TRITAX EUROBOX

Tritax EuroBox plc
2021 Full Year Results

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Introduction

Ian Brown

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Welcome

Good morning and welcome to Tritax EuroBox's full year results presentation for the year ended 30th September 2021. I am Ian Brown, Head of Investor Relations for Tritax and I am pleased to be joined here this morning by Robert Orr, the Chairman of Tritax EuroBox, Nick Preston and Mehdi Bourassi from Tritax management.

Housekeeping

Before I hand over to Robert for some opening remarks I will run you through some quick housekeeping points. Firstly, today's presentation is being recorded and the replay and transcript will be made available on our website. Secondly, Robert, Nick and Mehdi will present the results and thereafter there will be an opportunity for investors and analysts to ask questions. To ask a question through the webcast please type your question in the text box and to ask a question via the phone please press star one on your keypad.

Opening Remarks

Robert Orr

Chair, Tritax EuroBox plc

A transformational year

Good morning everybody. A transformational year for EuroBox. That is not a description we use lightly. I think it is fair to say that at our IPO just over three years ago we probably did not necessarily anticipate in 2021, our third full year, issuing our debut €500 million green bond, two over-subscribed equity raises of nearly €500 million, a portfolio of 15 prime assets of close on €1.3 billion, a market capitalisation of somewhat in excess of €1 billion and entry into the FTSE 250.

ESG successes

Whilst I think the management and to an extent the board can feel quietly pleased about the output and the work done to grow the business in 2021, there are two aspects I particularly wanted to highlight and that on behalf of the board I am particularly pleased about. The first one is in relation to delivering on our ESG commitments. We now have 87% of our portfolio with green building certifications and our GRESB score has gone up from 64 to 82 out of 100 and from two stars to four stars. There is some very good work being done here by the team and I think we are in a strong position on ESG.

Strategy tilt towards value-add

The second aspect is our tilt of our strategy towards value-add which was announced just over a year ago. I think some good examples of this strategy in execution are the Mango extension in Barcelona, the speculative development of land at Bornem, generally the lease up of vacant assets, some of which have been under rental guarantee across the portfolio,

and more recently the acquisition of speculative developments under forward funding agreements with developers. I am going to leave the details to Nick Preston, our Fund Manager and Mehdi Bourassi our Finance Director.

The Year in Review

Nick Preston

Fund Manager, Tritax EuroBox plc

Robert, thank you very much for that introduction and a warm welcome to everybody from the Tritax EuroBox team. As Robert has said, we have had a very busy 12-month period and Mehdi and I will now spend the next half an hour/40 minutes outlining some of the steps we have been making and filling you in on the details of this financial year-end which we are just reporting on today.

Agenda

I am going to cover the key milestones that we have achieved over the course of this year. We will then look at the state of the logistics market in Europe and its prospects looking forward. Then, bearing that in mind look at how that approach and how our approach fits in with those market conditions which we will talk about. Then linking into that, not only our investment approach but in terms of actual implementation, what are the steps we are doing and why are we doing what we have been doing to generate the returns which we will talk about? Then looking forward at the end, I will consider the future, where we see ourselves going, the next steps for the company and then open up to questions which Ian will coordinate at the end of the presentation.

A transformational year

As Robert has said, it has been a transformational year and also echoing Robert's comments, this is not a statement we use lightly. The progress we have made over the last 12 months has been considerable.

A year of delivery

We have in this slide just modelled out some of the key steps that we have made. It has been on the equity side where we have raised €480 million of new equity in two tranches. We have materially advanced our financing strategy, stemming from the investment grade credit rating issued by Fitch earlier in the year. This has had a knock-on effect, reducing our cost of borrowing, allowing us to issue the bond and recent private placement arrangement. Mehdi will comment on these in a bit more detail in a few minutes.

Those capital events have been the bedrock from which we have been able to deliver on the investment side. From the investment programme we have bought ten new assets over the last 15 months or so. We have generated two organic developments, which Robert referred to, in Barcelona and Bornem. These are a combination of different assets in different locations across our core markets. A blend of foundation assets in markets such as Germany and Sweden, our first foray into the Nordics, and then other development value-add strategies in Belgium, Italy, Germany and another one in Sweden. I will fill in, in a little bit more detail on this in due course.

Highlights of the year

Before I hand over to Mehdi, some headlines from the portfolio perspective. As Robert touched on, we have a portfolio valuation as at the year-end of €1.28 billion and this was driven by some valuation increase of just under 12% on a like-for-like basis over the period. That has been driven by not only yield shift but also income growth and rental value growth. The income growth is coming from a combination of factors, such as the indexation that is embedded in our leases, which comes through on an annual basis, but also organic growth from within the portfolio as we have been leasing our properties. As I said, the rental value growth is, this is something we have been talking about for a long time and is really starting to manifest itself and come through in the markets in which we are operating. Again, I will talk about this in a little bit more detail later on.

We are making good progress with the equity we raised in September and Mehdi will talk through some of the details on the finances but the portfolio, just under €1.3 billion, today it stands at just over €1.5 billion, 21 assets and our pipeline of assets is in a good place to be fully invested within the next matter of weeks. Hopefully by the end of January/February we will be fully invested at our target LTV of 45%.

Our locations

A very quick map to illustrate where we are and what the shape of the portfolio is looking like. We now have a broad-based portfolio of 21 assets as of today. Over €1.5 billion of gross asset value and 1.25 million square metres of floor space, located in core markets across Western Continental Europe of Germany, Benelux, Sweden, Italy and Spain. That is very much our focus and I will again comment on this later on as to how we see the shape of the portfolio moving forward. Let me now hand over to Mehdi for a little bit of detail on some of the financials.

Strong Financial Performance

Mehdi Bourassi

Finance Director, Tritax EuroBox plc

Good morning and welcome to everyone. As Robert and Nick already mentioned, it has been a transformational year in many aspects and all these changes have had or will have positive financial impacts. In the next few slides I will run you through the key figures during the year. I will discuss a change in how we actually measure performance and we will discuss in a bit more detail what we did on the debt and finally conclude on a financial outlook for 2022.

Financial Highlights

Key highlights for the year, 2021 financial year has been a strong financial year. We have generated a Total Return of 14.3%, well ahead of the 9% annual target and that despite the impact of significant equity raises through the year. The Total Return performance was mainly driven by a like-for-like valuation increased portfolio of 11.9% and that increase, as

Nick mentioned, is the result of yield compression, the capacity of the company to structure deals that provide yield advantage and also asset management initiatives during the year.

The company valuation average net initial yields as at 30th September was 3.9% and given where the market is we believe there is still room for that valuation net initial yield to further compress over the next 12-18 months. The Total Return is also the result of strong and growing income with a 2.4% like-for-like rental growth and 100% rental collection over the last 24 months. If you break down the 2.4%, 0.8% actually relates to CPI indexation, whilst the remainder is the result of asset management initiatives such as letting up of vacant space.

On the cost side we have seen a reduction in our average cost of debt from 2.3% to 1.9%. This is driven mainly by the investment grade rating during the year and the bond, although it arrived a bit later in the financial year, meaning the average is actually higher than the run rate. I will discuss in more detail the debt a bit later. Our EPRA cost ratio is 30.5% and adjusting it to include rental guarantees it is 28.5%. The ratio remains too high despite the company's expectation that it will decrease towards 25% or below. It is the result strong valuation movements during the year increasing the IFRS NAV and hence increasing costs which are directly calculated of the NAV, including the management fee. The company is very aware of the issue and is currently working on addressing this challenge in the short-term. On the balance sheet side the IFRS NAV per share has increased by over 10% to €1.31 whilst the EPRA NTA has increased by 10.7% to €1.35.

Let me pause here to give you some explanation on a change in the company's primary performance metric. Last year, as many of you know, EPRA released some new NAV metrics and the company earlier adopted the EPRA NRV as the primary metric. In the last 12 months we have consulted with shareholders, with analysts and various stakeholders and we concluded that the EPRA NRV was more often than not different to what our peers adopted, making it harder for shareholders to actually assess our performance and compare to others. We will continue to be transparent and we will disclose all three EPRA NAV metrics but we have noT decided to adopt EPRA NTA as the main EPRA NAV metric going forwards. You can find more details on that change on the RNS in the section called Notes to the EPRA and Other KPIs.

Coming back to the balance sheet the portfolio is approaching €1.3 billion and you will note a low LTV of 13.3% and quite a large cash balance. This is the direct consequence of the September equity raise and we expect the LTV to increase towards 45% as the deployment progresses in the next few weeks.

Unsecured debt to support strategy

On the debt side, debt has evolved significantly during the year. The key trigger, as Nick mentioned, was the investment grade rating awarded by Fitch of BBB- and if we look backwards a year ago in September 2020 we had just one single RCF for €435 million costing us an average of 2.3% yearly. Now, moving to today on the RCF first of all, we have cancelled at no cost part of that RCF, reducing it from €425 million to €250 million. Also the average cost on that same RCF has dropped by around 30 bps from the moment we were awarded the investment grade. You will note on the slide that most of the RCF is expiring in

2025 except for a slice belonging to one single bank for €59 million which we expect to extend to 2025 very shortly.

During the year we also issued a green bond on the debt capital markets. The bond has a five-year maturity and was met with significant appetite from bond investors. We were seven times oversubscribed which meant we could reach a very attractive pricing of 0.95% fixed [inaudible]. This was a green bond, as I said, meaning all the proceeds have to go towards green assets or green projects and I am pleased to confirm we have already fully allocated all the proceeds of the bond.

Finally, we just announced last week our next source of debt financing. I am very pleased we have concluded our inaugural bilateral private placement with two large US institutional investors. With the company now being much bigger, we have decided to opt for longer maturities, staggering the liabilities in the future. The private placement is split into three tranches of 7, 10 and 12 years, leading to an all-in average fixed coupon of 1.37% and an average maturity of nine years. Whilst slightly more expensive than the bond over [inaudible] it provides much longer maturity in a context of uncertain rates in the short-to-medium term.

Financial outlook

Rental growth

To conclude, before I hand back to Nick, let me give you a quick financial outlook for 2022. On the property side you will hear from Nick how the market is evolving and rents are growing. Our tenants have coped extremely well over the last 24 months and, as I said, we have received 100% of our rent. There is a lot of talk in the market about inflation and how it could impact our markets. Let me say that 95% of our leases are annually indexed to inflation and the different [inaudible] in the long-term we capture north of 70% of that inflation. Whether we look at market trends which are growing or whether we look at indexation which looks like it could be strong this year, we expect strong rental growth in the next 12 months.

Dividend guidance

From a dividend point of view we have today announced a 1.25 cents dividend for the quarter ending 30th September, leading to five cents for the entire year 2021. The dividend is not covered due to large equity raises during the year and a key priority for us next year will be to return to full structured coverage by deploying quickly, increasing our rent and decreasing our cost base. We can see a growth trajectory in our earnings but we have decided to keep the dividend steady, the time to deploy the remaining proceeds of the September equity raise.

Strong balance sheet

To conclude, we are I think today in an excellent position. We have a strong balance sheet and we are confident to be able to capture the market opportunity we see ahead. Thank you for listening.

Attractive Market Dynamics

Nick Preston

Fund Manager, Tritax EuroBox plc

Structural trends remain supportive

On the back of that let me pick up and before we get into detail on the portfolio let us look at a little bit of the market backdrop of where we are and what the situation is within the European logistics market. I will not dwell on this for too long, as many of you will be extremely familiar with this and we have also been saying this for a while. However, I will just say that the societal changes we have been talking about for a long time in terms of urbanisation and digitalisation, these are all cascading through and we are seeing the implementation of these in terms of growth of online retailing and then also on the supply chain side a reinforcement, resilience-focus from occupiers.

This is not just from what we are seeing from statistics. What we have seen over the last couple of months as we have been allowed to travel again and met up with tenants, with leasing agents across the markets in Europe is exactly this. We have been talking to leasing agents in Italy, we have been talking to developers in Sweden and what they are saying is that they have seen a notable uptick in demand for online retailing and usage in logistics units of companies needing to bring back and re-shore inventory holding closer to consumers to make their businesses more resilient for the future.

This is having an immediate knock-on impact into the demand side of the logistics market. It is a positive trend that we have been talking about for a long time. We are now really seeing this manifest itself across the markets. We have put some graphs up here looking at the growth of e-commerce in Europe and this we expect to continue to grow into the foreseeable future. Covid has assisted here in terms of accelerating this transition and while we expect rates to drop back a little bit, we do not expect them to drop back to anywhere like the level they were beforehand.

Strong occupier demand driving net absorption

All of this is leading to increased demand. The occupiers are looking to take space and the developers who are building new space are not able to keep up with this demand.

Limited availability and strong demand driving rents higher

Ultimately, when you take all of this into account it links through into the fairly straightforward real estate metric of vacancy rates coming down. The chart on the left illustrates the difference between the vacancy rates last year in the core markets and where they are today. Virtually without exception they are all the same or lower than they were last year. What this means is there is continued upward pressure on rents. This again is an impact that we are noticing across the core markets in which we are operating. Rents are going up and I will talk in a moment about the steps we are taking to capture these rental increases that we are seeing in the market.

We are still expecting the market to carry on in the same way in the foreseeable future. This is something that is widely recognised within the market. Investors do understand this and that is leading to continued interest in the logistics sector across Europe. Although it has to be said that the stabilising of some of the other competing sectors, office and retail, is leading to some diversion away from the logistics sector. However, we still expect strong performance from our sector as the yields will continue to compress and also the rents will continue to rise and rise more strongly.

We will continue to carefully monitor these external market risks. We are not complacent about our position but we still believe that the fundamentals will be well placed for us into the foreseeable future.

Our Approach

Nick Preston

Fund Manager, Tritax EuroBox plc

Performance prospects based on solid foundations and creative strategy

Using that information that I have just communicated about the supportive market in which we operate, let us look at how we are placed as a company to execute our strategy based on what we know.

Principles of our investment approach

Mature developed markets

First of all let me remind you about our fundamental principles. We are focused on the mature, developed markets of Western Europe. We like the stability of the economies, we like the tight land supply, we like the strong consumer and occupier demand which means that that tension is there which is pushing rents up. We know land supply is scarce from our discussions with developers. We know that occupiers are continuing to enter into the sector and wanting to expand. Lots of our occupiers who we talk to are all looking to expand on site, to grow and take new space. All of this is very positive in these markets.

Prime locations

The second point is prime and we are very focused on prime locations. We are looking to own in the long-term prime assets in these locations. We feel that the discount which has historically been in place between prime and secondary assets has narrowed and that you now get little reward for higher risk investments. Therefore we focus on these prime assets in prime locations.

Sustainability is central

Then the third point is ESG focus and again sustainability is absolutely central to what we do. I will comment on this in a moment but it is threading through everything.

What we are doing to implement our investment approach is by broadening our scale, diversifying our portfolio further and in doing this expanding and broadening our develop relationships across these markets. We have also broadened our strategy and this is a point that Robert touched on at the beginning, which gives us a different perspective, allowing us to access different return profiles, different timescales for development and accessing higher

returns through careful strategic assembly of a portfolio. I will talk about that in a couple of moments.

Fit-for-future green credentials

The final point before I move on to that is looking again at ESG. It is protecting the future returns of the company and the portfolio. This is in a number of different ways. It is a vital part of not only an occupier's search credentials in terms of the lower cost, of more energy efficient buildings, high quality work environments and positive social impact. However, also from our perspective looking forward these investments are better quality, higher performing assets. There is low capital expenditure expected on these buildings because they are modern and fit for purpose today.

Our green credentials, and Mehdi touched on these with the issuing of the green bond earlier this year, we have made a number of different steps over the last 12 months. Our GRESB score has increased materially from 64 to 82. We have four green stars. Our green bond is now fully allocated, which has taken only a matter of months because the vast majority of our assets score very strongly on ESG credentials. We are granting green leases. All the new leases we grant are now green leases. We are moving our electricity supplies to renewable energy.

We also have a social programme in place funding the Mission for Seafarers, a global logistics-focused charity. Then also we have a wide range of different on-site initiatives and some of these are relatively small but they all contribute to the overall impact. This is electric vehicle charging, cycle racks and improved environmental amenities such as beehives and this type of thing. That still remains absolutely core to what we do and it threads through all of our investment decision making.

Value Creation

Nick Preston

Fund Manager, Tritax EuroBox plc

Executing our strategy

Accretive strategic combination

Bearing that in mind in terms of our high-level objectives, how are we actually doing this in terms of implementing this in our day-to-day investment decision making? What we are looking to do is an accretive combination of strategy. This is where we are looking at different angles, whether it be income, whether it be on the acquisition and development front or whether it be through profitable sales and recycling of capital. These are all functions that we control to generate returns and by combining these different activities at different stages and timings in the cycle means that we can deliver overall property returns yet also react to the market as things change and evolve. I will take each of these three sections separately but first of all move on to the income piece.

Income

Predictable growing income profile
Mehdi has touched on this. In his role as Finance Director growing income is extremely important. The capture of this through the compounding annual indexation which we have within all of our leases across the portfolio is very, very important. We are improving the amount of indexation we capture through negotiating on new leases and other various measures. All of this offers very good inflation protection in particular as we sit here today with more uncertainty around inflation going forward.

Leasing activity captures rental growth
What this stable bedrock of income within these foundations assets that we invest in allows us to do is focus on the remainder of the portfolio on more value-adding strategies. This links in to the next piece on the income side which is, and I have mentioned this before, we are in an environment where we are seeing rents growing and starting to grow really quite strongly in some of these prime markets which we are investing in. However, we do not have mark-to- market ability within the vast majority of leases in Europe. Hence we have to use leasing events to be able to capture the rents where they are growing above the local level of inflation.

What we are doing is building our portfolio in such a way so that we are not just investing in long-lease properties but we are also investing in some shorter-lease properties. These manifest themselves either as being a short time until the lease expiry or through investing in assets where we have a forward funding development commitment where we have a lease guarantee in place whereby we can control the leasing and therefore capture the growing rents during the construction and the rental guarantee period on these properties.

We have put an example here of a high rental growth environment. This property that you see the photograph of here is in Bochum in Germany. We have recently bought two more properties, one a forward funding in Oberhausen and the second is a nearly completed building in Gelsenkirchen. We bought this property in Bochum in 2018. The average rent on the four units you see there is just under €55 a square metre. The leases on the Gelsenkirchen property, which we have signed and are about to complete in about a week's time, is let at over €70 a square metre. These properties are very, very similar. They are very close by and that just demonstrates the difference in rental value that we have seen over that 2-2.5 year period.

Now, the interesting point is that the Oberhausen asset that we have recently committed to is a forward funding on a speculative basis. We do not have a tenant. We have underwritten this at around €56 a square metre and we will be hoping to be able to lease it at a rent above that. It remains to be seen exactly how much higher but we will say materially higher than the €56 a square metre. This is an example of how we are able to capture the rental growth that we are seeing in the market through our acquisition strategy.

Acquisition/Development

Through development partners
This then follows on to the acquisition and development side of how we execute the strategy. One of the key ways we do this is through our development partners. This gives us access to off-market deals. It gives us an early lock-in of pricing. It gives us a control of the

execution of these acquisitions and it allows us access to very high quality assets in great locations. These can be done on a forward funding basis. These can be done on a pre-leased basis.

I put an example here. This photograph I took two weeks ago when we were in Stockholm and this is a very prime logistics site close to Stockholm Arlanda Airport. That photograph does not look very beautiful, I am afraid, but it illustrates the importance of this site. There are three railway lines and a motorway in that photograph. This is a key location, very well located for infrastructure, very close to Stockholm city centre. This is an area where we will be speculatively developing two units on that site in an area of extremely limited land supply where again we would hope to be able to capture advancing rents as the construction carries through.

Forward funding structures

Those are two types of examples, this one in Stockholm and the one in Oberhausen I have just mentioned, but we also then have other opportunities where we are using forward funding structures through our development partners or other acquiring partners. We can do these in a number of different ways. I have mentioned the two in Rosersberg in Stockholm and Oberhausen which are fully speculative. There are no tenants identified. We also do these on a pre-let basis where we get an advantage on the pricing and we have just announced recently a property in Bönen, just near Dortmund in Germany which is pre-let on a 15-year lease to Rhenus, the big German third party logistics provider.

We are also not doing only speculative or only pre-leased properties but we also have a hybrid combination. The photograph you see here on the right is a property in Nivelles, south of Brussels which we have acquired from Logistics Capital Partners, our asset management partner in Belgium. They developed this. 50% of it was leased and we were able to work with LCP on this to lease the vacant half within the rental guarantee period. We were able to grant a new lease at a rent of just under 8% above previous rental levels. Again, showing how we can capture the rental growth we are seeing in these markets using our acquisition strategies, working closely with our asset management and development partners.

In all these cases it is all about taking appropriate levels of leasing risk in markets that we fully and fundamentally understand, where actually that risk is mitigated to be very low because of the supply/demand dynamics and the quality of the buildings we are investing in.

Extensions and developments

The final point on the acquisitions side is extensions and developments. Robert touched on these at the beginning in terms of two good examples that we have executed this year. This photograph is the property in Bornem, just south of Antwerp. We have built a 15,000 square metre building, again alongside our asset management and development partners, LCP. This completed a few weeks ago and we are in the process of letting that at the moment. The type of yield on costs that we will be able to achieve on this, on the assumption that we can lease it at €45 a square metre, which is highly achievable, will be around 9% on the amount we have invested. This is demonstrating that we can access development profit through these developments on our existing sites.

You will have heard me mention before the extension in Barcelona which is in progress as we speak with a scheduled completion for summer 2022. Both of those projects are in place and are delivering returns right now but we have a range of other opportunities in the future which should also be able to deliver future development returns for us as the portfolio evolves.

Profitable sales

The final point is profitable sales and this is recycling capital. You will know, those of us who have followed the company during the course of the year, that we successfully sold this property in Strykow in Poland and we made a 16.5% IRR over the whole period of that. We are always looking at profitable capital recycling. We continually review our portfolio. We are assessing the market. We are looking to maximise value for our shareholders and take opportunities when they arise. This property had reached the end of its asset management programme and therefore we felt it was a good opportunity to crystalise the gain at the right point in the cycle and reinvest in better opportunities elsewhere.

Implementation of our investment approach

As I approach the end I think that it is worth summarising where the portfolio has got to today and where it was 12 months ago when we reported to you. In September 2020 the portfolio was over half represented in foundation assets, the longer secure income, but since our tilt in strategy we have been rapidly deploying. We have deployed over €700 million so far this year, nearly half of that in the value-add strategy, some of which I have already outlined. That arrives at a portfolio shape now at December 2021 of over €1.5 billion. We have 21 assets and 40% of those assets are in value-adding strategies where we have exposure to development and an ability to capture the growing rents which we are seeing across our markets.

The increased size of our portfolio, and once this current deployment programme is complete we will have a portfolio of around €1.9 billion in total size, allows us to access more interesting land plays. Whether those be bare land for speculative development, whether these are assets which are ready for redevelopment within a short space of time and we are looking at a number of opportunities here. These are older buildings in very, very strong locations where we can add our development expertise, build these out and produce the highest quality prime logistics assets, capitalising all of our knowledge and taking the development returns from that. You can expect to hear more from us on that over the coming weeks and months.

Looking Forward

Nick Preston

Fund Manager, Tritax EuroBox plc

Objectives for the next five years

Continue the successful growth

Let me now look forward. We have been looking back at what we have achieved over the last year but what are we looking to do over the coming years? The key thing is to continue

the success of the company that we have recently achieved, building critical mass in these selected core markets. We will retain our discipline. We will retain our focus. Yes, we will look to expand into new markets and France is the obvious gap in our portfolio. We are still working on a number of opportunities there but we will not be just going in indiscriminately to new markets. We will only do it when it is right. Our portfolio sustainability credentials remain critical and we will always put that at the forefront to make sure that it is future-proofed.

As I have mentioned before, the balance between the foundation and value-add assets is extremely important. At the current status of the market where we see strong growth as yield is still to come, we think that the balance is right but we will also have the ability to flex that balance as market conditions change and evolve. We will be looking at more exposure to development as we carry on. We will be looking to recycle more capital to crystallise profits and move forward but always keeping a clear eye on the market conditions and where things are heading. As I said before, we do not remain complacent here. We are always looking forward and looking out for risks over the horizon.

In summary

In summary we have seen the Company transform over the year. The scale is evident. Mehdi has talked about the debt which again has removed 100 basis points of debt cost from the company. That is really going to cut in through financial year 2022. The entry into the FTSE 250 has led to increased interest from shareholders, further widened our analyst coverage and we believe stands us in very good stead. The shift to value-add approach has been well-received by investors, as is evidenced by the equity raise, the debt issuance and everything that goes with that.

The returns we delivered are strong. The existing portfolio provides us with a strong foundation. Income is at the heart of it but we are moving towards value-add to capitalise on these opportunities in the market. We have a range of different routes to achieve the return target which we believe we can deliver.

We are optimistic for the future. Our strategy is aligned to the market and the structural drivers of our market we believe are well placed for the long-term. We are well-positioned to identify new opportunities. Our balance sheet is strong and we have good visibility on how we will grow and continue to grow the portfolio and the company. That concludes the presentation. Ian, could I hand back to you please to marshal the questions?

Q&A

Ian Brown: Good morning everyone again. As a reminder, if you want to ask a question if you are on the webcast you should see a tab labelled Questions. If you click on that you should see a textbox and you should be able to enter your question in there. If you are on the phones you need to press star one. We have a couple of questions already on the webcast so we will start there and then we will shift over to the phones subsequently.

The first question we have got is, are you seeing much variation in countries or geographies in terms of yield compression and performance?

Nick Preston: Thank you Ian, I will pick that one up. Are we seeing much variance in yield compression? The answer is no, we are seeing fairly consistent yield compression across the core markets in which we are operating. As I said, we are focused on the very stable Western European economies. The markets such as Germany, Sweden, the Netherlands the yields are fairly consistent. We are seeing the prime yields down in the low 3%. Certain markets such as Italy and Belgium tend to lag a little bit and those yields, while a step away from that at probably 3.5-3.75%, they have still seen the levels of yield compression but the ratio between the two remains. In answer to the question, no we have seen a fairly consistent yield compression across these markets.

To balance that, we are seeing the rents growing in these markets to compensate effectively. I think that it is a justified yield compression.

Ian Brown: Thank you, great. The next question through on the webcast is, can you please elaborate on the makeup of the high tax charge and the likely effective tax rate going forward?

Mehdi Bourassi: Thank you Ian, let me take this one. In terms of taxation during the year I would like to split between deferred taxes which are deferred taxes on the valuation gains which makes up the vast majority of the tax charge in the year at around €20.5 million, and the direct income tax which is €3.6 million during the year. If we break down the €3.6 million actually around €3 million is directly related to the sale of our Polish asset in the year. As Nick mentioned, we saw that as a nice profit on cost and therefore that is quite exceptional. The remaining €0.6 million is the recurrent taxation which equates to around 1.5% of total income. We think the 1.5% is a bit on the low side and we are modelling 2-2.5% over the longer term.

Ian Brown: Great. Next question, could you give some guidance around the dividend and when you expect to return to a covered position?

Mehdi Bourassi: Thank you Ian, I will take this one as well. As I mentioned earlier, we have issued guidance saying we are keeping the dividend steady, at least for the next few quarters. We are uncovered this year because of the two large equity raises. We increased our share capital by more than 90% during the year and even if we have been deploying quite quickly, when you do [inaudible] it always takes a few weeks before you can actually be fully deployed and that does create cash drag. Hence the dividend not being fully covered this year. The fact that we are keeping the dividend steady, we are seeing income growth. In the future we expect to be back to full structural coverage very shortly.

Ian Brown: Great, okay. Next question is, What is the Strykow development cost and yield on cost?

Nick Preston: Let me take that one, Ian. The Strykow development cost is in the region of €8 million. The yield on cost is around 6%. This is something that has been structured with the vendor of the property which is why it is a little bit lower than some of the other developments that we are doing.

Ian Brown: Okay, great. Just a couple of questions around the EPRA cost ratio. If you could perhaps give some more colour on that and a sense of the direction of that as well.

Mehdi Bourassi: Sure. As I mentioned, the cost ratio as at 30th September is 30.5%. If you adjust it for rental guarantees which are not part of the IFRS income, it is actually 28.5%. We have always said we are modelling in the short-to-medium term for that EPRA cost ratio to decrease towards 25%. It has not this year because of the strong valuation movement leading to a number of costs being higher than moderate because these costs are directly linked to the NAV. We as a company with the Board are perfectly aware that 30.5% EPRA cost ratio is too high when you compare ourselves to our peers and therefore we are working on it. We expect to be able to address the challenge in the short-term.

Ian Brown: Great. Next question is, is the Bornem uplift in the net asset value yet?

Nick Preston: The answer to that Ian is partially. We have funded the construction and so the actual construction cost has been passed through into the valuation. However, we have not yet secured a letting on that and therefore the profit on that will not be reflected yet in the NAV. As and when we secure a letting, depending on the terms of the lease obviously, there will be a quantum of value to come through into the NAV.

Ian Brown: Great we will turn to the phones. I think there are a couple of questions there. If you want to ask a question on the telephone you can press star one and the first question comes from Saravana Bala at RBC.

Saravana Bala (RBC): Morning all, thanks for taking my questions. A couple have been answered but still a few left. Firstly, can you give any indication on the overall [inaudible] potential coming in the portfolio?

Nick Preston: I believe it is about 3% overall. We will confirm that with you Saravana. I think it is late 2%s, something like 2.8% rings a bell. We will look that out for you.

Saravana Bala: Okay, thanks. my next question is around build cost inflation. I appreciate EuroBox is not a developer obviously but your key partners are and they may be focused on maintaining their development margins. I would be keen to hear about your views on the build cost inflation you are seeing in the market at the moment, how you expect that to evolve over the next 12 months and how you are planning to manage it.

Nick Preston: Yes it is something that is very topical. Through our development partners we are seeing build costs going up, whether it is raw materials, whether it is labour costs. Ultimately this is just feeding in as increased input costs into developments in the same way that land values are going up and land prices are going up. Ultimately this has to be passed through in terms of what the developer can sell the asset for at completion and that is a combination of the rent and the yield. The yields have been compressing which has been helpful but ultimately it will come through into rents. From our perspective as an investor and landlord of the portfolio it will just mean upward pressure on rents in the long-term.

There is always a separate argument which is a different point about how sustained this build cost inflation is. Will it subside? I suspect that part of it will subside again but much of this is macroeconomics which I do not really need to go into here. Does that cover that for you, Saravana?

Saravana Bala: Yes, that is great, thank you. I think that is all the questions from me.

Ian Brown: Great, thanks Saravana. Turning back to the webcast we have got a final question that has come through which is around the future funding needs for the business over the next three years. What is the capital requirement and how are you planning to fund that?

Mehdi Bourassi: Maybe I will take this one. I think it is important to say we take things step by step. We have raised quite a lot of capital this year and we are in the process of deploying the geared proceeds of the September equity raise. The capital needs over the next three years will very much depend on how the market evolves and the opportunity we can access. It is a difficult question to provide a precise answer because it is really depending on the market opportunity we will see in the next few months. We are now focused on deploying, as I said, the September raise and we will just focus on that at the moment.

Ian Brown: Great, thanks. There is a flurry of additional questions coming through on the webcast. A question around occupational demand makeup. With 3PLs and e-commerce retailers making up the bulk of take up volumes, what other industries could you see growing the occupational needs in 2022 and beyond?

Nick Preston: Maybe I have been a little misleading by suggesting that the vast majority of take up is from e-commerce. We are seeing a very wide base of demand. We have quite a wide number of non-e-commerce and non-3PL type of occupiers, all of whom are expanding for the same reasons. We have pharma companies, those type of businesses and manufacturers. The onshoring of goods, the supply chain issues that we have seen and read about in the media are all prevalent across every sector. From whichever angle you come at we are seeing demand for new space. I think that in answering the question of where the demand is going to come from in 2022, it will still come from e-commerce. Bear in mind it is coming from a very low base in Europe compared to the US and compared to the UK and it is expected to grow strongly. However, also we are seeing the economic hubs of Europe the demand is coming from manufacturing companies and a very broad range of different occupiers. We will continue to see a broad, wide range of different demand drivers.

Ian Brown: Great. Turning back to the phones Peter Runneboom at Kempen has a question.

Peter Runneboom (Kempen): Yes, thanks for the presentation. I was wondering if as you gain scale, particularly in Germany, and you are likely to do more and more [inaudible] opportunities, would you also consider looking at internalising and maybe taking some of these opportunities fully by yourself?

Nick Preston: The answer is that we share the development profits Peter depending on the structure of each transaction and the development profit, putting aside the internalisation point, is to do with how we structure a transaction in terms of sharing the development profit. It depends. We have different ways of doing it. Yes we are looking to take more of the development profit share and this is by coming earlier into the process, buying land and taking more leasing risk. Our investment restriction prevents us from buying unzoned land but from anything beyond that, anything after a piece of land is zoned for logistics use we can and are looking to take advantage of that. Then it is just a question of arranging a development management agreement, a construction agreement and taking the profit

accordingly out of that. There is not a simple answer, I am afraid, but there are any number of ways to structure it. However, yes in answer to your question we are looking to take more of the development profit as the company grows in certain circumstances.

Peter Runneboom: Yes, thanks.

Ian Brown: Great, okay. I think that wraps it up in terms of the questions that we have received. If you have any future questions do please drop us a line over email. With that I will hand back to Nick to wrap things up.

Nick Preston: Thank you very much Ian for hosting that and thank you to Robert and Mehdi for presenting alongside me. I hope you found that informative. As ever we are very approachable here at Tritax EuroBox. If you do have any questions please reach out to Mehdi or I. We are available throughout the day. We have a series of meetings but we can always respond to emails and quick phone calls. Please let us have any questions you might have following this presentation. Otherwise it just remains for me to say thank you very much for your time and we look forward to speaking to everybody in due course. Thank you very much.

Mehdi Bourassi: Thank you.

Robert Orr: Thanks.

[END OF TRANSCRIPT]