left with a limited number of options through which to satisfy new logistics requirements.

Demand continues to emerge from a wide variety of sources including more traditional distribution-led requirements, as well as to meet e-commerce needs. We are also seeing companies supplement their distribution facilities with buffer buildings, to ensure the end-to-end supply chain continues to function independent of any external shock. Eurostat data showed inventory in Europe increased by €171 billion across H1 2022[6].

In the short term, the economic environment and its impact on consumer demand could affect leasing decisions. The extent to which this impacts the market will be determined by the depth and length of any economic slowdown. At the same time, we believe the logistics market will be somewhat insulated by several factors; tight market conditions, planning/zoning constraints, build costs, and debt availability will likely limit new supply. The tightness of markets and mission-critical nature of many logistics buildings will make occupiers hesitant to give up space and, in the context of the wider business, occupational costs are not excessive. Supply chain reinvention, e-commerce trends and the focus on ESG are also multi-year trends around which companies make long-term investment decisions.

European logistics take-up by market, 2015–Q3 2022



Source: CBRE.

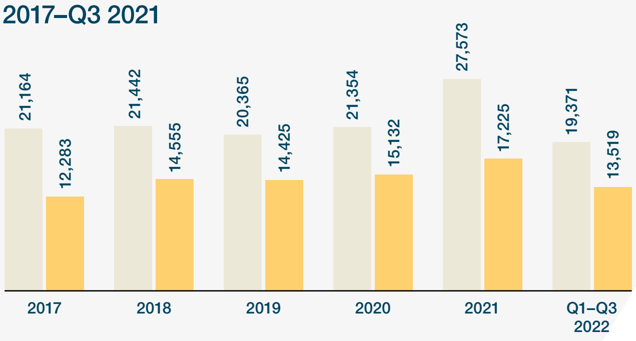
Real estate market fundamentals and investment markets continued

Supply remains constrained

Completions of new space increased to 19.2m sqm in the 12-months to Q3 2022, up from 15.2m sqm a year earlier[5]. New buildings are frequently the only route occupiers can use to find space and as a result, these developments have been rapidly absorbed and have not increased overall vacancy (see below).

The availability of modern, vacant buildings remains low across our core European markets. There are also a limited number of undeveloped sites available in these markets that can accommodate the very largest logistic facilities, and municipalities are often reluctant to zone land for the construction of assets of this scale. As a consequence, companies looking for very large new logistics facilities have few choices. In addition, developing new buildings has become increasingly challenging during 2022 as financing costs, cost-price inflation and land and power availability have all become further barriers to development. Against this backdrop, we expect development activity to slow in 2023, which will be a positive influence for market fundamentals.

European logistics completions and take-up, 2017–Q3 2021



Vacancy

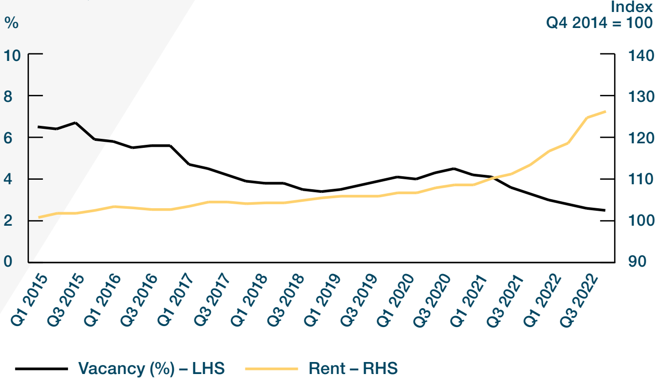
National vacancy rates are at or close to record lows. Vacancy rates in many core logistics sub-markets are often even lower. Barcelona, for example, has a vacancy rate of 3.9% (Spain: 5.6%) and in the A12/E19 corridor in Belgium just 0.1% of space is vacant (Belgium: 1.5%)[5].

Rental growth

Prime headline rents have increased across all our eight core European markets in the 12-months to Q3 2022 with many sub-markets seeing double digit rental growth. Growth has also become more widespread with markets in peripheral countries such as Poland and Sweden seeing strong increases in the period[5].

The market environment has helped logistics asset owners to selectively improve lease terms, as well as rental levels. This is an important development in Europe, given high inflation. One particular benefit has been the ability to agree new leases that more fully capture inflation, rather than having caps included.

European logistics rent index and vacancy, 2015–Q3 2022



Calculated using unweighted averages.
Source: CBRE.

1 Source: 2022 European real estate logistics census.

2 Source: Morgan Stanley, Global Ecommerce Growth Forecast, 2022.

3 Source: Eurocommerce, European E-Commerce Report, 2022.

4 European data used in this report considers the following markets: Belgium, France, Germany, Italy, the Netherlands, Poland, Spain, and Sweden, unless otherwise stated.

5 Source: CBRE.

6 Source: Eurostat.

7 Data includes transaction volumes in the Czech Republic, Hungary, Romania, and Slovakia as well as our eight core markets. Source: CBRE.

Capital markets

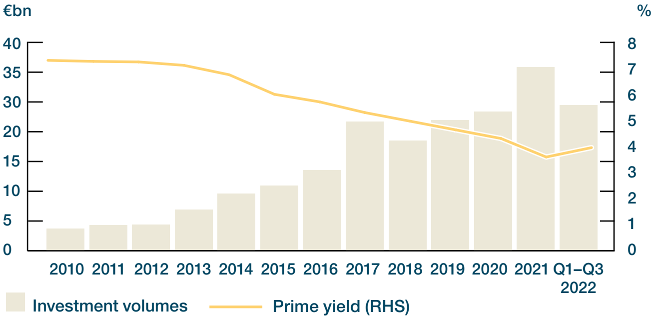
This year, the investment environment for all asset classes has shifted in response to central banks raising rates to address the inflationary environment. Debt costs have increased as a result, impacting the returns available to investors on leveraged acquisitions. Wider capital market conditions have also shifted, with logistics yields increasing through the second half of the year.

Real estate transactions have slowed since Q2 2022 but total industrial/logistics transaction volumes across our core European markets were €42 billion for the 12-months to September 2022, up 32% on the previous year[7]. Limited recent activity is making price discovery challenging. CBRE prime market yields for September 2022 have typically moved out by 35–60bps from their Q1–Q2 2022 lows[5].

Reported yields are CBRE's best estimate for a prime, rack-rented building in each market. However, many buildings have reversionary potential because of the healthy recent rental growth, which leases have often failed to fully capture. Pricing for these assets may therefore not directly reflect "market" levels, as there may be scope for additional income growth.

While global capital markets remain volatile, real estate pricing will continue to be impacted by the macro drivers that currently dominate. In the medium term, however, we believe that logistics real estate remains a compelling area for investment. High-quality real estate forms the backbone of the global economy and logistics real estate is one sub-sector that is central to this premise.

European logistics investment volumes, 2010–Q3 2022



Note: Includes Belgium, the Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Poland, Romania, Slovakia and Spain.

Source: CBRE.

Our Business Model

Our business model supports our purpose through our focus on investing in the most modern, best located and most sustainable logistics properties. These meet the needs of our growing and successful customers, both now and in the future.

Our target markets are shown in the map on pages 8 and 9.

We aim 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 advantages

The Manager

The Manager's logistics sector specialism provides exceptional focus and understanding of the dynamics of the sector. It benefits from a deep pool of resource with many years of combined experience in the European logistics real estate market, providing Shareholders with unrivalled execution capability. The Manager's expertise and reputation make us an attractive partner for occupiers and for sellers looking to dispose of their assets.

The Manager's skills include sourcing and acquisition of assets; asset management, in conjunction with our retained asset managers, to unlock value from assets; development; portfolio construction and management; implementation of hold/sell strategies; and disposals. Layered throughout these disciplines is market-leading in-house tax, legal and accounting knowledge.

Developer relationships

The relationships with our development and asset management partners are key advantages for us. They give us access to competitively priced, high-quality investment opportunities in the key European logistics markets.

As well as these relationships, the Manager has a wide contact base of other investors, developers and occupiers in the market, which also provide reliable and attractive investment opportunities.

How we create value

Source high-quality investments

The Manager uses its experience and relationships to acquire properties which are not being openly marketed, thereby reducing competition. Our portfolio can be expanded further by extending properties and building on our existing sites, enabling investment at more advantageous returns than available in the open market.

Buy and sell for value

Before acquiring an asset, the Manager assesses its alignment with our investment approach (see page 20) and with the existing portfolio, to ensure appropriate diversification and avoid concentration of risk.

We intend to hold assets for the long term. However, we regularly undertake a rigorous, asset by asset portfolio review in order to identify value-add and recycling opportunities to maintain portfolio performance.

Develop on a risk-controlled basis

We may invest in forward funded developments, which have been pre-let to a customer. This enables us to invest in brand new, environmentally friendly buildings leased to institutional grade customers on long leases.

We can also acquire land zoned for logistics use, either as part of an asset acquisition or as a discrete parcel of land. This allows us to capture a greater share of the development profit.

Proactively and responsibly manage assets

The Manager works with our customers to maximise the building's usefulness to their operations and to adapt it as their needs change.

ESG is at the heart of this approach, helping to future-proof our assets and ensure they generate long-term returns for Shareholders, while protecting the environment and benefiting local communities.

The value we create

For our customers

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

For society

Our assets are integral to the surrounding communities. They support local employment and generate tax revenues which support local and national government spending. Our assets also facilitate online shopping and the rapid delivery of goods, supporting choice in modern lifestyles.

For the environment

Our approach to sustainability (see page 28) aims to transition our portfolio to net zero carbon, while enhancing biodiversity on our sites.

For Shareholders

We look to pay a progressive, secure and sustainable dividend and generate capital growth. Our dividend and Total Return targets are set out on page 24.

For lenders

Our lenders benefit from having interest serviced from regular and stable cash flows, generated by financially strong customers occupying top quality real estate.

How we generate returns

A large proportion of our Total Return is generated from the rents which our customers are contracted to pay to us under multi-year lease contracts. 97% of our leases receive rental uplifts each year and capture market rental growth through asset management. Around two-thirds of our rental payments are received monthly in advance, with the remainder being received quarterly in advance, meaning our highly visible revenue converts quickly into cash.

We aim to manage the business as efficiently as possible and to maintain an appropriate cost base in the context of running a multi-jurisdictional property portfolio. A number of our costs are partially or largely fixed, which will result in increasing profitability as the portfolio expands. The lower Investment Management Agreement fee agreed between the Board and the Manager, in part, reflected the passing to the Company of an element of the economies of scale benefits captured as the portfolio has grown in scale.

This growth in income is directly converted into increases in capital values. Additional capital growth may come through asset management, our acquisition processes and development activities, as well as yield compression across the market.

A strategy for value creation

Implementing our strategy

We made good progress with our strategy during the year, as summarised below. Further information can be found in the Manager's Report – see page 36.

Investment

Progress in 2022

Continued to strategically deploy capital into high-quality acquisitions.

Acquired nine income-producing assets and development projects in core Western European markets.

Total consideration of €533 million, at yields between 3.3% and 5.4%.

Future focus

Maintain focus on disciplined capital allocation when considering all investment decisions in more challenging market conditions.

Continue to look for opportunities to dispose of assets where we have completed our value creation plans, to recycle the capital into higher-returning opportunities.

Asset management

Progress in 2022

Successfully let development schemes at Bornem, Belgium, in March 2022. Completion and letting of development at Strykow, Poland, in April 2022.

Progressed Barcelona extension, reaching practical completion after the year end.

Four new leases signed in the year: the vacant units at Nivelles, Belgium, and Gelsenkirchen, Germany; the development at Bornem; and relet the asset at Hammersbach, Germany.

These new leases added €5.1 million of contracted rent, an increase of €0.8m, 18% above previous rent or guarantees.

Continued to capture rental growth through the indexation provisions in the leases.

Future focus

Create value during construction and leasing of committed development projects.

Seek to accelerate capture of the reversionary potential in the portfolio.

Add value through new development and extension projects on currently unused land in the portfolio.

ESG

Progress in 2022

Assets acquired in the year fully aligned with ESG objectives.

Further enhanced ESG credentials of the portfolio through asset management, including schemes to enhance biodiversity and green space.

Improved GRESB score to 88/100 and five Green Stars.

Future focus

Integrate ESG performance criteria across our entire investment process – due diligence, development, asset management and end of life.

Align our portfolio with the Paris Agreement decarbonisation pathways and ensure that our portfolio is resilient to the changing climate and makes a positive contribution to global net zero targets.

Protect and enhance nature across our portfolio and work with our customers to ensure that our buildings enhance the wellbeing of people inside and outside the buildings.

Ensure that our investments deliver measurable impact to communities and people across our operating footprint.

Financing

Progress in 2022

Issued debut private placement of €200 million senior unsecured notes, with a weighted average coupon of 1.368% and a weighted average maturity of nine years at drawdown.

Senior unsecured credit rating upgraded from BBB- to BBB.

Future focus

Continue to conservatively manage the LTV and to extend the average maturity of debt.

Engaging with our stakeholders

By considering the Company's purpose and values, together with its strategic priorities, we aim to balance stakeholders' different perspectives. For more information on the impact of key decisions of the Board on our stakeholders, please refer to our "Key Board decisions" table on pages 72 and 73.

Section 172 statement

The Directors have had regard for the matters set out in Section 172(1) (a)–(f) of the Companies Act 2006 when performing their duty under Section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have considered (amongst other matters):

- the likely consequences of any decision in the long term;
- the interest of the Manager and its employees, as the Company does not have any employees;
- the need to foster the Company's business relationships with suppliers, customers, partners and others;
- the impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The table below indicates where the relevant information is in this Annual Report that demonstrates how we act in accordance with the requirements of Section 172.

Further information on how we have engaged with our key stakeholders and considered their interests during the last reporting period can be found on pages 69 to 71.

Our stakeholders

Our Shareholders

Our customers

The Manager and its employees

Our suppliers

Our lenders

Government, regulators and local councils

Our communities

▶ Read more on pages 70 to 73

Section 172 matter	Further information incorporated into this statement by reference
Long term	▶ Our Market pages **14 to 17** ▶ Our Business Model pages **18 and 19** ▶ Manager's Report pages **36 to 41** ▶ Key Board Decisions pages **72 and 73**
Investors	▶ Strategic Report pages **1 to 59** ▶ Key Board Decisions pages **72 and 73** ▶ Governance Report pages **60 to 96**
Employees	▶ Pages **23, 64 and 70**
Community and environment	▶ Strategic Report pages **10 and 11, 28 to 34 and 51 to 58** ▶ Manager's Report pages **36 to 41** ▶ ESG pages **28 to 35** ▶ Key Board Decisions pages **72 and 73**
Suppliers	▶ Strategic Report pages **1 to 59** ▶ Manager's Report pages **36 to 41** ▶ Key Board Decisions pages **72 and 73**
High business conduct	▶ Stakeholder Engagement pages **21 to 23 and 70 to 73** ▶ Strategic Report pages **1 to 59**

Stakeholder Engagement and Section 172 continued

Our Shareholders

What they care about

Delivering sustainable, profitable growth over the longer term. Our investors take a keen interest and place a very high level of importance on strong corporate governance, as well as a transparent reporting framework and the ESG objectives of the Company.

How we engage

- Regular market updates on strategy and performance
- Meetings with the Board and the Manager to aid understanding and decision making
- Roadshows
- Quarterly update reports to the Board from Investor Relations
- Annual General Meeting
- Meetings held between Shareholders and key personnel from the Board and the Manager
- Wrote to Shareholders and offered meetings with the Chairman and SID

Topics

- Strategic plans and long-term value and returns
- Governance
- ESG
- Assets
- Macroeconomic environment

Impact on business decisions

- Deployment of capital
- Engagement with key representatives to ensure our purpose and strategy remain in line with expectations

Further information

- Business model pages 18 and 19
- Board leadership and Company purpose pages 69 to 71
- Key decisions of the Board 2022 pages 72 and 73

Our customers

What they care about

Quality assets, including buildings with strong EPC, BREEAM and ESG ratings, and value for money in terms of their total occupational costs that enables them to succeed. A knowledgeable and committed landlord that supports their strategy, with a mindset to facilitate their growth ambitions. Our customers want efficient supply chain logistics and access to economic labour pools.

How we engage

- Regular face-to-face meetings both virtual and on site, when able
- Site visits
- Review of published data, such as annual accounts, trading updates and analysts' reports to identify mutually beneficial opportunities
- Greater discussion over cash flow and rental collection in the current climate
- Stakeholder surveys
- Engagement on "green" initiatives
- Ensured buildings comply with the necessary safety regulations and insurance
- Liaison with customers in respect of insurance procurement

Topics

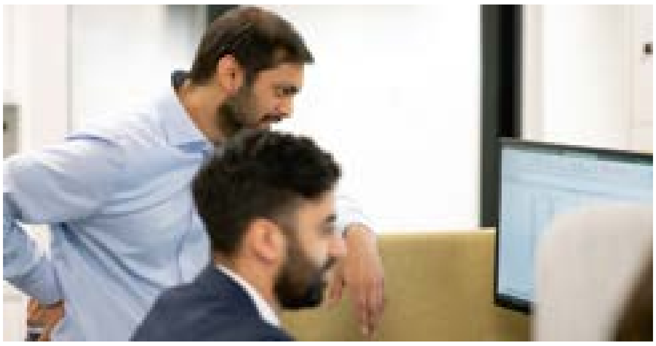
- ESG initiatives
- Treasury management
- Supporting e-commerce initiatives
- Operational efficiencies

Impact on business decisions

- Payment plans and rent deferrals to help manage cash flow and resources
- Greater clarity for the business on rent collection
- Strengthening of business relationships
- Appointment of dedicated asset manager

Further information

- Manager's Report pages 36 to 41
- ESG section pages 28 to 35



The Manager and its employees

What they care about

The long-term success of the Company is of key importance to the Manager. In order to achieve this, as well as establishing and maintaining lasting relationships, the Manager places a high degree of importance on the wellbeing and satisfaction of its employees. Being able to attract and retain high-calibre talent and then support those individuals in their professional development is a high priority for the Manager. The Board and the Manager maintain a positive and transparent relationship to ensure alignment of values and business objectives.

How we engage

- Quarterly reporting and presenting to the Board
- External Board evaluations
- Informal meetings including Board lunches
- Professional and executive development programmes
- Reviewed results of employee surveys
- Charity events

Topics

- Employee satisfaction and resourcing
- Remote working and staff wellbeing
- Business updates

Impact on business decisions

- Updated software and systems for remote working
- Continued workforce productivity with minimal operational impact
- Formalising hybrid working
- Employee social events

Further information

- Manager's Report pages 36 to 41
- Key decisions of the Board 2022 pages 72 and 73
- Division of responsibilities pages 74 to 77
- Management Engagement Committee Report pages 88 to 90

Our suppliers

What they care about

Our suppliers care about having collaborative and transparent working relationships with us, including responsive communication and being able to deliver to their service level agreements at a competitive fee.

How we engage

- Invited key suppliers to attend Board and Committee meetings
- Informal, one-to-one virtual meetings
- Review of supplier performance by the Management Engagement Committee
- Externally facilitated adviser reports
- Approved the modern slavery and human trafficking policy

Topics

- Service levels and annual performance
- Fee structure
- Relationship management
- Processes and procedures

Impact on business decisions

- Continued good, and in some cases exceptional, levels of service
- Appointment of Kekst as the Company's communication agency
- Appointment of Barclays as joint corporate brokers
- Retender of Langham Hall (Depositary Services)

Further information

- Key decisions of the Board 2022 pages 72 and 73
- Management Engagement Committee Report pages 88 to 90

Measuring our performance

Set out below are the key performance indicators we use to track our strategic progress.

1. Dividend per share

Dividends paid to Shareholders and declared in relation to the period.

5.00 cents
2021: 5.00 cents

2022	5.00 cents
2021	5.00 cents
2020	4.40 cents

Comments

The dividend reflects our ability to deliver a growing income stream from our portfolio and is a key element of our Total Return.

Our policy is to pay an attractive and progressive dividend, with the intent to pay out 90–100% of our Adjusted Earnings each year, with a minimum payout of 85% of Adjusted Earnings.

2. Total Return ("TR")

TR measures the change in the EPRA Net Tangible Assets ("EPRA NTA") over the period plus dividends paid.

6.0%
2021: 14.3%

2022	6.0%
2021	14.3%
2020	11.0%

Comments

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. Basic Net Asset Value

Net asset value in IFRS GAAP.

€1,065.8m
2021: €1,053.5m

2022	€1,065.8m
2021	€1,053.5m
2020	€503.9m

Comments

Basic Net Asset Value measures the net value of the Company under IFRS.

4. Adjusted Earnings

EPRA Earnings, adjusted to include licence fees receivable on forwarded funded development assets and for other earnings not supported by cash flows.

▶ See note 12 to the financial statements

€34.2m

2021: €24.7m

2022	€34.2m
2021	€24.7m
2020	€17.6m

Comments

Adjusted Earnings is a performance measure used by the Board to assess our ability to generate cash earnings from our portfolio, which ultimately underpins our dividend payments.

5. Loan to value ratio (“LTV”)

The proportion of our gross asset value that is funded by net borrowings (excluding cash).

35.2%

2021:13.3%

2022	35.2%
2021	13.3%
2020	41.1%

Comments

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).

6. Weighted Average Unexpired Lease Term (“WAULT”)

The average unexpired lease term of the property portfolio, weighted by annual passing rents.

8.0 years

2021: 9.3 years

2022	8.0 years
2021	9.3 years
2020	9.1 years

Comments

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 in Continental Europe.

7. Dividend cover

The dividend cover helps to indicate how sustainable a dividend is. It measures the proportion of dividends supported by Adjusted Earnings.

84.8%

2021: 80.2%

2022	84.8%
2021	80.2%
2020	94.4%

Comments

We expect the dividend to be fully covered for FY23.

8. Interest cover

The ratio of net property income to the interest incurred in the period.

6.62 times

2021: 6.28 times

2022	6.62 times
2021	6.28 times
2020	4.63 times

Comments

Interest cover is a measure of a Company's ability to meet its interest payments.

9. Like-for-like rental growth

Like-for-like rental growth compares the growth of the rental income of the portfolio that has been consistently in operation and not under development during the two full preceding periods.

4.0%

2021: 2.4%

2022	4.0%
2021	2.4%
2020	0.5%

Comments

This measures the Company's ability to grow its rental income over time. Rental growth will not be linear during the hold period, with different mechanisms in each lease agreement.

EPRA Performance Measures

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association ("EPRA"). We provide these measures to aid comparison with other European real estate businesses. For a full reconciliation of the new EPRA NAV measures, see the Notes to the EPRA and Other Key Performance Indicators.

1. EPRA Net Reinstatement Value ("EPRA NRV")

Basic NAV adjusted for mark-to-market valuation of derivatives, deferred tax and transaction costs (real estate transfer tax and purchaser's costs).

€1,194.7m

2021: €1,147.4m

2022	**€1,194.7m**
2021	€1,147.4m
2020	€550.5m

Comments

A key measure to highlight the value of net assets on a long-term basis. The metric reflects what would be needed to recreate the current portfolio of the Company.

2. EPRA Net Tangible Assets ("EPRA NTA")

Basic NAV adjusted to remove the fair values of financial instruments and deferred taxes (this excludes transaction costs).

€1,111.0m

2021: €1,086.5m

2022	**€1,111.0m**
2021	€1,086.5m
2020	€516.3m

Comments

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

3. EPRA Net Disposal Value ("EPRA NDV")

Equivalent to IFRS NAV, as this includes the fair values of financial instruments and deferred taxes.

€1,065.8m

2021: €1,053.5m

2022	**€1,065.8m**
2021	€1,053.5m
2020	€503.9m

Comments

Represents the Shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

4. EPRA Earnings

Earnings from operational activities.

€20.9m

2021: €14.7m

2022	€20.9m
2021	€14.7m
2020	€13.8m

Comments

A key measure of the Company's underlying results and an indication of the extent to which current dividend payments are supported by earnings.

5. 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.

3.6%

2021: 3.7%

2022	3.6%
2021	3.7%
2020	4.4%

Comments

This measure should make it easier for investors to judge how the valuations of portfolios compare.

6. 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).

3.7%

2021: 3.8%

2022	3.7%
2021	3.8%
2020	4.6%

Comments

This measure should make it easier for investors to judge how the valuations of portfolios compare.

7. EPRA vacancy rate

Estimated market rental value ("ERV") of vacant space divided by ERV of the whole portfolio.

0.3%

2021: 3.3%

2022	0.3%
2021	3.3%
2020	5.4%

Comments

A "pure" (%) measure of investment property space that is vacant, based on ERV, and includes rental guarantees.

8. EPRA Cost Ratio

Administrative and operating costs (inclusive of vacant property costs) divided by gross rental income.

41.3%

2021: 30.5%

2022	41.3%
2021	30.5%
2020	31.3%

Comments

A key measure to enable meaningful measurement of the changes in a company's operating costs.

9. Adjusted EPRA Cost Ratio

EPRA Cost Ratio adjusted for non-operational items.

29.5%

2021: 28.5%

2022	29.5%
2021	28.5%
2020	N/A

Comments

This ratio includes licence fee income and rental guarantees and excludes exceptional items of a capital nature.

ESG is fully integrated into our model and across the asset lifecycle

Our ESG ambition

Being responsible is central to our purpose. Our ambition is to demonstrate leadership in sustainable logistics, working in collaboration to create positive change and value in the long term for our customer partners, their staff and our other stakeholders.

Our ESG strategy

In support of this ambition, we follow a sustainability strategy which is aligned with five of the UN Sustainable Development Goals ("SDGs"):

Healthy and sustainable buildings

Ensure and demonstrate the resilience of our assets.

SDG 11: Sustainable Cities and Communities

SDG 9: Industry, Innovation and Infrastructure

Energy and carbon

Achieve a net zero carbon portfolio.

SDG 13: Climate Action

Nature and wellbeing

Enhance biodiversity across the Company's portfolio.

SDG 15: Life on Land

Socio-economic impact

Create a positive socio-economic impact through our investment.

SDG 8: Decent Work and Economic Growth

Each of these goals is supported by objectives and targets we aim to achieve by 2023.

Our ESG credentials

- 92% of the portfolio by floor area is covered by Green Building Certifications or Energy Performance Certificates ("EPCs")
- 100% of EPCs outperform their best practice benchmarks
- 6.74 MW of on-site solar PV operational across our portfolio with 20 MW in feasibility pipeline
- GRESB score of 88/100, five Green Stars and Regional Listed Sector Leader Europe
- World Green Building Council's Advancing Net Zero Carbon Commitment signatory – confirms our commitment to achieving net zero carbon for our direct activities by 2030 and for all direct and indirect activities by 2050
- EPRA Gold certification – EPRA Sustainability Best Practices Recommendations
- Task Force on Climate-Related Financial Disclosures ("TCFD") aligned – portfolio-wide climate risk analysis and disclosure in accordance with TCFD recommendations
- CRREM aligned – portfolio-wide carbon risk analysis utilising CRREM decarbonisation pathways
- Our Manager is ISO 14001 accredited

Environment

Our approach to the environment includes management of energy performance and carbon emissions.

We continued to make good progress with our environmental initiatives during 2022, including:

- renewable energy: continuing development of integrated solar and electric vehicle charging schemes across our assets, in partnership with occupiers. Using smart and low-carbon infrastructure to deliver efficient buildings which are fit for the future;
- climate change: completing a physical climate risk analysis across the portfolio and undertaking our first TCFD analysis and disclosure. The majority of standing assets are considered to have a low likelihood of climate hazards. We continue to integrate climate risk mitigation across the asset lifecycle and are building the TCFD analysis into our asset management plans;
- net zero carbon: completing a Carbon Risk Real Estate Monitor ("CRREM") analysis for all assets, to assess and deliver alignment of our net zero targets with the Paris Agreement pathways; and
- benchmarks: achieving five Green Stars and Sector Leader in GRESB ratings. Continuing to deliver transparent ESG performance.

Social

We look to create positive socio-economic impact, both through the day-to-day operation of our business and through carefully chosen partnerships with relevant organisations. Our social value creation includes our approach to managing nature and wellbeing at our assets.

Our key activities during the year included:

- continued financial contribution to The Mission to Seafarers charity, which supports the 1.5 million men and women working at sea to support the global supply chain and logistics network used by our customers;
- ongoing asset-level community engagement, in partnership with customers; and
- further enhancements to support biodiversity and wellbeing at our assets, such as replanting external areas and developing external amenity areas for people to use.

Governance

Our environmental and socio-economic activities are underpinned by robust governance, both in relation to sustainability issues and more broadly (see the Corporate Governance section on pages 60 to 96 for more information).

During FY22, our activities included:

- continuing public disclosure of our integrated policies and procedures, to provide transparency about our approach; and
- achieving EPRA Gold certification for reporting best practice, in our first year of inclusion in the EPRA Sustainability Best Practices Recommendations.

We continue to successfully implement our ESG strategy and make good progress towards our 2023 targets.

Our key objectives are:

1. integrating ESG performance criteria across our entire investment process – due diligence, development, asset management and end of life;
2. aligning our portfolio with the Paris Agreement decarbonisation pathways and ensuring that our portfolio is resilient to the changing climate and makes a positive contribution to global net zero targets;
3. protecting and enhancing nature across our portfolio and working with our customers to ensure that our buildings enhance the wellbeing of people inside and outside the buildings;
4. ensuring that our investments deliver measurable impact to communities and people across our operating footprint.

More information can be found in our ESG progress summary below.

ESG progress summary

The tables below show our progress against each of the detailed ESG targets we have set for 2023:

Commitment	Objective	2023 target
Healthy and sustainable buildings Ensure and demonstrate the resilience of our assets	Embed ESG into investment practices and ensure any new acquisitions and investments align with ESG investment principles	Ensure all acquisitions and standing investments align with ESG investment principles Use green finance to support sustainable growth for the Group
	Leading ESG ratings	Maintain five Green Stars in GRESB
	Agree green leases with customers	Incorporate green lease clauses into all new leases
	Ensure all new assets in the portfolio have a Green Building Certification	All new acquisitions to have or achieve a minimum of BREEAM Very Good or equivalent
	Ensure all new developments have Green Building Certification	All projects to meet the Sustainable Construction Brief which is currently under development
	Ensure the highest standards to protect health and safety	Standardise procurement processes
	Demonstrate strong customer engagement	Improve satisfaction score

2022 plan	Activity in 2022
Ensure all acquisitions meet our ESG investment standards	All acquisitions have followed our due diligence process, which includes the ESG criteria agreed with our ESG Committee Published our Green Bond Allocation and Impact Report
Target five Green Stars	Achieved a five Green Star rating and Sector Leader for GRESB and EPRA Gold for inaugural Sustainability Best Practices Recommendations submission
Target green leases with new acquisitions	Four new green leases implemented during the year
Increase Green Building Certification coverage to 100% of portfolio	Made two standing asset acquisitions: Piacenza has a BREEAM In-Use Very Good and a BREEAM In-Use Excellent rating and we are awaiting DGNB Gold for Gelsenkirchen We also achieved DGNB Gold for Lich and are awaiting a BREEAM In-Use rating for Bornem
Explore opportunities for low-carbon design for new developments	All developments are contracted to achieve a Green Building Certification (incorporating sustainable materials). We are continuing to review and develop our baseline specification
Work with supplier partners to ensure health and safety systems and policies are in place, to maintain high standards	As part of our standard best practice property management, our teams work with supplier partners to ensure health and safety standards are adhered to. We are embedding global minimum standards in our procurement process, setting good practice for diversity, equity and inclusion, environment and health and safety clauses to be incorporated in all new supply contracts. Adoption of this is at varying stages by country and we have a roadmap to align our practice in all major markets
Conduct a new customer satisfaction survey	Customer satisfaction survey conducted, as well as an EU logistics property census

ESG Progress Summary continued

ESG progress summary continued

Commitment	Objective	2023 target
Energy and carbon Achieve net zero carbon across the whole portfolio (including Scope 3 customer emissions) by 2050, in line with the 1.5°C warming pathways set out in the Paris Agreement	Ensure all assets perform better than their country best practice EPC benchmark	Ensure all assets have LED lighting and building management systems, where feasible
	Install all feasible on-site renewable energy opportunities	Continue to install renewable energy generation projects, where feasible
	Retrofit assets/facilitate low-carbon operations for customers in line with 1.5°C pathways	Assess the assets that need investment to achieve 1.5°C pathways and develop action plans to retrofit assets to align with 1.5°C pathway
	Align with TCFD recommendations, to ensure assets are resilient to physical climate change risks	Full TCFD disclosure
Socio-economic impact Create a positive socio-economic impact through our investment	Continue to support The Mission to Seafarers	Support The Mission to Seafarers until 2024
	Invest in local community causes through the Local Community Investment Fund	Support local community causes in alignment with customers
Nature and wellbeing Enhance biodiversity on the Company's portfolio	Enhance biodiversity on assets – bee hives, pollinating meadows and green space	Implement at least one biodiversity, climate and wellbeing measure on each asset
	Invest in sustainable transport (EV, cycling and walkability)	Install EV charging points and cycle facilities, where feasible

2022 plan	Activity in 2022
Ensure new acquisitions' energy use per m^2 performs better than the best practice country benchmark	All assets have continued to perform above their country best practice EPC benchmark
Install solar PV at four assets	Operational solar installed in six assets, representing 6.74 MW of installed capacity, with eight assets in the feasibility pipeline with the potential to deliver 20 MW
Identify net zero carbon pathway plans for assets that do not align with the 1.5°C pathway	Full carbon risk analysis undertaken across entire portfolio using CRREM platform to facilitate the Paris Agreement pathway alignment for all assets
Conduct scenario analysis to quantify the potential risks of different global warming scenarios on the assets in the portfolio	Completed climate risk analysis for TCFD disclosures. The analysis is being incorporated into our operational business model and asset management planning
Fund The Mission to Seafarers with €25,000, to purchase and run a minibus in Myanmar to support seafarers to get vaccinated and provide critical supplies	The minibus has been funded as part of the continuing support of the charity
Continue to invest in local community causes important to our customers, with a focus on supporting communities where there are new acquisitions	Beekeeping lessons on site for Passo Corese High School students
Install a further three measures	During Q3 2022 we re-planted the entire external area of the Mango estate at Barcelona. The current area is overgrown and unplanted. The new planting programme will be of great benefit to neighbouring owner VGP, which has a bee farm on the roof of one of its nearby units. It will reintroduce native plant species and improve surrounding biodiversity At Bornem we implemented an additional green area
Install a further four EV charging points and cycle facilities	Cycle path installed outside of the Nivelles asset Expansion of bicycle shed in Rumst, adding vertical garden At Bornem 28 EV charging points were installed and inefficient lighting was replaced with LED lighting

ESG Progress Summary continued

Energy and greenhouse gas report

The Company has appointed Carbon Footprint Limited ("CFP"), a leading carbon and energy management company, to independently assess its greenhouse gas ("GHG") emissions in accordance with the UK Government's Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting ("SECR") guidance.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and have used the 2022 emission conversion factors published by the Department for Environment, Food and Rural Affairs ("Defra") and the Department for Business, Energy & Industrial Strategy ("BEIS"). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The level of control could not be determined in this assessment due to complex relationships. For completeness all operations have been included; ahead of the next assessment this will be determined.

The table below summarises the GHG emissions for reporting year: 1 October 2021 to 30 September 2022. This is the first year CFP has calculated the Company's emissions, and this will set the baseline for future assessments. The Company has re-baselined for the financial year ended 30 September 2022 due to a significant improvement in data accuracy.

Activity	New baseline year 2021/2022	Previous baseline year 2020/2021[1]
Total UK energy consumption (kWh)[2]	39,770	–
Total EU energy consumption (kWh)[2,3]	87,860,573	70,720,941
Gross location-based emissions (tCO_2e)		
Scope 1	0	205
Scope 2	8	1,256
Scope 3[3,4]	24,291	30,286
Total emissions (Scope 1, 2 and 3)	24,299	31,747
Emissions per person (tCO_2e)[5]	**759.32**	**–**
Intensity ratio: tCO_2e (gross Scope 1 and 2 location based) per €m revenue	**0.24**	**–**
Intensity ratio: downstream leased assets (location based) Scope 3 $kgCO_2e$ per sqm per year	**16.92**	**–**

1 The 2020/2021 SECR assessment was not completed by Carbon Footprint Ltd and was completed by Tritax Management LLP. The Company has re-baselined for the financial year ended 30 September 2022 due to a significant improvement in data accuracy.

2 The total energy consumption does not include energy from flying.

3 2021 figures restated to rectify an accounting error. Previous total EU energy consumption was stated at 8,144,000 kWh and Scope 3 emissions were stated at 2,338,073 tCO_2e.

4 Based on 51% of site data collected in 2022.

5 Persons who work on behalf of the Company.

"We have strengthened our portfolio and delivered value whilst also improving ESG performance across the Group."

Our approach to investment and portfolio management

Phil Redding
CEO for Tritax EuroBox plc

"We have continued to strengthen the portfolio and extract value from the existing assets, while further improving the Company's ESG performance."

Our strategy is to create value at the point of acquisition and throughout the lifecycle of the asset, by intelligent stock selection and proactive asset management. This strategy is underpinned by a disciplined approach to capital allocation, a commitment to ESG and appropriate financing.

We will continue to construct a portfolio which is diversified by geography and customer, that generates a secure level of inflation-linked income, as well as containing opportunities to capture capital growth. This will in turn support the dividend and Total Returns the Company is targeting.

The Company's Investment Policy determines the type of assets we want to acquire. We also make strategic choices 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.

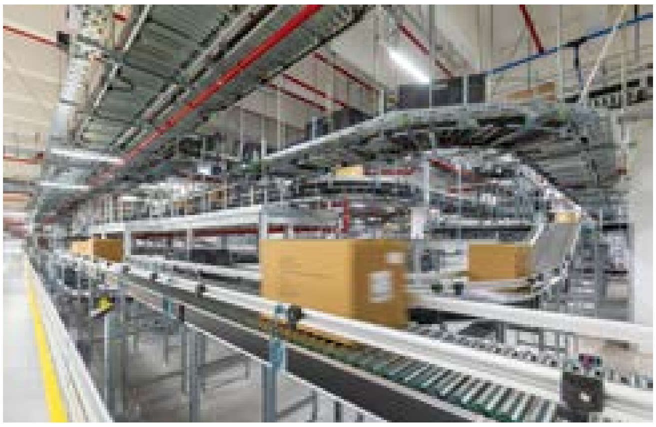
Our investment criteria

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 are typically:

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

When reviewing potential acquisitions, we also consider:

- transport connectivity, the availability of labour and operational considerations such as power supply and data connectivity;
- the physical characteristics of the building, including its ESG credentials, configuration, layout and flexibility for a wide range of occupiers;
- the duration of the lease, potential for future rental growth, and the ability to capture this growth;
- the customer's financial strength, the capital expenditure the customer has committed to the asset, and the role the asset will play in the customer's operations; and
- the potential for asset management and value-adding initiatives during and at the end of the lease term.



A modern, diversified and resilient portfolio

At the year end, the portfolio comprised 24 assets, which were well diversified by building size and occupier, and situated in the core European countries of Belgium, Germany, Italy, the Netherlands, Poland, Spain and Sweden. These assets are key to our customer partners' logistics and distribution supply chain needs, and have the following characteristics:

- **modern**, with 85% of the portfolio having been built in the last ten years, helping to ensure that the buildings meet the latest operational and ESG needs of occupiers;
- **large**, with 65% of the portfolio assets being in excess of 50,000 sqm and an average size of 60,000 sqm;
- **sustainable**, with 92% of the standing assets by floor area covered by Green Building Certifications or Energy Performance Certificates;
- **secure income**, with around 75% of the Company's 36 customers being multi-billion Euro businesses, including some of the world's best-known companies;
- **inflation protection**, with 97% of the Company's rental income including annual uplifts, 54% benefiting from uncapped CPI linkage, and 14% benefiting from indexation which is fixed;
- **embedded income growth**, potential to capture 9.5% (€7.1 million) reversion potential across the portfolio through asset management; and
- **long leases**, resulting in a WAULT at the year end of 8 years; the unexpired lease terms at the year end ranged up to 24 years.

Manager's Report continued

The Company made good progress with all elements of its strategy during the year, as set out below.

Expanding our high-quality portfolio

The Company's investment strategy is focused on creating a portfolio that provides a balanced exposure to core, stabilised assets with a managed exposure to value-add situations, which have the potential for higher returns. The investments made during the year reflect this approach and included income-producing investment acquisitions, pre-let development fundings, speculative development fundings and development projects. All the acquisitions are fully aligned with our ESG strategy and also provide the opportunity to meet or exceed our targets through integration with our existing asset management plans.

Date	Location	Acquisition price and NIY	Acquisition detail	Rent	Strategic rationale
Stabilised assets					
Oct 2021	**Gelsenkirchen, North Rhine Westphalia, Germany** Close to Essen, in the most populous state in Germany	Acquired for €32.2 million at an NIY of 3.7%	• Asset comprising three newly built units, totalling 16,632 sqm. One of the three units was vacant, with a rental guarantee in place. This unit was let in September 2022	In place rents of €76 per sqm Rental guarantee at €69 per sqm	• Strong rental growth potential due to location • Expect to let unit at elevated rent due to constrained local supply
Nov 2021	**Piacenza, Emilia-Romagna, Italy** Major logistics hub, close to Piacenza to the south of Milan	Acquired for €49.7 million at an NIY of 3.7%	• 47,800 sqm asset with strong ESG credentials, let to an Italian fashion brand as its European distribution hub	Average of €44 per sqm, which is below prevailing headline rents of €47 per sqm	• Stabilised asset in strong location • Leased off low rents
Pre-let development funding					
Nov 2021	**Bönen, North Rhine Westphalia, Germany** Located in the densely populated economic heartland of Germany	Acquired for €117.9 million at an NIY of 3.5%	• Agreed to acquire land and fund development of a 66,065 sqm building • Asset pre-let for 15 years to a leading global logistics provider	Leased at €62 per sqm	• Strong rental growth potential, due to premium logistics location
Feb 2022	**Roosendaal, North Brabant, the Netherlands** Prime logistics location in the Southern Netherlands	Acquired for €144.3 million at an NIY of 3.5%	• Agreement to forward fund 113,179 sqm development, which will be developed in three phases, divided into three units • All three units have been pre-let to Lidl Logistics BV, on a single lease expiring in November 2027	Rent reflects a low rate of €45 per sqm, relative to the local market rental levels of over €50 per sqm	• Long-term lease to leading food retailer • Potential to capture further expected rental increases, with rent review allowing rent to increase to the prevailing open-market level if the customer extends lease in 2027

Date	Location	Acquisition price and NIY	Acquisition detail	Rent	Strategic rationale
Speculative development funding					
Nov 2021	**Settimo Torinese, Turin, Piedmont, Italy** Adjacent to the A4 Turin-Trieste motorway, east of Turin	Acquired for €24.4 million at an NIY of 4.7%	• Speculative forward funding agreement for a highly specified and sustainable 28,291 sqm logistics warehouse	Subject to 12-month rental guarantee from completion (expected in Q4 2022), based on a rate of €45 per sqm	• Transaction reflects an attractive NIY which is accretive to the portfolio • Expect to lease building swiftly during construction at or in excess of ERV • Ability to control leasing in rising rental market
Nov 2021	**Rosersberg I, Stockholm, Sweden** Established logistics hub, north of Stockholm and adjacent to Arlanda International Airport	Acquired for SEK 284 million (€27.9 million) at an NIY of 4.2%	• Acquired first plot of land at Rosersberg, to fund the speculative development of a 13,181 sqm prime sustainable logistics asset	Subject to 12-month rental guarantee from completion, based on a €84 per sqm rental guarantee	• Strong and strategic location • Expect to lease the asset quickly and ahead of the underwritten rental levels
Jan 2022	**Rosersberg II, Stockholm, Sweden** Immediately adjacent to site acquired in November 2021	Acquired for SEK 402 million (€39.4 million) at an NIY of 4.0%	• Acquired second plot of land at Rosersberg, to fund the speculative development of a 17,832 sqm prime sustainable logistics asset	Subject to 12-month rental guarantee from completion, based on a €77 per sqm rental guarantee	• Strong and strategic location • Expect to lease the asset quickly and ahead of the underwritten rental levels
Mar 2022	**Dormagen, North Rhine Westphalia, Germany** Between Düsseldorf and Cologne	Acquired for €76.4 million Reflects an NIY of 3.3%, based on the rental guarantee income	• Speculative forward funding of a new 36,437 sqm logistics asset	18-month rental guarantee from the developer, at €69 per sqm Market rental value of circa €71 per sqm	• Market rental levels are expected to exceed the rental guarantee, giving the opportunity to capture value on leasing
Income-producing land bank with redevelopment potential					
Apr 2022	**Malmö, Skåne, Sweden** Located between Malmö's two major ring roads, to the south of the city centre	Acquired for SEK 223 million (€21.4 million) at an NIY of 5.4%	• Speculative brownfield redevelopment scheme, totalling 95,000 sqm of development land • Atria Group will occupy the existing site, paying rent of SEK 13 million (€1.25 million) pa • Redevelopment to commence in early 2024, with completion targeted in 2025	Aggregate post-development rental value expected to be >SEK 46 million (€4.4 million) pa	• Redevelopment scheme provides access to future development profits • Attractive income yield during the pre-development phase • Significant upside potential, with value of final scheme expected to reflect a high margin above site and construction costs

Actively managing the portfolio

We undertake a rigorous bottom-up review of all our assets on a bi-annual basis to determine the optimum value-maximising strategy for each property and gain visibility on expected returns. This process also informs our recycling strategy by highlighting those assets where, for example, we have completed our asset management plan and maximised the value creation potential of the asset.

In addition, we undertake a top-down review to ensure the portfolio is positioned appropriately to benefit from the positive structural drivers and underlying market fundamentals that continue to impact the Continental European logistics sector. This process also informs the recycling strategy, for example, by identifying markets where performance is expected to decline or where we have a sub-scale market position and gaining sufficient scale in an appropriate timescale will be challenging.

Asset management and development activities: capturing embedded value

The strategic tilt towards a greater exposure to value-add and development assets announced a year ago is bearing fruit and is providing us with additional opportunities to unlock value from the portfolio.

To create and successfully implement our asset management strategies requires us to have close relationships with and a deep understanding of our customer partners and their businesses and objectives. This is achieved through multiple interactions from within the in-house asset management team, through our external asset management partners and by way of specific initiatives such as our annual customer satisfaction survey.

Examples of our activities during the last year included the following:

Completed development

- **Bornem, Belgium.** During the year, we completed this speculative scheme on the previously vacant land and agreed a nine-year lease to an online grocery retailer (see below). The development was completed at a yield on cost of 7.0% and the total profit of €7 million gave an attractive profit on cost of 70%.

Speculative developments

At the year end, the Company had four forward funded speculative developments, as described below:

- **Rosersberg I, Stockholm, Sweden.** We received a building permit for the 13,000 sqm phase 1 facility in December 2021 and construction began in February 2022, with practical completion expected in December 2022. Discussions are under way with potential occupiers, with letting agents appointed.
- **Rosersberg II, Stockholm, Sweden.** The building permit for the 18,000 sqm second phase was received in May 2022 and construction began in June 2022, with practical completion expected in June 2023. Discussions are under way with potential occupiers.
- **Settimo Torinese, Turin, Italy.** Construction of this 28,000 sqm asset is ongoing with practical completion revised from Q4 2022 to the beginning of Q2 2023. The marketing campaign to identify occupiers is progressing.
- **Malmö, Sweden.** Planning and design work is progressing well and the application for a building permit is targeted for Q1 2023. We continue to engage with the wider development team and leasing agents to firm up on potential scheme designs.

Post-year-end planned developments

- **Oberhausen, Germany.** The developer is completing the process of obtaining the final permit for this 23,000 sqm logistics project, which will enable the Company to acquire the site; this is forecast to be by the end of 2022. Development is planned to commence in August 2023 with practical completion of the scheme anticipated to be in August 2024.

Pre-let developments

The Company had two pre-let forward funded developments under construction at the year end:

- **Bönen, Germany.** Demolition and ground works completed in the first half of the year and building construction began in April 2022. Practical completion of the scheme is targeted for June 2023.
- **Roosendaal, the Netherlands**. The first phase is complete and income producing, with construction of the remaining two phases on schedule for completion in April 2023.

Completed extension developments

- **Barcelona, Spain.** Construction of the 94,000 sqm extension was completed, on budget, in November 2022. This new extension will be incorporated into the existing lease, which runs until December 2046. The Company financed the construction of the project at a yield on cost of 8.8% based on a capital commitment of €31.5 million.
- **Strykow, Poland.** Construction of the 16,000 sqm extension reached practical completion in April 2022, with the lease running for five years at a headline rent of €647,427 per annum after an initial rent-free period. The lease includes standard green clauses and annual indexation.

Potential extension developments

The Company has several land plots with development potential. These plots are zoned for logistics but would require additional permits to enable development to commence.

- **Wunstorf, Germany.** The building has the capacity to be extended by 10,000 sqm. We continue to discuss proposals with our customer, Havi.
- **Geiselwind, Germany.** This asset is Puma's global logistics centre. We are in discussions with Puma on a 42,000 sqm extension, which the Company would fund, and an associated lease extension.
- **Rome, Italy.** The local authority has granted a building permit to construct further mezzanine extensions within this Amazon distribution centre.
- **Rumst, Belgium.** This European distribution hub for Cummins Inc has a plot of land which could accommodate a 14,000 sqm development.
- **Strykow, Poland.** There is a further contiguous plot of land that could accommodate an additional extension of 9,000 sqm to the existing building. We are in discussions with an existing customer about expansion plans and a potential lease regear.

Growing income through indexation

The structure of rent review provisions within the majority of leases allows the portfolio to deliver inherent year-on-year rental growth. Rental uplifts are either indexed to local inflation measures or fixed at an agreed rate, with these increases most commonly being effected on an annual basis. 54% of the Company's occupational leases are exposed to uncapped indexation with 29% capped or other and 14% fixed. These review structures thereby offer considerable inflation protection and regular uplifts in income that support the Company's aim of providing an attractive and growing dividend to Shareholders.

Growing income through leasing

- **Nivelles, Belgium.** In November 2021, the Company agreed a new nine-year lease on the vacant unit 2 to Associated Retail SA trading as Match Supermarkets, a leading Belgian convenience supermarket group. The initial rent reflects a headline rent of €47.30 per sqm (€794,000 per annum), which on a net effective basis is 8% above the rental level for unit 1 that was leased in October 2020. The rent will be subject to annual uplifts in line with the Belgian Healthcare Index. The scheme is now fully let.
- **Bornem, Belgium.** In March 2022, the Company signed a nine-year lease to an online grocery retailer on the recently developed 14,935 sqm unit. The warehouse rent of €48 per sqm (€716,880 per annum) is 7% above the agreed rental guarantee and 17% above the previous letting of the adjacent building signed in March 2019. The lease includes break options in years three and six and annual indexation to the Belgian Healthcare Index.
- **Hammersbach, Frankfurt, Germany.** The Company agreed a new lease on this 43,000 sqm building to B+S GmbH Logistik, a leading German third-party logistics provider. The seven-year lease has a five-year customer extension option, at a rent of €69 per sqm (€3,056,999 per annum) on the warehouse space, an increase of 24% on the previous rent. In addition, as part of the transaction other lease terms have been improved including moving the indexation provision to capture 100% of CPI annually and including a market rent review if B+S exercises the extension option at the end of the fifth year.
- **Gelsenkirchen, Germany.** The Company agreed a five-year lease on this 7,045 sqm unit to ETC Group, a new customer, at a warehouse rent of €73 per sqm (€514,595 per annum). This is 6% above the rental guarantee level. The new lease contains an indexation provision of 100% of CPI annually and the inclusion of standard green clauses.

Implementing our ESG strategy

The new additions to the portfolio during the year have further enhanced the portfolio's already strong ESG credentials. In particular:

- **Gelsenkirchen, Bönen and Dormagen:** These brownfield sites will be redeveloped with the aim of achieving DGNB Gold standard.
- **Settimo Torinese:** The asset will be developed to BREEAM Very Good standard.
- **Piacenza:** The two units have BREEAM In-Use Very Good and BREEAM In-Use Excellent ratings, respectively, and a roof-mounted photovoltaic system.
- **Rosersberg I and II:** The developments are targeting a minimum of BREEAM Very Good and will include energy saving initiatives and staff wellbeing measures.
- **Roosendaal:** The scheme is aiming for a BREEAM Very Good certification and incorporates ESG initiatives that provide social and environmental benefits for staff and the locality.
- **Malmö:** The development will target a minimum certification of BREEAM Very Good.

We continue to investigate and implement solar renewable energy projects across our portfolio. We have ten solar energy projects implemented, at Rome, Bornem (x3), Rumst (x2), Piacenza, Breda and Nivelles (x2). Eight more projects are in the feasibility pipeline, including adding PV panels to the building extension at Barcelona. Our existing solar projects are generating approximately 6.74 MW of green electricity. The next phase of projects in our feasibility pipeline has the capacity to generate 20 MW of solar energy.

We aim to include green lease clauses in all new leases. The four leases listed adjacent all included our standard green lease terms. These ensure the customer partner is committed to using the building in a sustainable way, for example by sharing data with us on energy, water consumption, waste management and recycling. There are now nine green leases across the portfolio, representing 18% of the portfolio by income.

Our TCFD and CRREM analysis has now given us the baseline data from which to further develop our asset management plans in relation to the mitigation of climate and carbon risk across our portfolio.

At Bornem, we contributed €42,000 towards increasing the external green areas by 240 sqm, installing a new bicycle storage facility and additional wellbeing facilities for visiting truck drivers. In return, we secured longer income by negotiating the removal of a customer break option in the lease.

We collaborate with our customer partners to manage and enhance biodiversity. Shortly after the year end, we began replanting the entire external area at the Barcelona asset, in conjunction with our customer, Mango, and neighbouring owner, VGP. The project will reintroduce native plant species, improve biodiversity and benefit a neighbouring bee farm.

In addition to asset-level community engagement, we have a corporate charity initiative with The Mission to Seafarers, which supports the 1.5 million people working at sea, as part of the global supply chain and logistics network. The Company is working with the charity to develop a long-term partnership to support social value and made €22,000 of funding available in October 2021 to purchase a minibus to help transport workers and crucial supplies.

Further improving our ESG ratings

The successful implementation of our ESG strategy has resulted in us consistently improving scores for the Company in key external benchmarks. We were pleased to achieve a further increase in our GRESB score, which now stands at 88 (GRESB average = 74; GRESB peer group average = 79). We were awarded five Green Stars and designated as Leader in ESG for European Industrial Distribution Warehouse Listed Sector.

During the year, we were awarded EPRA Gold Level certification for ESG best practice in the first year of inclusion in the EPRA Sustainability Best Practices Recommendations.

In 2022, third-party specialist consultants undertook climate scenario risk modelling work across the whole portfolio and our management reporting and due diligence enabled strong assurance that all risks had already been considered, mitigation works completed and appropriate insurance provisions are in place. Regular property inspections by our property management team also enables first-hand checks and reporting.

Strong balance sheet and visibility on income growth

Mehdi Bourassi
CFO for Tritax EuroBox plc

Portfolio valuation

The portfolio was independently valued by JLL as at 30 September 2022, in accordance with the RICS Valuation – Global Standards. The portfolio's total value at the year end was €1,765.6 million (30 September 2021: €1,281.4 million), with a like-for-like valuation increase of 5.6% during the year. The first six months of the financial year were marked by continuous yield improvement driving strong valuation growth. However, inflation and macro-uncertainties have forced central banks to tighten liquidity around the globe, leading to a marked increase in risk-free rates, and financing cost. This had the effect of reversing the property yield curve, with a like-for-like 29bps yield increase in the valuation of our portfolio between March and September. The Board recognises the 52% share price discount to EPRA NTA, as at 30 September 2022. The valuation of investment property is the main driver of the EPRA NTA, and was determined by JLL as independent valuer. The Board is satisfied that the valuation exercise was performed in accordance with RICS Valuation – Global Standards. As such, the Board has full confidence in the level of EPRA NTA disclosed in the financial statements at the reporting date.

Throughout the year, we witnessed continued strong occupational market conditions. The estimated rental value of the portfolio, which is the rent the portfolio should generate if all buildings were leased at current market levels, increased by 8.2% on a like-for-like basis over the year, and 2.7% since March 2022. This resulted in the portfolio's overall reversionary potential – the potential uplift from current rental levels – increasing to 9.5%.

Financial results

Rental income

Rental income for the year was €57.9 million (2021: €43.9 million), up 31.9%. The growth was primarily the result of portfolio growth from the equity raise in September 2021, as well as the benefit of rental indexation and our asset management initiatives. On a like-for-like basis against September 2021, rental income was 4.0% higher. As at 30 September 2022, the annualised rental income was €74.3 million (30 September 2021: €53.4 million).

The Company's operating and administrative costs were €18.2 million (2021: €12.2 million), which primarily comprised:

- the management fee payable to the Manager of €7.9 million (2021: €5.5 million);
- the Company's running costs, including accounting, tax and audit; and
- the Directors' fees.

On 6 October 2022, the Company and the Manager announced a number of proposed changes to the Investment Management Agreement ("IMA"), which were subsequently approved by Shareholders at a general meeting on 25 October 2022. The amendments include a revised basis for calculating the management fee, which has been backdated to 1 August 2022. Prior to 1 August 2022, the management fee was calculated as follows:

NAV	Annual management fee (percentage of IFRS NAV)
Up to and including €500 million	1.30%
Above €500 million and up to and including €2 billion	1.15%
Above €2 billion	1.00%

The revised basis for calculating the management fee is as follows:

NAV	Annual management fee (percentage of IFRS NAV)
Up to and including €1 billion	1.00%
Above €1 billion	0.75%

In addition, property management services procured by the Manager will now be reinvoiced directly to the Company and, hence, fees relating to such services will be paid by the Company. The revised IMA results in meaningful savings for the Company, which in a full financial year we estimate at €2.1 million, based on the 30 September 2022 net asset value, which was the last available NAV prior to the announcement of the change.

The EPRA Cost Ratio for the financial year (inclusive of vacancy cost) was 41.3% (2021: 30.5%). The Adjusted EPRA Cost Ratio was 29.5% (2021: 28.5%) which excludes the lease surrender payment at

Hammersbach and includes rental guarantees. With the deployment of proceeds from our September 2021 equity raise into income-producing assets, the portfolio is expected to generate greater income for the full year; combined with a lower cost base, we expect the cost ratio to decrease materially and stabilise at a percentage in the mid-20s.

The total cost of debt for the year was €8.7 million (2021: €7.1 million), reflecting an attractive average cost of debt of 1.2% (2021: 1.9%). This is the result of new debt entered into in the last 18 months (see debt financing below). Looking forward to FY23, the maximum average run rate cost of debt is 1.46%. Interest cover for the year was 6.6 times (2021: 6.3 times).

Profit before tax for the period was €76.6 million (2021: €129.0 million), including the gain on revaluation of the investment properties of €49.9 million (2021: €106.5 million).

The current income taxation charge for the year was 2.3% of the Company's net property income.

The taxation charge 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 Company acquires assets, given the differing tax rates across Continental Europe. The Company 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.

The Company's EPS measures for the year reflect some short-term dilution from the September 2021 equity issue, as we invested the proceeds in income-generating assets throughout the year.

Basic EPS for the year were 7.28 cents (2021: 19.59 cents) decreasing from the prior year due to significant valuation uplift in 2021. EPRA EPS, which primarily excludes the valuation movement, were 2.58 cents (2021: 2.75 cents).

Adjusted Earnings for the year were €34.2 million (2021: €24.7 million), resulting in Adjusted EPS of 4.24 cents (2021: 4.61 cents). Annualising the EPS generated in the quarter ended 30 September 2022, the EPS are 5.04 cents. More information about the calculation of basic, EPRA and Adjusted EPS can be found in note 12 to the financial statements.

Net assets

The IFRS NAV per share at the year end was €1.32 (30 September 2021: €1.31). Information on EPRA's net asset valuation metrics can be found in the EPRA Performance Measures section.

Debt financing

During the year, the Company raised its debut private placement of €200 million senior unsecured notes, from institutional investors. The notes comprise three tranches with a weighted average coupon of 1.37% and a weighted average maturity of nine years at drawdown. The funds were drawn in January 2022.

The three tranches comprise:

- €100 million at a fixed coupon of 1.22%, with 7-year maturity;
- €50 million at a fixed coupon of 1.45%, with 10-year maturity; and
- €50 million at a fixed coupon of 1.59%, with 12-year maturity.

On 10 March 2022, the Company announced that Fitch Ratings Limited had upgraded its senior unsecured rating to BBB from BBB-. Fitch also affirmed the Company's Long-Term Issuer Default Rating at BBB- with stable outlook.

At the year end, the Company had total debt drawn of €11 million. This resulted in an LTV ratio of 35.2% (30 September 2021: 13.3%), with €239 million available undrawn debt. Taking into account the Company's capital commitments on its development and asset management projects, the proforma LTV increases to 40.6%. The Company's financing is well insulated from rising interest rates in the short term, with no maturities before Q4 2025, 73% of its total debt capacity fixed, and the part floating benefiting from interest rate caps limiting the rise in Euribor to 0.65%. These interest rate caps are maturing in October 2023.

Post-period-end activity

On 6 October 2022, the Company announced the proposed changes to the IMA, as discussed above.

Related party transactions

Transactions with related parties included the management fee paid to the Manager, the Directors' fees, and certain acquisitions the Company made from two of its main development and asset management partners, Dietz AG and Logistics Capital Partners (Dietz AG and Logistics Capital Partners were deemed related parties under Listing Rules).

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.

Mehdi Bourassi
CFO for Tritax EuroBox plc
5 December 2022

Dividends

The Company has declared the following dividends in respect of the year:

Declared	Amount per share	In respect of	Paid/to be paid
10 February 2022	1.25 cents	1 October to 31 December 2021	14 March 2022
17 May 2022	1.25 cents	1 January to 31 March 2022	24 June 2022
9 August 2022	1.25 cents	1 April to 30 June 2022	9 September 2022
6 December 2022	1.25 cents	1 July to 30 September 2022	13 January 2023

The total dividend for the year was 5.0 cents per share or €40.3 million (2021: €30.7 million) and was 84.8% covered by Adjusted Earnings (2021: 80.2%). It was fully covered by Adjusted Earnings in the quarter ended 30 September 2022. We expect the dividend to be fully covered in FY23, as discussed in the Chairman's Statement.

Our approach to risk management

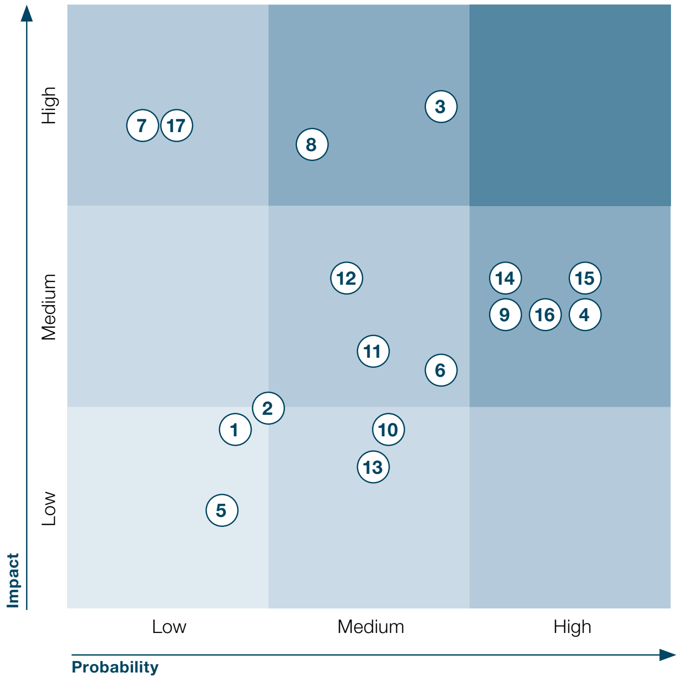
The Board has overall responsibility for risk management and internal controls, with the Audit & Risk Committee reviewing the effectiveness of the risk management process on our behalf.

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 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, understand 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. The Manager has established its own Risk Committee which ensures consistency and transfer of best practice in reporting, monitoring and controlling risk.

At least three times a year, the Board undertakes a formal risk review, with the assistance of the Audit & Risk 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.



Covid-19 risks

1. The Covid-19 pandemic severely impacting the global economy and financial market may cause loss to the Company.

Property risks

2. Customers may default.
3. The value of the property portfolio may fluctuate.
4. Portfolio growth may slow.
5. Lack of diversification may amplify local risks.
6. Development activities may not be profitable.

Operational risks

7. The Company is reliant on the continuing services provided by the Manager.
8. Insurance at appropriate premiums may not be available.

Financial risks

9. Interest rates may fluctuate.
10. Debt funding at appropriate rates may not be available.
11. Debt covenants may be breached.

Taxation risks

12. A change in the Company's investment trust status may cause loss.
13. Changes to local tax legislation in countries in which the Company is invested may cause loss.

Political risks

14. General political and/or economic uncertainty may disrupt the Company's business.
15. Rising energy prices may impact the overall economy and our customers.

ESG risks

16. ESG risks and inability to capitalise on the opportunities could lead to loss of competitive advantage, higher vacancies and higher operating costs for the Company and its customers.
17. The Company's data may be exposed to cyber attack.

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 fully speculative development. We have high-quality customer 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, all subject to interest rate derivative caps.

Principal risks and uncertainties

Further details of our principal risks and uncertainties are set out below. 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. The Board also continually reviews and assesses emerging risks, and has a process in place to decide their inclusion as principal risks.

Principal risks

The matrix (top left) 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.

Emerging risks

As well as the principal risks, the Directors have identified a number of emerging risks which are considered as part of the formal risk review. Emerging risks encompass those that are rapidly evolving, for which the probability or severity is not yet fully understood. As a result, any appropriate mitigations are also still evolving; however, these emerging risks are not considered to pose a material threat to the Company in the short term. These emerging risks are raised as part of the biannual risk assessment where the effects on the Group are considered. The emerging risks that could impact the Company's performance cover a range of subjects which include but are not restricted to climate change, ESG and technological advancement. The Audit & Risk Committee has also considered emerging risks following Covid-19 such as changes in the regulatory environment or tax regimes as a result of the pandemic.

Principal Risks and Uncertainties continued

COVID-19 RISKS

1. The Covid-19 pandemic severely impacting the global economy and financial market may cause loss to the Company

Probability	Impact	Mitigation
Low	**Low** The global economy and financial markets have been impacted by the Covid-19 pandemic. This has had an adverse effect on the magnitude and/or likelihood of several of the principal risks, with the following potential consequences: • A potential impact on the short-term operations of the business due to staff working remotely or potential absences because of the virus. This includes the operation of both our asset managers and customers whose staff could be at a health and safety risk through the continued operation of the warehouses. There is also an increased risk in cyber crime due to remote working. • An overall reduction in revenue due to the default of one or more of our customer partners, which could affect our ability to pay dividends to Shareholders and/or lead to a breach in our banking covenants. • Customers requesting rent deferrals and therefore impacting the capacity of the Company to pay target dividend in the current period. • An adverse change in our property valuations which may lead to a decrease in our Net Asset Value and affect our ability to meet our target returns. The significant volatility in equity markets could cause a decrease in the share price, potentially causing a breach in banking covenants, which may force us to sell assets to repay loan commitments.	Health and safety guidelines have been issued by the Manager of the Company, our asset managers and customers to all employees to ensure they are in a safe working environment and that they are aware of all relative symptoms of the virus. All staff conducted checks to confirm they were able to work from home remotely to safeguard the undisrupted continued operation of the business and training has been undertaken by all employees to make them aware of the potential increased risk of cyber crime. Over the previous 36 months the Company has collected 100% of contracted rents.

PROPERTY RISKS

2. Customers may default

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

3. The value of the property portfolio may fluctuate

Probability	Impact	Mitigation
Medium	**High** Property valuation is inherently subjective and uncertain, and the appraised value of the Company's properties may not accurately reflect the current or future value of the Group's assets. In addition, the Company's 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 the Company's property valuation may lead to a decrease in our Net Asset Value and affect the Company's ability to meet the relevant target returns. In an extreme scenario, it could also lead to a breach of the Company's banking covenants, which may force the Company to sell assets to repay loan commitments.	As at 30 September 2022, our property portfolio was 97% cash generating from leases, and rental guarantees, with long unexpired weighted average lease terms of eight years and a strong customer partner base. 97% of leases (by income) include rent uplifts (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.

PROPERTY RISKS continued

4. Portfolio growth may slow

Probability	Impact	Mitigation
High	**Medium** The fundamentals of the prime logistics locations in Continental Europe 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 the Company's 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.	The Company's business model is based on undertaking predominantly off-market transactions, sourced through the Manager's network of contacts across Europe, and through the Company's partnership with local development companies. The Manager has also developed strong relationships with several vendors and customers in the industry. Our reliability, experience and speed of execution give us an edge over many other potential investors.

5. Lack of diversification may amplify local risks

Probability	Impact	Mitigation
Low	**Low** The Company's Investment Policy does not include restrictions relating to the Group's exposure to individual assets or customer partners and includes only limited restrictions relating to the Company's 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.	The Company Investment Policy requires us to deliver a high-quality, diversified portfolio of assets. While the Company adopts a "bottom up" approach in the selection of real estate investments, it also considers the impact on the concentration of risk within the 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, the Czech Republic, Portugal and Slovakia. Over the past 18 months, the Company has increased significantly the size of the portfolio (by number of assets and number of customers) and entered the Nordics. This led to a significant improvement in portfolio diversification and lower exposure to single customers/buildings/countries.

6. Development activities may not be profitable

Probability	Impact	Mitigation
Medium to high	**Low to medium** 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. In particular, inflation will impact the costs of material and supplies. This passes directly into the cost of construction of development assets, as contractors are likely to pass on the increased costs. Furthermore, there are supply chain issues across Europe due to the rising costs and the macro environment which can lead to delays in supplies being delivered to complete developments. If any of the risks associated with the Company's developments materialised, this could reduce the value of these assets and our portfolio.	As at 30 September 2022 there are six forward funded developments in the portfolio. The risks associated with forward funded projects is significantly reduced, as the developer takes on a significant amount of construction risk and the risk of cost overruns (through a fixed price contract). Funds for forward funded developments remain with the Company and are only released to the developer on a controlled basis, subject to milestones as assessed by the Company's independent project monitoring surveyors.

Principal Risks and Uncertainties continued

OPERATIONAL RISKS

7. The Company is reliant on the continuing services provided by the Manager

Probability	Impact	Mitigation
Low	**High** The Company continues 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, Dietz and NCAP). As a result, the Group's performance, to a large extent, depends 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. The Management Engagement Committee monitors and regularly reviews 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.

8. Insurance at appropriate premiums may not be available

Probability	Impact	Mitigation
Low to medium	**High** The Company relies on the Manager's experience in sourcing insurance in order to ensure assets are covered to the adequate level. Through both the impacts of Covid-19 and the dynamics of the insurance market, it has become harder to secure insurance for the Company's assets at appropriate pricing levels. The rising cost of insurance may impact upon Shareholder returns. In an extreme scenario, the Company may not be able to insure its assets at all which would create significant financial and operational risk.	The Manager uses an established broker in order to secure insurance for the Company's assets. The broker has relationships with a range of insurers which supports both the ability to source insurance, and the competitiveness of pricing. The most recent renewal was completed in October 2022; this cover is in place until October 2023. The Manager uses a block policy which covers all of the assets under its management, and therefore insures a significant scale of assets which assists in competitive pricing. If insurance was unobtainable for a particular asset, there may be opportunity for the Manager to obtain cover on a limited cover basis or potentially the customer may be able to procure the insurance cover.

FINANCIAL RISKS

9. Interest rates may fluctuate, and debt funding at appropriate level may not be available

Probability	Impact	Mitigation
High	**Medium** Interest on our Revolving Credit Facility ("RCF") 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 cost of raising new debt, or refinancing existing debt may rise, impacting the Earnings Per Share and what is distributed to Shareholders as dividends.	Currently, 73% of total debt is subject to a fixed coupon. The debt which is not subject to a fixed coupon (RCF) is fully covered by interest rate caps. The Company has entered into interest rate derivatives to hedge the direct exposure to movements in Euribor. These derivatives cap the exposure to the level to which Euribor can rise. The Company aims to minimise the level of unhedged debt whilst also considering the average level of drawn down RCF. There is no debt maturing before October 2025, therefore limiting the short-term impact of refinancing. The Company is actively monitoring interest rate options and will take active steps to mitigate the rising cost of interest where possible.

10. The Euro may fluctuate against other currencies of countries in which the Company operates

Probability	Impact	Mitigation
Medium	**Low** The Company operates in the Nordics, exposing the Company to foreign currency ("FX") movements between EUR and SEK. The Company is exposed to three distinct FX risks: a) The cost to complete a development, agreed in SEK, will vary as the FX rates move. Variation in actual costs may render developments unprofitable. b) The Euro value of the net assets of the Swedish assets will fluctuate subject to FX rates. c) The rental income is received in SEK and is subject to FX when streaming cash up to the PLC.	Sweden currently represents a small value of the total portfolio, limiting the potential impact of FX movement on the portfolio. The Company has conducted a thorough assessment of possible hedging strategies and their effectiveness and impact on the Company. We take steps to translate any known cash flows on developments into the functional currency at the appropriate time, to mitigate risk of fluctuation and varying costs. The Company continues to carefully monitor the size of the exposure to SEK and will execute hedging strategies at the appropriate time.

11. Debt covenants may be breached

Probability	Impact	Mitigation
Low to medium	**Medium** If the Company was unable to operate within the respective debt covenants, this could lead to a default and the debt funding being recalled. This may result in the Company selling assets to repay loan commitments.	The Company continually monitors debt covenant compliance and performs stress tests. The Company has 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

12. A change in the Company's investment trust status may cause loss

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 the Company adheres to the UK investment trust regime, and we monitor strict adherence to the relevant regulations. The Company has also engaged top-tier third-party tax advisers to help monitor our compliance requirements.

13. Changes to local tax legislation in countries in which the Company is invested may cause loss

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 the Company invests in too. In addition, the Company has been structured on a conservative basis, with reasonable internal debt ratios, in line with international transfer pricing requirements.

Principal Risks and Uncertainties continued

POLITICAL RISKS

14. General political and/or economic uncertainty may disrupt the Company's business

Probability	Impact	Mitigation
High	**Medium to high** Political and economic uncertainty can lead to weakened economic growth which can lead to reduced demand for logistics warehouse and/or have an impact on the Group's customers. The current geo-political uncertainties in Europe have led to severe disruption to energy and supply chains, leading to significant inflation across the economy.	The Company currently has investment properties in seven different countries within the EU. The diversification reduces the risk of significant political and/or economic uncertainties materially impacting the Company. The Company currently has no Ukrainian or Russian customers or asset exposure. It has a single asset in Poland, 400km away from the Ukrainian border and representing less than 3% of the Company's total income.

15. Rising energy prices may impact the overall economy and our customers

Probability	Impact	Mitigation
High	**Medium** A rise in energy costs can lead to a contraction of the economy, hence reducing the overall demand for logistics assets, reducing potential rental growth. It can also lead to the Company's customer to have reduced profitability, reducing the affordability of rent, and in the worst case leading to the inability to continue to operate.	The Company is actively monitoring the geo-political situation, and ready to take action if necessary. A very limited number of the Company's customers are exposed to heavy industry, where cost of energy plays a significant role. The Company performs a customer covenant assessment on a regular basis, to ensure that the credit quality of the portfolio remains very good, and that rent payments are in line with the relevant contractual obligations. Finally, the Company is actively reviewing the energy ratings of the assets. The Company aims to ensure these are as efficient as possible.

ESG RISKS

16. ESG risks and inability to capitalise on the opportunities could lead to loss of competitive advantage, higher vacancies and higher operating costs for the Company and its customers

Probability	Impact	Mitigation
High	**Medium** The World Economic Forum ("WEF") listed ESG risks as four out of seven of its top risks in 2021. There are several ESG risks potentially impacting the Company. Climate change and biodiversity loss are the principal environmental risks affecting the Company's long-term ability to operate in its markets; the ability for the Company's customers to source and retain the right labour skills and mitigating modern slavery in the Company's supply chains are the key social risks; and the ability to be transparent and agile in managing the evolving governance risks, such as diversity and human capital management.	The Company's sustainability strategy addresses all the key risks for the Company in its operations. It provides guidance to the Board and Manager to reduce ESG risks to create value for all its stakeholders, including investing in more ESG focused assets and delivering lower operating costs for customers and more secure returns for investors. The Company ensures the assets that are invested in are well located for labour supply and the Company is developing initiatives to support local employment opportunities. The Board of Directors and the Manager have undertaken ESG training to ensure they have the right awareness and skills to manage ESG risks and opportunities.

CYBER RISKS

17. The Company's data may be exposed to cyber attack

Probability	Impact	Mitigation
Low	**High** Cyber attacks are becoming increasingly sophisticated and have been more prevalent in recent years. The use of IT is integral to the Company's operations and a successful cyber attack could limit the Company's ability to operate. Additionally, at times in the reporting cycle the Company holds material and not yet publicly disclosed information. Any cyber attack could have financial, operational and reputational impacts on the Company.	Many cyber attacks and phishing attempts are very basic in nature and are easily identified by the Manager in the course of daily business. All staff of the Manager and Board are regularly going through training covering cyber risk. Additionally, the Manager has obtained cyber control accreditations, ensuring all cyber risk is mitigated to the extent possible.

Task Force on Climate-Related Financial Disclosures ("TCFD") Report

This year, the Company has voluntarily made its first climate-related financial disclosure following the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). These disclosures are consistent with TCFD recommendations and the Company is working towards full alignment with the recommendations in subsequent years, which will continue to support the Company in mitigating risk for investors and achieving its own climate goals.

All climate-related financial disclosures can be found below, following the TCFD's four pillars – governance, strategy, risk management, and metrics and targets. Where disclosures do not currently fully align with the TCFD recommendations, we provide a rationale for why, and outline the steps being taken to make consistent disclosures in the future in the relevant sections below.

Governance

Describe the Board's oversight of climate-related risks and opportunities

The Board agreed a three-year sustainability strategy and framework in January 2020, which encompassed key ESG goals and metrics. Climate-related risks were ranked as one of the most material ESG issues for the Company. This was determined through a materiality exercise undertaken by a third party and included engagement with the Board and Tritax Management LLP (the "Manager").

The Board receives updates from the Manager's ESG Director (the "ESG Director") at every Board meeting, which occurs at least quarterly. At these Board meetings, emerging climate change-related risks and opportunities are discussed as well as relevant briefings provided, such as market updates, regulatory updates, and investor and analyst feedback. Initiative progress reports are also provided, and include updates on the ESG programme, including ESG rating submissions, Green Building Certifications, green finance and climate transition planning, as well as renewable energy opportunities and carbon risk analysis. The Board demonstrated its commitment to ESG issues by launching a specialised Green Bond issued in June 2021, which focuses on investments aligned with our Green Finance Framework. The Manager's Green Finance Committee approves the allocation of the Green Bond funds and an update is provided to the Board periodically.

Through regular reporting by the ESG Director and ESG Champion to the Board, in addition to dedicated training, the Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans. In addition, climate-related issues are considered when setting performance objectives within the Manager. The Manager's ESG Committee is responsible for monitoring trends, developments, risks and opportunities in relation to climate-related issues and any material changes are ultimately reported up to the Board. The Board has determined Eva-Lotta Sjöstedt, Non-Executive Director of the Company, as the "ESG Champion". Eva-Lotta regularly meets with the ESG Director to discuss ESG issues including climate-related risks facing the Company and reports back to the wider Board as necessary.

In order to ensure dedicated time is spent by the Board on ESG, the Board also established an EBOX ESG Committee in December 2022 which will meet twice a year to review the ESG strategy, receive updates and monitor progress against targets. The Board and the Manager have undertaken ESG Investment, TCFD and Carbon Reporting training to support their understanding of climate change and other ESG risks and opportunities to aid the appraisal of these issues in overseeing the Company's activities.

Describe management's role in assessing and managing climate-related risks and opportunities

The Manager's ESG Committee is responsible for the delivery of the ESG strategy, including climate change and its associated risks and opportunities. The ESG Committee is jointly chaired by the Manager's Chief Operating Officer ("COO"), Henry Franklin, and Head of Asset Management, Petrina Austin, who are ultimately responsible for climate change monitoring and reporting amongst the management team. The ESG Director, Alan Somerville, is an integral member of the Committee with onward reporting to the Company's Board and to the Manager's Executive Committee. The Executive Committee subsequently reports up to the Company's Audit & Risk Committee which ultimately reports to the Board.

The ESG Director is responsible for the assessment and management of climate-related risks and opportunities on a day-to-day basis, where appropriate engaging internal stakeholders or external parties to support this effort. Monitoring of climate change issues is supplemented by executive briefings from specialist consultants such as CEN-ESG.

Climate-related risks and opportunities are embedded into the Manager's investment processes through technical due diligence assessments undertaken on each asset by specialised property consultants, which inform the investment decisions of the business. Any specific risks and opportunities relating to climate change, such as flooding or solar capabilities, are raised with the relevant asset manager and reported to the Investment Committee, through Investment Committee and Acquisitions Reports. As part of the TCFD workstream, CBRE has also analysed the carbon risk performance of individual assets using the Carbon Risk Real Estate Monitor ("CRREM") tool, and this will be undertaken for any new assets going forward. The Head of Asset Management ensures that, overall, any material risks are considered for the Company. Management reporting and mitigation works are an ongoing process with the business also putting appropriate insurance provisions in place. Regular property inspections by the property management team also enable first-hand checks and reporting.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Climate change is inherently uncertain and early planning for adaptation reduces the vulnerability to climate change and allows for the creation of appropriate responses to tackle the problem at the right time. By considering potential risks on short, medium and long-term time horizons we have been better able to understand the likely spread of physical climate risk across the portfolio and identify shorter-term actions that can feed into our traditional decision-making timescales but also prepare us for dealing with longer-term risks that may manifest. Whilst these risks may not materialise whilst an asset is part of the EuroBox portfolio, it is anticipated that markets will increasingly begin to price in climate risk over asset lifetimes. The climate resilience assessment considered three scenarios, in line with the recommendations set out in the TCFD: RCP2.6 which represents a 2°C or lower scenario, RCP4.5 which aligns with the commitments made by countries as part of their nationally determined contributions ("NDCs") at the Conference of the Parties held in Paris in 2015 ("COP21") and RCP8.5 which represents the current worst-case scenario should net zero targets not be met.

The time horizons selected (short – 2030, medium – 2050 and long – 2100) are based on the profile of risks associated with real estate asset lifecycles over circa 60 years. Our long-term time horizon is not included in our transition risk and opportunity assessment at this time due to the difficulty and uncertainties associated with forecasting transition-related issues at these timescales. In contrast, climate response to atmospheric carbon levels can be modelled with a greater degree of certainty, albeit with significant potential error.

Risk was assessed based on the likelihood of the climate hazard occurring and the vulnerability of the asset to the climate event. A portfolio level assessment was completed for the entire portfolio to identify the material risks to be incorporated into investment decisions and a more detailed asset level assessment has been undertaken to consider individual vulnerability of the assets to future changes in climate. Determination of physical risks having a material financial impact on the Company was undertaken by taking into account climate hazard and asset vulnerability and consulting asset managers to determine the cost associated with reducing vulnerability through capital resilience improvements.

The medium-term risks based on an intermediate scenario (RCP4.5) are presented below. The assessment shows that flood risk, heavy precipitation events and drought are considered most material to the Tritax EuroBox portfolio. Fire and heat stress are considered a lower risk to the business in the medium term. Sea level rise does not pose a material risk to the Tritax EuroBox portfolio until the end of the century.

CHRONIC/ACUTE	CLIMATE HAZARD	HIGH RISK	MODERATE RISK	LOW RISK
Acute	Flood risk	Bremen, Germany (two units)	Bornem, Belgium (three units)	All other locations
Chronic	Sea level rise	None	None	All other locations
Acute	Fire weather	None	Rome, Italy; Piacenza, Italy (two units)	All other locations
Chronic	Drought stress	Barcelona, Spain	Rome, Italy; Hammersbach, Germany; Nivelles, Belgium (two units); Lich, Germany; Settimo Torinese, Italy; Piacenza, Italy (two units)	All other locations
Chronic	Heat stress	None	Barcelona, Spain; Rome, Italy; Settimo Torinese, Italy; Piacenza, Italy (two units)	All other locations
Chronic	Precipitation stress (heavy rainfall)	Settimo Torinese, Italy (one asset)	Barcelona, Spain; Settimo, Italy; Piacenza, Italy (two units)	All other locations

The Company has also conducted a transition risk assessment of the portfolio, using our net zero target date for Scope 1 and 2 emissions (2030) and the year 2050 as short and medium-term time horizons for the analysis. Our assessment of climate-related opportunities also uses these time horizons. The assessment uses a decarbonisation scenario in line with 1.5°C of warming by 2100 (as explained above, although this is our long-term time horizon for physical risk, we do not use 2100 as a time horizon in the assessment of transition risk due to uncertainty), as this represents a conservative estimate of transition risk – a more ambitious decarbonisation scenario will mean higher risks associated with the shift to a low-carbon economy. Assets identified as being at risk of stranding – whereby energy upgrades become financially unviable due to regulation and market conditions – have been identified to allow the Company to manage risks appropriately. Determination of transition risks and opportunities having a material financial impact on the Company was undertaken in consultation with the ESG Director and CBRE, which undertook the transition risk assessment. Currently this approach is qualitative – future disclosure will aim to include a quantitative approach to the characterisation of material financial impact of transition risk and opportunity.

STRANDING RISK LEVEL	STRANDING DATE RANGE	HIGH RISK
High	2019–2029	Rome, Rumst, Wunstorf, Strykow, Bornem, Gothenburg (one unit)
Medium	2030–2040	Gothenburg (one unit), Strykow
Low	2041–2050	All other locations

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Climate change is a critical risk. In response we have set a target to achieve net zero carbon for our areas of direct control by 2030. We are focused on reducing our carbon footprint, using energy more efficiently to make our assets more resilient in the long term, and reducing operating costs for our customers.

Given the growing importance of understanding the risks and opportunities climate change has on the Company's business strategy, the Company has utilised industry tools and frameworks to assess the potential risks that climate change may pose on the business. It has assessed potential investment risks using the Carbon Risk Real Estate Monitor ("CRREM") tool and undertaken a physical climate risk analysis in line with the TCFD recommendations.

With an increased focus on engaging and working with our customers, we have been able to map our full carbon footprint. As customers have operational control, the landlords' operational emissions are negligible in comparison to emissions from customer operations. This year the Company has taken several steps to support its net zero carbon objective, such as investment into renewable energy.

The portfolio-wide assessments of physical and transition risks and opportunities summarised in this report will inform the organisation's financial planning in the next reporting period; these assessments will be carried out at regular intervals to ensure risk identification remains current and can be integrated into our planning processes.

Table 1 Climate-related physical risks

CHRONIC/ACUTE	CLIMATE HAZARD	TIME HORIZON	RISKS TO TRITAX EUROBOX PORTFOLIO	FINANCIAL IMPACTS	PLANNING AND STRATEGY
Acute	Flood risk, heavy rainfall events (precipitation stress), drought stress	Short to medium term	Flooding of assets and need for increased flood protection and drainage measures Increased maintenance and repair costs Negative impacts on asset valuations	Cost of repairing assets, increased maintenance and building costs Increased insurance costs from growing flood risk Loss of value of buildings	Mitigation measures for flood and drought risks are incorporated into the design of planned developments including raising assets above ground level, surface runoff measures and inclusion of rainwater harvesting equipment Financial appraisals of acquisitions, refurbishments and development include mitigations to physical climate risks, including flood risk assessments for all new investments
Chronic	Heat stress	Medium term	Increased investment in cooling requirements Reduced thermal comfort of staff leading to lower levels of wellbeing and productivity of workforce Higher operating costs for customers from increased cooling demand	Cost of additional cooling requirements Upgrading cooling equipment	Developments are designed to maximise adaptation to extreme heat, including building orientation, shading and passive and active ventilation systems Mitigation is also included in refurbishments to increase shading externally and reflect heat, including reflective paint and construction of canopies for shading
	Sea level rise	Long term	Risk of flooding from sea level rise was identified at the two assets located in Breda by the end of the century. Flooding could result in building damage; however, given the uncertainty surrounding future projections of sea level, it is unlikely that impacts will materialise in the short term	The long-term risk of sea level rise may result in increased insurance costs for the assets over the long term and could result in stranded assets should the sea level rise increase more quickly that projected	Financial appraisals of acquisitions, refurbishments and development include mitigations to physical climate risks, including flood risk assessments for all new investments

Strategy continued

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning continued

Table 2 – Climate-related transition risks

TYPE OF RISK	CLIMATE RISK	POTENTIAL RISKS TO TRITAX EUROBOX PORTFOLIO	POTENTIAL FINANCIAL IMPACTS
Policy and legal	Carbon pricing	Pricing of GHG emissions	Direct cost associated with emissions pricing
Policy and legal	Reporting compliance	Various new reporting requirements for companies and financial organisations introduced within the EU and UK Risk of litigation/enforcement action for non-compliant disclosures and incorrect information	Increased costs associated with reporting and data gathering Increased costs resulting from fines and judgements
Policy and legal	Asset performance compliance	Assets become stranded and unlettable due to changing energy efficiency regulation Upgrading of existing assets in order to comply with increasingly stringent national and regional energy performance standards Higher development costs for new buildings to construct to more stringent energy performance standards Cost of procuring low-carbon materials for developments and refurbishments due to regulation on embodied carbon limits	Write-offs and early retirement of existing assets Increased capital costs for development and refurbishment Increased costs resulting from fines and judgements
Market	Energy costs	Higher energy costs over the short to medium term due to shift to renewables and electrification requiring energy efficiency upgrades to assets Energy market volatility leading to challenges in cost planning and occupier wariness	Increased capital costs Increased operating costs
Market	Decarbonisation of logistics sector	High transition costs to logistics occupiers increasing pressure on cost of occupation Increased localisation of production and distribution of goods to reduce transport emissions	Reduced revenue Reduced rental growth
Market	Occupier behaviour	Prospective occupiers have higher energy performance requirements due to their own energy costs, regulation affecting their sectors and customer demand for net zero business operations	Increased capital costs Write-offs and early retirement of existing assets
Market	Growth of green finance	Investors place stricter requirements on asset managers Access to capital becomes increasingly contingent on sustainability performance	Increased cost of capital Increased costs associated with reporting and data gathering

Table 3 Climate-related opportunities

CLIMATE-RELATED OPPORTUNITIES	POTENTIAL OPPORTUNITIES TO BUSINESS	POTENTIAL FINANCIAL IMPACTS
Resource efficiency	Use of more efficient production and distribution processes Use of recycling Move to more efficient buildings Reduced water usage and consumption	Upfront costs of retrofitting existing assets Cost savings from lower water consumption Reduced occupational costs Lower maintenance and repair costs Lower compliance costs
Energy source	Use of lower emissions sources of energy Use of supportive policy incentives Use of new technologies Shift toward decentralised energy generation Increased energy security and resilience Greater visibility of asset performance	Changes to energy costs associated with transition to lower emissions sources of energy Upfront costs of installing new technology
Products and services	Development of climate adaptation and insurance risk solutions Ability to diversify business activities Change in market demand for services due to climate-related risks or opportunities shifting consumer preferences	Reduce revenues from operational disruption Changes to revenue from sales of services
Markets	Access to new markets Use of public sector incentives Access to new assets and locations Retention and enhancement of Shareholder relationships – alignment with ESG objectives New opportunities to align capital deployment with climate change mitigation can be captured through underwriting or financing green initiatives and infrastructure through green finance instruments (e.g. low emission energy production and energy efficiency)	ESG investors – new source of investment Green debt/green finance/green bonds – new sources of capital Increased revenue through access to assets in new geographies Increased diversification of financial assets (e.g. green bonds and infrastructure) Defensive play against negative impact on value/liquidity Positive play – green buildings vs brown buildings – capital and rental growth
Resilience	Participation in renewable energy programmes and adoption of energy efficiency measures Improving efficiency and adaptive capacity of fixed assets	Increased market valuation through resilience planning (e.g. land and buildings) Increased reliability to operate under various conditions (e.g. energy efficiency measures)

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The physical climate risk analysis has used three scenarios to assess the impact of physical climate risks across the Tritax EuroBox portfolio to the end of the century. The scenarios used were as follows:

- RCP8.5: a high emissions scenario, consistent with a future with no policy changes to reduce emissions and characterised by increasing GHG concentrations and a temperature increase of around 4°C relative to the pre-industrial period (1850–1900);
- RCP4.5: an intermediate emissions scenario, consistent with relatively ambitious emissions reduction, that likely overshoots the Paris Agreement temperature target of 1.5°C/2°C relative to the pre-industrial period (1850–1900); and
- RCP2.6: a moderate scenario that sees emissions peak early on in the 21st century and then decline after. This scenario assumes a warming of less than 2°C by the end of the century.

These scenarios were selected as they are based on internationally recognised datasets and consider the potential physical risks of a changing climate and transition to a net zero economy. We believe that they provide good coverage across all possible future scenarios, allowing us to understand the range of physical impacts that may occur and align with the recommendations of the TCFD which states that more than one scenario should be considered, one of which should be aligned with the Paris Agreement.

Transition risks have been assessed using CRREM's 1.5°C scenario, aligned with warming of less than 1.5°C by the end of the century. Although this transition risk assessment tool also offers a 2°C scenario for use, a 1.5°C scenario will identify the greatest risks and allow for a conservative degree of planning in this regard, ensuring maximum resilience of the portfolio to transition risk.

Detail of the analytical methods, outputs and sensitivities is provided in the Risk Management section of this disclosure.

Following this year's assessment of physical and climate risks to the portfolio, we will continuously update and revise our Company strategy in line with developing risks and opportunities, and continue to assess risks under a range of global warming scenarios and other contextual developments. We intend to develop our approach to strategic resilience further in subsequent disclosures.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks

The Company has worked with CBRE ESG Consulting to identify and assess the relative significance of physical and transitional climate-related risks. The Board and the Manager were updated on key findings of the TCFD and CRREM analysis. As part of the Annual Report process the Audit & Risk Committee evaluated the impacts on financial and strategic planning and will look to further embed this process over the next reporting period.

The sections below set out the process for completing the physical and transition risk assessments respectively.

Physical risk

A climate risk analysis has been completed to assess the short, medium and longer-term physical risks for the Tritax EuroBox portfolio. The assessment was based on three climate scenarios across three time horizons as mentioned above.

The following risk terminology has been used in the assessment. Risk has been defined as the potential for adverse consequences of a climate-related hazard on the lives, livelihoods, health and wellbeing, ecosystems, assets, services and infrastructure. It results from the interaction between vulnerability of an affected system, its exposure over time, the climate-related hazard and the likelihood of its occurrence. For this assessment hazard has been defined as the potential occurrence of a natural or human-induced event that may cause the loss of life, injury, damage or loss of property, infrastructure, livelihoods, services ecosystems or environmental resources. Vulnerability is defined as the propensity of an asset to be damaged or undergo a period of downtime due to having been adversely affected by a climate event. This is based on the risk definition defined in the International Panel of Climate Change ("IPCC") report.[1]

The portfolio level risk analysis has used the likelihood of the climate hazard and the severity of the impacts of the Tritax EuroBox assets in terms of their ability to remain operational under adverse conditions. The portfolio level assessment was not asset specific and focused on the material risks. The potential climate-related risks on the business have been identified including potential financial risks. The Munich Re risk platform has been used to inform the likelihood assessment and expert judgement has been used to inform the vulnerability assessment.

Transition risk

A portfolio transition risk assessment has been carried out, using energy consumption and carbon emission information for Tritax EuroBox assets to assess the alignment of the portfolio with the decarbonisation pathways outlined by the CRREM tool, funded by EU Horizons and the Laudes Foundation. The assessment has been based on data gathered for the REIT's 2021 GRESB submission, with data covering the 2020–2021 financial year.

The CRREM analysis considers the CRREM 1.5°C pathway for alignment and a time horizon to 2050, whilst also considering an intermediate net zero date of 2030 in line with the Company's goals for Scope 1 and 2 emissions. Risk associated with this portfolio transition risk assessment is therefore stranding risk, defined by CRREM as the risk of owning or managing an asset "that will not meet future energy efficiency standards and whose energy upgrade will not be financially viable. The market participant may face a situation where properties do not meet future market expectations and therefore will be exposed to write-downs".

Sector and country-specific pathways have been used to assess pathway alignment, and risk has been considered for both energy use and carbon emissions, with high-priority assets identified which represent significant absolute emissions and also have high normalised emissions (per m^2) – also referred to as Energy Use Intensity ("EUI").

Describe the organisation's processes for managing climate-related risks

The Board recognises the importance of identifying and monitoring climate-related risks, which feature on our principal risk register. The Audit & Risk Committee formally considers and assesses the risks that may be relevant to the Company on a bi-annual basis as reported by the Manager's Executive Committee. The risks highlight the potential impact on the Company along with any mitigating factors. The risks are also reviewed and assessed by key representatives including the Manager's Executive Committee on an ad hoc basis. During 2023, the Board will focus further on the prioritisation of climate-related risks and opportunities and look to quantify the financial impact.

Ownership and management of all risks is assigned to relevant members of the Manager who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. Assessment of climate-related risks and opportunities is embedded within our investment and asset management strategies for acquisitions and major capital expenditures, as outlined in our acquisition and development requirements. Risks identified at the asset level are communicated to asset managers by the property management team and other relevant specialists.

Going forward, the Company will undertake asset level transition and physical risk audits in order to further prioritise climate-related risks identified at the portfolio level, covering asset vulnerability, net zero potential and associated capital costs. Climate risk management and mitigation strategies will be incorporated in the asset Sustainability Action Plans ("SAPs"). Progress against SAPs will be reviewed each year by the asset managers and the ESG Director, and reported back to the Board by the ESG Director.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

The Manager reviews and updates the Company's risk matrix on a bi-annual basis and reports up to the Audit & Risk Committee which includes principal and emerging risks.

The Manager has also established a Risk Committee which conducts periodic horizon scanning for new risks which may impact funds under management, including the Company.

The Audit & Risk Committee has embedded climate reporting into its risk management by determining ESG risk as a key risk of the Company. In addition, climate-related risks and opportunities are embedded into the Company's investment strategy and are considered at each investment, divestment or asset management initiative. These opportunities and risks are then reported up to the Board through the Quarterly Asset Management Report, as well as any ad hoc Investment Committee or Acquisitions Reports on a specific project.

Acquisitions are subject to ESG due diligence assessments which inform the members of the Investment Committee of any climate-related risks, such as flooding, to inform the investment decisions on climate-related risks. Once acquired, as part of annual insurance renewal, an assessment of the physical climate change risks of the assets within the portfolio are assessed and the results are shared with the Partners. The Partner responsible for asset management and property management ensures that any material risks are considered for the Fund.

For further details on the Company's risk management please refer to pages 44 to 50.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The Company employs a holistic set of metrics in order to assess climate-related risks and opportunities, in line with the recommendations of the TCFD. These metrics are outlined below. Note that at the present time, reporting against some of these metrics is in development; where this is the case, this is clearly noted. For other metrics, both current and past years' performance is reported where possible.

Metric category	Metric	Historical performance	Current performance	Target set
GHG emissions	Absolute Scope 1 GHG emissions	Page 34	Page 34	Page 32
	Absolute Scope 2 GHG emissions	Page 34	Page 34	Page 32
	Absolute Scope 3 GHG emissions	Page 34	Page 34	Page 32
	Weighted average GHG intensity (per €m revenue), Scope 1 and 2 landlord and customer	Not available	Page 34	Page 32
	Portfolio GHG intensity, Scope 1 and 2 landlord and customer (per sqm per year)	Not available	Page 34	Page 32
Transition risks	% of assets by number performing above country best practice EPC benchmark	Page 33	Page 33	Page 32
Climate-related opportunities	Renewable energy capacity installed (MW)	Not available	Page 33	Page 32
	GRESB rating	Page 4	Page 28	Page 30
	Number of leases incorporating green lease clauses agreed in the FY	Not available	Page 41	Page 30
	% of assets by floor area with Tritax minimum Green Building Certifications or EPC ratings	Not available	Page 28	Page 31 (Green Building Certifications) Page 33 (EPC rating)

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

See the energy and greenhouse gas report available on page 34 for Scope 1, Scope 2 and Scope 3 emissions.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Targets can be found reported in the table above alongside the relevant metric to allow progress to be assessed against the target over time.

Going Concern and Viability Statement

The Group's cash balance as at 30 September 2022 was €90.18 million. It also had undrawn amounts under its debt facilities of a further €207 million at the reporting date. Of the Group's total facilities (RCF, Green Bond and USPP), €250 million mature in 2025, €500 million in 2026, €100 million in 2029, €50 million in 2032 and €50 million in 2034.

The Group currently has substantial headroom against its borrowing covenants, with an LTV of 35% as at 30 September 2022 against a borrowing covenant limit of 65%. The Group's borrowings are unsecured, providing it 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 customer. This diversification mitigates the risk of customer 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 Group's cash flow forecasts, 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 Group's ability to continue for a period of at least 12 months from the date of approval of the financial statements. The Board is, therefore, of the opinion that the going concern basis adopted in preparing 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 five-year period to September 2027. This was previously considered over a three-year period.

The period for this assessment is the same five-year time horizon as covered by the Group's financial forecasts and plans. This is considered to be the optimum balance given the age of the Group as well as the long-term nature of investment in property. The Directors confirm that they have no reason to expect any change in the Group's viability immediately following the period assessed.

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

While the principal risks assessed by the Directors could affect the Group's business model, the Directors do not consider that they have a reasonable likelihood of impacting the Group's viability over the five year period to September 2027.

The Group's financial forecast includes sensitivities including yield expansion, resulting in property valuation fall and the impact of cash flows and covenant compliance. This forecast has been further sensitised for the following scenarios:

1) the combined impact of three key customers defaulting without replacement and a 12-month delay in letting properties under development, along with a significant increase in Euribor; and

2) additional yield expansion resulting in further property valuation falls and the impact on debt covenants.

Viability Statement

The Directors confirm 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 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 five-year period of their assessment to September 2027.

The Strategic Report was approved by the Board and signed on its behalf by:

Robert Orr
Chairman
5 December 2022

Chairman's Governance Overview

Promoting long-term sustainable success

Robert Orr
Chairman

Governance highlights for 2021/2022

- Conducted a comprehensive internally facilitated Board evaluation exercise. Further details on page 80.
- Conducted a retender of the corporate broker services, resulting in the appointment of Barclays as Joint Corporate Broker and Financial Adviser alongside our existing Joint Corporate Broker and Financial Adviser, Jefferies, and Joint Financial Adviser, Akur. Further details on page 73.
- Conducted an in-depth strategic review of the business at the strategy meeting held on 6 September 2022. Further details on page 69.
- Shareholder approval given on the amended Investment Management Agreement ("IMA") on 25 October 2022. Further details on page 71.
- Complied with all of the principles and provisions of the 2019 AIC Code applicable to the Company. Please see pages 67 and 68.
- Met all of the requirements set out in the Financial Reporting Council's Guidance on Risk, Internal Control and Related Financial and Business Reporting. Please see pages 44 to 50 and 82 and 83.
- Further developed and enhanced the Board's composition and succession planning with the appointment of Sarah Whitney. Further details on page 77.
- Further enhanced processes and procedures across the business and its supply chain in compliance with the Modern Slavery Act 2015 and published our fourth annual statement on our website. Please see page 83.
- Embedded the ESG strategy framework and established a dedicated EBOX ESG Committee. Further details on page 51.
- Entered the FTSE 250 in October 2021.

This report seeks to demonstrate and explain the core governance-related processes and procedures that are in place and highlights the key governance actions which have taken place during the period.

Strong and effective corporate governance has been at the core of our business since the Company's launch in 2018 and the Board continues to believe that sound corporate governance plays a key role in shaping the long-term success of the Company. The Board's culture encourages open, honest and robust debate within a challenging yet supportive environment. We believe this remains integral to the continuing progress of the Company going forward.

Board priorities

This has been a busy year for the Board, with a number of changes made to the composition of the Board including the appointment of Sarah Whitney as a new Non-Executive Director in February 2022 and her appointment as Senior Independent Director ("SID") in December 2022, as well as a refresh of the Board Committee memberships. During the period, the Board completed the review of the IMA and undertook a corporate broker retender and established a dedicated EBOX ESG Committee (post year end). The Company's strategy meeting was held off site in September of this year and provided an opportunity to focus on strategy, opportunities and market outlook outside of the routine considerations of the Board.

The Board worked closely with the Manager to identify ways to both reduce costs and to ensure that the Company had the right skills and resources in place to deliver returns to Shareholders over the long term. This resulted in the agreement to amend the terms of the Investment Management Agreement, for which we voluntarily sought, and were pleased to receive, Shareholder approval in October 2022. The revised IMA supports the delivery of the Company's strategic objectives and our key short-term priorities of reducing costs and providing for improved dividend cover.

In September 2022, Nick Preston stepped down as Fund Manager and was replaced by Phil Redding. Nick has been instrumental in the establishment of the Company and the creation of a high-quality, resilient portfolio of prime logistics assets across Continental Europe. My fellow Board members and I thank him for his contribution and wish him the best in his future endeavours. Phil joined Tritax in November 2020 as Director of Investment Strategy, providing strategic investment advice across the four flagship Tritax funds. His extensive experience in the industrial and logistics sector, his deep knowledge of Continental European markets, and the insights gained from his 25-year career at SEGRO, make him ideally suited to take on the leadership role at EuroBox and continue the delivery of our strategy.

We continued to make good progress on our ESG strategy, including improved collection of ESG data and ESG integration across the asset lifecycle. We also undertook our first TCFD analysis and continued to align the carbon performance of the portfolio with the

Paris Agreement decarbonisation pathways. Post year end the Board established a dedicated ESG Committee which will meet twice a year to enable greater time and focus for the Board to consider its ESG strategy. The ESG Committee will report to the Board and provide recommendations on all ESG initiatives and support the continued work of the Manager's own ESG Committee. Eva-Lotta Sjöstedt will chair the new EBOX ESG Committee and continue to be our "ESG Champion". Eva-Lotta will continue to engage directly with the Manager's ESG Director on various sustainability topic For more information on steps the Group is taking in relation to climate change please refer to pages 28 to 35 and 51 to 58.

Board and Committee composition

The Company has a strong and fully independent Board with a diverse range of skills and extensive European real estate and supply chain experience. During 2021 the Nomination Committee reviewed the Board and Committee composition and recommended the Board commence a search for a new Director. This search resulted in the appointment of Sarah Whitney on 14 February 2022. For further details regarding the recruitment process please refer to pages 72 and 79 in the Nomination Committee Report.

Board development

The Board continues to receive regular updates and briefings on corporate governance as well as wider regulatory changes within the market to ensure we are fully conversant with and comply with all applicable laws and regulations. This year's training included a session on Supply Chains and EU Construction.

As a Board, we continue to benefit from our professional development programme, further details of which can be found on pages 66 and 79.

Board engagement

We believe that our positive engagement and working relationship with the Manager is key to enhancing the Company's governance arrangements and ensuring that they are robust and fit for purpose. We work closely with the Manager to identify areas for improvement and best practice which promotes an open and collaborative culture. This year, we reviewed a number of our policies and procedures, including refreshing the Diversity and Inclusion Policy, Share Dealing Code and the Non-Audit Services Policy.

We also regularly engage with the Company's advisers, Jefferies, Barclays and Akur, to discuss investor feedback they have received and/or gauge their views on corporate strategy and performance. We 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"). Post the easing of Covid-19-related restrictions, we are pleased to conduct Shareholder meetings in person, further details of which can be found on page 95.

The Board undertook two asset tours during the period. In April 2022 we visited assets in Benelux, including Roosendaal and Breda in the Netherlands, and Rumst, Bornem and Nivelles in Belgium. Furthermore in July 2022 we visited assets in Hammersbach, Geiselwind and Lich in Germany.

Outlook for 2022/2023

Looking ahead, the Board is focused on achieving its key strategic priorities as agreed at the strategy meeting this year, as well as working towards achieving compliance with the recently published Listing Rules in relation to diversity targets, as appropriate. We will also continue to monitor our governance arrangements to ensure that they are aligned with FTSE 250 best practice.

Robert Orr
Chairman
5 December 2022

Statement of compliance

The Board of Tritax EuroBox plc has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code") and sets out additional provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders, and by reporting against the AIC Code, the Company is meeting its obligations under the 2018 UK Corporate Governance Code (the "UK Code") and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules.

The Company has fully complied with the Principles and Provisions of the AIC Code throughout the period.

The AIC Code is available on the AIC website (www.theaic.co.uk).

It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

For further details please see pages 67 and 68.

Board of Directors

The right leadership

Robert Orr MRICS BSc

Chairman

Appointed 5 June 2018

Tenure 4 years 6 months

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 CEO
- Non-Executive Director of RDI REIT P.L.C.
- Non-Executive Director of Tishman Speyer Properties UK Limited
- Senior Adviser to Canaccord Genuity Limited

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.
- Chairman of the advisory board of APCOA Parking Holdings GmbH
- Member of the Investment Advisory Committees of EQT Real Estate
- Senior Adviser to Blue Coast Capital (Lewis Trust Group)
- IC Member of ESAS Holding

Sarah Whitney BSc FCA

Senior Independent Director

Appointed 14 February 2022

Tenure 10 months

Relevant skills and experience

- Fellow of the Institute of Chartered Accountants with an extensive career advising boards on strategy, corporate finance, and real estate-related matters, in both senior executive roles and complementary non-executive roles

Significant previous external experience

- Non-Executive Director of St Modwen Properties PLC
- Partner, Corporate Finance at PwC
- Head of the Consulting & Research business at DTZ Holdings (now Cushman & Wakefield)
- Executive Director and Member of UK Board at CBRE

Principal external appointments

- Chair of the Audit Committee of JPMorgan Global Growth & Income PLC
- Chair of the Supervisory Board of BBGI Global Infrastructure S.A.
- Trustee and Chair of the Investment Committee of The Canal & River Trust (pro bono)
- Non-Executive Director of Bellway plc
- Treasurer and Member of Council of University College London (pro bono)

Keith Mansfield

Non-Executive Director

Appointed 5 June 2018

Tenure 4 years 6 months

Relevant skills and experience

- Chartered accountant with extensive experience of leading significant international transactions
- Partner at PricewaterhouseCoopers ("PwC"), 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
- Non-Executive Director and Chairman of the Audit Committee of Tarsus Group plc

Principal external appointments

- Chairman of Albemarle Fairoaks Airport Limited
- Non-Executive Director and Chairman of the Audit Committee of Motorpoint Group plc
- Senior Independent Director and Chair of the Audit Committee of Digital 9 Infrastructure plc

Taco de Groot MRE MRICS

Independent Non-Executive Director

Appointed 5 June 2018

Tenure 4 years 6 months

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
- One of the founding partners of GPT/ Halverton LLP, Heston Real Estate B.V. and Rubens Capital Partners
- CEO of Cortona Holdings BV, Amsterdam
- CEO of Vastned Retail NV, a European retail property company listed on Euronext Amsterdam
- Non-Executive Director of EPP NV, a real estate investment company that operates throughout Poland

Principal external appointments

- CEO of UrbanInterest, a large family business with a real estate portfolio of residential, office and retail assets
- Visiting Lecturer at the University of Amsterdam and Hogeschool of Rotterdam
- Adviser at E22 Capital, a US residential real estate investment company

Eva-Lotta Sjöstedt

Independent Non-Executive Director

Appointed 10 December 2019

Tenure 3 years

Relevant skills and experience

- Global senior executive with an in-depth knowledge of global retail, supply chain and digital transformation strategy

Significant previous external experience

- CEO of Georg Jensen, a Scandinavian luxury jewellery and home design brand
- CEO of Karstadt, a German premium luxury department store chain
- Various senior roles at IKEA, the Swedish home furnishing brand, over a 10-year period including:
  - Deputy Global Retail Manager, responsible for the development and implementation of IKEA's global omnichannel strategy
  - CEO of IKEA Holland
  - Deputy Retail Manager at IKEA Japan, responsible for developing and growing the IKEA brand across Japan

Principal external appointments

- Supervisory Board Member at METRO AG, a leading international wholesale and food service company
- Non-Executive Director of Elisa Corporation, a telecommunications company registered on the Nasdaq Helsinki
- Founder and Senior Adviser of KUNO Leadership Community

A Audit & Risk Committee

M Management Engagement Committee

N Nomination Committee

E EBOX ESG Committee

Chair

Key Representatives of the Manager

- **EX** Executive Committee
- **I** Investment Committee
- **O** Operations Committee
- **R** Risk Committee
- **E** ESG Committee
- **G** Green Finance Committee
- ● Chair

Tritax provides a dedicated team of property experts to manage EuroBox.

Tritax Management LLP (the "Manager") acts as the Company's Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Manager Directive ("AIFMD") and as such the Board has delegated authority to the Manager to conduct portfolio and risk management services on behalf of the Company. Whilst the Manager has the ultimate responsibility to make the final decision over portfolio and risk management services, the Board actively discusses potential investments and divestments with the Manager and ensures ongoing compliance with the Company's Investment Policy and Investment Objectives. This complies with the European Securities and Markets Authority ("ESMA") guidelines published on 13 August 2013 in respect of the AIFMD and ensures that the Company continues to adopt best governance practice.

▶ To read more about our colleagues please go to tritaxeurobox.co.uk/about/people-and-culture/

Phil Redding

CEO for Tritax EuroBox plc

Relevant skills and experience

Phil is responsible for leading the Group's fund management function and has overall responsibility for the provision of strategic investment advice to the Group. He is Chairman of the Investment and Executive Committees. Phil started his career at King & Co (now JLL) where he qualified as a chartered surveyor in its Industrial Agency and Development division in 1992. In 1995, Phil joined SEGRO plc holding a number of management positions before becoming Chief Investment Officer and member of the Board in 2013. Phil joined Tritax Group in 2020.

Mehdi Bourassi

CFO for Tritax EuroBox plc

Relevant skills and experience

Mehdi is responsible for all aspects of the Group's finance and corporate reporting. Mehdi joined the Tritax Group in May 2019. Mehdi has over 10 years' experience in pan-European real estate finance, including roles for PwC Luxembourg, Abu Dhabi Investment Authority and Savills Investment Management. Mehdi holds an MSc in Management from IESEG School of Management and an MBA from London Business School.

Petrina Austin

Head of Asset Management – the "Manager"

Relevant skills and experience

Petrina joined Tritax in 2007 and is responsible for the Group's asset and property management service, incorporating ESG and insurance functions. She has developed the capabilities of the team to extend the skills in logistics and industrial operations, integrating ESG and power considerations into analysis.

James Dunlop

CEO – Investment – the "Manager"

Relevant skills and experience

James is responsible for identifying, sourcing and structuring 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 its Investment Development and Agency division in 1991. In 2000, James formed SG Commercial, then became a partner in the Tritax Group in 2005.

Henry Franklin

Chief Operating Officer – the "Manager"

Relevant skills and experience

Henry is responsible for tax, legal and compliance activities, working closely with the Board, management team and external advisers to ensure the robustness of the tax and legal structure. Henry is a qualified solicitor who completed his articles with Ashurst LLP in 2001, qualifying as a chartered tax adviser in 2004 before moving to Fladgate LLP in 2005. Henry joined the Tritax Group in 2008.

Our corporate governance structure

Board relevant sector experience

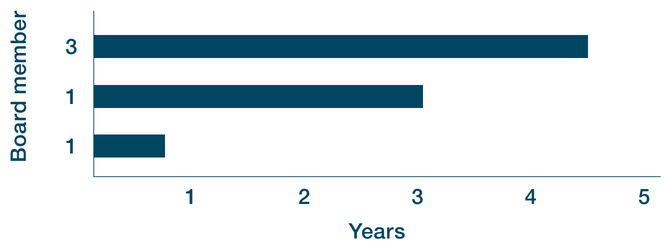
The Board has a complementary range of skills which are relevant to the Group's medium and longer-term objectives.

The Board considers Keith Mansfield to have recent and relevant financial expertise to chair the Audit & Risk Committee.

Board gender split

- Male 60%
- Female 40%

Non-Executive Director tenure



Key activities of the Board

October–December 2021

- Approved the Annual Report and Accounts 2021
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 30 September 2021
- Introduction to European Construction Board training session
- €200 million debut private placement debt issue
- Inclusion in the FTSE 250
- General Meeting held on 10 December 2021 to approve related party transactions for the Gelsenkirchen, Bönen and German Propco Guarantor Amendment Proposals

January–March 2022

- Held the Company's Annual General Meeting
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 31 December 2021
- Board information session on European Supply Chains with CBRE
- Fitch upgrade on its senior unsecured rating to BBB from BBB-
- Conducted performance review of the Company's key suppliers
- Appointed Sarah Whitney as Non-Executive Director and updated composition of the Board Committees
- General Meeting held on 11 March 2022 to approve related party transaction for the Roosendaal proposal

April–June 2022

- Approved the Interim Report 2022
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 31 March 2022
- Benelux Board asset tour
- Board information session on Supply Chains with DHL – Voice of the Occupier
- General Meeting held on 13 April 2022 to approve related party transaction for the Dormagen proposal
- Undertook an in-depth ESG review

July–September 2022

- Board tour of German assets and Board meeting held off site
- Strategy meeting
- Conducted a retender of the corporate broker services, resulting in the appointment of Barclays as Joint Corporate Broker and Financial Adviser alongside its existing Joint Corporate Broker and Financial Adviser, Jefferies, and Joint Financial Adviser, Akur
- Conducted an internal Board and Committee evaluation
- Conducted performance review of the Manager
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 30 June 2022
- Negotiated and agreed amendments to the IMA
- Appointment of Phil Redding as CEO for Tritax EuroBox plc

Post-year-end events

- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 30 September 2022
- Agreed action plan following the external Board and Committee evaluation
- Held General Meeting to approve the IMA amendments and signed IMA in October 2022
- Established the ESG Committee of the Board in November 2022
- Approved the Annual Report and Accounts 2022

▶ For the key investment, operational and financial activities please see pages 1 to 59

Application of Code

Application of AIC Code Principles

The AIC Code and the underlying UK Code have placed increased emphasis on "comply and explain" with regard to the Principles of the Codes. Our explanations of how we have applied the main Principles of the AIC Code can be found below.

Board leadership and purpose	
Principle A. A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	• Strategic Report pages 1 to 59 • Board Leadership and Company Purpose pages 69 to 71
Principle B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	• Strategic Report pages 1 to 59 • Board Leadership and Company Purpose pages 69 to 71 • Division of Responsibilities pages 74 to 76
Principle C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	• Principal Risks and Uncertainties pages 44 to 50 • Section 172 Statement pages 21 to 23 • Audit, Risk and Internal Control pages 82 and 83 • Audit & Risk Committee Report pages 84 to 87
Principle D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	• Stakeholders pages 21 to 23, 72 and 73 • Section 172 Statement pages 21 to 23 • Shareholder Relations page 69 to 73
Division of responsibilities	
Principle F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	• Board Leadership and Company Purpose pages 69 to 71 • Division of Responsibilities pages 74 to 76
Principle G. The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board's decision making.	• Division of Responsibilities pages 74 to 76 • Composition, Succession and Evaluation pages 62 to 64
Principle H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge and strategic guidance, offer specialist advice and hold third-party service providers to account.	• Board Leadership and Company Purpose pages 69 to 71 • Division of Responsibilities pages 74 to 76 • Audit & Risk Committee Report pages 84 to 87 • Management Engagement Committee Report pages 88 to 90
Principle I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	• How we govern the Company page 69
Composition, succession and evaluation	
Principle J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	• Nomination Committee Report pages 78 to 81
Principle K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	• Board Biographies pages 62 to 64
Principle L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	• Nomination Committee Report pages 78 to 81

Application of Code continued

Application of AIC Code Principles continued

Audit, risk and internal control	
Principle M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	• Audit, Risk and Internal Control pages 82 and 83 • Audit & Risk Committee Report pages 84 to 87
Principle N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	• Going Concern page 59 • Statement of Directors' Responsibilities page 96
Principle O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	• Principal Risks and Uncertainties pages 44 to 50 • Viability Statement page 59 • Audit, Risk and Internal Control pages 82 and 83 • Audit & Risk Committee Report pages 84 to 87 • Notes to the Financial Statements pages 108 to 127
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	• Board Leadership and Company Purpose pages 69 to 71 • Directors' Remuneration Report pages 91 to 93 • Management Engagement Report pages 88 to 90
Principle Q. A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.	• Directors' Remuneration Report pages 91 to 93
Principle R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	• Directors' Remuneration Report pages 91 to 93

Key Board statements

Requirement	Board statement	Where to find further information
Going concern basis	The Board is of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 59 of the Strategic Report.
Viability Statement	The Board is of the opinion that the Viability Statement adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 59 of the Strategic Report.
Annual review of systems of risk management and internal control	A continuing process for identifying, evaluating and managing the risks the Company faces has been established and the Board has reviewed the effectiveness of the internal control systems.	Further details are set out in Audit, Risk and Internal Controls on pages 82 and 83 of this Governance Report.
Robust assessment of the Company's emerging and principal risks to the business model, future performance, solvency and liquidity of the Company	The Audit & Risk Committee and the Board undertake a full risk review twice a year where all the emerging and principal risks and uncertainties facing the Company and the Group are considered.	Further details can be found in Principal Risks and Uncertainties on pages 44 to 50 of the Strategic Report.
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 of the fair, balanced and understandable statement can be found on pages 74 to 96.
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, as amended, to be in the best interests of the Company.	Further details are set out in the Management Engagement Committee Report on pages 88 to 90.
Section 172	The Directors have considered the requirements of Section 172 when making strategic decisions.	Further details are set out on pages 21 to 23 of the Strategic Report.
TCFD	The Directors have early adopted reporting on the TCFD requirements.	Further details are set out on pages 51 to 58 of the Strategic Report.

Board Leadership and Company Purpose

How we govern the Company

The Board is responsible for promoting the long-term sustainable success of the Company and generating value for its Shareholders and other stakeholders through effective leadership. The Board and the Manager work closely together to maintain the highest standards of corporate governance which is central to every Board decision.

The Company's purpose is to open up new futures in sustainable commercial real estate, creating compelling opportunities for our stakeholders and giving the world's most ambitious companies the space to succeed. In order to achieve this, the Board has determined the Company's Investment Objectives and Investment Policy. The Board has overall responsibility for the Company's activities, including reviewing investment activity, performance, business conduct and strategy, in compliance with the principles of good corporate governance. The Board has delegated the day-to-day operational aspects of running the Company to the Manager and approved a schedule of matters reserved for its consideration and approval, which is set out on this page. Although the Board does not approve investment proposals or decisions, as this is a matter delegated to the Manager, the Board is kept fully informed and notified of investment proposals/decisions to enable the Directors to undertake their responsibilities and duties appropriately.

As well as regular Board meetings, the Board also meets for dedicated strategy meetings, in which it discusses the Company's immediate and long-term strategy, and holds ad hoc meetings to consider specific issues facing the Company, the market generally and its stakeholders.

A typical Board agenda includes:

- a review of investments, divestments and asset management initiatives;
- an update on investment performance and opportunities available in the market and how they fit within the Company's strategy;
- a report on the property and wider market;
- a review of the Company's financial performance;
- a review of the Company's financial forecast, cash flow and ability to meet targets;
- an update on investor relations, including Shareholder and stakeholder relations;
- an update on the Company's capital market activity;
- regulatory, compliance and/or corporate governance updates;
- an update on ESG strategy and targets;
- a bi-annual risk management review; and
- a marketing and communications update.

Board 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.

Off site strategy meeting – September 2022

The strategy meeting provides an opportunity to step away from the routine corporate calendar and spend more time reflecting on strategy, the wider business, and the macroeconomic environment. The Board spent a day off site. The Manager, in association with the Company's advisers, prepared a full suite of papers covering a wide range of topics, including peer benchmarking, costs and ESG in order to ensure the Directors were fully briefed in advance. During the strategy session, the Board focused on a select number of papers to ensure that each strategic area received a more detailed focus. The Board initially received a presentation on the market outlook. The presentation focused on the Manager's in-house view on European economic and logistics real estate markets over a five-year forward-looking period and provided the market forecasts that formed the basis of the assumptions incorporated in the Medium Term Plan. Subsequently, the Board considered (i) the peer analysis, buyside perspectives of the current Shareholder register and analysis on the investor opportunity; (ii) the Medium Term Plan; and (iii) ESG strategy. The Board then reviewed all papers and short listed certain topics from the strategic papers to consider in the meeting. The Board also reviewed the merits and drawbacks of conducting a share buyback during the session. The outcome of the strategy meeting resulted in a set of key actions for the business to take forward.

▶ Further details of the Company's strategy can be found on page 20 of the Strategic Report

Board Leadership and Company Purpose continued

Culture

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 externally managed, the Board is confident that the culture within the Manager is aligned with that of the Board. The Board believes that its positive engagement and working relationship with the Manager helps the business achieve its objectives by creating an open and collaborative culture, whilst allowing for constructive challenge. The Non-Executive Directors meet regularly with members of the Manager outside of Board meetings to discuss various key issues relating to Company matters.

The Company's success is based upon the effective implementation of its strategy by the Manager and third-party providers under the leadership of the Board. The Board's culture provides a forum for constructive and robust debate, and the Board believes that this has been fundamental to the success of the Company to date.

Relations with Shareholders and other stakeholders

A supportive and growing base of informed Shareholders is vital to the Company's business, in particular now that we have joined the FTSE 250. During the year the Board and Manager, together with the Company's Joint Brokers, Barclays and Jefferies, continued to be in regular contact with existing Shareholders and prospective new investors in the UK, Continental Europe, North America, South Africa and the Middle East.

Regular roadshows, conferences, webinars and ongoing ad hoc meetings upon request have enabled the Manager to listen to and understand the views of Shareholders and other stakeholders and to share those views with the Board. The Board is committed to maintaining open channels of communication with Shareholders. In January 2022, the Chairman and SID held a governance roadshow with 20 investors where a number of key themes were discussed including capital allocation, the alignment of management structure and strategy with Shareholders and the evolution of the Company's ESG objectives. The Manager also held a number of roadshows with Rothschild and Santander in line with the Board's strategy of broadening the universe of banks through which the Company is able to access prospective investors, in particular in markets outside of the UK. During the IMA review period, the Manager met with a number of investors to gather feedback on the proposed changes.

In addition, the investor relations team met with approximately 20 of the largest Shareholders to undertake a perception study to gauge focus themes and key areas of questioning across the logistics space and also invited the top 20 investors to meet with Phil Redding following his appointment as CEO for the Company in September 2022.

▶ **Further details of the Company's engagement with our other key stakeholders can be found on pages 72 and 73 and in our Section 172 Statement on pages 21 to 23**

We believe that regular engagement with our stakeholders is fundamental to understanding their views. The stakeholder engagement section aims to highlight how we engage with our key stakeholders, why they are important to us and the impact they have on our business and therefore the long-term success of the Company, which we believe helps to demonstrate the Board's duties under Section 172; for further detail please see pages 21 to 23 and pages 72 and 73.

Site visits

There is continued demand from Shareholders and prospective investors to visit our assets and development sites. In June 2022, the Manager hosted a site visit with analysts and investors to the two largest German assets within the portfolio, Geiselwind and Lich. The visits provided an opportunity for discussions with occupiers and management team and reinforced the Company's investment case in terms of the demand for large, well-located, modern buildings with a high level of automation and environmental and social criteria. Attendees also received a detailed update on the German logistics market and had the opportunity to meet the Company's German asset manager, Dietz, which was well received by analysts and investors alike. In July 2022, the Manager conducted a similar trip with the Board to visit Hammersbach, Geiselwind and Lich in Germany.

In September 2022, the Manager also hosted a site visit with analysts and investors in the Benelux region, visiting the Company's assets in Roosendaal, Breda and Bornem. The visit provided an opportunity for attendees to meet LCP (one of the Company's asset managers) and Phil Redding, in his capacity as CEO for Tritax EuroBox plc, as well as customers and other members of the management team. The trip demonstrated the advantages of well-located modern warehouses and reiterated the key supply/demand dynamic which has fuelled the significant rental growth in the area.

ESG

Managing ESG is core to how we do business. Being responsible is central to our purpose. ESG performance is fully integrated into our business model and across the asset lifecycle and has been incorporated as a service in the amended IMA signed and approved in October 2022. In 2019 the Manager established an ESG Committee which regularly reports to and engages with the Board on its sustainability activities. In December 2022, the Board established a dedicated EBOX ESG Committee which will oversee and monitor the performance and execution of the Company's ESG strategy and set the Company policy. It will receive updates and recommendations from the Manager's LLP's ESG Committee relating to the Company's ESG strategy, including monitoring progress and performance against the agreed ESG strategy framework, as well as key ESG metrics and targets. The Committee will also receive information on key ESG initiatives and actions to improve the ESG performance of the Company.

During the period, the Board monitored the performance of our ESG strategy, and undertook a number of in-depth ESG strategy review sessions. The Company received a GRESB score of 88/100 with five Green Stars and designation as Sector Leader. The Board also approved the continued funding of a charity partnership with The Mission to Seafarers. Please see page 29 for more details on sustainability activities during the year. The Company has made a commitment to achieve net zero carbon for its direct activities by 2030 and for its total Scope 3 emissions by 2050. For further information on how the Company reports against TCFD please see page 61.

The Board ESG Champion, Eva-Lotta Sjöstedt, meets regularly with the Manager's ESG Director to discuss progress of the sustainability strategy and have deep dives into key ESG issues relevant for the Board. This year, key matters discussed included:

- data management and how the Company can improve collection of ESG data to to continue the process of ESG integration across the asset lifecycle;
- managing climate risk across the portfolio in line with the TCFD recommendations; and
- aligning the carbon performance of the portfolio with the Paris Agreement decarbonisation pathways.

In 2023, climate change and decarbonisation will be a continued focus for the Company. Integrating the TCFD and CRREM analysis undertaken into our asset management plans is a priority.

Annual General Meeting ("AGM")

The Company's Annual General Meetings provide us with a valuable opportunity to engage with our Shareholders on governance and strategy. All the Directors usually attend the AGM and we make ourselves available to answer Shareholders' questions at all general meetings of the Company and are contactable as necessary. The Chairman also makes himself available outside of these meetings to speak to Shareholders. The Senior Independent Director is available for Shareholders to contact if other channels of communication with the Company are not available or are inappropriate.

We encourage Shareholders to attend and vote at the AGM and take the opportunity to engage with the Board. The Board considers it important that Shareholders continue to have opportunities to engage with them and Shareholders were encouraged to ask questions or raise matters of concern by emailing the Company Secretary.

The Chairman and the Senior Independent Director as well as other Directors can be contacted by emailing the Company Secretary on cosec@eurobox.co.uk, who will pass the communication directly to the relevant person, or by post at the Company's registered office.

General Meetings

The Company held four General Meetings during the period. The meeting held on 10 December 2021 was to consider and approve the related party transactions relating to the Gelsenkirchen Proposal, Bönen Proposal and German Propco Guarantor Amendment Proposal. The Company agreed the acquisition price of €32 million with Dietz FNL Investment GmbH and Dietz Aktiengesellschaft for the Gelsenkirchen transaction and €117.9 million with Dietz FNL Investment GmbH and Dietz Aktiengesellschaft for the Bönen transaction.

The meeting held on 8 March 2022 was to consider and approve the related party transaction relating to the Roosendaal Proposal. The Company agreed the acquisition price of €144.26 million with LCP Holdco Belgium B.V for the Roosendaal transaction.

The meeting held on 13 April 2022 was to consider and approve the related party transactions relating to the Dormagen Proposal. The Company agreed the acquisition price of €76.4 million with Dietz FNL. 5 Grundbesitz GmbH for the Dormagen transaction.

The meeting held on 25 October 2022 was to consider and approve the IMA amendments. The Board was delighted that all of these meetings could be held as open meetings where Shareholders were able to attend in person, following the lifting of the Covid-19-related Government restrictions.

The Company also completed the acquisition of the Settimo Torinese on 29 November 2021 following approval of the related party transaction in August 2021. The Company agreed the acquisition price of €24.39 million with LCP Services UK Limited.

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 are also made available on the Company's website. The website also holds the quarterly fact sheets, share price and dividend information, investor presentations, the Key Information Document required by PRIIPS regulations and the Annual and Interim Reports which are available for download. The Company's Annual and Interim Reports are dispatched in hard copy to Shareholders upon request.

Key decisions of the Board

NED appointment

One of the key areas highlighted by the external Board evaluation in 2021 was succession planning for financial expertise, as the Board only had one member who had the recent and relevant financial expertise to chair the Audit & Risk Committee. With that in mind, during the Nomination Committee's annual review of the Board structure, skills and experience it identified the need to appoint a new Non-Executive Director. The Committee then agreed a candidate profile in order to support the search and ensure that all Directors were aligned in what candidate they were looking for. The Committee was also mindful of the need to increase diversity of gender and ethnicity. The Committee agreed to consider a first time NED with the right skill set as well as a candidate without a professional background in the real estate/logistics sector. The Committee was also keen to ensure that the recruitment process would attract high-quality and diverse candidates. The Committee decided to appoint recruitment agent Nurole Limited ("Nurole") to undertake the recruitment search as it was felt that Nurole's recruitment processes would aide in attracting a wider pool of candidates as it combined traditional recruitment processes with a digital platform. The Committee worked closely with Nurole to prepare the Role Profile. Further details on the process can be found below and within the Nomination Committee Report on pages 78 to 81.

Key skill set and attributes identified by the Committee

Essential

- Broad business experience (gained as a senior executive or non-executive of a FTSE 100/250 board or equivalent) or a first time NED with the right skills and experience
- Finance experience, such as chairing the audit committee or a first time NED who has held a senior finance position in a FTSE 100/250 company or equivalent
- Strategic thinker, and could be from a non-property background
- Ability to build a strong and trusting relationship with the Board members and the Manager
- Understanding of corporate governance within a listed company environment
- Independence of mind with the ability to provide appropriate, constructive challenge as well as the ability to listen, engage and influence

Desirable

- Candidate with experience of digital/technological change within a business
- Understanding or experience of the property market
- Understanding of the complexities around working with an external Manager

How were stakeholders' views taken into account?

- ✓ Active engagement on particular topics and receiving letters from stewardship directors of institutional investors
- ✓ Feedback from proxy agencies and research of their voting policies
- ✓ Recommendations of the FTSE Women Leaders Review (formerly Hampton-Alexander Review) and Parker Review

Impact – what actions were taken as a result of this engagement/taking concerns into account?

- ✓ Enhanced Board recruitment process utilising technology to widen the pool of candidates
- ✓ Greater flexibility around candidates' skill sets, such as considering a first time NED or candidates from a broader professional background

Long-term effects of the decision?

- ✓ Enhanced Board recruitment process
- ✓ Strengthened composition of the Board and diversified thinking
- ✓ Refreshment of the Board's Committee composition

Stakeholders considered

Broker retender

The Board agreed to review the Company's broker services as part of an exercise to review the Company's advisory line-up four years since IPO. The Management Engagement Committee led the retender process, and established a dedicated Sub-Committee to work alongside the Manager and Akur, the Company's independent financial adviser, which led the Request for Proposals ("RFP") and pitches stage. The incumbent brokers, along with five alternative providers, submitted proposals. The Sub-Committee reviewed the RFP submissions, and completed a Broker Ranking Matrix, summarising areas of assessment with a "score" out of five, with a view to creating an initial ranking of candidates' suitability. The Sub-Committee then short-listed three new candidates to present their credentials, alongside the two incumbents. All candidates were asked to focus their presentations on the following key areas:

- What is the investor perception of the Company?
- What is your view on the Company's existing strategy? Please detail your advice around the strategic direction of the Company in particular with reference to the Company's growth strategy.
- What high conviction advice would you give the Company in terms of actions it should take in order to improve performance and drive an improvement in Total Shareholder Return? Please consider specific advice around what order of priority these actions should be taken and over what timeframe.
- What next steps would you propose to the Company in order to broaden and deepen its Shareholder register?

The incumbent brokers were asked to focus on the following additional area:

- Over the four years since IPO, what do you feel has gone well, or not so well in your relationship with the Company? What steps would you recommend to improve or change this?

The scoring matrix was added to, allowing the Sub-Committee to additionally score on the points raised above, as well as an additional field of "chemistry". Following the presentations a detailed discussion ensued, weighing up the strengths and weaknesses of the different parties. The recommendation to the Board was that a combination of retaining Jefferies and appointing Barclays would provide the optimum mix of advice.

How were stakeholders' views taken into account?

- ✓ Feedback from Shareholders and analysts
- ✓ Feedback from the Manager and its employees through Board meetings and informal discussions

Impact – what actions were taken as a result of this engagement/taking concerns into account?

- ✓ Broker services were retendered
- ✓ Rigorous and fair retender process

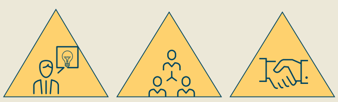
Long-term effects of the decision?

- ✓ Opportunity to review feedback from all candidates and key areas of focus within the Company's control were identified

Other key decisions of the Board

- IMA review
- Establishment of EBOX ESG Committee
- Appointment of SID
- Approval of related party transactions
- €200 million debt placement

Stakeholders considered



Division of Responsibilities

The Board

The Board is responsible for promoting the long-term sustainable success of the Company, working towards strategic objectives and generating value for Shareholders and other stakeholders.

▶ To read more see pages 1 to 59

Chairman

Role and responsibilities

- Responsible for the leadership and effectiveness of the Board and for setting the Board agenda.
- Ensuring effective communication so that the Board is aware of the views of Shareholders and other stakeholders, and demonstrates objective judgement.
- Promoting a culture of openness and debate.

The Manager

Day-to-day running of the Company has been delegated to Tritax Management LLP. Phil Redding, as CEO for the Company, Mehdi Bourassi, as CFO for the Company, Henry Franklin, as COO of the Manager, and James Dunlop, as CEO of Investments, oversee the Manager's relationship with the Company.

▶ To read more see pages 36 to 41

The Manager

Role and responsibilities

- Making the final decisions in respect of investments and divestments.
- Financial management.
- Asset management.
- Investor relations.

▶ To read more see pages 36 to 41

Board Committees

The Board has delegated some of its responsibilities to its four formal Committees: the Nomination, Audit & Risk, Management Engagement and EBOX ESG Committee. The Board has also established a Disclosure Committee which meets as and when required. The Company ensures that all of the Board Committees have sufficient resources and skills to carry out their obligations.

These Committees are each chaired by a different Non-Executive 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 each Committee Chair reports the outcome of the meetings to the Board.

▶ To read more see pages 74 to 77

Audit & Risk Committee

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

▶ To read more see pages 84 to 87

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.
- Board and Committee evaluations.

▶ To read more see pages 78 to 81

Manager Committees

The Manager has delegated some of its responsibility to five Committees: the Executive, Investment, Risk, Operations and ESG Committees. The ESG Committee has also established a Sub-Committee, the Green Finance Committee, further to the issuance of the Company's Green Bond.

Executive Committee

- Chaired by Phil Redding, comprising Mehdi Bourassi, the Assistant Fund Managers, the IR Director and the Asset Manager.
- Oversight of the Group as a whole and is responsible for reviewing the corporate and capital strategy and activity of the Company and making recommendations to the Board as necessary.

Investment Committee

- Chaired by Phil Redding, comprising Mehdi Bourassi, Henry Franklin, James Dunlop, Petrina Austin and Colin Godfrey.
- Reviewing and recommending investments and divestments.
- Taking a lead on overall portfolio management (including asset management) with oversight from the Board.

Senior Independent Director

Role and responsibilities

- Acting as a sounding board for the Chairman and a trusted intermediary for other Directors.
- Available to discuss with Shareholders any concerns that cannot be resolved through the normal channels of communication with the Chairman.
- Leading the other Directors in evaluating the performance of the Chairman.

Company Secretariat and Compliance

Role and responsibilities

- Overseeing the Company's governance structure and managing the Company's regulatory compliance.
- Administering the Group's subsidiaries.

Management Engagement Committee

- Reviewing the main suppliers including the Manager, the brokers, 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 retenders and new supplier appointments.

▶ To read more see pages 88 to 90

Disclosure Committee

- Identifying inside information and maintaining disclosure registers in the form of insider lists.
- Determining whether delayed disclosure is appropriate on a case-by-case basis and liaising with the FCA as necessary.
- Supervising and overseeing the preparation of disclosures to the market.
- Chaired by Robert Orr and comprises various members of the Manager.

EBOX ESG Committee

- Chaired by Eva-Lotta Sjöstedt and comprises the full Board.
- Overseeing and advising the Board on the effectiveness of the Company's ESG strategy.
- Monitoring the Company's ESG performance.
- Overseeing ESG targets and key metrics.
- Advising the Board on appropriateness of ESG-related policies.
- Receiving updates and reviewing current and emerging ESG trends.
- Receiving recommendations from the Manager's ESG Committee and making recommendations to the Board.

▶ To read more see pages 51, 61 and 71

ESG Committee

- Chaired by Henry Franklin, comprising various members of the Manager.
- Overseeing 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.
- Overseeing the Manager's policies in terms of performance, communication and engagement on CSR and sustainability matters, to ensure the Manager is effective in meeting its social and regulatory requirements and achieving its objective of being a socially responsible corporate entity.

Risk Committee

- Chaired by Henry Franklin, comprising various members of the Manager.
- Reviewing the risks that the Manager faces in its operations and implementing procedures to mitigate such risks.
- Overseeing the risk assessments made by the Company and other funds to ensure consistency and to ensure the Company is alerted to any new risks of the Manager.

Green Finance Committee (Sub-Committee of the CSR Committee)

- Chaired by the Manager's CFO, comprising members of the Manager's finance team and a member of the Manager's asset management team.
- Reviewing the Green Portfolio of the Company to confirm that the assets and projects included in the Green Portfolio meet the criteria set out.
- Approving the Annual Green Finance Report ahead of circulation to investors.
- Monitoring evolution of the capital markets in terms of disclosure and reporting in order to be in line with market best practices.

Operations Committee

- Chaired by Henry Franklin.
- Oversight of internal controls of Tritax Management LLP and statutory audit process.
- Approval of all Tritax Management LLP policies and procedures.

Division of Responsibilities continued

The Chairman and the Senior Independent Director

Our Chairman, Robert Orr, has no relationships that may create a conflict of interest between his interest and those of Shareholders or the Manager.

As we are subject to the AIC Code, there is no requirement for a limitation on the length of tenure of the Chairman, as approved by the FRC. However, we recognise that there is a significant body of opinion that tenure should be limited to nine years and bear this in mind in our succession planning. The Board has adopted a policy on tenure and re-election; for more information, please refer to page 76. The Chairman has been in post for four and a half years since IPO. The Chairman's other significant commitments include being a Non-Executive Director of M&G Property Fund SICAV and Chairman on the Advisory Board of APCOA Parking Holdings. For the Chairman's full biography please refer to page 62 and the Company website. The Board believes he continues to dedicate sufficient time to his chairmanship of the Company.

Keith Mansfield was the SID for the period. Keith and the other Directors met during the year, without the Chairman, to appraise his performance. In December 2022, Sarah Whitney was appointed as SID. For further information on the role of the SID, please refer to the Company's website.

The Board and its Committees

The Board currently consists of five Non-Executive Directors, all independent of the Manager. We believe that the Board is well balanced and possesses a sufficient breadth of skills, variety of backgrounds, relevant experience and knowledge to ensure it functions effectively and promotes the long-term sustainable success of the Company, whilst generating Shareholder value and keeping in mind wider stakeholder interests.

Directors' biographies are set out on pages 62 and 63. In accordance with the requirements of the AIC Code, all of the Directors will stand for re-election at the Company's AGM which we plan to hold on 9 February 2023.

We have not established a Remuneration Committee as the Board has no Executive Directors and the Company has no 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 year ended 30 September 2022 are included in the Directors' Remuneration Report on page 91.

The Board establishes Sub-Committees to take operational responsibility on specific matters either following "in principle" approval from or with subsequent ratification by the Board. These Sub-Committees ensure that key matters are dealt with efficiently by the Director(s) and representatives of the Manager best qualified for the specific role.

Board meetings

During the period we held eight scheduled Board meetings including a strategy meeting, plus six further ad hoc meetings which dealt with transactional and other specific events such as related party transactions and the broker retender.

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

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 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 are invited to attend the Board meetings, as are representatives of the Company's other advisers as required, particularly representatives from Jefferies, Barclays, Akur and Ashurst LLP (the "legal adviser").

Outside the Board meetings, the Manager shares recommendations around investment opportunities and keeps the Directors fully informed on the progress of transactions. The Board also has full access to the management team and the company secretarial team at all times to discuss any specific matters outside of formal meetings.

Conflicts of interest

Each 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 may authorise 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 at the relevant Board meeting and not participate in the decision making in respect of the relevant business.

Board reporting

Following the initial July 2021 workshop with Board Intelligence ("BI") to review the Board and Committee packs, Board Intelligence provided recommendations on how Board papers could be further improved to align to BI's best in class reporting template. Clearer and more concise reports were implemented across the business which has helped to further refine and focus Board reporting. During the period this work continued with further refinement of template reports, including the addition of a stakeholder impact section and new employees of the Manager undertook the BI workshop. The Manager continues to work with BI to develop further efficiencies in corporate reporting and utilise the knowledge and resources of the BI offering.

Attendance at Board and Committee meetings during the year ended 30 September 2022

All 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 of the Committees on which they serve. Where Directors are unable to attend a meeting, they will provide their comments on the Board papers received in advance of the meeting to the Chairman, who will share such input with the rest of the Board and the Manager. The Nomination Committee is satisfied that all the Directors, including the Chairman, have sufficient time to meet their commitments.

The table below sets out the Board and Committee attendance at scheduled meetings during the year. During this period the absences shown were as a result of changes to the Board membership or pre-planned commitments.

	Robert Orr	Keith Mansfield	Taco De Groot	Eva-Lotta Sjöstedt	Sarah Whitney*
Board	7/7	7/7	7/7	6/7	4/4
Audit & Risk Committee	N/A	7/7	7/7	3/3	4/4
Management Engagement Committee	2/2	2/2	2/2	2/2	1/1
Nomination Committee	2/2	2/2	1/1	1/1	N/A
Strategy meeting	1/1	1/1	1/1	1/1	1/1

* Sarah Whitney was appointed to the Board effective 14 February 2022. The Committee membership was refreshed following Sarah Whitney's appointment to the Board.

Q&A with Sarah Whitney, Non-Executive Director

What were the key components of your induction?

As part of my induction, I was invited to meet with all members of the Board and several of the key representatives of the Manager including the Company Secretary, CEO, CFO, Head of Asset Management and ESG Director, amongst others. I also met with the Company's key advisers and was updated on key workstreams and projects. The Secretariat prepared a comprehensive induction pack which included previous minutes, governance agreements, insurance documentation, policies, the AIC Code, Terms of References, information on listing and disclosure and transparency rules as well as organisation charts and other constitutional documents. The meetings, pre-reading and asset visit to Benelux allowed me to develop a detailed understanding of the business in preparation for the first round of Board and Committee meetings.

How did the induction prepare you to discharge your duties?

During my meetings with key personnel from within the business, I was provided with a clear overview of the Company's purpose and strategy as well as views and thoughts on the priorities, challenges, and opportunities facing the Company over the coming period. The induction allowed me to get to grips with the nuances of an externally managed Company, the key stakeholders and the governance and controls framework in which the business operates. The induction provided an important foundation, which has helped me build further knowledge of the sector and has supported detailed discussions and relationship building with both my fellow Board members and the Manager since my appointment in February 2022.

What did I learn from my induction?

Throughout the induction process, I was able to develop a greater understanding of the quality and diversity of the Company's portfolio, as well as learning about the breadth of tenants and geographical spread of the assets. Through discussions with the Manager, it has reinforced the value and importance of providing high-quality asset management. It is evident that ESG remains crucial to the business model and there is a clear focus by management on the importance of meeting those ESG obligations for both the Company and customers alike.

Nomination Committee Report

Robert Orr
Chair of the Nomination Committee

Membership

Robert Orr (Chair)

Taco de Groot (until 14 February 2022)

Eva-Lotta Sjöstedt (from 14 February 2022)

Keith Mansfield

▶ For full details on Committee attendance please refer to page 77

Key areas of focus in 2021/2022:

- the size, structure and composition of the Board;
- succession planning, including the appointment of Sarah Whitney to the Board;
- Board and Committee performance evaluation;
- the proposal for re-election of the Directors at the AGM which we plan to hold on 9 February 2023; and
- refresh of the Board Diversity and Inclusion Policy.

"Succession planning and addressing Board diversity will be the key focus for the coming year."

Dear Shareholders,

I am pleased to present the Nomination Committee Report for the year ended 30 September 2022. The Nomination Committee's focus during the period was on reviewing the Board's composition, succession planning and Board evaluation output. We were pleased to welcome Sarah Whitney to the Board on 14 February 2022, following a rigorous recruitment process, further details of which can be found on page 5.

The Committee's role is to review the size, structure and composition of the Board, including succession planning, and to ensure that it has the right mix of skills, experience and knowledge to enable the Company to fulfil its strategic objectives. The Committee is also responsible for making recommendations for new appointments to the Board and for reviewing the performance and terms of engagement for the existing Directors. The Committee operates within defined Terms of Reference which are available on the Company's website or from the Company Secretary. We met for two scheduled meetings during the period.

Policy on tenure and succession planning

The Board has implemented a policy on tenure and re-election, and in accordance with the provisions of the AIC Code, all the Directors will offer themselves for re-election at each AGM. We considered the ongoing independence of each of the Directors, their respective skills, experience and time commitment, as well as any other external appointments held by the Directors. We believe that each Director has contributed significantly to the Board during the year. Following the advice of the Committee and in line with the AIC Code, the Board will recommend the re-election of each Director at the forthcoming AGM.

Directors are appointed for an initial period of three years and their performance is evaluated at least annually during the Board evaluation.

In accordance with the principles of the AIC Code, we do not consider it necessary to replace a Director after a predetermined period of tenure. We are, however, mindful of the circumstances of each Director and implement succession planning accordingly.

Board diversity and inclusion

The Board was pleased to meet the recommendations set out in the FTSE Women Leaders Review (which follows the Hampton-Alexander Review) during the period and is mindful of the Parker Review targets and recognises that this has become an area of even greater focus for the Company since entering the FTSE 250. As at the date of this report the Board consisted of two female and three male Directors, meaning we have achieved the 40% female Board representation requirement. The Board places great emphasis on ensuring that its own membership reflects diversity in its broadest sense. The Board intends to use all reasonable endeavours to comply with the Diversity Targets. The Company will include a statement in its Annual Report confirming whether such Diversity Targets are achieved and, if not, will provide an explanation as to why they have not been achieved. The Board is not looking to appoint an additional Director at this time due to the size and corporate structure of the Company, but is mindful of the new Listing Rule regulations and will consider these requirements during the next recruitment process. The Company does not have any employees. In respect of appointments to the Board, we consider that each candidate should be appointed on merit to ensure that the best candidate for the role is appointed each time. We support diversity and inclusion at Board level and encourage candidates from all ethnic, gender and educational backgrounds. What is important to us is professional achievement and the ability to be a successful Director based on the individual's skill set and experience.

Qualifications are considered when appropriate to ensure compliance with regulation such as in relation to appointments to the Audit & Risk Committee, where we consider that Keith Mansfield and Sarah Whitney have significant financial experience. We regularly review the Company's Diversity and Inclusion Policy. The Policy was refreshed in September 2022 to take into account the new Listing Rule Diversity Targets. We believe that the Board has a balance of skills, qualifications and experience which are relevant to the Company. The Company believes in the value and importance of cognitive diversity in the boardroom.

Director training programme

We recognise that it is essential to keep abreast of regulatory and compliance requirements including ESG-related issues. All new Directors are provided with a tailored induction programme on appointment which includes an induction pack, and meetings with the Company's key advisers and key representatives of the Manager. In addition, a bespoke training programme is agreed and arranged each year. During the period, the Board received regular training on corporate governance developments and financial regulatory changes and held training sessions on European Construction and Supply Chains. The Board also received formal training sessions and updates from the Company's external service providers as well as the Manager's Head of Research and ESG Director.

In addition to the bespoke training programme, each Director is expected to maintain their individual professional skills and is responsible for identifying any 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. The Directors are also entitled to take independent advice at the Company's reasonable expense at any time.

For further information on training completed throughout the period please refer to page 66.

Committee evaluation

The overall performance of the Nomination Committee was rated highly, particularly its performance in reviewing the composition of the Board. Board diversity continues to be an area of development for 2023.

Outlook for 2022/2023

We will continue to monitor and evaluate Board composition to ensure that the Board has the right balance of skills, experience and knowledge to carry out its duties.

Robert Orr
Chair of the Nomination Committee
5 December 2022

Overview of recruitment process

1.

Agreed essential and desired competencies of a successful candidate in the form of a Candidate Profile and liaised with Nurole to prepare the Role Profile.

2.

Nurole's platform notified all members who wanted to hear about roles like ours and members could recommend other great candidates from their own networks. The team at Nurole also reached out to suitable candidates not on the platform.

3.

Candidates submitted detailed evidence against each of the required competencies. Nurole then created a long-list for the Committee's review. The Committee approved a short-list of candidates who were invited to interview.

4.

The Directors, as well as key representatives of the Manager, met with each candidate, followed by a thorough assessment of each candidate interviewed.

5.

Following a rigorous interview process, Sarah Whitney was appointed with effect from 14 February 2022.

6.

Bespoke NED Induction Programme created for Sarah. Further details of this can be found on page 77.

Nomination Committee Report continued

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. For the period 2020/2021 an external evaluator was engaged by the Board to undertake an external review. This year, we undertook an internal evaluation, supported in part by Board Intelligence.

The main areas considered during the evaluation remained the same as the prior period: individual skill sets and performance; Board structure and membership; strategy; operations; and Board and Committee meetings. This year we also included some further questions around the specific strategic priorities of the Board and Company. Please see below for the Board evaluation process.

- Secretariat and Chairman discussed the key focus and purpose of the evaluation
- Secretariat and Chairman agreed the questions
- Questions were uploaded into an online questionnaire by Board Intelligence
- Submissions were coordinated by Board Intelligence into a draft Report
- Secretariat and Board Intelligence finalised Report which was presented at a Board meeting
- Secretariat formulated some key actions for the Board to monitor

Actions from the evaluation

As part of the Board evaluation and strategy session a set of key actions were agreed by the Board and Manager to support the refinement of the ESG, portfolio and asset management and communication strategies, in addition to supporting the delivery of our key short-term priorities including reducing costs and providing for an improved dividend cover.

The Board will also focus on monitoring the skills and diversity of the Board with a view to meeting the expectations of the Parker Review by the end of 2024 and in its wider Board succession planning.

Roadmap to diversity

Recognising what we have

The Nomination Committee continually reviews the Directors' skills matrix ensuring that the Board and its Committees maintain the necessary skills to deliver the Company's strategic priorities.

The Board recognised the need to increase female representation on the Board as well as succession planning for an additional financial expert. As part of the recruitment search in 2022, we appointed Sarah Whitney, who is a fellow of the Institute of Chartered Accountants with an extensive career advising boards on strategy, corporate finance and real estate matters. In addition, the Board will take steps to increase its ethnic diversity in future appointments. As at the date of this report, 40% of the Board are female.

The Board will endeavour to meet the recommendations of the Parker Review in conjunction with the Board's strategic requirements and it also recognises its broader diversity in terms of sector experience, nationality, culture and professional expertise. The Company continues to review its Diversity and Inclusion Policy, as well as its training and development programme to ensure an inclusive and well-balanced Board.

Identifying what we need

The Board places great emphasis on ensuring that its own membership reflects diversity in its broadest sense. The Board intends to use all reasonable endeavours to comply with the Diversity Targets. The Company has included for the first time this year a statement in its Annual Report confirming whether such Diversity Targets are achieved and, if not, will provide an explanation as to why such Diversity Targets have not been achieved.

Furthermore, the Board supports the recommendations set out in the Parker Review in respect of ethnic diversity and the Board and the Nomination Committee intend to use all reasonable endeavours to comply with the voluntary targets.

Actions to help us get there

During the period, the Company engaged Nurole to assist in the NED recruitment search which widened the pool of potential candidates from different genders, ethnicities and socio-economic backgrounds. The Committee also refreshed and expanded the Board Diversity and Inclusion Policy in line with Listing Rule recommendations. The Committee will continue to monitor the skills and diversity of the Board and endeavour to meet the expectations of the Parker Review by the end of 2024 and in its wider Board succession planning.

Table for reporting on gender identity or sex

	Number of Board members	Percentage of Board	Number of senior positions
Men	3	60%	1
Women	2	40%	1
Other categories	—	0%	—
Not specified/prefer not to say	—	0%	—

Table for reporting on ethnic background

	Number of Board members	Percentage of Board	Number of senior positions
White British or other white (including minority white groups)	5	100%	2
Mixed/multiple ethnic groups	—	0%	—
Asian/Asian British	—	0%	—
Black/African/Caribbean/Black British	—	0%	—
Other ethnic group, including Arab	—	0%	—
Not specified/prefer not to say	—	0%	—

In accordance with the Listing Rules, as an externally managed investment company we consider these rules inapplicable as we do not have any executive management, including the roles of CEO or CFO, who are Directors of the Company. The Company considers the SID and Chairman to be the only applicable senior roles within the business and have reported against these in the table above.

How we collected data

On appointment to the Board the Directors are asked to complete a New Directors Questionnaire.

Audit, Risk and Internal Control

The Board is responsible for delivering robust and sustainable value to its Shareholders and wider stakeholders by setting and working towards strategic objectives. In order to do so we undertake robust assessments of the risks which the Group faces and ensure controls and mitigations are in place to manage those risks. The Company's key risks are set out on pages 44 to 50 of the Strategic Report. The Audit & Risk Committee reviewed the principal and emerging business risks of the Company on behalf of the Board, as described on pages 82 and 83.

The Board and Audit & Risk Committee regularly review the financial position of the Company and perform an assessment of any risks in relation to the Company's business model, the Group's future performance, liquidity and solvency as well as any risks relating to specific or proposed investments and customers or initiatives relating to assets. To facilitate this process, the Manager produces financial reports, which include the latest 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.

As the Company's AIFM, 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 reports quarterly to the Board and the Manager.

The Manager's Head of Risk and Compliance also assists with the discharge of the Manager's obligations in accordance with the AIFMD.

Risk management and internal controls review and processes

The Company's internal control and risk management systems and processes are designed to identify, manage and mitigate the financial, operational and compliance risks that are inherent to the Group and safeguard the Group's assets. These 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.

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 on pages 44 to 50.

The Board has contractually delegated responsibility for administrative and accounting services to the Administrator and for company secretarial services to the Manager. These entities 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 September 2022.

The Company is managed externally by the Manager. All payments of Company funds are authorised by the Manager in accordance with the duties delegated to it pursuant to the terms of the Investment Management Agreement ("IMA") and in accordance with the provisions of the AIFMD. The Manager instructs the Administrator to make the duly authorised payment and Langham Hall UK Depositary LLP, as part of its role as Depositary, reviews each material payment in relation to the specific test areas as mentioned in the report on page 83. We consider that the internal controls in place and the function undertaken by Langham Hall UK Depositary LLP make it unnecessary for the Company to employ an internal audit function. In addition to this, the Administrator has its own internal audit performed on an annual basis by KPMG, from which the Company reviews any findings. The audit for the period did not raise any significant findings to discuss.

In accordance with the AIC Code, the Board has established a continuing process for identifying, evaluating and managing the risks the Company faces and has reviewed the effectiveness of the internal control systems.

This includes reviewing reports from the Auditor (details of which are included in the Audit & Risk Committee Report), regular reports from the Manager and the Company Secretary (outlining corporate activity within the Group and the Company's compliance with the AIC Code) and proposed future initiatives relating to the Company's governance and compliance framework. We also review the formal risk assessment conducted by the Audit & Risk Committee twice a year. Further, we actively consider 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 Audit & Risk Committee also conducts a robust assessment of the emerging and principal risks to the business model, future performance, solvency and liquidity of the Company at least twice a year and reports its findings to the Board. The Manager is asked to analyse and report on the risks which the Company may encounter on specific transactions including, for example, an adverse decision regarding the development of an asset at the planning stages or a sudden change in market conditions before the launch of an equity raise or debt issue. The Audit & Risk Committee then considers each risk in turn, probing the Manager's assumptions and analysing whether the risk factors attributed to each individual risk are fair and accurate, and the effect of any mitigating factors. The Audit & Risk Committee also considers this as part of its biannual risk review and at each strategy meeting, and challenges the Manager to actively review the risks it includes. Please see pages 44 to 50 for more details on emerging and principal risks.

The Manager also reports to the Board twice a year over the Company's longer-term viability, which includes financial sensitivities and stress testing of the business to ensure that the adoption of the going concern is appropriate.

The Manager established a Risk Committee which ensures consistency and transfer of best practice in reporting, monitoring and controlling risk. The Manager also maintains a risk register, where perceived risks and associated actions are recorded, and this is regularly shared with the Board for approval. For further details of the Manager's Risk Committee please refer to page 75.

Anti-bribery and corruption

The Board has a zero tolerance policy towards bribery and corruption and is committed to carrying out business fairly, honestly and openly.

In considering the Bribery Act 2010, 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. The Board has overall responsibility for managing anti-bribery and corruption but has delegated day-to-day responsibility for anti-bribery and corruption to the Head of Risk and Compliance within the Manager, who reports up to the Board periodically. There have been no instances of bribery and corruption in the period.

Employees of the Manager are required to undertake certain e-training on anti-bribery and other topics such as conflicts of interests and anti-money laundering which is provided through Thistle Initiatives Limited.

Modern 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 from the Group's supply chain. We seek to mitigate the Group's exposure by engaging with reputable professional service firms, which 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, customers and developers, to ensure that they have systems and controls that reduce the risk of facilitating modern slavery and human trafficking.

Depositary Report

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 safe keeps assets of US $115 billion and we deploy our services to over 175 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 financial year to 30 September 2022 our work included the review of nine investment property acquisitions, four property income dividends, two management share issues and one third-party borrowing (note purchase). 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 UK
For and on behalf of
Langham Hall UK Depositary LLP, London, UK
5 December 2022

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

Audit & Risk Committee Report

Keith Mansfield
Chair of the Audit & Risk Committee

Membership

Keith Mansfield (Chair)

Taco De Groot

Eva-Lotta Sjöstedt (until 14 February 2022)

Sarah Whitney (from 14 February 2022)

▶ For full details on Committee attendance please refer to page 77

Key areas of focus in 2021/2022:

- reviewed and recommended to the Board that the Annual Report 2021 and Interim Accounts 2022 be approved;
- monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewed any significant financial reporting judgements contained in them;
- monitored the effectiveness of the Group's assessment of risk to ensure actions are being taken to mitigate the Group's exposure to risk;
- reviewed the robustness of the Company's internal financial controls and reviewed the efficiency of the internal control and risk management systems used by the Company;
- assessed the quality of the annual and interim property valuations prepared by the Company's independent valuer and challenged the assumptions used by the valuer in preparing the valuation;
- reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
- reviewed and monitored the Company's relationship with its Auditor;
- reported to the Board on how the Committee discharged its responsibilities;
- evaluated the Company's key climate-related risks in preparation for TCFD reporting;
- oversight of ESEF reporting;
- monitored development of the BEIS audit reform;
- reviewed the accounting and reporting implications of changes in standards or best practice; and
- monitored the impact of Covid-19 on the performance of the Company and its stakeholders.

"We are pleased to have reported on the Task Force on Climate-Related Financial Disclosures for the first time in 2022."

Dear Shareholders,

I am pleased to present the Audit & Risk Committee Report for the year ended 30 September 2022.

The Audit & Risk 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 Board maintains ultimate control and we report to it on a regular basis on how we have discharged our responsibilities. We were pleased to welcome Sarah Whitney to the Committee during the period and believe she will be a valuable addition to the Board.

We operate within defined Terms of Reference which are available on the Company's website and on request from the Company Secretary. All Audit & Risk Committee members are independent Non-Executive Directors of the Company, not connected to the Manager or the Auditor. The Committee believes that its members have the right balance of skills and experience to be able to function effectively. I am an ACA registered accountant with the Institute of Chartered Accountants in England and Wales, and have extensive, recent and relevant financial experience gained in my previous role as Partner at PwC where I developed a specialism in the real estate industry, serving as regional Chairman of PwC in London for seven years. Sarah is also a fellow of the Institute of Chartered Accountants with an extensive career advising boards on strategy, corporate finance and real estate matters. The Committee considers Sarah Whitney and me to be industry experts given our financial backgrounds. As such, we consider 67% of the Committee to have significant financial experience. Further details of each Director's experience can be found in the biographies on pages 62 and 63.

We met for seven scheduled meetings during the period, 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 and the Committee is satisfied that it receives 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, KPMG LLP, and, on occasion, the Company's Chairman. We also met with the Auditor without any representative of the Manager present. The Committee also met with the Company's independent valuer, JLL, as part of the interim review and year-end audit processes.

As the Committee Chair, I have had regular communications with the Company Secretary, the CFO for the Company and the Auditor. In addition, the Committee has discussions throughout the year outside of the formal Committee meetings.

The Company agreed a new private placement of €200 million senior unsecured notes in December 2021 which was used to assist in the acquisition of further investment opportunities and deployed in conjunction with the €250 million of new equity raised by the Company in September 2021. The Company has allocated over 90% of the proceeds from the Green Bond issuance in June 2021 to eligible green initiatives. The Company reported against this for the first time in June 2022 and the full report can be found on the Company's website. The Company also instructed PwC to provide an independent limited assurance report in accordance with ISAE 3000 which can also be found on the Company's website.

Task Force on Climate-Related Financial Disclosures ("TCFD")

We welcome the Task Force on Climate-Related Financial Disclosures ("TCFD") as a vital step in increasing stakeholders' and companies' focus on climate change. The Company has engaged CBRE ESG Consulting, to assist in our scenario planning and embedding climate risk into our current risk framework. The Manager's Executive Committee conducts the initial review into the Company's risks including climate-related risks and reports up to the Committee which maintains overall responsibility for climate risks facing the business and advises the Board accordingly. Please refer to pages 51 to 58 for our 2022 TCFD disclosure.

ESEF

The Committee has been kept abreast on the new requirement to prepare the Company's consolidated financial statements in digital form under the European Single Format regulatory standard ("ESEF RTS"). The Company has appointed Arkk, a qualified provider, for the preparation of the Annual Report for the first time in 2022.

Financial reporting and significant judgements:

- monitored the effectiveness of the Group's assessment of risk to ensure actions are being taken to mitigate the Group's exposure to risk;
- reviewed the robustness of the Company's internal financial controls and the efficiency of the internal control and risk management systems used by the Company;
- assessed the quality of the annual and interim property valuations prepared by the Company's independent valuer and challenged the assumptions used by the valuer in preparing the valuation;
- reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
- reviewed and monitored the Company's relationship with its Auditor;
- reviewed the accounting and reporting implications of changes in standards or best practice;
- evaluated the Company's key climate-related risks in preparation for TCFD reporting;
- monitored the impact of Covid-19 on the performance of the Company and its customers; and
- monitored the integrity of the financial information published in the Interim and Annual Reports and considered whether suitable and appropriate estimates and judgements have been made in respect of areas which could have a material impact on the financial statements.

We also considered 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 Committee over the course of the year. These included budgets, periodic re-forecasting following acquisitions or corporate activity, papers to support raising of additional finance and general compliance.

Business combinations

At the time of acquiring a subsidiary that owns investment properties, 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 nine acquisitions in the period, 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 Committee and the Board receive 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 €1.77 billion as explained in note 14 to the financial statements; JLL has independently valued the properties applying the principles of both IAS 40 "Investment Property" and IFRS 13 "Fair Value Measurement". The Committee met with the valuer in April and October 2022, to discuss and challenge the valuation and to ensure it was conducted properly and 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 both valuations are appropriate.

Audit & Risk Committee Report continued

Audit process

1. Planning meeting

We meet with the Auditor and the Manager before the preparation of each of the interim and annual results, to plan and discuss the scope of the audit or review as appropriate, and challenge where necessary to ensure its rigour.

2. Scope

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.

3. Challenge

We discuss with the Auditor its views over significant risk areas and why it considers these to be risk areas. The Committee, where appropriate, continues to challenge and seek comfort from the Auditor over those areas which drive audit quality.

4. Ongoing review

We meet with the Auditor again just prior to the conclusion of the review or audit to consider, challenge and evaluate its findings in depth.

Fair, balanced and understandable financial statements

The production and audit of the Group's Annual Report is a comprehensive process, requiring input from a number of contributors. To reach a conclusion on whether the Annual Report is fair, balanced and understandable, as required under the AIC Code, the Board has requested that the Audit & Risk Committee advises on whether it considers that the Annual Report fulfils these requirements. In outlining our advice, we 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, and the detailed reviews undertaken at various stages of the production process by the Manager, the Administrator, the Joint Financial Advisers, the Auditor and the Audit & Risk Committee, which are intended to ensure consistency and overall balance;
- controls enforced by the Manager, the Administrator and other third-party service providers, to ensure complete and accurate financial records and security of the Company's assets; and
- the satisfactory ISAE 3402 control report produced by the Administrator for the year ended 30 September 2021, which has been reviewed and reported upon by the Administrator's external auditor, to verify the effectiveness of the Administrator's internal controls.

As a result of the work performed, we have concluded and reported to the Board that the Annual Report for the year ended 30 September 2022, 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.

Internal audit

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. During the period, the Manager carried out an internal controls review on behalf of the Company which was undertaken by an independent financial controller from an alternative Tritax fund. The scope of the review involved ensuring payments were being paid in line with budgets, a review into signatory lists and reviewers and a review to see if all paid invoices had been paid and uploaded correctly. The review highlighted no major issues and a couple of minor procedural points were to be documented. The findings were reported to the Committee in the November Audit & Risk Committee meeting.

External audit

KPMG was appointed as the Company's external Auditor with effect from 11 December 2018. KPMG's reappointment is approved annually by the Company's Shareholders at the AGM, and it has been in place for four years. The Audit Partner and wider team remained consistent during the period, with David Neale as Lead Audit Partner and Clason Low as Audit Director. The Auditor formally confirmed its independence for the period. The Audit Partner is subject to mandatory rotation every five years with a mandatory audit firm retender after ten years. The audit firm is subject to mandatory rotation after 20 years.

The Committee, having met with key members of the audit team, is satisfied that KPMG possesses 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 and found them to be sufficient and all parties continue to ensure that the audit process is transparent and of good quality. Please refer to note 8 in the financial statements for a summary of fees paid to the Auditor.

The Company confirms that it has complied with the Competition and Markets Authority's Order in the year.

Non-audit services

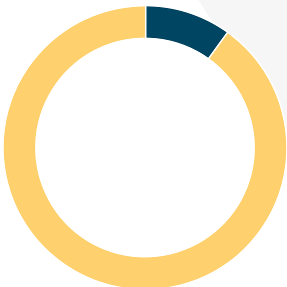
The Committee has adopted a Non-Audit Services Policy which was refreshed during the year to ensure appropriate controls around identifying any non-audit services being provided by KPMG on new entities. We also took the opportunity to refresh the policy in line with best practice, using KPMG's specimen policy as a template. As a general rule, it is not expected that the Auditor will be engaged for non-audit services other than to review the half year report. In limited circumstances, it may be appropriate to use the Auditor for permitted non-audit services subject to prior approval by the Committee above a certain threshold.

The Company paid £65k in fees to the Auditor for non-audit services during 2022. These fees are set out in the table below.

Work undertaken	Rationale for using external Auditor	2022 fee (£)
Interim Review	Work is normally performed by an external Auditor	65,000
Total		**65,000**

Ratio of audit to non-audit services

- Non-audit 10%
- Audit 90%



Non-audit fees as a percentage of total fees paid to KPMG for the financial year to 30 September 2022 were 10% (2021: 22.7%). The Committee periodically monitors the ratio to ensure that any fees for permissible non-audit services do not exceed 70% of the average audit fees paid in the last three years.

Outlook for 2022/2023

The Committee will continue to review and assess the work of the external Auditor, financial reporting, internal control and risk management systems and the independent property valuations. The Committee will also continue to monitor the developments in the audit reform and continue to embed climate reporting into the risk management framework.

Keith Mansfield
Chair of the Audit & Risk Committee
5 December 2022

Management Engagement Committee Report

Taco De Groot
Chair of the Management Engagement Committee

Membership

Taco De Groot (Chair)

Robert Orr

Keith Mansfield

Eva-Lotta Sjöstedt

Sarah Whitney (from 14 February 2022)

▶ For full details on Committee attendance please refer to page 77

Key areas of focus in 2021/2022:

- embedding the framework of future Committee reporting;
- annual review of each service provider to ensure the quality of service and value for money;
- comprehensive review of the Manager's performance;
- IMA review; and
- broker retender.

"We were delighted to finalise the review of the IMA and the broker retender."

Dear Shareholders,

I am pleased to present the Management Engagement Committee Report which covers the period to 30 September 2022. During the period, the Committee reviewed the Manager's performance, as well as its key suppliers, in line with the framework established in the prior year.

The Committee's role is to review the performance of the Manager and the Company's key service providers and, if required, to recommend the retender of their services for consideration by the Board. These reviews are undertaken on an annual basis, or as relevant, to ensure that the services provided are in accordance with each supplier's terms of engagement, are high quality and represent fair value for money. We also take note of any added value provided, and whether additional services were provided over and above that of the previous year. The Committee is also responsible for overseeing any amendments to the Investment Management Agreement ("IMA"). During the review period, the Committee focused on reviewing and updating the IMA and the broker retender. We met for two scheduled meetings in the year ended 30 September 2022.

I also met independently with representatives of the Manager and the Company Secretary to discuss the framework, management of suppliers and assessment of the Manager's performance.

Review of key suppliers

The Manager prepared a Key Supplier Review report. Following a thorough review, we agreed with the Manager that the performance of the Company's current service providers for the past year continued to be satisfactory, and in several cases exceptional. During the period the Committee agreed to review and retender the Company's corporate broker services which resulted in the appointment of Barclays as joint corporate broker. For further details please refer to the key decisions of the Board on pages 72 and 73. In addition, the Company retendered the Company's depositary services and appointed Kekst CNC as the Company's corporate communications agency.

We are satisfied that the Company is benefiting from added value in respect of the services it procures and do not suggest any material changes to the engagement terms of the Company's advisers or service providers other than those outlined above. Receipt of the tender schedule does not prevent the Committee from taking action at an earlier stage if necessary and in the interests of the Company.

Details of the Company's performance during the period are set out in the Strategic Report on pages 2 and 24 to 27.

Depositary tender

In August 2022, the incumbent depositary provider was tendered to benchmark the fees and level of service currently being provided. The services have not been tendered since the Company's IPO in 2018. The Manager undertook the tender on behalf of the Committee given the close working relationship and invited five providers including the incumbent to submit proposals for the provision of depositary services and Annex IV reporting. Following an initial review, a shortlist of providers was invited to present to certain representatives of the Manager including representatives from the finance and secretariat teams. Following the pitch presentations, it was decided to retain Langham Hall. The Committee believes that the key outcomes of the tender include additional controls and processes, reduced costs and improved performance and efficiencies.

The Manager

Under the terms of the IMA and in accordance with the ESMA guidance, as to the interpretation of the rules under AIFMD, the Board has delegated the day-to-day responsibility for running the Company to the Manager. The Manager is responsible for making investment and divestment decisions in accordance with the Company's Investment Policy, asset management of the existing 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. To ensure open and regular communication between the Manager and the Board, the Manager is invited to attend all Board meetings to update the Board on the Company's portfolio activity and discuss the general market conditions and the financial performance and strategy of the Company.

The Board continues to review all investment and divestment decisions and remains responsible for ensuring that these decisions are made in accordance with the Company's Investment Policy.

The Committee also reviews the Manager's culture and organisational structure. The Manager increased the number of employees during the period to ensure that the Company is well served, including the appointment of an ESG Director, Head of People Development, Director of Marketing and Communications and dedicated Asset Manager.

IMA terms review

During the period, the Board worked closely with the Manager to identify ways to both reduce costs and to ensure that the Company had the right skills and resources in place to deliver returns to Shareholders over the long term. A key element of this was the renegotiation of the terms of the Investment Management Agreement ("IMA"). The Manager provided a proposal for the Committee's review.

- The Committee met without the Manager present and received advice from the Company's advisers.
- A number of formal and informal meetings were held to negotiate the terms with the Manager.

As a result of the negotiations, the key changes to the IMA are:

- A reduction in the base management fee to 1.00% on Net Asset Value ("NAV") up to €1 billion and 0.75% on NAV above €1 billion.
- Property management services procured by the Manager will now be reinvoiced directly to the Company and, hence, fees relating to such services will be paid by the Company.
- The amended fee was back-dated becoming effective from 1 August 2022.
- The Manager will continue to apply 10% of the management fee to the purchase of Company shares and allocate those shares to the Manager's Partners, its staff and abrdn. The Manager is restricted from selling for 12 months following their purchase.
- The provision of ESG services is now enshrined in the IMA.
- A new 18-month fixed term effective from the date of the General Meeting after which the Company would have a two-year rolling notice.

The IMA still contains provisions allowing the parties to terminate without notice in certain circumstances which include material breach and/or loss of key personnel. The revised IMA supports the delivery of the Company's strategic objectives and will support the delivery of our key short-term priorities of reducing costs and providing for an improved dividend cover through a net reduction in the fees payable by the Company under the IMA. Based on the last reported NAV at 30 September 2022, the changes would result in a net c.€2.1 million reduction in the annual costs to the Company.

Conflict management

The IMA contains robust conflict provisions and the Manager is not permitted in any circumstance to 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.

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 each quarter and is calculated based on a percentage of the Company's Net Asset Value ("NAV"). The fee is payable quarterly in arrears and the Manager is obliged to apply 10% of the fee in shares of the Company ("Management Shares") (see below for further detail). If the Group buys or sells any 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 whilst remaining capped at NAV.

The management fee as a percentage of NAV is as set out below:

NAV	Annual management fee percentage
Up to and including €1 billion	1.00%
Above €1 billion	0.75%

On a biannual 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 asset management services (which includes the fees paid to Dietz, LCP and NCAP) are paid by the Manager from the management fee.

Management Engagement Committee Report continued

Management fee continued

On 17 December 2021, the Manager purchased 50,000 Ordinary Shares in the market and the Company issued a further 110,606 Ordinary Shares to the Manager (which were allocated to the Manager's Partners, its staff and abrdn following its acquisition of 60% interest in the Manager in April 2021) in respect of the net cash amount, relating to the six-month period to 30 September 2021. The purchase price was 110.60 pence per Ordinary Share and the issue price was 111.00 pence per Ordinary Share, respectively, compared to the prevailing and latest published NAV of €1.31 per Ordinary Share.

On 17 May 2022, the Manager purchased Ordinary Shares in the market and allocated 213,043 to the Manager's Partners and its staff and abrdn in respect of the net cash amount, relating to the six-month period to 31 March 2022. The purchase price was 98.3 pence per Ordinary Share.

Following the purchase of Ordinary Shares, the Manager had the following beneficial interests as at 5 December 2022:

PDMR or person closely associated	Number of Ordinary Shares held*	Percentage of issued share capital*
Colin Godfrey	365,644	0.0453%
James Dunlop	365,643	0.0453%
Henry Franklin	245,619	0.0304%
Phil Redding	17,674	0.0022%
Petrina Austin	37,202	0.0046%
Tritax Management LLP	—	—
Partners and staff of Tritax Management LLP[1]	292,473	0.0363%
Total	**1,324,255**	**0.1641%**

1 The figure comprises Ordinary Shares issued to partners and staff of Tritax Management LLP under the terms of the IMA and at IPO, and does not include other shares that may have otherwise been acquired by staff.

* Number of Ordinary Shares and percentage of issued share capital as at 30 September and 5 December 2022.

AIFM Directive

The AIFMD became part of UK law in 2013, and was amended in 2019 to adjust for the UK withdrawal from the European Union. It regulates AIFMs and imposes obligations on managers who manage Alternative Investment Funds ("AIFs") in the UK. Marketing shares in UK AIFs to EU investors now requires the separate approval by the national competent authority in the target EU Member State. Under the AIFMD, the AIFM must comply with various organisational, operational and transparency obligations.

The Manager is authorised by the FCA as an AIFM and provides all relevant investment management and advisory services to the Company, including regulated activities. The Manager is responsible for making investment and divestment 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.

AIFM remuneration policy applied by the Manager

As a full scope AIFM, the Manager must apply a remuneration policy in line with its business strategy, objectives, values and interests, as well as those of the AIFs it manages or its investors. The policy must include measures to avoid conflicts of interest. This ensures that the Manager's Partners have a vested interest in ensuring the Manager remains financially sound.

The annual fee paid by the Company is based on a percentage of its NAV, as set out on page 89. In addition, the Manager's Partners are required to apply 10% of that fee (net of tax and certain other costs, as described on the previous page) to the purchase of Management Shares. Management Shares are subject to a 12-month lock-in period. This aligns the interests of the Manager's Partners with the strategy and interests of the Company and its Shareholders. The Manager's Partners are able to allocate a proportion of the Management Shares to key members of staff, which they have once again done in respect of both Management Share purchases in the period.

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 worth, in aggregate, at least 5% of the Manager's profits. The discretionary bonus may consist of cash or Ordinary Shares in the Company allocated to certain members of staff out of the Management Shares. This means that staff remuneration is predominantly fixed and the variable element is determined by the Manager's overall 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. The Partner's remuneration therefore depends on the Manager's overall profitability, rather than the performance of any AIF.

Committee evaluation

The overall performance of the Management Engagement Committee for the period was positively rated, in particular its oversight of the performance and retention of key service providers and renegotiation of the IMA between the Manager and the Company.

Outlook for 2021/2022

The Committee will continue to review and assess the performance of the Manager and key suppliers.

Taco De Groot
Chair of the Management Engagement Committee
5 December 2022

Directors' Remuneration Report

Annual statement (audited)

The Company only has Non-Executive Directors and therefore does not consider it necessary to establish a separate Remuneration Committee. No remuneration decisions have taken place in the year. The Directors' remuneration is disclosed below. The Remuneration Report and Remuneration Policy will be presented at the AGM on 9 February 2023 for Shareholder consideration and approval.

Directors' Remuneration Policy

The Company's policy is to determine the level of Directors' fees with regard to those payable to Non-Executive Directors of the Company's peers and the time each Director dedicates to the Company's affairs. The Directors' Remuneration Policy was last approved at the Company's AGM on 13 February 2020 and will be presented for approval at the Company's AGM in 2023. The Remuneration Policy, if approved, shall take effect from the end of that meeting.

The Directors are entitled to their annual fee and reasonable expenses. 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.

Under the Company's Articles, all Directors are entitled to the remuneration determined from time to time by the Board. There were no revisions to the policy during the period.

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

External adviser

The Board has access to sufficient resources to discharge its duties.

Annual report on remuneration (audited)

Each Director has been appointed pursuant to a Letter of Appointment. All Directors are appointed for a three-year term, subject to annual re-election at the Company's AGM, and are paid in Sterling. 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 in the Articles and, in certain circumstances, without compensation. The terms of appointment of the Directors are set out in the below table.

Director	Letter of appointment dated	Expected and actual date of expiry	Unexpired term as at 5 Dec 2022	Notice period
Robert Orr	5 June 2021	5 June 2024	18 months	3 months
Keith Mansfield	5 June 2021	5 June 2024	18 months	3 months
Taco De Groot	5 June 2021	5 June 2024	18 months	3 months
Eva-Lotta Sjöstedt*	10 December 2022	10 December 2025	36 months	3 months
Sarah Whitney	14 February 2022	14 February 2025	26 months	3 months

* Eva-Lotta Sjöstedt's renewal was approved on 5 December and will expire on 10 December 2025.

The fees and expenses paid to the Directors in the year to 30 September 2022, which have been audited, are set out below. In addition, each Director is entitled to recover all reasonable expenses incurred in connection with performing his or her duties as a Director. Directors' expenses for the year to 30 September 2022 totalled £15,561 (2021: £2,118). No other remuneration was paid or payable during the year to any Director. There have been no payments to past Directors.

	Total remuneration (fee)		All non-taxable benefits and expenses received		All taxable benefits and expenses received		Total fixed remuneration		
Director	**For the period ended 30 September 2022 (£)**	For the period ended 30 September 2021 (£)	**For the period ended 30 September 2022 (£)**	For the period ended 30 September 2021 (£)	**For the period ended 30 September 2022 (£)**	For the period ended 30 September 2021 (£)	**For the period ended 30 September 2022 (£)**	For the period ended 30 September 2021 (£)	% change in Directors remuneration
Robert Orr	**70,000**	70,000	**2,676**	—	**874**	1,447	**73,550**	71,447	0.00%
Keith Mansfield	**50,000***	46,250	**1,792**	—	**1,940**	384	**53,732**	46,634	7.50%
Taco De Groot	**45,000***	41,250	**1,945**	—	**—**	—	**46,945**	41,250	8.33%
Eva-Lotta Sjöstedt	**45,000***	41,250	**1,391**	—	**3,552**	286	**49,943**	41,536	8.33%
Sarah Whitney[1]	**28,154**	—	**1,391**	—	**—**	—	**29,545**	—	100%
Total	**238,154**	198,750	**9,195**	—	**6,366**	2,117	**253,715**	200,867	—

* Increase due to the updated NED fee as at 1 July 2021, which was pro-rated for the 2021 period.

1 Sarah Whitney was appointed as a Non-Executive Director on 14 February 2022.

No separate columns are presented for total variable remuneration as this was £nil for the year. The above table is presented in Sterling.

Statement of voting at general meeting

The Company is committed to ongoing Shareholder dialogue and takes an active interest in voting outcomes. If there are substantial votes against any resolutions, the Company will consult with Shareholders in order to understand the reasons for any such vote. The Company will provide an update on the views received from Shareholders no later than six months after the meeting and any resulting action will be detailed in the next Annual Report. Ordinary resolutions require a simple majority of 50% and special resolutions require 75% to be passed.

The Directors' Remuneration Policy and the Directors' Remuneration Report were most recently approved by Shareholders at the Company's AGMs held on 13 February 2020 and 10 February 2022, respectively. The voting on the respective resolutions was as shown below:

Resolution	For %*	Against %	Votes withheld
Directors' Remuneration Policy[1]	100.00%	0%	1,455
Directors' Remuneration Report[2]	99.97%	0.03%	71,109

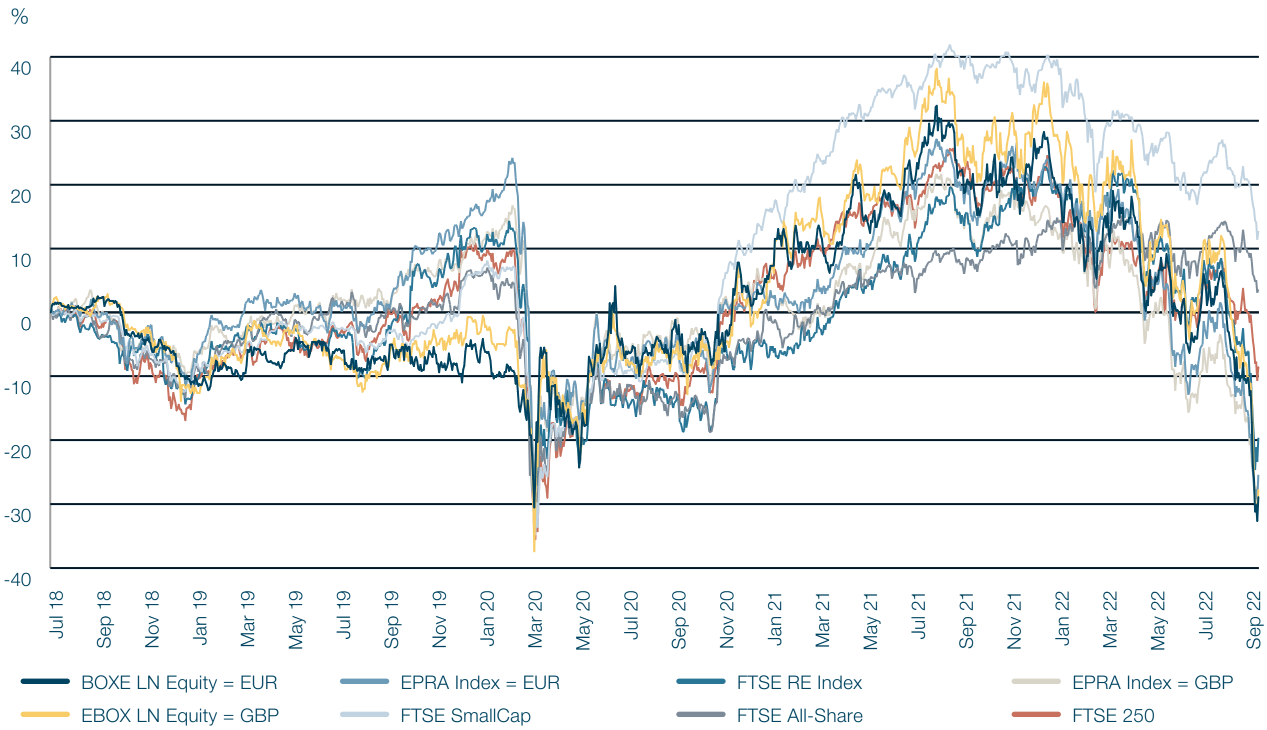
* Including votes in favour and discretion.

1 Voting as at AGM held 13 February 2020.

2 Voting as at AGM held 10 February 2022.

Total Shareholder Return

The graph below shows 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 SmallCap, the FTSE All-Share, the FTSE All-Share REIT, and the EPRA Nareit Developed Europe indexes.



Total Shareholder Return is the measure of returns provided by the 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 5 December 2022, the Directors and their persons closely associated held the shareholdings listed below.

Director	Number of shares held*	Percentage of issued share capital	Dividends received 30 September 2022 €
Robert Orr	192,560	0.024%	4,714
Keith Mansfield	290,000	0.036%	14,500
Taco De Groot	42,000	0.005%	2,100
Eva-Lotta Sjöstedt	6,900	0.001%	345
Sarah Whitney	32,248	0.004%	403

* Includes shareholdings of Directors and persons closely associated (as defined by the EU Market Abuse Regulation). The shareholdings of these Directors are not significant and, therefore, do not compromise their independence.

Relative importance of spend on pay (audited)

	2022 €m	2021 €m	Change %
Directors' remuneration*	**0.32**	0.24	33.33%
Investment management fees*	**11.86**	7.88	50.51%
Dividends paid to Shareholders	**40.34**	25.30	59.45%

* For further information, please see notes 8 and 9 of the financial statements.

Other items

The Company maintains Directors' and Officers' liability insurance cover, at its expense, on the Directors' behalf.

As the Company does not have any employees, the Company is not required to produce pay ratio tables.

Robert Orr
Chairman
5 December 2022

Directors' Report

Introduction

The Directors are pleased to present the Annual Report, including the Company's audited financial statements as at, and for the year ended, 30 September 2022.

The Directors' Report and the Strategic Report comprise the "Management Report" for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

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.

Information	Location in Annual Report
Directors	Pages 62 and 63
Section 172	Pages 21 to 23
Business relationships	Pages 1 to 59
Directors' interest in shares	Page 93
Future developments of the Company	Page 20
Financial instruments	Note 4.4. on page 110
Corporate Governance Statement	Pages 60, 67 and 68
Going concern and viability	Page 59
Disclosure of information to Auditor	Page 95
Share capital	Page 94
TCFD	Page 51
SECR reporting	Page 34

Incorporation by reference

The Governance Report (pages 60 to 96 of this Annual Report and Accounts for the year ended 30 September 2022) is incorporated by reference into this Directors' Report.

Financial results and dividends

The financial results for the year can be found in the Group Statement of Comprehensive Income on page 104.

The following interim dividends amounting to, in aggregate, 5.00 pence per Ordinary Share, were declared in respect of the year ended 30 September 2022.

On 10 February 2022, we declared an interim dividend in respect of the period from 1 October 2021 to 31 December 2021 of 1.25 cents per Ordinary Share, paid on 14 March 2022 to Shareholders on the register on 18 February 2022.

On 17 May 2022, we declared an interim dividend in respect of the period from 1 January 2022 to 31 March 2022 of 1.25 cents per Ordinary Share, paid on 24 June 2022 to Shareholders on the register on 27 May 2022.

On 9 August 2022, we declared an interim dividend in respect of the period from 1 April 2022 to 30 June 2022 of 1.25 cents per Ordinary Share, paid on 9 September 2022 to Shareholders on the register on 19 August 2022.

A fourth interim dividend in respect of the three months ended 30 September 2022 of 1.25 cents per Ordinary Share will be declared on 6 December 2022, payable on 13 January 2023.

Political donations

No political donations were made during the year.

Employees

The Group has no employees and therefore no employee share schemes or policies on equal opportunities and disabilities.

Share capital

On 17 December 2021, the Company issued 110,606 Ordinary Shares at a price of 111 pence per Ordinary Share in accordance with the Investment Management Agreement between the Company and the Manager.

As at 5 December 2022, there were 806,803,984 Ordinary Shares in issue.

	Number	Gross proceeds €
Balance at the start of the year	806,696,378	N/A
Shares issued in accordance with the terms of the Investment Management Agreement	110,606	N/A
Balance at the end of the year	806,803,984	N/A

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.

Substantial shareholdings

As at 14 November 2022, the Company is aware of the following substantial shareholdings, which were directly or indirectly interested in 3% or more of the total voting rights in the Company's issued share capital. As at 14 November 2022, the issued share capital remained the same as at 30 September 2022 with 806,803,984 shares in issue.

Shareholder name	14 November 2022	%
Aviva Investors	66,880,024	8.29
CCLA Investment Management	41,870,050	5.19
BlackRock	33,550,207	4.16
EFG Harris Allday, stockbrokers	29,154,294	3.61
Evelyn Partners	27,338,887	3.39
Close Brothers Asset Management	26,943,370	3.34
Fidelity International	25,264,163	3.13

Amendment of Articles of Association

The Articles may be amended by a special resolution of the Company's Shareholders.

Powers of the Directors

The Board will manage the Company's business and may exercise all the Company's powers, subject to the Articles, the Companies Act and any directions given by the Company by special resolution.

Powers in relation to the Company issuing its shares

At the AGM held on 10 February 2022, the Directors were granted a renewed general authority to allot Ordinary Shares in accordance with Section 551 of the Companies Act 2006 up to an aggregate nominal amount of €2,689,346. Of those Ordinary Shares, the Directors were granted authority to issue up to an aggregate nominal amount of €403,401 (which is equivalent to 5% of the Company's issued share capital as at that date) non-pre-emptively and wholly for cash and authority to issue up to an aggregate nominal amount of €403,401 to be used only for the purpose of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights. These authorities replaced the equivalent authorities given to the Directors at the 2021 AGM. These authorities expire at the next AGM on 9 February 2023 or 15 months after the date of the previous AGM.

Change of control

Under the Group's financing facilities, 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.

Appointment and replacement of Directors

Details of the process by which Directors can be appointed or replaced are included in the Nomination Committee Report on pages 78 to 81.

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.

Events subsequent to the year-end date

For details of events since the year-end date, please refer to note 28 to the consolidated financial statements.

Independent Auditor

KPMG LLP has expressed its willingness to continue as Auditor for the financial year ending 30 September 2023.

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 on pages 88 to 90.

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 114.

Annual General Meeting

It is planned for the Company's AGM to be held at the offices of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW, on 9 February 2023.

This report was approved by the Board on 5 December 2022.

Tritax Management LLP
Company Secretary
5 December 2022

Company registration number: 11367705

Statement of Directors' Responsibilities

In respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, 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 the Group's 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 UK-adopted International Accounting Standards;
- 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 comply 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.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R and the requirements of the Irish Stock Exchange, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation and EU ESEF Regulation. The Auditor's Report on these financial statements provides no assurance over the ESEF format.

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

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and 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.

Robert Orr
Chairman
5 December 2022

Independent Auditor's Report

To the members of Tritax EuroBox plc

1. Our opinion is unmodified

We have audited the financial statements of Tritax EuroBox plc ("the Company") for the year ended 30 September 2022 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 the Company Statement of Changes in Equity and the related notes, including the accounting policies in note 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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- 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.

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 11 December 2018. The period of total uninterrupted engagement is for the four financial years ended 30 September 2022. 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	€18.80m (2021: €12.28m) 1% (2021: 0.75%) of total Group assets	
Coverage	100% (2021: 100%) of total Group assets	
Key audit matters	**vs 2021**	
Recurring risks	**Group:** Valuation of investment properties	▲
	Parent: Recoverability of investment in subsidiaries and amounts receivable from Group companies	◀▶

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 (unchanged from 2021), 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.

Independent Auditor's Report continued

To the members of Tritax EuroBox plc

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

	The risk	Our response
Valuation of investment properties (Group) €1,765.60 million (2021: €1,281.38 million) Refer to page 85 (Audit Committee Report), page 110 (accounting policy) and pages 117 to 120 (financial disclosures).	**Subjective valuation:** Investment properties are the largest balance in the group financial statements. At the date of this report, the portfolio comprises 25 properties across Europe which are externally valued by a qualified independent valuer, Jones Lang LaSalle ("JLL"), and held at fair value at the balance sheet date. 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 size, building specification, location, the tenant and lease length. Whilst comparable market transactions, including the price paid by the Group for properties in the current year, can provide valuation evidence, the nature of each property means that a key factor in the property valuations are the assumptions made by the valuer. Valuing investment properties either under development or with development potential can be further complicated by the need to assess the likelihood for planning consent, an allowance for development and stabilisation risk and capital expenditure not yet incurred. There is a risk that these adjustments could be inappropriate and result in a material difference in the valuation. The degree of estimation uncertainty has increased given the current macro economic environment. Transaction yields versus cost of debt gap have narrowed, causing parts of the market to slow down. High inflation, falling consumer confidence, rising interest rates and increased debt costs leads to increased investment risk and, at the same time fewer transactions to benchmark valuations. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of investments 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 in estimates by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures, assisted by our own property valuation specialist (for procedures 1, 2 and 3), included: • **Valuer's credentials:** We assessed JLL's objectivity, professional qualifications and experience through discussions with them and analysing their valuation report; • **Methodology choice:** We critically assessed the methodologies used by the valuer by considering whether the valuation report is in accordance with the RICS Valuation – Global Standards and accounting standards; • **Benchmarking assumptions:** We selected a sample of properties using various criteria including analysis of valuation movements, value of individual properties, movements in yield rates, country specific risks and an analysis of tenancies. With the assistance of our own property valuation specialist, we held discussions with JLL to critically assess movements in property values for the sample selected. We evaluated and challenged the key assumptions upon which these valuations were based, by making a comparison to our own understanding of the market, comparable evidence relied on by the valuers and to industry benchmarks. • **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 additional procedures in respect of properties under development included • **Test of Details:** For properties under development, we assessed the progress of the development and evaluated assumptions over future construction costs, by agreeing them to construction contracts and management's project appraisals. • We assessed the terms of the development agreements, and how the associated costs of development were considered by the valuers. • We evaluated the Manager's assessment of the financial strength of the developers against the latest available financial information and performed inquires with the developers. • **Use of valuation expertise:** Using our property valuation specialist, we critically assessed any adjustments made for development associated risks with reference to market practice. **Our results** • We found the valuation of investment properties to be acceptable (2021: acceptable)

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

	The risk	Our response
Recoverability of investment in subsidiaries and amounts receivable from Group companies (Parent) €1,525.40 million (2021: €1,093.14 million) Refer to page 85 (Audit and Risk Committee Report), page 130 (accounting policy) and pages 131 and 132 (financial disclosures).	**Low risk, high value** The carrying amount of the Parent Company's investment in and amounts receivable from its subsidiaries represents 98.08% (2021: 78.75%) of the Parent Company's total assets. The recoverability does not a have high risk of significant misstatement and is not subject to significant judgement. However, due to the materiality of the investment and receivable in the context of the Parent Company financial statements, this is the area that had the greatest effect on our Parent Company audit.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. 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 recoverability of investment in subsidiaries and amounts receivable from Group companies and the related impairment charge to be acceptable (2021: 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 €18.80 million (2021: €12.28 million), determined with reference to a benchmark of total Group assets of €1,894.92million (2021: €1,629.81 million), of which it represents 1% (2021: 0.75%).

In the prior year, the percentage applied to our benchmark for both the Group and parent company reflected changes in the Group and Parent's debt and capital structure in the year and the large cash surplus not yet deployed for operational purposes. We have increased the percentage applied to our benchmark this year to reflect stabilisation of these matters.

In addition, we applied materiality of €1.51 million (2021: €1.25 million) to these specific components of adjusted earnings: invoiced rental income and income from rental guarantees, direct property costs (excluding gross service charges), net service charge expenses, management fees and finance expense from borrowings, 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 €15.55million (2021: €10.43 million), determined with reference to a benchmark of Company total assets of €1,555.16 million (2021: €1,396.32 million), of which it represents 1% (2021: 0.75%).

Performance materiality was set at 65% (2021: 65%) of materiality for the financial statements as a whole, which equates to €12.2 million (2021: €7.98 million) for the Group and €10.11 million (2021: €6.78 million) for the parent company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies in the control environment during the prior period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.94 million (2021: €0.61 million) or €0.10 million (2021: €0.10 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 opposite.

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 and performance materiality levels set out above.

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

Independent Auditor's Report continued

To the members of Tritax EuroBox plc

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

Total Group assets

€1,894.92m (2021: €1,629.81m)

Group Materiality

€18.80m (2021:€12.28m)

€18.80m

Whole financial statements materiality (2021:€12.28m)

€12.2m

Whole financial statements performance materiality (2021:€7.98m)

€1.51m

Materiality applied to components of adjusted earnings: invoiced rental income and income from rental guarantees, direct property costs (excluding gross service charges), net service charge expenses, management fees and finance expense from borrowings (2021:€1.25m)

€0.94m

Misstatements reported to the Audit Committee (2021:€0.61m)

Group revenue

Group profit before tax

Group total assets

4. The Impact of climate change on our audit

In planning our audit we have considered the potential impacts of climate change on the Group's business and its financial statements.

Climate change impacts the Group in a number of ways: through its own operations (including potential reputational risk associated with the Group's delivery of its climate related initiatives), through its portfolio of investment properties and the greater emphasis on climate related narrative and disclosure in the Annual Report.

The Group's main potential exposure to climate change in the financial statements is primarily through its investment properties as the key valuation assumptions and estimates may be impacted by climate risks.

As part of our audit we have made enquiries of the Manager to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this.

We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular with respect to the valuation of investment properties. We held discussions with our own climate change professionals to challenge our risk assessment.

On the basis of the risk assessment procedures performed above, we concluded that, while climate change poses a risk to the determination of the valuation of investment properties, as these valuations are largely based on comparable market evidence we assessed that the impact of climate change was not a significant risk for our audit nor does it constitute a key audit matter and did not have any further impact on the currently identified key audit matters.

We have also read the Group's disclosure of climate related information in the front half of the Annual Report as set out on pages 51 to 58, and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

5. 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").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its 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:

- significant movements in the valuation of investment properties impacting compliance with covenants;
- default of one or more tenants and reduction in rent collections impacting cash flow, earnings and covenants; and
- Inflationary pressures and rising interest rates and the impact on operational and development costs.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 2 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 the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 43 is materially consistent with the financial statements and our audit knowledge.

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 above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Directors and the Manager as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board and Audit Committee meeting minutes;
- Considering the susceptibility to fraud of payments to the Investment Manager;
- Assessing the segregation of duties in place between the Directors, the Administrator and the Group's Investment Manager; and
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment property valuations.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.

We performed procedures including:

- Substantively testing all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process and the segregation of duties between the Directors, the Administrator and the Group's Investment Manager, no further high-risk journal entries or other adjustments were identified.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

On this audit we do not believe there is a fraud risk related to revenue recognition because the Group's income primarily arises from operating lease contracts with fixed, or highly predictable, periodic payments. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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 (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements

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.

Independent Auditor's Report continued

To the members of Tritax EuroBox plc

6. Fraud and breaches of laws and regulations - ability to detect continued

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations continued

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits, overseas taxation 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. 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. We identified the following areas as those most likely to have such an effect: landlord and tenant legislation, property laws and building legislation, data protection, anti-money laundering, market abuse regulations, 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 the Group's investment manager and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We discussed with the Audit Committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

7. 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 emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to;

- the directors' confirmation the Going concern and viability statement page 59 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Going concern and 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.

We are also required to review the Going concern and viability statement, set out on page 59 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

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

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

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- 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;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8. 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.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 96, 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 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 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.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation and EU ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those formats.

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

10. 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

6 December 2022

Group Statement of Comprehensive Income

For the year ended 30 September 2022

	Note	**Year ended 30 September 2022 €m**	Year ended 30 September 2021 €m
Rental income	6	**57.89**	43.89
Service charge income	6	**10.14**	7.03
Other income	6	**0.70**	0.55
Gross property income	6	**68.73**	51.47
Direct property costs	7	**(16.53)**	(8.75)
Net property income		**52.20**	42.72
Fair value gain on investment properties	14	**49.94**	106.46
Gain on disposal of investment property		**—**	7.33
Administrative and other expenses	8	**(18.18)**	(12.22)
Operating profit		**83.96**	144.29
Net finance expense	10	**(12.07)**	(14.54)
Effect of foreign exchange differences	8	**0.20**	(0.70)
Changes in fair value and realised loss on interest rate derivatives	20	**4.55**	(0.05)
Profit before taxation		**76.64**	129.00
Taxation	11	**(17.87)**	(24.23)
Profit for the year		**58.77**	104.77
Other comprehensive income			
Foreign currency translation differences – foreign operations		**(6.30)**	0.06
Total comprehensive income for the year attributable to the Shareholders		**52.47**	104.83
Earnings Per Share (“EPS”) (expressed in cents per share)			
EPS – basic and diluted	12	**7.28**	19.59

Group Statement of Financial Position

As at 30 September 2022

	Note	30 September 2022 €m	30 September 2021 €m
Non-current assets			
Investment properties	14	**1,765.60**	1,281.38
Derivative financial instruments	20	**4.43**	0.05
Trade and other receivables	15	**1.17**	1.17
Deferred tax assets	11	**2.11**	0.24
Total non-current assets		**1,773.31**	1,282.84
Current assets			
Trade and other receivables	15	**31.43**	17.24
Cash and cash equivalents	16	**90.18**	329.73
Total current assets		**121.61**	346.97
Total assets		**1,894.92**	1,629.81
Current liabilities			
Trade and other payables	17	**(38.80)**	(21.92)
Income tax liability		**(0.60)**	(0.22)
Total current liabilities		**(39.40)**	(22.14)
Non-current liabilities			
Trade and other payables	17	**(1.29)**	(1.40)
Loan notes and borrowings	18	**(701.07)**	(492.17)
Deferred tax liabilities	11	**(51.74)**	(33.30)
Other liabilities	19	**(33.62)**	(25.19)
Customer deposit	23	**(2.05)**	(2.11)
Total non-current liabilities		**(789.77)**	(554.17)
Total liabilities		**(829.17)**	(576.31)
Net assets		**1,065.75**	1,053.50
Equity			
Share capital	24	**8.07**	8.07
Share premium reserve		**597.58**	597.46
Translation reserve		**(6.24)**	0.06
Retained earnings		**466.34**	447.91
Total equity		**1,065.75**	1,053.50
Net Asset Value (“NAV”) per share (expressed in Euro per share)			
Basic NAV	25	**1.32**	1.31
EPRA NTA	25	**1.38**	1.35

The financial statements were approved by the Board of Directors on 5 December 2022 and signed on its behalf by:

Robert Orr
Chairman

Company registration number: 11367705

Group Statement of Changes in Equity

For the year ended 30 September 2022

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	0.06	447.91	1,053.50
Net profit for the year		—	—	—	58.77	58.77
Other comprehensive income		—	—	(6.30)	—	(6.30)
Total comprehensive income		—	—	(6.30)	58.77	52.47
Contributions and distributions:						
New share capital subscribed	24	—	0.14	—	—	0.14
Associated share issue costs		—	(0.02)	—	—	(0.02)
Dividends paid	13	—	—	—	(40.34)	(40.34)
Total contributions and distributions		—	0.12	—	(40.34)	(40.22)
At 30 September 2022		**8.07**	**597.58**	**(6.24)**	**466.34**	**1,065.75**

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2020		4.23	131.24	—	368.44	503.91
Net profit for the year		—	—	—	104.77	104.77
Other comprehensive income		—	—	0.06	—	0.06
Total comprehensive income		—	—	0.06	104.77	104.83
Contributions and distributions:						
New share capital subscribed	24	3.84	476.14	—	—	479.98
Associated share issue costs		—	(9.92)	—	—	(9.92)
Dividends paid	13	—	—	—	(25.30)	(25.30)
Total contributions and distributions		3.84	466.22	—	(25.30)	444.76
At 30 September 2021		8.07	597.46	0.06	447.91	1,053.50

Group Cash Flow Statement

For the year ended 30 September 2022

	Note	For the year ended 30 September 2022 €m	For the year ended 30 September 2021 €m
Cash flows from operating activities			
Profit for the year		**58.77**	104.77
Gain on disposal of investment property		**–**	(7.33)
Changes in fair value of investment properties	14	**(49.94)**	(106.46)
Changes in fair value of interest rate derivatives	20	**(4.38)**	0.05
Tax expense	11	**17.87**	24.23
Net finance expense	10	**12.07**	14.54
Spreading of customer lease incentives	6	**(2.45)**	0.46
Amortisation of capital contribution and lease commissions	6	**0.54**	(1.01)
(Increase)/decrease in trade and other receivables		**(24.30)**	(4.07)
Increase/(decrease) in trade and other payables		**15.06**	3.61
Increase in other liabilities		**8.37**	5.27
Cash generated from operations		**31.61**	34.06
Tax paid		**(0.92)**	(3.77)
Net cash flow generated from operating activities		**30.69**	30.29
Investing activities			
Purchase of investment properties		**(288.41)**	(366.47)
Disposal of investment properties		**–**	64.30
Disposal of assets held for sale		**–**	–
Improvements to investment properties and development expenditure		**(144.79)**	(17.83)
Rental guarantees and developer licence fees received		**8.74**	2.81
Net cash flow used in investing activities		**(424.46)**	(317.19)
Financing activities			
Net proceeds from issue of Ordinary Share capital		**0.12**	470.06
Loans received	18	**206.48**	676.45
Loans repaid	18	**–**	(524.00)
Finance expense paid		**(8.96)**	(5.76)
Dividends paid to equity holders	13	**(40.34)**	(25.30)
Net cash flow generated from financing activities		**157.30**	591.45
Net movement in cash and cash equivalents for the year		**(236.47)**	304.55
Cash and cash equivalents at start of the year	16	**329.73**	24.44
Unrealised foreign exchange gains		**(3.08)**	0.74
Cash and cash equivalents at end of the year		**90.18**	329.73

Notes to the Consolidated Accounts

1. Corporate information

The consolidated financial statements of the Group for the year ended 30 September 2022 comprise the results of Tritax EuroBox plc ("the Company") and its subsidiaries (together "the Group") and were approved by the Board for issue on 5 December 2022. The Company is a public limited company incorporated and domiciled in England and Wales. 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 UK-adopted international accounting standards (UK-adopted IFRS) and the applicable legal requirements of the Companies Act 2006. 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 tangible assets ("NTA") and Earnings Per Share. The Group has decided to adopt EPRA NTA as its primary EPRA NAV measure. These are disclosed in notes 12 and 25.

2.1. Going concern

The Directors have prepared cash flow forecasts for the Group for a period of at least 12 months from the date of approval of the consolidated financial statements.

The assumptions underpinning these forecast cash flows and covenant compliance forecasts were sensitised, to explore the Group's resilience to the potential impact of its significant risks, or a combination of those risks. The Group's financial forecast include sensitivities including yield expansion, resulting in property valuation fall and the impact of cash flows and covenant compliance. This forecast has been further sensitised for the following scenarios:

1) the combined impact of three key tenants defaulting without replacement, a 12-month delay in letting properties under development, along with a significant increase in Euribor; and
2) additional yield expansion resulting in further property valuation falls and the impact on debt covenants.

The Group's cash balance at 30 September 2022 was €90.18 million. It also had undrawn amounts under its unsecured Revolving Credit Facility ("RCF") of a further €207 million at the date of approval of these financial statements. Of the Group's total facilities (RCF, Green Bond and USPP), €250 million mature in 2025, €500 million in 2026, €100 million in 2029, €50 million in 2032 and €50 million in 2034. The loan includes financial covenants for loan to value ("LTV"), interest cover ratio ("ICR") and gearing. These covenants have been complied with throughout the year and up to the date of approval of these financial statements.

The LTV covenant is measured quarterly based on the property valuation as used in the consolidated financial statements. Based on the most recent valuation the Group retained headroom against a covenant limit, reporting 35% against the limit of 65%. LTV would breach 65% if the valuation of the Group's investment properties were to decrease by 45.9%, based on the latest valuation.

The gearing covenant is measured quarterly based on consolidated total net borrowings to consolidated Shareholders' funds. Based on the most recent reporting the Group retained headroom against the covenant limit, reporting 58% against the limit of 150%.

LTV and gearing covenants are measured using "net borrowings" which reduces the drawn debt by the Group's cash holdings at each measurement date.

The ICR covenant is measured as the ratio of the Group's consolidated earnings before income and tax, subject to certain adjustments, to consolidated net finance costs in respect of any measurement period, by reference to accounting income. Based on the most recent reporting, the Group was not in breach of covenant minimum, reporting 3.85 times which was above the 1.5 times minimum.

As a result of the above considerations the Directors forecast that covenant compliance will continue for at least the next 12 months.

Consequently, the Directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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. Significant accounting judgements, estimates and assumptions continued

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 the Definition of a Business (Amendments to IFRS 3 "Business Combinations"), to be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The Group applies the optional "concentration test" in determining whether an acquisition is a business combination; where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. 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 and prior periods all acquisitions were accounted for as asset acquisitions as in all acquisitions substantially all of the fair value of the gross assets acquired were concentrated in a single asset.

Segment reporting

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in and development of 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.

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 January 2022 (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 2022.

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. Non-controlling interests are accounted for in section 4.5.

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 control 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 year 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.

4. Summary of significant accounting policies continued

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 it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably. The cost of investment property includes potential payments under put options granted to non-controlling interests of subsidiaries which own investment property. Rent guarantees and top-ups paid by a vendor to the Group to compensate the Group for vacant space or rent-free periods are treated as part of the cost of the property acquired and offset the initial purchase consideration. Such receipts are included in the Group's Adjusted EPS in note 12. 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 both pre-let properties and speculative development under a funding agreement. All such contracts specify a fixed amount of consideration. The speculative development risk is mitigated by having rental guarantees in place to mitigate this risk. Investment properties under construction are initially recognised at cost (including any associated costs), which reflect the Group's investment in the assets. Development payments made in line with funding agreements are recognised in additions. 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.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, that can be measured reliably, 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 at the point of disposal is recognised in the Group profit or loss in the year of retirement or disposal.

4.3. Assets held for sale

A non-current asset or disposal group is classified as held for sale when the carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year. Such assets or disposal groups are 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. 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 (e.g. 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 include 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. Summary of significant accounting policies continued

4.4. Financial instruments continued

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:

Loans and borrowings

Loans and 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 ensures that any interest expense over the year 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.

Extensions of bank borrowings under accordion options in the original facility agreement are treated as changes in estimated cash flows under the original financial liability.

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 or cancelled or expire.

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 interest's proportionate share of the current fair 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 customer 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. Customer break clauses are assumed to be exercised unless it is reasonably certain at inception of the lease that the break will not be exercised. Customer lease incentives are recognised as an adjustment 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 customers to terminate leases or to compensate for dilapidations are recognised in the Group Statement of Comprehensive Income when the right to receive them arises. Similarly, amounts paid to customers to terminate leases are recognised in the Group Statement of Comprehensive Income.

When the Group enters into a forward funded transaction, the future customer 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 customers 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 property income gross of the related costs, as the Directors consider that the Group acts as principal in this respect.

Notes to the Consolidated Accounts continued

4. Summary of significant accounting policies continued

4.9. Finance income

Finance income is recognised as interest accrues on cash balances and short-term deposits held by the Group. Interest charged to a customer 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.

4.11. Taxation

The Company is approved by HMRC as an investment trust under Section 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 year. 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 year.

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 year 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 year. The rates used in the calculation of deferred tax are in accordance with legislation where the Group operates.

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.

4.12. Provision

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

4.13. 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, with the exception of Sweden, have Euro as the functional currency.

The assets and liabilities of Sweden are translated to the Group’s presentational currency, Euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

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 year, 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.

5. Standards in issue

5.1. Standards in issue and effective from 1 October 2021

IFRS Phase 2 amendments for interest rate benchmark ("IBOR") reform provide a practical expedient to account for changes in the basis for determining contractual cash flows of financial assets and financial liabilities as a result of IBOR reform. Under the practical expedient, entities will account for these changes by updating the effective interest rate without the recognition of an immediate gain or loss. This practical expedient applies only to such a change and only to the extent that it is necessary as a direct consequence of interest rate benchmark reform, and the new basis is economically equivalent to the previous basis.

There was no material effect from the adoption of the above and other amendments to IFRS effective in the year. They have no impact on the Group significantly as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

5.2. New standards issued but not yet effective

There are new standards and amendments to standards and interpretations which have been issued that are effective in future accounting periods, and which the Group has decided not to adopt early. None of these are expected to have a material impact on the consolidated financial statements of the Group.

6. Gross property income

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Rental income	**55.98**	41.58
Spreading of customer incentives	**2.45**	2.62
Amortisation of capital contribution and lease commission	**(0.54)**	(0.31)
Gross rental income	**57.89**	43.89
Service charges recoverable	**10.14**	7.03
Other income	**0.70**	0.55
Gross property income	**68.73**	51.47

The Group derives property income from the following countries:

Gross property income (€m)	Belgium	Germany	Spain	Italy	Poland	The Netherlands	Sweden	Total
30 September 2022	**7.98**	**28.34**	**10.77**	**8.95**	**6.18**	**4.00**	**2.51**	**68.73**
30 September 2021	6.27	19.32	9.30	7.06	6.77	2.19	0.56	51.47

The undiscounted future minimum lease payments under non-cancellable operating leases receivable by the Group are as follows:

	Less than 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	More than 5 years €m	Total €m
30 September 2022	**64.98**	**63.74**	**60.27**	**55.65**	**53.22**	**262.64**	**560.50**
30 September 2021	50.43	51.25	47.63	44.58	40.91	290.29	525.09

The Group's investment properties are leased mainly to single customers, some of which have rental securities attached (bank or parent guarantees, cash deposit), 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 two customers representing more than 10% of rental income during the year (2021: two customers). As of 30 September 2022, one customer represented more than 10% of passing rent (2021: four customers).

7. Direct property costs

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Service charge expense	**10.49**	7.41
Other expenses	**1.74**	1.34
Lease surrender payment[1]	**4.30**	—
Total property expenses	**16.53**	8.75

1 Payment to terminate existing lease.

Notes to the Consolidated Accounts continued

8. Administrative and other expenses

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Investment management fees[1]	**11.86**	7.88
Directors' remuneration (note 9)	**0.32**	0.24
Auditor's fees:		
Fees payable for the audit of the Company's accounts	**0.51**	0.49
Fees payable for the review of the Company's interim accounts	**0.07**	0.07
Fees payable for the audit of the Company's subsidiaries	**0.12**	0.12
Total Auditor's fee	**0.70**	0.68
Corporate administration fees	**1.80**	1.17
Regulatory fees	**0.12**	0.09
Legal and professional fees	**2.03**	1.27
Marketing and promotional fees	**0.70**	0.59
Other administrative costs	**0.65**	0.30
Total administrative and other expenses	**18.18**	12.22

1 Investment management fees include fees payable to Tritax Management LLP for €7.88 million (30 September 2021: €5.46 million (see note 26)). The remaining €3.98 million (2021: €2.42 million) were paid to asset managers and property managers.

The effect of foreign exchange differences for the year ended 30 September 2022 consists of unrealised foreign exchange currency loss of €0.28 million and offset by realised foreign exchange currency gain of €0.08 million (2021: unrealised foreign exchange currency loss of €0.74 million and offset by realised foreign exchange currency gain of €0.04 million).

Fees relating to the share issuances have been treated as share issue expenses and offset against share premium. The transaction costs related to the loans and borrowings have been treated as part of the arrangement fees for issuing the debt, of which €nil relates to the fee payable to the Auditor for non-audit services (2021: €0.07 million). The fees in relation to the acquisition of assets have been capitalised into the cost of the respective assets.

9. Directors' remuneration

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Directors' fees	**0.21**	0.22
Employer's National Insurance	**0.11**	0.02
Total Directors' remuneration	**0.32**	0.24

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 current and prior periods under review the Company did not have any personnel, besides the Directors of the Company.

10. Finance expense

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Interest payable on loans and bank borrowings	**6.76**	5.24
Commitment fees payable on bank borrowings	**1.13**	1.56
Fair value movement on remeasurement of put option	**0.90**	4.93
Bank fees	**0.80**	0.32
One-off cost of bank loans	**0.05**	0.02
Amortisation of loan arrangement fees	**2.43**	2.47
Total finance expense	**12.07**	14.54

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €7.89 million (30 September 2021: €6.80 million), of which €nil was capitalised in both periods, and amortisation of loan arrangement fees of €2.43 million (30 September 2021: €2.47 million), of which €2.40 million (30 September 2021: €8.92 million) of the loan agreement fees was capitalised into the loan in the year (see note 18).

11. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Current taxation:		
UK taxation	—	—
Overseas taxation – current year[1]	1.19	3.58
Overseas taxation – prior year adjustment	—	0.11
Deferred taxation:		
UK taxation	—	—
Overseas taxation	16.68	20.54
Total tax charge	17.87	24.23

1 2021 includes the capital gains tax on disposal of investment properties for €3.05 million.

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 year in accordance with its status as an Investment Trust Company ("ITC").

In the 3 March 2021 Budget it was announced that, from 1 April 2023, the UK main rate of corporation tax will increase to 25%. Given that the Company's tax charge is €nil, due to its status as an ITC, there is no anticipated consequential effect on the future tax charge.

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Profit before taxation	76.64	129.00
Theoretical tax at UK corporation tax rate of 19% (30 September 2021: 19%)	14.56	24.50
Losses where no deferred taxes have been recognised	2.52	1.92
Impact of different tax rates on foreign jurisdictions	2.50	0.14
Expenses not deductible for tax purposes	0.99	(1.47)
Impact of UK interest distributions from the Investment Trust	(2.65)	(0.97)
Prior year adjustment to current tax	(0.05)	0.11
Total	17.87	24.23

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Deferred tax assets:		
Differences between tax and property revaluation	1.64	0.01
Tax losses carried forward	0.47	0.23
Other	—	—
Total	2.11	0.24

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Deferred tax liabilities:		
Differences between tax and property revaluation	51.74	33.30
Other	—	—
Total	51.74	33.30

The amount of unutilised tax losses and tax credits for which no deferred tax asset is recognised in the profit and loss account was €9.6 million (2021: €6.12 million).

Notes to the Consolidated Accounts continued

12. Earnings Per Share

Earnings Per Share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of Ordinary Shares in issue during the year. As at 30 September 2022 and 2021, there are no dilutive or potentially dilutive equity arrangements in existence.

The calculation of EPS is based on the following:

For the year ended 30 September 2022	**Net profit attributable to Ordinary Shareholders €m**	**Weighted average number of Ordinary Shares[1] '000**	**Earnings Per Share cents**
Basic EPS	**58.77**	**806,779**	**7.28**
Adjustments to remove:			
Deferred tax charge and capital gains tax on disposal of investment properties (note 11)	**16.68**		
Changes in fair value of investment properties and investment property under construction (note 14)	**(49.94)**		
Changes in fair value of interest rate derivatives (note 20)	**(4.66)**		
EPRA EPS	**20.85**	**806,779**	**2.58**
Adjustments to (exclude)/include:			
Rental income recognised in respect of fixed uplifts	**(1.90)**		
Amortisation of loan arrangement fees	**2.43**		
Unrealised foreign exchange currency loss	**(0.26)**		
Fair value movement on remeasurement of put option (note 19)	**0.05**		
Rental guarantee receipts and developer's licence fee excluded from property income – settled via cash[2]	**8.74**		
Lease surrender payment[4]	**4.30**		
Adjusted EPS	**34.21**	**806,779**	**4.24**

For the year ended 30 September 2021	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings Per Share cents
Basic EPS	104.83	535,145	19.59
Adjustments to remove:			
Deferred tax charge (note 11)	23.62		
Changes in fair value of investment properties (note 14)	(106.46)		
Changes in fair value of interest rate derivatives (note 20)	0.05		
Gain on disposal of investment property	(7.33)		
EPRA EPS	14.71	535,145	2.75
Adjustments to (exclude)/include:			
Rental income recognised in respect of fixed uplifts	(2.31)		
Rental income deferred[3]	1.60		
Amortisation of loan arrangement fees	2.47		
Unrealised foreign exchange currency loss	0.68		
Fair value movement on remeasurement of put option (note 19)	4.32		
Rental guarantee receipts excluded from property income – settled via cash[2]	2.90		
Rental guarantee receipts excluded from property income – settled via contracted liability settlement[2]	0.28		
Adjusted EPS	24.65	535,145	4.61

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.

3 Covid-19 rent deferral was received in full in 2021.

4 Capital investment to terminate an existing lease in Hammersbach to harness rental growth resulting in longer-term value to the business – refer to note 7.

12. Earnings Per Share continued

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 relate to cash received from developers during development periods, in order to access the land;
iii. Inclusion of rental guarantee adjustments which 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 (through a cash movement or contracted liability settlement) as Adjusted Earnings over the period of the lease which it is intended to cover or lease break. 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; and
iv. Exclusion of exceptional items, considered as an expense under IFRS, which are capital in substance and nature and result in longer-term value to the business.

13. Dividends paid

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Final dividend in respect of year ended 30 September 2021 at 1.25 cents per Ordinary Share (30 September 2020: 1.10 cents)	**10.08**	4.65
First interim dividend in respect of year ended 30 September 2022 at 1.25 cents per Ordinary Share (30 September 2021: 1.25 cents)	**10.08**	5.28
Second interim dividend in respect of year ended 30 September 2022 at 1.25 cents per Ordinary Share (30 September 2021: 1.25 cents)	**10.09**	7.68
Third interim dividend in respect of year ended 30 September 2022 at 1.25 cents per Ordinary Share (30 September 2021: 1.25 cents)	**10.09**	7.69
Total dividends paid	**40.34**	25.30
Total dividends paid for the year	**3.75 cents**	3.75 cents
Total dividends unpaid but declared for the year	**1.25 cents**	1.25 cents
Total dividends declared for the year	**5.00 cents**	5.00 cents

On 6 December 2022 the Directors of the Company declared a fourth interim dividend in respect of the period from 1 July 2022 to 30 September 2022 of 1.25 cents per Ordinary Share, which will be payable on or around 13 January 2023 to Shareholders on the register on 16 December 2022.

Out of €40.34 million (30 September 2021: €30.73 million) dividends declared for the year, €8.79 million (30 September 2021: €6.04 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 January 2022 (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 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.

The total valuation fee incurred by the Group in the year amounts to €124,800 (period ended 30 September 2021: €75,400). 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 acquisitions during the current and prior period have been treated as asset purchases rather than business combinations (see note 3.1).

14. Investment properties continued

During the year, the following investment properties were acquired:

Location	Date acquired
Settimo, Italy[1]	25 November 2021
Piacenza, Italy[1]	29 November 2021
Rosersberg, Sweden	30 November 2021
Gelsenkirchen, Germany	14 December 2021
Bönen, Germany	14 December 2021
Rosersberg II, Sweden	14 January 2022
Roosendaal, Netherlands	11 March 2022
Dormagen, Germany	26 April 2022
Malmö, Sweden	26 April 2022

1 Acquired based on an asset deal.

	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
At 1 October 2021	1,257.35	24.03	1,281.38
Acquisition of properties[3]	168.65	134.52	303.17
Additions to investment properties	1.41	143.38	144.79
Transfer from investment properties to investment properties under construction	(1.30)	1.30	—
Transfer from investment properties under construction to investment properties	70.17	(70.17)	—
Licence fees and rental guarantees received	(0.44)	(14.31)	(14.75)
Fixed rental uplift and customer lease incentives[1]	5.66	—	5.66
Amortisation of rental uplift and customer lease incentives[1]	(1.35)	—	(1.35)
Change in fair value during the year[2]	46.87	3.07	49.94
Foreign exchange movement during the year	(3.15)	(0.09)	(3.24)
As at 30 September 2022	**1,543.87**	**221.73**	**1,765.60**

	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
At 1 October 2020	837.90	—	837.90
Acquisition of properties	372.56	—	372.56
Additions to investment properties	1.10	19.81	20.91
Transfer from investment properties to investment properties under construction	(8.10)	8.10	—
Transfer from investment properties under construction to investment properties	10.19	(10.19)	—
Licence fees and rental guarantees received	(2.49)	—	(2.49)
Fixed rental uplift and customer lease incentives[1]	3.82	—	3.82
Amortisation of rental uplift and customer lease incentives[1]	(0.81)	—	(0.81)
Disposal of properties	(56.97)	—	(56.97)
Change in fair value during the year[2]	100.15	6.31	106.46
As at 30 September 2021	1,257.35	24.03	1,281.38

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 amount as at 30 September 2022 was €10.94 million (30 September 2021: €7.67 million). The difference between this and cash receipts changes the carrying value of the property against which revaluations are measured (also see note 6).

2 Included in the fair value change in the year were unrealised gains of €93.08 million (30 September 2021: €107.34 million) and unrealised losses of €43.14 million (30 September 2021: €0.88 million).

3 This includes acquisition costs of €13.81 million (30 September 2021: €3.69 million).

	30 September 2022 €m	30 September 2021 €m
Investment properties in Balance Sheet	**1,765.60**	1,281.38
Rental guarantee held in separate receivable	**6.93**	1.20
Total external valuation of investment properties	**1,772.53**	1,282.58

14. Investment properties continued

As at 30 September 2022, the Group had €123.7 million of outstanding capital commitments in relation to its forward funded development assets (30 September 2021: €32.4 million):

- Roosendaal €30.0 million;
- Dormagen €18.7 million;
- Bönen €34.9 million;
- Rosersberg I €3.9 million;
- Rosersberg II €22.7 million; and
- Settimo €13.5 million.

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

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, climates risks, 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 customers, 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 case of leveraging these investments and adverse changes in the real estate markets.

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."

MV as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The 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 asset by totalling the current tenancy of the property, followed by the demand market rent on lease expiry, capitalised at an appropriate yield. The methodology is based on a direct capitalisation model where the lease-based income has been capitalised with an all-risk yield in perpetuity, except for the investment properties in Italy which were valued by adopting an income approach with a discounted cash flow ("DCF") methodology analysis. The choice of this methodology represents the likely basis of analysis to be used by a potential purchaser for this type of property (income producing).

Investment properties under construction: residual approach or equivalent

The residual approach or equivalent 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")

ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location. At 30 September 2022, the range was between €44 and €94 per square metre, per annum (2021: €41 and €88).

Unobservable input: yield

Yield is dependent on the customer, lease length and the other variables listed above for ERV. At 30 September 2022, the average yield for standing assets was 3.94% and the range was between 3.28% and 4.89% (2021: 3.33% and 7.00%). Implicit in the yield is the valuer's consideration of climate risks.

Yield and ERV are not necessarily independent variables. It is possible a change in one assumption may result in an offsetting change to the other but equally the change in both assumptions may increase the impact on valuation.

14. Investment properties continued

Valuation techniques continued

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. At the balance sheet date, when the property portfolio was valued, the Group considered the range used below, in the sensitivity analysis, to be appropriate as at that date.

As a result the following sensitivity analysis has been prepared for investment properties:

	-0.25% yield €m	+0.25% yield €m	-5% in ERV €m	+5% in ERV €m
Increase/(decrease) in the fair value of investment properties as at 30 September 2022	**115.14**	**(102.22)**	**(45.74)**	**48.97**
Increase/(decrease) in the fair value of investment properties as at 30 September 2021	82.16	(72.68)	(27.57)	26.28

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 Belgium, Italy and Sweden. In Italy, this is due to the structure of an Investment Management Company ("SGR"). In Belgium and Sweden, the local valuation practice is to exclude such costs given the prevalence of corporate rather than asset transactions in these markets.

15. Trade and other receivables

Non-current trade and other receivables	**30 September 2022 €m**	30 September 2021 €m
Cash in public institutions	**1.17**	1.17

The cash in public institutions is a deposit of €1.17 million given by the customer for the property in Barcelona, Spain.

Current trade and other receivables	**30 September 2022 €m**	30 September 2021 €m
Trade receivables	**1.34**	1.45
Prepayments, accrued income and other receivables	**18.61**	12.28
VAT receivable[1]	**11.48**	3.51
	31.43	17.24

1 VAT receivable includes VAT on capital expenditure across the developments and a reclaim on the purchase of the property in Italy of €1 million (30 September 2021: €2 million).

The following table sets out the ageing of trade receivables as at 30 September 2022:

Past due but not impaired	**30 September 2022 €m**	30 September 2021 €m
<30 days	**0.92**	1.16
30–60 days	**—**	—
60–90 days	**0.02**	—
90 days+	**0.40**	0.29
Total	**1.34**	1.45
Past due and impaired	**—**	—
Total	**1.34**	1.45

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 2022 €m	30 September 2021 €m
Cash and cash equivalents	**90.18**	329.73

All cash held under the Italian subsidiaries fund are subject to local dividend distribution rules which means that dividends can only be paid twice a year. The amount of cash held in Italy as at 30 September 2022 was €24.40 million (30 September 2021: €3.33 million). At the year end, the Group has two money market deposits, €2 million maturing on 25 October 2022 and €3 million maturing on 25 November 2022.

17. Trade and other payables

Non-current trade and other payables	30 September 2022 €m	30 September 2021 €m
Other payables	**1.29**	1.40

Current trade and other payables	30 September 2022 €m	30 September 2021 €m
Trade and other payables	**7.44**	3.31
Bank loan interest payable	**2.40**	1.78
Deferred income	**2.97**	1.73
Accruals	**25.99**	14.39
VAT liability	**—**	0.71
	38.80	21.92

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

18. Loan notes and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 21.

	30 September 2022 €m	30 September 2021 €m
Bank borrowings	**9.11**	—
Loan notes	**691.96**	492.17
Non-current liabilities: loans and borrowings	**701.07**	492.17

The Group has a long-term Revolving Credit Facility ("RCF") (see table below). The loan has a margin of 1.2% to 1.9% above the higher of zero or Euribor, depending on the drawn level and the prevailing LTV ratio. On 22 December 2021 €58.82 million of the RCF transferred from HSBC UK Bank to Banco Santander. On 4 January 2022 the termination date of this part of the facility was extended from October 2023 to October 2025.

	Facility €m	Maturity date
Banco Santander	58.8	19 October 2025
BNP Paribas	58.8	19 October 2025
Bank of China	58.8	19 October 2025
Bank of America	58.9	19 October 2025
Banco de Sabadell	14.8	19 October 2025
Total RCF	250.0	

On 1 December 2021 the Group had secured €200 million US private placement debt which is split into three tranches below:

€100 million with 7-year maturity and a coupon of 1.216%, €50 million with 10-year maturity and a coupon of 1.449%, and €50 million with 12-year maturity and a coupon of 1.590%. The debt was drawn down on 15 January 2022.

As at 30 September 2022, 73.7% (2021: 67%) of the Group's debt facilities are fixed term with 26.3% floating term (2021: 33%). The weighted average term to maturity of the Group's debt as at the year end is 4.5 years (30 September 2021: 4.4 years). The LTV across all drawn debt was 35% against a target of 45%.

The Group has been in compliance with all of the financial covenants of the Group's loans and borrowings facilities as applicable throughout the year covered by the financial statements.

18. Loan notes and borrowings continued

Any associated fees in arranging the loan and borrowings that are unamortised as at the year end are offset against amounts drawn on the facilities as shown in the table below:

Bank borrowings drawn	30 September 2022 €m	30 September 2021 €m
Bank borrowings at the beginning of the year	—	340.63
Bank borrowings drawn in the year	11.00	180.00
Bank borrowings repaid in the year	—	(524.00)
Loan issue costs paid	(0.45)	(0.63)
Non-cash amortisation of loan issue costs	0.55	2.01
Reclass unamortised loan issue costs to/(from) prepayments	(1.99)	1.99
Non-current liabilities: borrowings	9.11	—

Loan notes	30 September 2022 €m	30 September 2021 €m
Green Bond	500.00	500.00
1.216% USPP 2029	100.00	—
1.449% USPP 2032	50.00	—
1.590% USPP 2034	50.00	—
Less: unamortised costs on loan notes	(8.04)	(7.83)
Non-current liabilities: loan notes	691.96	492.17

A summary of the drawn and undrawn loans and bank borrowings in the year is shown below:

	30 September 2022		
	Drawn €m	Undrawn €m	Total debt available €m
Repayable between one and two years	—	—	—
Repayable between two and three years	—	—	—
Repayable between three and four years	511.00	239.00	750.00
Repayable between four and five years	—	—	—
Repayable in over five years	200.00	—	200.00
	711.00	239.00	950.00

	30 September 2021		
	Drawn €m	Undrawn €m	Total debt available €m
Repayable between one and two years	—	—	—
Repayable between two and three years	—	58.82	58.82
Repayable between three and four years	—	—	—
Repayable between four and five years	500.00	191.18	691.18
Repayable in over five years	—	—	—
	500.00	250.00	750.00

Set out below is a comparison by class of the carrying amounts and the fair value of the Group's financial instruments that are carried in the financial statements:

	Book value 30 September 2022 €m	Fair value 30 September 2022 €m	Book value 30 September 2021 €m	Fair value 30 September 2021 €m
Bank borrowings: RCF	11.00	11.00	—	—
Loan notes: 0.95% Green Bonds 2026	500.00	422.55	500.00	506.60
1.216% USPP 2029	100.00	91.81	—	—
1.449% USPP 2032	50.00	44.75	—	—
1.590% USPP 2034	50.00	44.14	—	—
Loan notes and borrowings	711.00	614.25	500.00	506.60

The fair value of financial liabilities traded on active liquid markets, including the 0.95% Green Bonds 2026, 1.216% USPP 2029, 1.449% USPP 2032 and 1.590% USPP 2034, are determined with reference to the quoted market prices. The financial liabilities are considered to be a Level 1 and Level 2 fair value measure. The fair value of the financial liabilities at Level 1 was €422.55 million (30 September 2021: €506.6 million) and Level 2 was €180.70 million (2021: €nil).

19. Other liabilities

	30 September 2022 €m	30 September 2021 €m
Balance at the beginning of the year	**25.19**	8.89
Addition	**8.38**	11.98
Repayments	**(0.85)**	(0.61)
Fair value movements on measurement of put option	**0.90**	4.93
Balance at the end of the year	**33.62**	25.19

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 Shareholders at the then market value. Prior to the option date the Group has guaranteed a fixed dividend to the minority Shareholders. If this is not met by the subsidiary, then the Company is required to settle this obligation.

The options are exercisable as follows:

Companies	Ownership %	Date of maturity of option
Tritax EuroBox (Bochum) Propco GmbH	94.9	5 April 2029
Tritax EuroBox (Peine) Propco GmbH	94.9	28 March 2029
Dietz Logistik 33. Grundbesitz GmbH	89.9	12 November 2029
Tritax Eurobox (Bremen I) Propco GmbH	89.9	22 February 2030
Tritax Eurobox (Bremen II) Propco GmbH	89.9	22 February 2030
Tritax EuroBox (Gelsenkirchen) Propco GmbH (formerly Dietz Logistik 26. Grundbesitz GmbH)	89.9	31 August 2031
Dietz Logistik 44. Grundbesitz GmbH	89.9	6 November 2031
Dietz 23. Grundbesitz GmbH	89.9	13 December 2031
Dietz FNL 5. Grundbesitz GmbH	89.9	24 April 2032

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. The caps expire in October 2023.

During the year the Group disposed of €50 million interest rate cap realising a loss of €0.11 million, in order to match the quantum of the available RCF. At the current period end, the Group had notional value of interest rate caps of €250 million (2021: €300 million) to act as a hedge against the €250 million Revolving Credit Facility (see note 18).

The weighted average capped rate, excluding any margin payable, for the Group as at the year end was 0.65% (30 September 2021: 0.67%). There was no premium payable towards securing the interest rate caps both in the year and at 30 September 2021.

	30 September 2022 €m	30 September 2021 €m
Interest rate derivatives valuation brought forward	**0.05**	0.09
Realised loss on derivative	**(0.11)**	—
Disposal of interest rate cap/cap break receipt	**(0.17)**	—
Fair value movement	**4.66**	(0.04)
Non-current assets: interest rate derivatives carried forward	**4.43**	0.05

The interest rate derivatives are marked to market based on the valuation 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 year end date the total proportion of debt hedged via interest rate derivatives equated to 100% (30 September 2021: 100%).

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 year 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 year.

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, which 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 was performed to ascertain the impact on the Group Cash Flow Statement and net assets based on nominal borrowings at the year end. The RCF was drawn by €11 million at the year end, 4.4% of the total €250 million facility. A sensitivity analysis performed to ascertain the impact on the Group Cash Flow Statement and net assets shows that a 50 basis point decrease or increase in interest rates would result in an increase of €nil or a decrease of €0.06 million to the interest payable charge, based on the nominal borrowings at the year end. The RCF benefits from interest rate caps, capping the level of Euribor 3 months to a maximum of 0.65%. Given the small proportion of total available RCF drawn at the year end, and the hedging in place, any further movement in interest rates would have limited impact on net assets.

The Group currently operates in eight countries. The current distribution of total assets is as follows:

Total assets	Belgium	Germany	Spain	Italy	Poland	UK	The Netherlands	Sweden	Total
30 September 2022	**170.02**	**878.41**	**238.06**	**227.39**	**63.82**	**24.81**	**181.79**	**111.70**	**1,894.92**
30 September 2021	142.09	671.60	200.52	147.43	61.22	295.92	62.25	48.78	1,629.81

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 customers being required to pay rentals in advance under their lease obligations. The credit quality of the customer 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), and in certain cases holds bank guarantee letters.

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, which 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, on the amount drawn at the year end, based on contractual undiscounted payments, including interest charges:

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3–12 months €m	Between 1–2 years €m	Between 2–5 years €m	More than 5 years €m
30 September 2022							
Loans and borrowings	**701.07**	**752.93**	**2.06**	**6.19**	**8.25**	**526.43**	**210.00**
Trade and other payables[1]	**35.83**	**35.83**	**34.54**	**—**	**1.29**	**—**	**—**
Non-current liabilities	**33.62**	**33.62**	**—**	**—**	**—**	**—**	**33.62**
Customer deposit	**2.05**	**2.05**	**—**	**—**	**0.47**	**—**	**1.58**
	772.57	**824.43**	**36.60**	**6.19**	**10.01**	**526.43**	**245.20**

21. Financial risk management continued

Liquidity risk continued

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3–12 months €m	Between 1–2 years €m	Between 2–5 years €m	More than 5 years €m
30 September 2021							
Loans and borrowings	492.17	527.46	1.45	4.35	5.80	515.86	—
Trade and other payables[1]	20.88	20.88	19.48	—	1.40	—	—
Non-current liabilities	25.19	25.19	—	—	—	—	25.19
Customer deposit	2.11	2.11	—	—	—	—	2.11
	540.35	575.64	20.93	4.35	7.20	515.86	27.30

1 Excludes VAT and deferred income as these are not financial liabilities.

Foreign currency risk

As at 30 September 2022	**Investment property exposure €m**	**Cash and cash equivalents exposure €m**	**Total currency exposure €m**
Pound Sterling	**—**	**10.19**	**10.19**
Zloty	**—**	**1.64**	**1.64**
SEK	**9.65**	**11.71**	**21.36**
Total foreign currency	**9.65**	**23.54**	**33.19**

Foreign currency sensitivity	+10% movement €m	+5% movement €m	-5% movement €m	-10% movement €m
Pound Sterling	1.13	0.54	(0.49)	(0.93)
Zloty	0.18	0.09	(0.08)	(0.15)
SEK	2.37	1.12	(1.02)	(1.94)

The Group's functional currency is the Euro as the Group operates in Continental Europe. The Group keeps some cash in foreign currency to finance its working capital.

As at 30 September 2022 the Group has a cash balance of GBP 8.94 million and PLN 7.97 million, equivalent to €10.18 million and €1.64 million respectively (30 September 2021: GBP 57.49 million and PLN 5.86 million, equivalent to €66.90 million and €1.27 million respectively). The Group also has a cash balance of SEK 127.44 million, equivalent to €11.72 million as at 30 September 2022 (30 September 2021: SEK 11.94 million, equivalent to €1.18 million).

The Group holds investment properties in Sweden, which transact business denominated in SEK. As such, there is currency exposure resulting from translating their performance and net assets into the functional currency, Euros, for each financial period and at each balance sheet date.

Development risk

Development risk is the exposure that the 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 usually alleviated by entering into pre-let agreements with customers or rental guarantees with the developers or vendors.

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 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 LTV and interest cover ratio. The Group LTV at the year end was 35% (30 September 2021: 13%).

23. Customer deposit

Non-current liabilities	30 September 2022 €m	30 September 2021 €m
Balance at the beginning of the year	**2.11**	1.31
Additions/(repayments) in the year	**(0.06)**	0.80
Balance at the end of the year	**2.05**	2.11

The balance mainly relates to a cash deposit given by the customer 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 2022 Number	30 September 2022 €m	30 September 2021 Number	30 September 2021 €m
Issued and fully paid at 1 cent each				
Balance at beginning of year – €0.01 Ordinary Shares	**806,693,378**	**8.07**	422,727,273	4.23
Shares issued in the year	**110,606**	**–**	383,966,105	3.84
Balance at end of year	**806,803,984**	**8.07**	806,693,378	8.07

The Group has one class of Ordinary Shares which carry no right to fixed income.

On 17 December 2021, the Group increased its share capital by 110,606 Ordinary Shares for 111.00 pence per Ordinary Share on behalf of certain members of staff of the Manager. As a result, the Group's issued share capital increased to 806,803,984 Ordinary Shares with voting rights.

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 year. As there are no dilutive instruments outstanding, Basic NAV per share is shown below:

	30 September 2022 €m	30 September 2021 €m
Net assets per Group Statement of Financial Position	**1,065.75**	1,053.50
Ordinary Shares:		
Issued share capital (number)	**806,803,984**	806,693,378
NAV per share (expressed in Euro per share):		
Basic NAV per share	**1.32**	1.31

The Group has adopted EPRA NTA and EPRA NTA per share metrics as its primary EPRA NAV metric measure, alongside Basic IFRS NAV, for the year ended 30 September 2021 onwards. Please refer to the Notes to the EPRA and Other Key Performance Indicators section for details of all EPRA NAV metrics.

	30 September 2022			30 September 2021		
	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to Shareholders	**1,065.75**	**1,065.75**	**1,065.75**	1,053.50	1,053.50	1,053.50
Mark-to-market adjustments of derivatives	**(4.43)**	**(4.43)**	**—**	(0.05)	(0.05)	—
Deferred tax adjustment	**49.63**	**49.63**	**—**	33.06	33.06	—
Transaction costs[1]	**83.78**	**—**	**—**	60.84	—	—
NAV	**1,194.73**	**1,110.95**	**1,065.75**	1,147.35	1,086.51	1,053.50
NAV per share in Euro	**1.48**	**1.38**	**1.32**	1.42	1.35	1.31

1 EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

26. Transactions with related parties

For the year ended 30 September 2022, all Directors and some of 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 year ended 30 September 2022 was €7.88 million (2021: €5.46 million). An additional €0.19 million of the investment management fee was capitalised during the year (2021: €nil).

The total amount outstanding at the year end relating to the Investment Management Agreement was €1.99 million (2021: €1.51 million).

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report.

The Members of the Manager that are considered as key management personnel are Nick Preston, James Dunlop, Henry Franklin, Petrina Austin and Phil Redding. Nick Preston was considered key management personnel until 21 September 2022.

During the year, the Directors received the following dividends: Robert Orr: €4,714 (2021: €1,220); Keith Mansfield: €14,500 (2021: €14,065); Taco De Groot: €2,100 (2021: €1,638); Eva-Lotta Sjöstedt: €345 (2021: €308); and Sarah Whitney: €403 (2021: €nil).

During the year, the Members of the Manager received the following dividends: James Dunlop: €16,348 (2021: €9,136); Henry Franklin: €10,144 (2021: €6,184); Petrina Austin: €1,816 (2021: €1,462); Nick Preston: €7,585 (2021: €4,908); and Phil Redding: €681 (2021: €38).

On 17 December 2021 the Manager acquired in the market 50,000 Ordinary Shares at 110.60 pence per share and the Company issued to the Manager 110,606 new Ordinary Shares at a price of 111.00 pence per share on behalf of certain members of staff of the Manager.

On 17 May 2022 the Manager acquired in the market 213,043 Ordinary Shares at 98.30 pence per share on behalf of certain members of staff of the Manager.

27. Leases

As lessor

Details of the Group's leases from customers of its investment property are found in note 6.

As lessee

The Group holds one investment property, with a carrying amount of €141.10 million, on a lease which ends in 85.5 years. A peppercorn rent is paid and hence the associated lease liability and right-of-use asset are immaterial.

28. Subsequent events

On 6 October 2022, the Group announced that it is proposing to amend its Investment Management Agreement ("IMA") with Tritax Management LLP (the "Manager"). The proposal was passed by Shareholders during a General Meeting on 25 October 2022.

The key change was a reduction in the base management fee to 1.00% on Net Asset Value ("NAV") up to €1 billion and 0.75% on NAV above €1 billion. This proposed fee has been back-dated, becoming effective from 1 August 2022. Based on the latest reported NAV, at 30 September 2022, the proposed changes would result in an estimated €2.1 million reduction to the annual cost to the Group.

There were no other significant events occurring after the reporting period, but before the financial statements were authorised for issue.

Company Balance Sheet

Company registration number 11367705

	Note	At 30 September 2022 €m	At 30 September 2021 €m
Non-current assets			
Derivative financial instruments		**4.43**	0.05
Trade and other receivables	5	**854.03**	634.93
Investment in subsidiaries	4	**671.37**	458.21
Total non-current assets		**1,529.83**	1,093.19
Current assets			
Trade and other receivables	5	**8.86**	13.55
Cash held at bank	6	**16.47**	291.56
Total current assets		**25.33**	305.11
Total assets		**1,555.16**	1,398.3
Current liabilities			
Trade and other payables	7	**(5.81)**	(6.18)
Income tax liability		**—**	—
Total current liabilities		**(5.81)**	(6.18)
Non-current liabilities			
Loans and borrowings	8	**(701.07)**	(492.17)
Total non-current liabilities		**(701.07)**	(492.17)
Total liabilities		**(706.88)**	(498.35)
Total net assets		**848.28**	899.95
Equity			
Share capital	9	**8.07**	8.07
Share premium reserve		**597.58**	597.46
Retained earnings		**242.63**	294.42
Total equity		**848.28**	899.95

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 the financial statements. The loss attributable to the Parent Company for the year ended 30 September 2022 amounted to €11.45 million (2021: profit €7.21 million).

The financial statements were approved by the Board of Directors on 5 December 2022 and signed on its behalf by:

Robert Orr
Director

Company Statement of Changes in Equity

For the year ended 30 September 2022

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	294.42	899.95
Net loss for the year		—	—	(11.45)	(11.45)
Total comprehensive income		—	—	(11.45)	(11.45)
Contributions and distributions:					
New share capital subscribed[1]		—	0.14	—	0.14
Associated share issue costs		—	(0.02)	—	(0.02)
Dividends paid	3	—	—	(40.34)	(40.34)
At 30 September 2022		**8.07**	**597.58**	**242.63**	**848.28**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2020		4.23	131.24	312.51	447.98
Net profit for the year		—	—	7.21	7.21
Total comprehensive income		—	—	7.21	7.21
Contributions and distributions:					
New share capital subscribed		3.84	476.14	—	479.98
Associated share issue costs		—	(9.92)	—	(9.92)
Dividends paid	3	—	—	(25.30)	(25.30)
At 30 September 2021		8.07	597.46	294.42	899.95

1 See note 24 of the Group accounts.

Notes to the Company Accounts

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards (UK-adopted IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Disclosure exemptions adopted

In preparing the financial statements the Company has taken advantage of all applicable disclosure exemptions conferred by FRS 101. Therefore the financial statements do not include:

- certain comparative information as otherwise required by UK-adopted 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. The 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. No newly applicable accounting standards for the current year had any material impact on the Company.

Currency

The Company financial statements are presented in Euro which is also the Company's functional currency.

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 and financial liabilities

Please refer to sections 4.4.1 and 4.4.2 of the Summary of significant accounting policies of the Group accounts.

Investment in subsidiaries

The investment in subsidiary companies is included in the Company's Balance Sheet at cost less provision for impairment. Provision for impairment is determined by comparing the carrying value of the subsidiary, at the reporting date, against the recoverable amounts. The recoverable amount is the greater of its value in use and its fair value less costs to sell. The fair value is driven by investment property, held in the subsidiary, which is measured using fair value hierarchy in accordance with IFRS 13. See note 14 of the Group financial statements for further details.

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 the financial statements.

2. Taxation

	30 September 2022 €m	30 September 2021 €m
UK corporate 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 year.

The UK corporation tax rate for the financial year is 19%. Accordingly, this rate has been applied in the measurement of the Company's tax liability at 30 September 2022.

3. Dividends paid

Please refer to note 13 of the Group accounts.

4. Investment in subsidiaries

	30 September 2022 €m	30 September 2021 €m
At the beginning of the year	**458.21**	316.32
Increase in investments via share purchase	**239.76**	166.52
Disposals in the year	**—**	(23.43)
Impairment in the year[1]	**(26.60)**	(1.20)
At the end of the year	**671.37**	458.21

1 Impairments to investment in subsidiaries in the current year have resulted primarily from the reduction in the valuation of investment properties held, the primary driver of fair value in each subsidiary. Investment property valuation is measured using the fair value hierarchy; see note 14 of the Group financial statements for further detail.

The Company has the following subsidiary undertakings as at 30 September 2022:

	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%
LCP Nivelles DC NV	Property Investment	Belgium	100%
Tritax EuroBox (Wunstorf) Holdco Limited***	Investment Holding Company	United Kingdom	100%*
Tritax Eurobox (Germany) Holdco Limited (formerly known as Tritax Eurobox (Netherlands) Propco Limited)	Investment Holding Company	United Kingdom	100%*
Tritax EuroBox (Bochum) Propco GmbH	Property Investment	Germany	94.9%*
Tritax EuroBox (Peine) Propco GmbH	Property Investment	Germany	94.9%*
Dietz Logistik 33. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Bremen I) Propco GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Bremen II) Propco GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 26. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 44. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Poland) Propco sp. z.o.o.	Property Investment	Poland	100%*
Tritax Eurobox (Strykow) Propco sp. z o.o.	Property Investment	Poland	100%*
Tritax Eurobox (Breda) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax Eurobox (Oberhausen) Propco B.V.	Property Investment	The Netherlands	100%*
Tritax Eurobox (Gothenburg) Propco AB	Property Investment	Sweden	100%*
Tritax EuroBox (Sweden) Holdco Limited (formerly known as Tritax Eurobox (Netherlands) Holdco Ltd)	Investment Holding Company	United Kingdom	100%*
Dietz 23. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Gelsenkirchen) Propco GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Hammersbach) FixCo GmbH	Property Investment	Germany	100%*
Dietz FNL 5. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Roosendaal) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax Eurobox (Roosendaal) Solar B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Rosersberg I) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Rosersberg 11:149) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Rosersberg II) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Malmo) Propco AB	Property Investment	Sweden	100%
Tritax EuroBox (Malmo) Holdco AB	Property Investment	Sweden	100%

4. Investment in subsidiaries continued

	Principal activity	Country of incorporation	Ownership %
Tritax Eurobox (France) Propco SCI	Investment Holding Company	France	100%[1]
Tritax EuroBox (France) Holdco Limited	Investment Holding Company	UK	100%[2]
Tritax EuroBox (France) Minco Limited	Investment Holding Company	UK	100%[3]

1 These are direct subsidiaries of the Company.

2 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.

3 The subsidiary Tritax EuroBox (Wunstorf) Holdco Limited is exempt from Companies Act 2006 requirements relating to the audit of its individual accounts by virtue of Section 479A of the Act as this company has guaranteed these subsidiary companies under Section 479C of the Act.

The registered addresses for the subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

Spain entities: Calle Maria Auxiliadora, 5, Local 10, 29602, Marbella, Málaga, Spain

Jersey entities: 26 New Street, St Helier, Jersey JE2 3RA

Italy entities: Savills Investment Management SGR S.p.A., Fondo Minerva, Via San Paolo 7, 20121 Milano, Italy

Belgium entities: Floor 7, Louizalaan 489, 1050 Brussels, Belgium

Germany entities: Darmstädter Straße 246, 64625 Bensheim, Germany, and Eschersheimer Landstraße 14, 603 22 Frankfurt am Main, Germany

Poland entities: Warsaw, ul. Piękna 18, 05-077 Warsaw, Poland

The Netherlands entities: Hoogoorddreef 15, 1101BA Amsterdam, the Netherlands

Sweden entities: c/o Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden

United Kingdom entities: 6 Duke Street St James's, London SW1Y 6BN, United Kingdom

France entities: 92, Avenue de Wagram, 75017 Paris, France

5. Trade and other receivables

	30 September 2022 €m	30 September 2021 €m
Amounts receivable from Group companies	**854.03**	642.94
Other receivables	**8.86**	5.54
	862.89	648.48

All amounts receivable from Group companies are documented under term loans with maturity exceeding three years, with an option to extend for a further five years. All borrowings are unsecured and are charged at 3%–4%. Interest is generally payable quarterly and, therefore, is classified as current assets.

	30 September 2022 €m	30 September 2021 €m
Current assets	**8.86**	13.55
Non-current assets	**854.03**	634.93
	862.89	648.48

6. Cash held at bank

	30 September 2022 €m	30 September 2021 €m
Cash held at bank	**16.47**	291.56

7. Trade and other payables

	30 September 2022 €m	30 September 2021 €m
Trade and other payables	**5.57**	5.75
Accruals	**0.24**	0.43
	5.81	6.18

8. Loan notes 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 received by the companies which are not wholly owned:

Income received from Group companies	**30 September 2022 €m**	30 September 2021 €m
Tritax EuroBox (Bochum) Propco GmbH	**0.98**	0.98
Tritax EuroBox (Peine) Propco GmbH	**2.59**	2.64
Dietz Logistik 33. Grundbesitz GmbH	**1.27**	1.20
Tritax Eurobox (Bremen I) Propco GmbH	**0.53**	0.53
Tritax Eurobox (Bremen II) Propco GmbH	**0.55**	0.57
Dietz Logistik 26. Grundbesitz GmbH	**2.96**	1.48
Dietz Logistik 44. Grundbesitz GmbH	**3.37**	1.07
Dietz 23. Grundbesitz GmbH	**0.75**	—
Tritax EuroBox (Gelsenkirchen) Propco GmbH	**0.45**	—
Dietz FNL 5. Grundbesitz GmbH	**0.32**	—
	13.77	8.47

Below are the amounts owed by the companies which are not wholly owned:

Amount owed from Group companies as at 30 September 2022	**Less than one year €m**	**More than one year €m**
Tritax EuroBox (Bochum) Propco GmbH	**—**	**24.42**
Tritax EuroBox (Peine) Propco GmbH	**—**	**64.74**
Dietz Logistik 33. Grundbesitz GmbH	**—**	**35.10**
Tritax Eurobox (Bremen I) Propco GmbH	**—**	**13.16**
Tritax Eurobox (Bremen II) Propco GmbH	**—**	**13.86**
Dietz Logistik 26. Grundbesitz GmbH	**—**	**91.53**
Dietz Logistik 44. Grundbesitz GmbH	**—**	**84.30**
Dietz 23. Grundbesitz GmbH	**—**	**41.84**
Tritax EuroBox (Gelsenkirchen) Propco GmbH	**—**	**18.95**
Dietz FNL 5. Grundbesitz GmbH	**—**	**28.42**
	—	**416.32**

Amount owed from Group companies as at 30 September 2021	Less than one year €m	More than one year €m
Tritax EuroBox (Bochum) Propco GmbH	0.04	24.42
Tritax EuroBox (Peine) Propco GmbH	—	64.74
Dietz Logistik 33. Grundbesitz GmbH	—	29.10
Tritax Eurobox (Bremen I) Propco GmbH	—	13.16
Tritax Eurobox (Bremen II) Propco GmbH	—	13.86
Dietz Logistik 26. Grundbesitz GmbH	—	91.53
Dietz Logistik 44. Grundbesitz GmbH	—	84.30
	0.04	321.11

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 28 of the Group accounts.

Notes to the EPRA and Other Key Performance Indicators (Unaudited)

1. EPRA Earnings Per Share

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Total comprehensive income (attributable to Shareholders)	**58.77**	104.83
Adjustments to remove:		
Changes in fair value of investment properties	**(49.94)**	(106.46)
Deferred tax adjustment	**16.68**	23.62
Changes in fair value of interest rate derivatives	**(4.66)**	0.05
Gain on disposal of investment property	**—**	(7.33)
Profits to calculate EPRA Earnings Per Share	**20.85**	14.71
Weighted average number of Ordinary Shares	**806,779,439**	535,144,885
EPRA Earnings Per Share – basic and diluted	**2.58 cents**	2.75 cents

2. EPRA NAV measures

The Group has adopted EPRA NTA and EPRA NTA per share metrics as its primary EPRA NAV metric measure, alongside Basic IFRS NAV, for the year ended 30 September 2021 onwards.

	30 September 2022			30 September 2021		
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	EPRA NAV €m	EPRA NNNAV €m	EPRA NDV €m
NAV attributable to Shareholders	**1,065.75**	**1,065.75**	**1,065.75**	1,053.50	1,053.50	1,053.50
Mark-to-market adjustments of derivatives	**(4.43)**	**(4.43)**	**—**	(0.05)	(0.05)	—
Deferred tax adjustment	**49.63**	**49.63**	**—**	33.06	33.06	—
Transaction costs[1]	**83.78**	**—**	**—**	60.84	—	—
NAV	**1,194.73**	**1,110.95**	**1,065.75**	1,147.35	1,086.51	1,053.50
NAV per share in Euro	**1.48**	**1.38**	**1.32**	1.42	1.35	1.31

1 EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

3. EPRA Net Initial Yield ("NIY") and EPRA Topped Up NIY

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Investment property	**1,765.60**	1,281.38
Less: development properties	**(214.89)**	(24.03)
Completed property portfolio	**1,550.71**	1,257.35
Allowance for estimated purchaser's costs	**83.78**	60.84
Gross up completed property portfolio valuation (B)	**1,634.49**	1,318.19
Annualised passing rental income	**61.19**	51.06
Property outgoings	**(2.15)**	(1.72)
Annualised net rents (A)	**59.04**	49.34
Notional rent expiration of rent-free periods or other lease incentives	**0.94**	0.56
Topped up annualised net rents (C)	**59.98**	49.90
EPRA Net Initial Yield (A/B)	**3.61%**	3.74%
EPRA Topped Up Net Initial Yield (C/B)	**3.67%**	3.79%

4. EPRA vacancy rate

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Annualised estimated rental value of vacant premises	**0.19**	1.78
Portfolio estimated rental value[1]	**69.46**	53.40
EPRA vacancy rate	**0.28%**	3.33%

1 Excludes land held for development.

All vacant space is currently covered by rental guarantees.

5. EPRA Cost Ratio and Adjusted EPRA Cost Ratio

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Property operating costs	**6.10**	1.34
Administration expenses	**18.18**	12.22
Net service charge costs	**0.35**	0.38
Other operating income	**(0.70)**	(0.55)
Total costs including vacant property costs (A)	**23.93**	13.39
Vacant property costs	**(0.35)**	(0.38)
Total costs excluding vacant property costs (B)	**23.58**	13.01
Gross rental income – per IFRS (C)	**57.89**	43.89
Total EPRA Cost Ratio (including vacant property costs) (A/C)	**41.34%**	30.51%
Total EPRA Cost Ratio (excluding vacant property costs) (B/C)	**40.73%**	29.64%
Gross rental income including rental guarantee (D)	**66.63**	47.07
Total Adjusted EPRA Cost Ratio[1] (including vacant property costs) (A/D)	**29.46%**	28.45%
Total Adjusted EPRA Cost Ratio[1] (excluding vacant property costs) (B/D)	**28.94%**	27.64%

1 Adjusted for €4.3 million lease surrender payment at Hammersbach – see note 12 of financial statements for further details.

There were no overheads or operating expenses capitalised in the year in line with IFRS (2021: €nil).

6. Capital expenditure

	30 September 2022 €m	30 September 2021 €m
Acquisition[1]	**303.17**	372.56
Development[1]	**144.79**	19.81
Investment properties[1]:		
Incremental lettable space	**6.32**	1.10
Customer incentives[2]	**4.31**	3.01
Other material non-allocated types of expenditure[3]	**6.93**	(2.49)
Total	**465.52**	393.99

1 See note 12 of Group financial statements.

2 Fixed rental uplift and customer lease incentives after adjusting for amortisation on rental uplift and customer lease incentives.

3 Licence fees and rental guarantees.

The Group has no interest in joint ventures.

Notes to the EPRA and Other Key Performance Indicators (Unaudited)
continued

7. Total Return

	Year ended 30 September 2022 cents	Year ended 30 September 2021 cents
Opening EPRA NTA	**134.69**	122.14
Closing EPRA NTA	**137.70**	134.69
Growth in EPRA NTA	**3.01**	12.55
Dividends paid	**5.00**	4.85
Total growth in EPRA NTA plus dividends paid	**8.01**	17.40
Total Return	**5.95%**	14.25%

8. Loan to value ("LTV") ratio

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Gross asset value (A)	**1,765.60**	1,281.38
Borrowings[1] (B)	**711.00**	500.00
Cash and cash equivalents (C)	**90.18**	329.73
LTV ((B-C)/A)	**35.16%**	13.28%

1 Nominal value of borrowings.

9. Dividend cover

	Year ended 30 September 2022 €m	Year ended 30 September 2021 €m
Adjusted earnings (A)	**34.21**	24.65
Dividends paid for the financial year (B)	**40.34**	30.73
Dividend cover (A/B)	**84.80%**	80.21%

10. Interest cover

	Year ended 30 September 2022 €	Year ended 30 September 2021 €
Net property income (A)	**52.20**	42.72
Interest payable on loans and bank borrowings (note 10)	**6.76**	5.24
Commitment fees payable on bank borrowings (note 10)	**1.13**	1.56
Finance costs (B)	**7.89**	6.80
Interest cover (A/B)	**6.62**	6.28

Glossary of Terms

"Adjusted Earnings"
Post-tax earnings attributable to Shareholders, adjusted to include licence fees receivable on forward funded development assets and adjusted 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.

"Adjusted EPRA Cost Ratio"
Administrative and operating costs (including or excluding costs of direct vacancy) divided by gross rental income and rental guarantees.

"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 sub-segment of the logistics sector of the real estate market, relating to very large logistics warehouses (each with typically over 30,000 sqm 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 customers; 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 wellbeing), 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, Taco de Groot, Eva-Lotta Sjöstedt and Sarah Whitney.

"Dividend cover"
Adjusted Earnings as a proportion of the dividend declared for the financial year.

"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 NDV" or "EPRA Net Disposal Value"
Equivalent to IFRS NAV as this includes the fair values of financial instruments and deferred taxes.

"EPRA NRV" or "EPRA Net Reinstatement Value"
IFRS NAV adjusted to remove the fair values of financial instruments and deferred taxes, and include transaction costs.

"EPRA NTA or "EPRA Net Tangible Assets"
IFRS NAV adjusted to remove the fair values of financial instruments and deferred taxes. This excludes transaction costs.

"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.

Glossary of Terms continued

"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 valuer. 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 customer. 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 customer 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 customers 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 customers 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.

"Interest cover ratio covenant"
Interest cover ratio covenant refers to the ratio of consolidated EBIT to consolidated net finance costs in respect of any measurement period. This differs from interest cover and the amounts used to calculate cannot be derived from the financial statements of the Group or Company.

"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 that is funded by net borrowings (excluding cash).

"Manager"
Tritax Management LLP (partnership number 0C326500).

"Market rental value"
The annual ERV applied to the current portfolio.

"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.

"Transaction costs"

RETT and purchaser's costs.

"SGR"

Societa'di Gestione del Risparimo, a regulated Italian investment management company.

"Shareholders"

The holders of Ordinary Shares in the Company.

"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 NTA 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 customer break option within the portfolio (including rental guarantees). 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

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