TRITAX BIG BOX

Half-year results for the six months ended 30 June 2023

3 August 2023

TRITAX BIG BOX

Strong operational performance, robust balance sheet and significant opportunities

H1 2023 key figures

	30 June 2023	30 June 2022	Change
Operating profit[1]	£95.5m	£88.8m	+7.5%
Adjusted earnings per share[2]	3.94p	3.73p	+5.6%
Adjusted earnings per share (ex. additional development management income)[3]	3.94p	3.73p	+5.6%
IFRS earnings per share	5.39p	24.55p	-78.0%
Dividend per share	3.50p	3.35p	+4.5%
Dividend pay-out ratio (ex. additional development management income)[3]	89%	90%	
Total Accounting Return	3.5%	10.7%	-7.2 pts
EPRA cost ratio (including vacancy cost)	12.6%	15.2%	-2.6 pts
	30 June 2023	**31 Dec 2022**	
Contracted annual rent roll	£224.0m	£224.0m	+0.0%
EPRA Net Tangible Assets per share	183.02p	180.37p	+1.5%
IFRS net asset value per share	180.92p	179.25p	+0.9%
Portfolio value[4]	£5.05bn	£5.06bn	-0.2%
Loan to value (LTV)	30.3%	31.2%	-0.9pts

Earnings driven by rental growth and lower costs

- 5.6% increase in Adjusted EPS to 3.94 pence (H1 2022: 3.73 pence) driven by practical completions of let developments, increasing rents from active management of assets and reduced operating costs from 14% reduction in management fee.
- 4.5% increase in dividend to 3.50 pence per share (H1 2022: 3.35 pence) reflecting 89% of Adjusted EPS payout ratio.
- 3.5% Total Accounting Return (H1 2022: 10.7%) supported by stabilising portfolio valuation.
- 3.1% increase in passing rent to £211.6 million (31 December 2022: £205.1 million).
  - Contracted rent unchanged at £224.0 million following incremental £4.1m from development lettings, £2.0m added from rent reviews, offset by £6.1m from disposals.
- Lowest reported EPRA cost ratio of 12.6% (H1 2022: 15.2%), reflecting 9.8% reduction in administrative expenses and increasing net rental income.
- Reduction in IFRS EPS reflects lower valuation surplus during period compared to H1 2022.

Occupational market continues to be supported by long term structural drivers[6]

- 10.0 million sq ft of UK lettings in H1 2023, in line with 12.8m sq ft pre-pandemic average.
- Vacancy at 3.4% at the period end (31 December 2022: 2.0%), with supply of new space now slowing.
- In H1 2023, UK prime headline rents increased by an average of 4.9%.
- Valuations stabilising, with the CBRE UK Monthly Industrial index recording capital value growth of 1.4% for the six month period.

High-quality and resilient portfolio supporting ongoing like-for-like ERV growth and stabilising valuations

- Total portfolio value of £5.05 billion as at 30 June 2023 (31 December 2022: £5.06 billion), equating to an equivalent yield of 5.3% (31 December 2022: 5.3%).
- Valuation supported by like-for-like Estimated Rental Value (ERV) growth of 3.9% bringing overall portfolio reversion to 21.3%.
- Portfolio composed of institutional-grade customers on long leases with WAULT of 12.1 years (31 December 2022: 12.6 years).
- Maintained 100% rent collection (H1 2022: 100%); approaching 10 years of consistent 100% rent collection.
- 1.9% portfolio vacancy (31 December 2022: 2.1%), reducing to 1.4% post the period end from further development lettings.
- 99% of portfolio rated EPC A-C, with incremental £2.5 million required to bring all assets to a minimum of EPC B rating.

Capturing portfolio reversion and recycling capital into higher-returning opportunities

- Added £2.0 million to contracted rents through rent reviews, achieving 8.8% increase to passing rent across 9.9% of portfolio reviewed.
  - Two open market rent reviews completed achieving average 29.2% uplift.

  - EPRA like-for-like rental growth of 3.6% (H1 2022: 3.3%) over the period.
- Completed or exchanged on £235 million of asset disposals in H1 2023:
  - In line with or above December 2022 valuations and reflecting a blended net initial yield of 4.4%.
  - Further £100-200 million of disposals targeted in H2 2023.
  - Recycling capital to enhance total returns.
- Acquired Junction 6 Logistics Park post period end, one of the UK's leading urban logistics estates, for £58.0 million at a 4.6% net initial yield, complementing our investment portfolio, broadening our customer offer and providing attractive opportunities to grow income in the near term reflected in 6.7% reversionary yield.
- We continue to deliver ESG performance with the detailed integration of our ESG targets across the investment lifecycle including our asset management and development management activities.

Earnings growth supported by continued development progress

- Occupational enquiries on development pipeline at near record levels.
- 2.6 million sq ft under construction of which 65% pre-let or let during construction securing annual contracted rent of £12.5 million.
- £10.5 million added to passing rent from 1.4 million sq ft of development lease completions in the period.
- £4.1 million added to annual contracted rent from 0.5 million sq ft of new development lettings in period.
- 0.8 million sq ft of development starts in H1 2023; maintaining guidance of 2-3 million sq ft of starts in FY 2023.
- 0.9 million sq ft of new planning consents secured, bringing total consented undeveloped land portfolio to 7.2 million sq ft.
- 6-8% yield on cost guidance maintained, with 2023 schemes expected to be delivered in the mid 6-7% range.

Maintaining a strong balance sheet with conservative leverage and low cost of debt

- LTV of 30.3% at 30 June 2023 (31 December 2022: 31.2%) and Net Debt/EBITDA of 8.3x[7] (31 December 2022: 8.6x).
- Weighted average cost of debt remains low at 2.6%, with 100% of drawn debt either fixed or hedged.
- More than £550 million of available liquidity as at 30 June 2023, significant headroom on all debt covenants, and 4.9 year average debt maturity.
- Credit rating of Baa1 with positive outlook reaffirmed by Moody's.

Aubrey Adams, Chairman of Tritax Big Box REIT plc, commented:

"We continue to successfully implement our strategy to drive operational performance delivering positive growth in rents, earnings and dividends. While the macro-economic environment remains challenging, customers continue to demand high-quality, well-located, and sustainable logistics space. With supply remaining constrained, we are seeing strong interest in our development sites supporting our future rental income and capital value growth. We remain focused on enhancing operational performance by actively managing assets to capture growing levels of rental reversion within the portfolio, crystalising value through asset sales and recycling capital into higher-returning opportunities. This includes taking advantage of investment market conditions to acquire attractive assets where we can broaden our customer offer and drive income growth in the near term through asset management initiatives. Tritax Big Box remains well financed, with a strong balance sheet, a low cost of debt and significant liquidity, giving us the resources to continue to advance our strategy.

"The exceptional scale and quality of our portfolio and operations – as the largest listed investor in UK logistics real estate and the owner of the biggest logistics-focused development platform – are key advantages which ideally position us to capitalise on the attractive fundamentals of our sector and deliver long-term value for shareholders."

Presentation for analysts and investors

A Company presentation for analysts and investors will take place via a webcast with live Q&A at 10.00am (BST) today and can be viewed at: https://stream.brrmedia.co.uk/broadcast/64b026be02658279b596c0ae

If you would like to ask questions verbally please join the presentation via conference call:

UK: +44 (0) 33 0551 0200

US: +1 786 697 3501

Password: Tritax Big Box

The presentation will also be accessible on-demand later in the day on the Company website: https://www.tritaxbigbox.co.uk/investors/results-and-presentations/

Notes

1. Operating profit before changes in fair value and other adjustments.
2. See Note 6 to the financial statements for reconciliation.
3. The anticipated run rate for development management income is £3.0-5.0 million per annum over the medium term. Adjusted EPS remains at 3.94p when excluding development management income above this anticipated run rate ('additional' development management income). £0.0 million of development management income is included in the 3.94p Adjusted earnings per share in H1 2023 (2022: £2.6 million included in 3.73p Adjusted earnings per share).
4. The Portfolio Value includes the Group's investment assets and development assets, land assets held at cost, the Group's share of joint venture assets and other property assets.
5. Excludes development assets, land and land options.
6. All market data from CBRE. "Pre-pandemic demand" defined as demand for H1 2015 to H1 2019.
7. Based on net debt as at 30 June 2023 and EBITDA for the twelve months to 30 June 2023

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Notes:

Tritax Big Box REIT plc (Tritax Big Box or the Company) is the UK's specialist in logistics real estate with the UK's largest investment portfolio and largest logistics-focused land platform. Tritax Big Box is committed to delivering attractive and sustainable returns for shareholders by investing in and actively managing existing built investments and land suitable for logistics development. The Company focuses on well-located, modern logistics assets, typically let to institutional-grade tenants on long-term leases with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity provided by long-term global structural drivers, together with the imbalance between strong occupational demand and constrained supply of modern logistics real estate in the UK.

The Company is a real estate investment trust to which Part 12 of the UK Corporation Tax Act 2010 applies, is listed on the premium segment of the Official List of the UK Financial Conduct Authority (Ticker: BBOX) and is a constituent of the FTSE 250, FTSE EPRA/NAREIT and MSCI indices.

Further information on Tritax Big Box REIT is available at www.tritaxbigbox.co.uk

TRITAX BIG BOX

Chairman's statement

Further strategic progress and strong operational performance

While the macro-economic backdrop in the UK remains uncertain, we are focused on continuing to enhance the strong operational performance of the business. In line with this, we continued to successfully implement all aspects of Tritax Big Box's (the Group's) strategy and delivered further positive operational performance. This included adding an incremental £6.1 million to contracted annual rent through new development lettings and rent reviews; exchanging contracts on the disposal of £235 million of assets in line with or above their 31 December 2022 valuations; and recycling £58 million into a value-added urban logistics estate. We are also on track to achieve our ESG targets for this year, as set out in the 2022 Annual Report.

Occupational market remains attractive and valuations for high-quality assets are stabilising

The economic outlook in the UK looks set to remain challenging in the near term, with inflation proving stubborn and the impact of higher interest rates likely to further slow the economy in the coming months. Despite this, the occupational market remains resilient with levels of demand continuing. The structural drivers of this occupier demand remain in place, notably the growth of e-commerce; deglobalisation and supply chain optimisation; and customers' increasing focus on ESG performance. The supply of new space remains controlled and the level of speculative starts in the market has reduced during the first half of this year. Vacancy has ticked up but remains very low in historic terms, contributing to further market rental growth, as evidenced through our own like-for-like ERV growth of 3.9% for the six month period.

Following the rapid outward yield shift in the second half of 2022, asset pricing has shown increasing signs of stabilising during the period. This was reflected in our period-end valuation, which was broadly unchanged against 31 December 2022. Our portfolio valuation was further supported by our own investment disposals at or above book valuation levels. Looking forward, we anticipate investors will show greater discernment in asset selection, with secondary and tertiary quality assets more vulnerable to possible further outward yield movements than high-quality prime assets of the type within our portfolio.

High-quality portfolio underpins resilient income

Our business is very well positioned in these more uncertain macro-economic times. We are the largest listed investor in UK logistics real estate and control the UKs largest logistics-focused development land platform. This gives us an unrivalled level of insight and engagement with the market.

The Group owns and manages what we believe is the highest-quality real estate portfolio in Europe, with long leases and a strong customer line-up. Our modern buildings have excellent ESG credentials and are in prime logistics locations, where occupiers desire. This quality is reflected in our record of never having a single day of rental vacancy in any of our investment properties, since the Group was founded nearly 10 years ago. This underpins the security of our income generation and our progressive dividend aspirations.

Actively managing the portfolio helps us to optimise returns. During the period, we exchanged contracts or completed on £235 million of asset disposals, with a target to sell a further £100-200 million of assets in the second half of the year. The proceeds from these disposals will be recycled into higher returning opportunities.

Responding to a more uncertain economic backdrop

Our development pipeline provides a high degree of flexibility to ramp up or down our level of investment to accurately match prevailing or anticipated market conditions. Despite a resilient occupational market, we prudently slowed our development activity at the back end of FY 2022 and into FY 2023 to preserve our balance sheet strength in response to wider uncertainty in the investment market. This uncertainty was triggered by the sharp rise in UK Gilt rates following the "mini-budget" in September 2022.

With asset values stabilising, continuing strength within the occupational market and development still offering attractive returns, we have prudently commenced new construction starts during H1 2023 and anticipate being at the lower end of our 2-3 million sq ft guidance for 2023. Our development sites are located in the leading regions for logistics in the UK and we are seeing good levels of customer enquiries across all of them.

Development completions relating to our FY 2022 construction starts added £10.5 million to passing rent in the period, supporting continued earnings growth, including the letting of all vacant space present as at 31 December 2022. We currently have a further 2.6 million sq ft under construction, of which 65% is pre-let or has been let during construction and which will contribute a further £12.5 million to passing rent, de-risking further earnings growth.

Tritax Symmetry management succession

A significant component of both our current and future success is our extensive land platform which we acquired in February 2019. Since the acquisition, three of the founding team of four at Tritax Symmetry have gradually transitioned away from day-to-day operations in line with an overarching succession plan and will now be fully stepping away from the business. As part of this plan, Andrew Dickman, an original founder of the business, will continue to lead the business supported by other senior members of the management team. Andrew's team is well established and has been responsible for much of the significant development progress to date. As part of this transition, we have agreed to buy the founding team's remaining interest in Tritax Symmetry. As a Board we are grateful for their contribution to the performance to date and in facilitating a smooth transition.

Looking to the future, Andrew and his team have an excellent working relationship with the Investment Manager. We have used this opportunity to review the overall incentive arrangements in place for the team to ensure they are appropriately incentivised to continue to deliver the value inherent in our development land portfolio.

Further details of this process, which results in the Company owning 100% of Tritax Symmetry, are set out in more detail in the Investment Manager's report.

Capitalising on opportunities in the investment market to complement our investment portfolio

We monitor the investment market for suitable opportunities which offer attractive returns and are complementary to our portfolio. The market correction in 2022 means that last mile and urban logistics now offer more attractive returns than they have in recent years, giving us the chance to acquire smaller assets in urban locations – such as the Junction 6 Logistics Park we bought just after the period end. The retrenchment of investors more reliant on debt financing has also reduced the level of competition in the investment market for such assets.

Smaller assets within prime urban locations provide an opportunity to complement our portfolio in terms of customer offer, location and building size, plus they enable us to make the most efficient use of land area on our development sites. Smaller buildings tend to have shorter leases, creating more frequent opportunities to capture rent reversion and enhance overall like-for-like rental growth.

Continuing to enhance our ESG performance

The Group's ESG ratings show it is a sector leader, but we continue to strive to do even better. For example, we have implemented a new ESG due diligence framework, which incorporates climate-related risk. We also continue to refine the net zero pathway for the Group, for which we intend to release an update before the end of the financial year. At the period end, we were discussing nine solar projects with a potential for 13.5 MW of renewable energy for customers and we also have a large number of biodiversity initiatives underway.

In our development programme, we have progressed our low – carbon baseline specification which will continue to change over time as materials and construction methodologies evolve. We have put in place a new target for embodied carbon in our developments of 400kg CO_2 per sqm. As part of this we have reviewed past developments to understand our performance and identify actions to meet our new target.

Our commitment to sustainable development encompasses our standards for construction, which includes achieving a minimum of BREEAM ‘Excellent’ and EPC A grade on all new buildings.

A strong balance sheet

We have had a continued focus on balance sheet strength and at the period end, our LTV ratio was 30.3%. The cost of our debt is either fixed or capped across 100% of our drawn debt resulting in our average interest cost remaining low at 2.6%. By using a blend of fixed rate instruments and interest rate hedging we are well insulated from the external markets when it comes to the cost of debt capital. We have in excess of £550 million of available liquidity and significant headroom within our covenant levels providing capacity to withstand any further volatility in portfolio valuation.

One of our priorities for 2023 is to extend the maturity on our £450 million revolving credit facility, which is due to mature in December 2024. We have engaged in positive discussions with our supportive lenders over the Summer and expect to conclude this process during the second half of the year.

Growing earnings and dividends

Financial performance in the period was in line with our expectations with increasing rental income from development completions and asset management activity in the period as well as lower operating costs from the 14% reduction in Investment Management fee. As a result, Adjusted EPS grew by 5.6% to 3.94 pence (H1 2022: 3.73 pence). The investment portfolio generated a positive fair value gain of £29.9 million, contributing to EPRA Net Tangible Assets of 183.02 pence per share (31 December 2022: 180.37 pence). We declared two interim dividends totalling 3.50 pence per share, an increase of 4.5% (H1 2022: 3.35 pence per share). The Total Accounting Return for the period was 3.5%.

Outlook

While economic conditions in the UK look set to remain challenging in the near term, we are confident of achieving further progress in the remainder of 2023. Much of our near-term earnings growth is already secured through development lettings achieved in FY 2022. The Group’s net rental income and earnings will continue to grow as let developments complete and become income producing with the earnings effects of our FY 2022 development activity fully recognised in FY 2024. In addition, the extensive rental reversion with the portfolio also supports future earnings growth as we capture higher rents through reviews and other asset management initiatives. Our strong balance sheet, low cost of debt and significant headroom in our finance facilities give us the capacity to continue to capture attractive investment and development opportunities.

The outlook for the sector remains positive, with the structural tailwinds that drive occupier demand remaining in place, which in turn is supportive of attractive levels of rental growth over the long-term. We therefore believe we are well placed to continue generating long-term value for shareholders.

Manager's report

Market review

Occupational demand remains healthy and diverse

Occupier leasing has moderated after the exceptional pandemic-driven activity of recent years, with underlying demand remaining healthy. Leasing volumes for the period totalled 10.0 million sq ft, in line with the pre-pandemic average of 12.8 m sq ft[1]. This reflects current economic conditions, with occupiers taking a slower and more cautious approach to capital expenditure. Demand across the market remains diverse, with third-party logistics providers (44% of leasing activity in the last 12-months) and manufacturers (16%) being prominent[1].

Underlying demand for space remains strong with 10.4 million sq ft under offer at the period end[1], while Savills reported a 64% rise in occupier enquiries since Q4 2022. This is consistent with enquiries to our occupier hub, which are the highest in the last two years.

Companies continue to evolve their supply chains with greater resilience, selective reshoring, and decarbonisation amongst their ongoing priorities. Additional catalysts for network evolution exist in the UK such as further growth of the already large e-commerce sector, challenges posed by high inflation, and the country's revised global trading position. Companies continue to adjust their supply chains accordingly and in doing so, generate new and additional demand for logistics buildings.

New supply set to reduce into 2024

The amount of ready to occupy space rose in the period and market vacancy stood at 3.4% at the end of the period (Q4 2022: 2.0%)[1]. New speculative announcements have declined through the first half of 2023, with Savills reporting 5.2 million sq ft of announcements in H1 2023 (H1 2022: 7.9 million sq ft).

Barriers to new supply remain significant, in particular the need to control suitable sites and the time to secure planning consents. Capital market conditions mean financing costs have increased markedly on a year ago, while construction costs have levelled off but not fallen. Importantly, well capitalised investor-developers control significant land portfolios and remain incentivised to obtain the best possible terms for new leases to protect the value of their existing investments.

Low vacancy is contributing to rental growth

Vacancy remains low by historic standards and continues to support rental growth. Prime headline rent index (regional headline rents weighted by stock) increased by 4.9% in the period with all UK regions experiencing growth.

Asset pricing is stabilising

H1 2023 transaction volumes totalled £1.6 billion (H1 2022: £4.1 billion) with buyers from a variety of capital sources completing deals[2]. After the very rapid pricing adjustment in H2 2022, yields stabilised during the period. CBRE and MSCI monthly indices both reported modest positive capital growth of 1.4% and 0.3% respectively in H1 2023.

While wider capital market conditions are likely to weigh on investment volumes in the near term, we believe high quality logistics real estate remains a compelling investment in the medium term. The long-term structural drivers that underpin occupier demand remain in place and investment capital is committed to the sector.

[1] Source: CBRE (2013-2019)
[2] Source: Real Capital Analytics

Strategy

Our strategy is aligned to the market drivers described above, seeking to provide an attractive dividend from growing income and maximise total returns while ensuring we meet our wider responsibilities and carefully manage risk.

The strategy has three interlinked components that aim to deliver sustainable income and capital growth, to achieve attractive performance through the economic cycle and an attractive and progressive dividend. The components are:

1) High-quality assets attracting world-leading customers – delivering high-quality, resilient and growing income.

2) Direct and active management – protecting, adding and realising value.

3) Insight driven development and innovation – creating value, future proofing and capturing occupier demand.

ESG is intrinsic to each of these elements. The Group's key ESG themes are:

- Sustainable buildings – integrating our ESG targets across the investment lifecycle from acquisition to development and asset management
- Climate and carbon – achieving net zero carbon for all direct (scope 1 and 2) and indirect (scope 3) activities;
- Nature and wellbeing – enhancing biodiversity and wellbeing across the portfolio; and
- Social value – creating value and positive impact for people and communities.

Information on how we implemented the strategy during the period is set out in the following sections.

1) High-quality assets attracting world-leading customers

Resilient portfolio with embedded income growth

We have constructed the portfolio to generate attractive long-term, resilient and growing income through the economic cycle. The quality of the Group's assets and customers enabled us to continue to collect 100% of rent during the period, and we have maintained our track record of never having a void within our investment portfolio.

Our overall portfolio is formed of the *investment portfolio*, which are assets with either a lease or agreement for lease in place, and the *development portfolio*, comprising land or buildings in the course of construction which gives us the opportunity to construct new best in class assets to enhance our investment portfolio (see *insight driven development and innovation* below).

At the period end, the total portfolio was valued at £5.05 billion (31 December 2022: £5.06 billion), broadly in line with the portfolio value from the previous year end. This reflects stabilising yields during H1 2023 and the benefits of development gains, asset management including 3.9% like-for-like ERV growth along with our net disposal activity.

As at 30 June 2023, the investment portfolio comprised 76 assets (31 December 2022: 79 assets), as we leased or practically completed new buildings from our development activities, and disposed of a number of assets in the period (see the *direct and active management* section below). The investment portfolio's gross lettable area was 36.3 million sq ft at the period end (31 December 2022: 37.5 million sq ft).

Investment portfolio: 93.3% of GAV	**Development portfolio: 6.7% of GAV**
Foundation 65.1%	Developments and land: 6.7%
Value Add 28.2%	

Secure customer base underpins income generation

The Group has a diversified base of 51 customers (31 December 2022: 51), including some of the biggest and most important companies in the world, with 74.8% being part of groups listed on exchanges like the DAX 30, FTSE all share, SBF 120, NYSE and S&P 500. We have minimal exposure to small and medium sized enterprises (SMEs).

Portfolio vacancy at the period end was 1.9% (31 December 2022: 2.1%), reflecting recently completed development buildings that were unlet at the period end. This vacancy consists of two buildings and offers opportunities for further near-term income growth.

The table below lists the Group's top ten customers:

Customer	% of contracted annual rent	Customer	% of contracted annual rent
Amazon	14.5%	B&Q	3.9%
Morrisons	5.4%	The Co-Operative Group	3.8%
Tesco	4.7%	Ocado	3.4%
Iron Mountain	4.5%	Marks & Spencer	3.4%
Howdens	4.0%	Argos	3.2%

Long duration, full repairing and insuring leases minimise capex and enhance income security

At the period end, the investment portfolio’s WAULT was 12.1 years (31 December 2022: 12.6 years), with the Foundation assets having a WAULT of 15.4 years (31 December 2022: 15.9 years).

Of total rents:

- 32.3% is generated by leases with 15 or more years to run; and
- 24.6% comes from leases expiring in the next five years, providing near-term opportunities to capture the growing reversion within the portfolio.

All but one of our properties is single let and our leases are full repairing and insuring (“FRI” - equivalent to “triple net” leases in the United States). This means our customers are responsible for property maintenance during the lease and have dilapidations responsibilities at the end of the lease term. This minimises our irrecoverable property costs, which results in our strong gross to net rental income conversion ratio of 100% for the six months.

Upward-only rent reviews provide attractive income growth.

All our leases benefit from for upward-only rent reviews, meaning the rent cannot reduce during the lease term, with 18% of our rents reviewed annually. The remaining 82% have five year review cycles, with the timing of these reviews staggered such that there are five-yearly reviews taking place each year.

The table below shows the composition of rent review types across the portfolio, which balances the certainty offered by fixed and inflation-linked leases with the ability to capture market rental growth from open market and hybrid reviews.

Rent review type	% of rent roll at 30 June 2023
RPI/CPI linked	52.1%
Open market	29.7%

Fixed	8.8%
Hybrid (higher of inflation or open market)	9.4%

In 2023, 19% of the portfolio is subject to rent reviews, with a further 29.8% having a rent review in 2024. Progress with rent reviews in H1 2023 is discussed in the *direct and active management* section below.

Our inflation linked reviews typically have a collar structure which provides a minimum and maximum level of rental growth of 1.5% and 3.5% on average. This, coupled with upward only reviews, provides certainty on the minimum rental increase within the portfolio, which we supplement through open market and hybrid rent reviews and other forms of active management.

Due to the balance between open market and inflation-linked rent reviews, and the growing rental reversion (difference between a lower passing rent and a higher prevailing market rent) within the investment portfolio (see below), we remain positive about our ability to continue to deliver attractive, long-term income growth.

Increasing ERVs provide significant opportunity to grow overall rental income

At each valuation date, the valuer independently assesses the investment portfolio's estimated rental value (ERV), which is the amount of rent that the properties would be expected to secure through an open market letting at that date.

At 30 June 2023, the portfolio ERV was £271.8 million (31 December 2022: £266.8 million), which is £47.8 million or 21.3% above the contracted rent and represents a 3.9% like-for-like increase in ERV during the period. We have opportunities to capture this reversionary potential through open market rent reviews, lease renewals at expiry, new leases or lease regears.

2) Direct and active management

Realising value and recycling capital through disposals

We constantly review and evaluate the Group's portfolio, to identify assets where:

1) we have completed our asset management plans and maximised value;

2) the asset's investment characteristics no longer fit within our desired portfolio profile; or

3) the asset's relative future performance may be below others in the portfolio or there may be more risk attached to future performance.

When considering asset disposals, we consider criteria such as building age, location, occupier financial covenant strength, geographic and customer concentration, rental income profile, total return expectations and ESG performance. This is viewed against conditions in the investment market, and near-term opportunities to reinvest in developments and/or income-producing acquisitions to maintain earnings and dividend progression and optimise total returns, whilst being mindful of risk.

During the period, we disposed of a number of assets at or above their prevailing book values, where we felt we could recycle this capital into more attractive opportunities. These were:

- two newly developed and vacant multi-let assets at Littlebrook, Dartford, for £25 million
- three investment assets at Skelmersdale (let to DHL), Knowsley (let to Matalan) and Worksop (let to Cerealto), for £126 million. The disposals were in line with the 31 December 2022 valuation and reflected a blended net

initial yield of 4.6%. The investments delivered an attractive blended internal rate of return of 12.8% per annum over the combined hold period; and

- we exchanged on a £84.3 million building let to Howdens, the pricing reflected a net initial yield of 4.0% and marginally ahead of its 31 December 2022 valuation.

At the period end, we were in discussions on further disposals, with the aim to deliver an additional £100-200 million of disposal proceeds in 2023.

Acquiring investments with asset management potential and that broaden our offer

We look for investments which provide the opportunity to generate attractive total returns, which increase the Group's customer offer and which have the potential to capture rental reversion and support our income growth. This forms part of an ongoing process of portfolio optimisation and complements our development activity by typically offering lower risk and providing more immediate income.

Having established what we believe to be Europe's strongest logistics real estate investment portfolio in terms of asset quality, covenant strength and lease length, which provides lower risk but attractive and resilient income characteristics, we seek ways to further enhance overall returns for investors. Development, which is the primary focus of our capital deployed, provides such an opportunity, as does increasing our overall exposure to a range of building sizes.

For several years, the pricing on urban logistics assets made it challenging to deliver an appropriate level of risk adjusted return for our investors. With the market repricing in 2022/23, we see an opportunity to complement our predominately "big box" portfolio with smaller assets, in strong urban locations, sourced from investment acquisitions in addition to those developed through our land platform.

Consistent with our strategy, we remain focused on ensuring a high-quality portfolio and we prefer modern, single occupancy, well-configured assets with strong ESG credentials or opportunities where there is a clear path for us to add value through enhancing overall quality.

In line with this, shortly after the period end the Group acquired Junction 6 Logistics Park, one of the UK's leading urban logistics estates of scale, for £58.0 million. The asset is in a prime location, less than three miles from the centre of Birmingham, and comprises 12 single occupancy units totalling 384,000 sq ft and ranging in size between 12,000 and 83,000 sq ft.

The WAULT of 2.5 years provides near-term opportunities to capture rental reversion, with the average passing rent of c£7.30 psf comparing with the estimated rental value of c£10.90 psf. This rental growth potential is reflected in the reversionary yield of 6.7%.

Growing and lengthening income

Given the timing mix of lease reviews a relatively small proportion (19%) of the portfolio is subject to review in FY 2023. This compares to 34.9% in FY 2022 and 29.8% in FY 2024. During the period, we agreed six rent reviews, including two open market rent reviews that were outstanding from 2022. These reviews resulted in a £2.0 million or 8.8% uplift in annual contracted passing rent, contributing to EPRA like-for-like rental growth of 3.6%, noting that the relatively small proportion of the portfolio subject to rent review this year will suppress the EPRA like-for-like calculation. A further five open-market or hybrid (which captures the higher of open-market or inflation) rent reviews were in negotiation at the period end.

The table below shows a breakdown of these reviews by type:

	Number	% of Contracted rent	Growth in passing rent
Index linked	2	5.3%	2.7%
Open market / hybrid[3]	2	2.2%	29.2%
Fixed	2	2.4%	4.0%
Total	**6**	**9.9%**	**8.8%**

Lease negotiations are currently under way across nine assets and in addition we are working on a number of solar schemes (see below).

Enhancing ESG through integration, engagement and active management

Our ESG strategy and performance criteria underpin our investment philosophy and approach to active management. Delivering ESG performance in partnership with customers is a key part of our active management. Through these initiatives, we can increase income and capital values, prolong an asset's life, improve its liquidity, reduce obsolescence risk and contribute to local communities via biodiversity and charitable initiatives. Customers can enhance working environments, reduce their operating costs and make progress towards achieving their own corporate ESG targets, such as net zero.

In our 2022 Annual Report, we set out a range of ESG targets for 2023 under each of our four ESG themes. We have made good progress with these targets and remain on track to meet them.

Achievements in the period include implementing a new ESG due diligence framework, which includes embedding consideration of climate and carbon related risks into our day-to-day operations. We are continuing to monitor the evolution of ESG-related regulation, specifically the Financial Conduct Authority's consultation on the UK Sustainability Disclosure Requirements (SDR) and the continued evolution of the EU Sustainable Finance Disclosure Regulations (SFDR). Our focus on data and evidence-led disclosure prepares us well for future regulatory obligations.

In our development programme, we have progressed our low – carbon baseline specification which will continue to change over time as materials and construction methodologies evolve. We have put in place a new target for embodied carbon in our developments of 400kg CO_2e per sqm. A part of this we have reviewed past developments to understand our performance and identify actions to meet our new target.

Our commitment to sustainable development encompasses our standards for construction, which includes achieving a minimum of BREEAM 'Excellent' and EPC A grade on all new buildings.

We continue to refine the net zero pathway for the Group. This is an ongoing process, which requires us to integrate our current development and asset management programmes into the pathway, as well as understanding our customers' plans for decarbonising their own operations. We intend to provide an update on progress before the end of the financial year.

At the period end, we had nine solar schemes being actively discussed with customers, with the schemes in aggregate having the potential to generate 13.5 MW of renewable energy. We also have several biodiversity initiatives underway, having inspected nearly 50 sites to determine the best approach for each. Projects include wildflower areas to support pollinators, as well as insect hotels, bird boxes and beehives.

In the area of social value, we have continued to integrate ESG criteria into our procurement processes and supply chain. Our partnership with Schoolreaders is continues to deliver much needed impact in child literacy. We have

[3] Includes one lease review agreed but undocumented.

supported Schoolreaders since 2019 and have just committed to another 3 years of support. Founded in 2013, the charity matches volunteers with local primary schools to provide free, weekly one to one reading support, targeting those pupils most desperately in need. Our partnership with Schoolreaders helps us to identify specific areas of child literacy need within the local communities where we own assets and where we are developing new assets.

We are currently reviewing our overall approach to how we optimise our social impact through effective governance, partnerships and data.

3) Insight driven development and innovation

Development is an attractive way to significantly enhance our returns, while carefully managing the associated risks.

We control the UK's largest land portfolio for logistics development, capable of delivering approximately 39.4 million sq ft of new logistics space, which has the potential to more than double the size of our business. Most of the land portfolio is held through capital-efficient long-term option agreements. These include locked-in discounts to prevailing land prices on drawdown and mean we typically buy the land when planning has been achieved, thereby reducing risk, and can underwrite a land profit position at the point of entry.

Our team has a long, proven track record of successfully obtaining planning consents and delivering new buildings on time. This provides a pipeline of new, high-quality assets, across a range of building sizes for our investment portfolio, and is a key driver of returns, delivering a target yield on cost of 6-8% through a blend of pre-let and speculative developments. The development pipeline is diversified geographically and provides a high degree of flexibility in terms of size and location, enabling us to match our customers' requirements for urban or last mile assets all the way through to "mega-boxes". As we implement our strategy, the balance of the investment portfolio will gradually evolve to reflect this broader mix of building sizes and attractive blend of lease profiles.

A carefully considered and low-risk approach to development

Our Investment Policy limits land and development exposure to 15% of GAV, including a maximum exposure to speculative development of 5% of GAV. At the period end:

- land and development exposure was 6.7% of GAV; and
- speculative exposure (based on aggregated costs) was 0.8%.

Managing build costs

Having come through a period of rapidly increasing build costs in 2022, we have seen a more stable cost environment in the first six months of 2023. The rate of increase in build costs has slowed markedly over the period and we are conducting open tenders on most of our construction projects. We continue to have excellent relationships with key suppliers and the scale of our development programme means we benefit from contractor loyalty and have considerable buying power. Consequently, we maintain our guidance of delivering a 6-8% yield on cost on our overall development programme, with our 2023 schemes expected to be delivered around the midpoint of this range. We closely monitor the financial strength of our contractors and place our main building contracts with contractors that are experienced in logistics warehousing and have robust balance sheets.

On track for 2-3 million sq ft of development starts

As noted above, the nature of the Group's development land portfolio and the short timescales for construction of logistics buildings give us the ability to flex our development programme in response to market conditions. In the second half of 2022, the investment market experienced considerable uncertainty as a result of high inflation and rising interest rates and we therefore acted prudently to moderate the pace of our development starts into H1 2023. As a result, we started 0.8 million sq ft of developments during the period with the potential to add a further £6.8 million to contracted annual rent. We expect the overall level of development starts to be weighted towards H2 2023, and expect to be at the lower end of our 2-3 million sq ft of development starts guidance range in 2023.

During the period, we also delivered:

- 0.5 million sq ft of development lettings, increasing contracted annual rent by £4.1 million;
- 0.9 million sq ft of leased buildings reaching practical completion, adding £6.4 million to passing rents; and
- Outline planning consent for a further 0.9 million sq ft.

The UK's largest land portfolio for logistics development

The Group's development land portfolio comprises:

- sites that we own or are being exercised, with capacity for 5.3 million sq ft of development; and
- sites we control through long-term option agreements, with capacity for a further 34.1 million sq ft subject to securing planning consent.

We categorise our development portfolio based on the timing of opportunities:

1) Current Development Pipeline – assets that have received planning consent and are under construction. These assets are either pre-let, let during construction or speculative developments. The Group owns these sites.

2) Near-term Development Pipeline – sites with planning consent received or submitted, and where we aim to begin construction in the next three years. The Group will own some of these sites, with others held under option pending planning consent.

3) Future Development Pipeline – longer-term land opportunities, which are principally held under option, and may be progressing through the planning process.

While the primary intention is to create income-producing assets for the investment portfolio, we will occasionally work with a customer to develop an asset for freehold sale to them, where this will help us to gain planning, open up a site and accelerate our profit capture.

We currently benefit from 6.2 million sq ft of planning consents across the Near-Term development pipelines.

1) Current Development Pipeline - assets under construction to be delivered in next 12 months

At 30 June 2023, the Group had the following assets in the Current Development Pipeline. The total estimated cost to complete is £83.3 million.

	Estimated costs to completion				**Total sq ft**	**Contractual rent / ERV**
	Total	**Period**				
	£m	H2 2023 £m	H1 2024 £m	H2 2024 £m	m	£m
Current Speculative Development	38.2	19.5	18.0	0.7	0.9	7.8
Current Let / Pre-Let Development	45.1	44.3	0.8	-	1.7	12.5
Total	**83.3**	**63.8**	**18.8**	**0.7**	**2.6**	**20.3**

2) Near-term Development Pipeline - construction expected to commence in next 12 - 36 months

At the period end, the Near-term Development Pipeline consisted of land capable of accommodating 11.9 million sq ft and delivering £102.4 million of annual rent. Of this:

- 6.2 million sq ft relates to land with planning consent; and
- 1.9 million sq ft relates to sites where we have submitted a planning application.

As at 30 June 2023, the Group was awaiting decisions on planning applications totalling 10.9 million sq ft.

The table below presents the potential Near-term Development Pipeline at the period end, these are schemes within the portfolio where we have the potential to commence construction within the timeframes indicated below. Movements in the figures are driven by construction starting (which will move space to the Current Development Pipeline), or changes in our view on likely timing starts, resulting in movements between the two categories below. All schemes are expected to be delivered within our 6-8% yield on cost guidance:

	Total sq ft	**Current book value** **£m**	**Estimated cost to completion** *(Uncommitted)* **£m**	**ERV** **£m**
Potential near-term starts in the next 12 months	2.9m	39	320	25
Potential near-term starts in the following 24 months	9.0m	116	1,015	77
	11.9m	**155**	**1,335**	**102**

3) Future Development Pipeline

The Future Development Pipeline is predominantly controlled under longer-term option agreements. Most option agreements contain an extension clause, allowing the option expiry date to be extended where necessary.

The Future Development Pipeline has sites at various stages of the planning process, with multiple sites being currently promoted through local plans. We have continued to replenish the pipeline through securing options over new sites.

At 30 June 2023, the Future Development Pipeline comprised 1,248 acres with the potential to support up to 26.7 million sq ft of development.

Development Management Agreements (DMAs)

Under a DMA, the Group typically manages the development of an asset for a third-party funder, in return for a fee and/or profit share. The Group will not own the site during construction or the completed investment. DMAs are therefore excluded from the Group's asset portfolio. DMAs can provide the Group with an attractive but variable source of additional income for shareholders, with no capital funding requirements.

Income from DMAs can vary over time. The treatment and impact of DMA income is discussed in the Financial Review.

Financial review

The Group’s financial performance continued to benefit from the strong operational performance during the six month period. Development completions in the period, combined with the full-year impact of last year’s developments and rent reviews, contributed to growth in net rental income. This was partially offset by the impact of asset disposals in the period. Adjusted earnings rose 5.6% to 3.94 pence (H1 2021: 3.73 pence) as a result of this income growth, alongside a reduction to administrative costs. The total dividend for the six months was 3.5 pence per share (H1 2021: 3.35 pence), in line with the Group's dividend policy.

The business remains well financed, with the strength of the balance sheet reflected in the period-end LTV of 30.3% (31 December 2022: 31.2%). Preserving our balance sheet strength given the volatility in the broader capital markets has been one of our priorities over the past 12 months. During 2023, we are aiming to refinance the Group's £450 million revolving credit facility, which matures in December 2024. Positive discussions with our lenders are ongoing and we expect to conclude this during the second half. We were pleased to see the Group's financial strength reflected in its credit rating with Moody's, which was reaffirmed during the period at a Baa1 with positive outlook.

Presentation of financial information

The financial information is prepared under IFRS. The Group's subsidiaries are consolidated at 100% and its interests in joint ventures are equity accounted for.

The Board continues to see Adjusted EPS[4] as the most relevant measure when assessing dividend distributions. Adjusted EPS is based on EPRA's Best Practices Recommendations and excludes items considered to be exceptional, not in the ordinary course of business or not supported by cash flows.

Financial results

Net rental income

Net rental income for the period grew by 7.7% to £109.3 million (H1 2022: £101.5 million). EPRA like-for-like rental growth was 3.6% , although this reflected a comparatively small number of rent reviews settled in the year to date.

At the period end, the contracted annual rent roll was £224.0 million across 76 assets (31 December 2022: £224.0 million across 79 assets). Despite being unchanged, activity in the period included new lettings adding £4.1 million, rent review settlement adding £2.0 million whilst our disposal activity reduced annual rent roll by £6.1 million.

The annual passing rent increased by 3.1% to £211.6 million (31 December 2022: £205.1 million), which was driven by new passing rent attached to development completions.

Administrative and other expenses

Administrative and other expenses, which include all the operational costs of running the Group, were £13.8 million (H1 2022: £15.3 million). The Investment Management fee for the six months fell by 14.3% to £10.8 million (H1 2022: £12.6 million), reflecting the reduction in net asset value between the two periods and the lower fee scale from 1 July 2022, following changes to the Investment Management Agreement announced in the prior year.

As suggested at the previous period end, this contributed to an expected reduction in the EPRA Cost Ratio (including and excluding vacancy cost), which was 12.6% for the period (H1 2022: 15.2%).

Operating profit

Operating profit before changes in fair value and other adjustments was £95.5 million (H1 2022: £88.8 million).

The Group earns DMA income from managing developments for third parties. DMA income is more variable than property rental income, and we include it within Adjusted earnings as it is supported by cash flows. We expect DMA income in a typical year to be £3.0-5.0 million per annum, over the medium term. We expect DMA income for 2023 to

[4] Excluding exceptional development management agreement income

fall within this range, with all of this being earned in the second half. In H1 2023, the Group recorded £nil of DMA income as there were no live DMA projects (H1 2022: £2.6 million).

Share-based payment charge and contingent consideration

The acquisition of DB Symmetry (rebranded to Tritax Symmetry) resulted in senior members of the Symmetry team becoming B and C shareholders in Tritax Symmetry Holdings Limited. Under IFRS, the structure of this transaction has led to the B and C shareholders' value being split between:

i) contingent consideration, which is determined by certain provisions under the shareholder agreement between Tritax Symmetry HoldCo and the Tritax Symmetry Management Shareholders; and

ii) a share-based payment charge, which is the compensation the B and C shareholders will receive as a result of their economic right to a share of the future performance of Tritax Symmetry Development Assets.

During H1 2023, £2.5 million (H1 2022: £4.5 million) was charged to the Group Statement of Comprehensive Income in respect of share-based payment charges and £0.4 million (H1 2022: £4.8 million) was charged in respect of contingent consideration.

Financing costs

Net financing costs for the period were £20.7 million (H1 2022: £18.4 million), excluding the gain in the fair value of interest rate derivatives of £2.9 million (H1 2022: £7.4 million gain). The average cost of debt at the period end, was little changed at 2.56% (31 December 2022: 2.57%), due to 100% of the Group’s drawn debt being either fixed rate or covered by interest rate caps as part of our hedging policy (see below). The movement in net financing costs therefore reflects the higher average drawn debt during the period. £2.1 million of interest expense was capitalised (H1 2022: £1.3 million), reflecting the level of capital deployed into active development projects in the period.

The interest cover ratio, being operating profit before changes in fair value and other adjustments over net finance expenses, was 4.6x (31 December 2022: 4.8x).

Tax

The Group has continued to comply with its obligations as a UK REIT and is exempt from corporation tax on its property rental business.

A tax charge of £1.7 million arose in the period (H1 2022: £nil), as a result of the profit on disposal of the asset at Littlebrook. This charge has been removed from EPRA earnings in line with guidance.

Profit and earnings

Profit before tax was £102.4 million (H1 2022: £458.7 million), with profit in the comparative period benefiting significantly from a substantial gain on revaluation of the portfolio. Basic EPS was 5.39 pence (H1 2022: 24.55 pence). Basic EPRA EPS, which excludes the impact of property valuation movements, was 3.60 pence (H1 2022: 3.32 pence).

Adjusted EPS for the period was 3.94 pence (H1 2022: 3.73 pence). The calculation of Adjusted EPS can be found in note 6. In both H1 2023 and H1 2022, the level of DMA income did not exceed of the anticipated run rate, and therefore Adjusted EPS excluding excess DMA income was the same as Adjusted EPS in both periods.

Dividends

The Board has declared the following interim dividends in respect of the period:

Declared	Amount per share	In respect of three months to	Paid/to be paid
4 May 2023	1.75p	31 March 2023	1 June 2023
2 August 2023	1.75p	30 June 2023	31 August 2023

The total dividend for the period was therefore 3.50 pence per share, an increase of 4.5% on the 3.35 pence paid in respect of H1 2022. The pay-out ratio was 89% of Adjusted EPS. The Board uses the Q4 dividend to implement any progression with the Q1 to Q3 dividends each reflecting 25% of the prior full year dividend.

Portfolio valuation

CBRE independently values the Group's assets that are leased, pre-leased or are under construction. These assets are recognised in the Group Statement of Financial Position at fair value. Colliers independently values all owned and optioned land. Land options and any other property assets are recognised at cost, less amortisation or impairment charges under IFRS.

The share of joint ventures relates to 50% interests in two sites at Middlewich and Northampton, relating to land and land options. These two sites are equity accounted for and appear as a single line item in the Statement of Comprehensive Income and Statement of Financial Position.

The total portfolio value at 30 June 2023 was £5.05 billion, including the Group's share of joint ventures:

	30 June 2023 £m	31 December 2022 £m
Investment properties	4,766.1	4,847.3
Other property assets	2.3	2.3
Land options (at cost)	165.0	157.4
Share of joint ventures	26.8	27.2
Financial asset	2.4	-
Asset held for sale	84.3	25.1
Portfolio value	**5,046.9**	**5,059.3**

The gain recognised on revaluation of the Group's Investment properties was £29.9 million (H1 2022: £390.5 million gain). The portfolio equivalent yield remained flat during the period at 5.3% (31 December 2022: 5.3%), with growth driven primarily through income growth across the portfolio. This was supplemented by the benefits of our continued progress with the development programme and further growth in ERVs, which were 3.9% higher in the first half of this year.

Capital expenditure

Capital expenditure into developments in H1 2023 was £108.9 million, reflecting an additional 0.8 million sq ft of construction starts. This compares with our guidance of £200-250 million for the year, based on an expected range of 2-3 million sq ft of construction starts. We expect construction starts and capital expenditure to be within our guidance for the full year.

Embedded value within land options

Under IFRS, land options are recognised at cost and subject to impairment review. As at 30 June 2023, the Group's investment in land options totalled £165.0 million (31 December 2022: £157.4 million). We continue to progress strategic land through the planning process. There were no transfers between land options and investment property during the period.

As the land under option approaches the point of receiving planning consent, any associated risk should reduce and the fair value should increase. When calculating its EPRA NTA, the Group therefore makes a fair value mark-to-market adjustment for land options. At the period end, the fair value of land options was £41.4 million greater (31 December 2022: £20.4 million greater) than costs expended to date.

Net assets

The EPRA NTA per share at 30 June 2023 was 183.02 pence (31 December 2022: 180.37 pence).

The Total Accounting Return for the period, which is the change in EPRA NTA plus dividends paid, was 3.5% (H1 2022: 10.7%).

Debt capital

At 30 June 2023, the Group had the following borrowings:

Lender	Maturity	Loan commitment £m	Amount drawn at 30 June 2023 £m
Loan notes			
2.625% Bonds 2026	Dec 2026	250.0	249.6
2.86% Loan notes 2028	Feb 2028	250.0	250.0
2.98% Loan notes 2030	Feb 2030	150.0	150.0
3.125% Bonds 2031	Dec 2031	250.0	247.9
1.5% Green Bonds 2033	Nov 2033	250.0	246.9
Bank borrowings			
RCF (syndicate of seven banks)	Dec 2024	450.0	129.0
RCF (syndicate of six banks)	Jun 2026	300.0	90.0
Helaba	Jul 2028	50.9	50.9
PGIM Real Estate Finance	Mar 2027	90.0	90.0
Canada Life	Apr 2029	72.0	72.0
Total		**1,912.9**	**1,576.3**

Interest rates and hedging

Of the Group's drawn debt as at 30 June 2023, 83% is at fixed interest rates. For its variable rate debt, the Group's hedging strategy is to use interest rate caps which run coterminous with the respective loan. These protect the Group from significant increases in interest rates.

Combined with the fixed rate debt, the Group's derivative instruments hedged 100% of its drawn debt as at the period end. The average cost of borrowing at 30 June 2023 was 2.56% (31 December 2022: 2.57%).

Debt maturity

At 30 June 2023, the Group's debt had an average maturity of 4.9 years (31 December 2022: 5.4 years), with the next maturity falling due in approximately 18 months and the farthest maturity falling due in more than 10 years.

We have begun the process of refinancing the £450 million RCF that expires in December 2024 and have held positive talks with our lenders and we expect to complete this process in the second half of the year.

Loan to value (LTV)

The Group has a conservative leverage policy. At the period end, the LTV was 30.3% (31 December 2022: 31.2%), reflecting a modest reduction in net debt across the half alongside a stable portfolio valuation. Managing leverage over the past 12 months has been a priority for the Company.

The Group has exchanged on the Junction 6, Birmingham acquisition with a purchase price of £58 million and the Howdens, Raunds disposal, with proceeds agreed of £84.3 million. When taking into account these transactions which are to complete in July and August respectively, the pro-forma LTV reduces to 30.0%.

Net debt and operating cash flow

Net debt at the period end was £1,530.4 million, comprising £1,576.3 million of gross debt less £45.9 million of cash (31 December 2022: £1,624.0 million gross debt, £71.1 million cash).

Net operating cash flow was £95.8 million for the period (H1 2022: £86.1 million).

Going concern

We continue to have a healthy liquidity position, with strong levels of rent collection, a favourable debt maturity profile and substantial headroom against our financial covenants.

The Directors have reviewed our current and projected financial position over a five-year period, making reasonable assumptions about our future trading performance. Various forms of sensitivity analysis have been performed, in particular regarding the financial performance of our customers and expectations over lease renewals. As at 30 June 2023, our property values would have to fall by approximately 45% before our loan covenants are breached at the corporate level.

At the period end, we had an aggregate of £531 million of undrawn commitments under our senior debt facilities and £45.9 million of cash, of which £141.3 million (see note 18) was committed under various development and purchase contracts. In addition, we had exchanged to sell one asset for £84.3 million, with proceeds expected to be received in August 2023.

Our loan to value ratio stood at 30.3%, with the debt portfolio having an average maturity term of approximately 4.9 years.

As at the date of approval of this report, we had substantial headroom within our financial loan covenants. Our financial covenants have been complied with for all loans throughout the period and up to the date of approval of these financial statements. As a result, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, which is considered to be to 3 August 2024.

Tritax Symmetry succession planning update

On 31 July 2023, we agreed with the founding directors of Tritax Symmetry, to acquire their 13% retained equity interest in Tritax Symmetry Holdings Limited (TSHL) which formed part of the contingent consideration following its acquisition in February 2019.

The B and C Non-Hurdle shares in TSHL, are being acquired for a total consideration of £65.0 million, and will be settled through a combination of cash and the issue of new ordinary shares in the Company (Ordinary Shares), upon which the founding directors (excluding Andrew Dickman) will be fully stepping away from the business.

In conjunction, the Company will also purchase the remaining C Hurdle shares in TSHL, awarded under the previous arrangements, valued at £1.6 million as at 30 June 2023, also for a combination of cash and the issue of new Ordinary Shares.

Post settlement, the full quota of B and C shares (equivalent to the 13% equity interest) will be extinguished and the Company will own 100% of TSHL. The B and C share liability recognised within the Statement of Financial Position, as at 30 June 2023, was £45.1 million.

Under the previous arrangement, the Company had an ability to buyback the remaining B and C shares post December 2026, therefore this, is in part, an acceleration of the charge to EPRA NTA that would have been expected to be charged during the period June 2023 to December 2026.

The charge expected to EPRA NTA resulting from the early settlement, including the issue of the new ordinary shares to both the founding directors and other C shareholders, would amount to approximately 1% of EPRA NTA as at 30 June 2023.

The new Ordinary Shares will likely be issued to the founding directors and other C shareholders on or before 26 August 2023, at an issue price equivalent to the closing mid-market price of the Company’s Ordinary Shares on the business day immediately prior to the date of issue and will be subject to agreed 12 month lock-up for the exiting directors and orderly market provisions. A further announcement to confirm the number of shares and issue price will be issued upon completion.

We saw this as an excellent opportunity to further align the incentivisation of the remaining TSHL team, to be led by Andrew Dickman, and so have put in place a long-term scheme that rewards value created within the Symmetry development portfolio and is therefore aligned with the Company and its shareholders.

Taking into account the accelerated settlement of the B and C shares and the new incentivisation scheme, it is the Company’s view that this is in the best interests of shareholders. We believe that the new arrangement is likely to result in a better financial outcome for shareholders over the period to 2026, assuming a certain level of development is undertaken based on existing business plans.

Credit rating

The Group has a Baa1 long-term credit rating and positive outlook from Moody's Investor Services, which was reaffirmed during the period.

Alternative Investment Fund Manager (AIFM)

The Manager is authorised and regulated by the Financial Conduct Authority as a full-scope AIFM. The Manager is therefore authorised to provide services to the Group and the Group benefits from the rigorous reporting and ongoing compliance applicable to AIFMs in the UK.

As part of this regulatory process, Langham Hall UK Depositary LLP (Langham Hall) is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. In performing its function, Langham Hall conducts a quarterly review during which it monitors and verifies all new acquisitions, share issues, loan facilities and other key events, together with shareholder distributions, the quarterly management accounts, bank reconciliations and the Company's general controls and processes. Langham Hall provides a written report of its findings to the Company and to the Manager, and to date it has not identified any issues. The Company therefore benefits from a continuous real-time audit check on its processes and controls.

Key performance indicators

Our objective is to deliver attractive, low-risk returns to Shareholders, by executing the Group's Investment Policy and operational strategy. Set out below are the key performance indicators we use to track our progress. For a more detailed explanation of performance, please refer to the Manager's Report.

KPI	Relevance to strategy	Performance
1. Total accounting return (TAR)	TAR calculates the change in the EPRA net tangible assets (EPRA NTA) over the period plus dividends paid. It measures the ultimate outcome of our strategy, which is to deliver value to our shareholders through our portfolio and to deliver a secure and growing income stream.	3.5% for the six months to 30 June 2023 (H1 2022: 10.7%, FY 2022: -15.9%)
2. Dividend	The dividend reflects our ability to deliver a low-risk but growing income stream from our portfolio and is a key element of our TAR.	3.50p per share for six months to 30 June 2023 (H1 2022: 3.35p, FY 2022: 7.00p)
3. EPRA NTA per share[1]	The EPRA NTA reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.	183.02p at 30 June 2023 (30 June 2022: 242.88p, 31 December 2022: 180.37p).
4. Loan to value ratio (LTV)	The LTV measures the prudence of our financing strategy, balancing the potential amplification of returns and portfolio diversification that come with using debt against the need to successfully manage risk.	30.3% at 30 June 2023 (30 June 2022: 23.7%, 31 December 2022: 31.2%).
5. Adjusted earnings per share	The Adjusted EPS reflects our ability to generate earnings from our portfolio, which ultimately underpins our dividend payments.	3.94p per share for the six months to 30 June 2023 (H1 2022: 3.73p, FY 2022: 7.79p)
6. Weighted average unexpired lease term (WAULT)	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.	12.1 years at 30 June 2023 (30 June 2022: 12.8 years, 31 December 2022: 12.6 years).
7. Global Real Estate Sustainability Benchmark (GRESB) score	The GRESB score reflects the sustainability of our assets and how well we are managing ESG risks and opportunities. Sustainable assets protect us against climate change and help our customers to operate efficiently.	83/100 and 4 Green Star rating for 2022 (2021: 81/100, 4 Green Star rating) 99/100 and 5 Green Star rating for developments for 2022 and received the GRESB 2022 Leader for Development in the European and Global Industrial Sectors award

[1] EPRA NTA is calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We use these alternative metrics as they provide a transparent and consistent basis to enable comparison between European property companies.

EPRA performance indicators

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 all EPRA performance indicators, please see Notes to the EPRA and other key performance indicators.

Measure and Definition	Purpose	Performance
1. EPRA Earnings (Diluted) See note 6	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	£67.2m / 3.60p per share (H1 2022: £62.0m / 3.32p per share, FY 2022: £144.8m / 7.66p per share).
2. EPRA Net Tangible Assets See note 16	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	£3,420.4m / 183.02p per share as at 30 June 2023 (30 June 2022: £4,539.1m / 242.88p per share, 31 December 2022: £3,370.8m / 180.37p per share).
3. EPRA Net Reinstatement Value (NRV)	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	£3,775.2m / 202.01p per share as at 30 June 2023 (30 June 2022: £4,953.0m / 265.03p per share, 31 December 2022: £3,759.6m / 201.17p per share).
4. EPRA Net Disposal Value (NDV)	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.	£3,682.7m / 197.06p per share as at 30 June 2023 (30 June 2022: £4,640.5m / 248.31p per share, 31 December 2022: £3,591.5m / 192.18p per share).
5 EPRA Net Initial Yield (NIY)	This measure should make it easier for investors to judge for themselves how the valuations of two portfolios compare.	4.05% as at 30 June 2023 (30 June 2022: 3.36%, 31 December 2022: 4.19%).
6 EPRA 'Topped-Up' NIY	This measure should make it easier for investors to judge for themselves how the valuations of two portfolios compare.	4.34% as at 30 June 2023 (30 June 2022: 3.60%, 31 December 2022: 4.39%).
7. EPRA Vacancy	A "pure" (%) measure of investment property space that is vacant, based on ERV.	1.9% as at 30 June 2023 (30 June 2022: 0%, 31 December 2022: 2.1%).
8. EPRA Cost Ratio	A key measure to enable meaningful measurement of the changes in a company's operating costs.	12.6% (H1 2022: 15.2%, FY 2022: 15.7%). Both the 2023 and 2022 ratios are the same, inclusive or exclusive of vacancy costs.
9. EPRA LTV	A key (shareholder-gearing) metric to determine the percentage of debt comparing to the appraised value of the properties.	32.1% (30 June 2022: 24.8 %, 31 December 2022: 32.9%).

Principal risks and uncertainties

The Audit & Risk Committee, which assists the Board with its responsibilities for managing risk, considers that whilst some risks may have increased and some risks reduced in the period, all principal risks and uncertainties presented on pages 55-58 of our 2022 Annual Report, dated 1 March 2023, remained valid during the period and we believe will continue to remain valid for the remainder of the year.

We remain focused on the risk of continued challenges to the UK economy, including current interest rate and inflation levels.

Property risks

- Tenant default: the risk of one or more of our tenants defaulting
- Portfolio strategy and industry competition: the ability of the Company to execute its strategy and deliver performance
- Performance of the UK retail sector and the continued growth of online retail
- Execution of development business plan: there may be a higher degree of risk within our development portfolio

Financial risks

- Debt financing – LTV, availability and cost of debt

Corporate risk

- We rely on the continuance of the manager

Taxation risk

- UK REIT status: we are a UK REIT and have a tax-efficient corporate structure, which is advantageous for UK Shareholders.

Other risks

- Severe economic downturn
- Physical and transition risks from climate change

Statement of directors' responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Services Authority, IAS 34 'Interim Financial Reporting',

- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Shareholder information is as disclosed on the Tritax Big Box REIT plc website.

For and on behalf of the Board

Aubrey Adams OBE (Chairman)

2 August 2023

Independent review report to Tritax Big Box REIT plc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the Condensed Group Statement of Comprehensive Income, the Condensed Group Statement of Financial Position, the Condensed Group Statement of Changes in Equity, the Condensed Group Cash Flow Statement and related notes.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants
London, United Kingdom
2 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Condensed group statement of comprehensive income

For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 (unaudited) £m**	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Gross rental income		**109.3**	101.5	206.2
Service charge income		**3.1**	2.6	6.3
Service charge expense		**(3.1)**	(2.6)	(6.5)
Net rental income		**109.3**	101.5	206.0
Gross operating income		**–**	8.3	18.3
Other operating costs		**–**	(5.7)	(9.0)
Other operating income		**–**	2.6	9.3
Administrative and other expenses		**(13.8)**	(15.3)	(32.2)
Operating profit before changes in fair value and other adjustments[1]		**95.5**	88.8	183.1
Changes in fair value of investment properties	8	**29.9**	390.5	(759.5)
Loss on disposal of investment properties		**(2.0)**	–	–
Share of profit/(loss) from joint ventures		**–**	–	0.5
Impairment of intangible and other property assets		**(0.3)**	(0.3)	(1.4)
Share-based payment charge	14	**(2.5)**	(4.5)	(1.9)
Changes in fair value of contingent consideration payable	14	**(0.4)**	(4.8)	1.1
Operating profit		**120.2**	469.7	(578.1)
Finance income		**4.6**	–	1.6
Finance expense	4	**(25.3)**	(18.4)	(39.4)
Changes in fair value of interest rate derivatives	10	**2.9**	7.4	14.9
Profit before taxation		**102.4**	458.7	(601.0)
Taxation	5	**(1.7)**	–	1.6
Profit and total comprehensive income		**100.7**	458.7	(599.4)
Earnings per share – basic	6	**5.39p**	24.55p	(32.08)p
Earnings per share – diluted[2]	6	**5.39p**	24.55p	(32.08)p

[1] Operating profit before changes in fair value of investment properties and contingent consideration, loss on disposal of investment properties, share of loss from joint ventures, impairment of intangible and other property assets and share-based payment charges.

[2] There is no dilution in the period to 30 June 2023

Condensed group statement of financial position
As at 30 June 2023

	Note	**Six months ended 30 June 2023 (unaudited) £m**	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Non-current assets				
Intangible assets		**1.2**	1.6	1.4
Investment property	8	**4,766.1**	5,847.1	4,847.3
Investment in land options	9	**165.0**	150.7	157.4
Investment in joint ventures		**26.8**	27.1	27.2
Other property assets		**2.3**	3.1	2.3
Financial asset		**2.4**	–	–
Trade and other receivables	11	**2.0**	2.0	2.0
Interest rate derivatives	10	**22.8**	12.4	19.9
Total non-current assets		**4,988.6**	6,044.0	5,057.5
Current assets				
Rent and other receivables	11	**24.6**	28.9	24.9
Assets held for sale		**84.3**	–	25.1
Cash at bank	12	**45.9**	34.8	47.6
Total current assets		**154.8**	63.7	97.6
Total assets		**5,143.4**	6,107.7	5,155.1
Current liabilities				
Deferred rental income		**(32.1)**	(34.9)	(34.7)
Trade and other payables		**(111.4)**	(92.5)	(111.2)
Tax liabilities		**(4.1)**	(4.3)	(1.1)
Total current liabilities		**(147.6)**	(131.7)	(147.0)
Non-current liabilities				
Trade and other payables		**(2.0)**	(2.0)	(2.0)
Bank borrowings	13	**(427.8)**	(314.2)	(474.8)
Loan notes	13	**(1,139.8)**	(1,138.4)	(1,139.1)
Amounts due to B and C shareholders	14	**(45.1)**	(50.7)	(42.2)
Total non-current liabilities		**(1,614.7)**	(1,505.3)	(1,658.1)
Total liabilities		**(1,762.3)**	(1,637.0)	(1,805.1)
Total net assets		**3,381.1**	4,470.7	3,350.0
Equity				
Share capital	15	**18.7**	18.7	18.7
Share premium reserve	15	–	764.3	764.3
Capital reduction reserve	15	**1,529.8**	897.7	835.1
Retained earnings	15	**1,832.6**	2,790.0	1,731.9
Total equity		**3,381.1**	4,470.7	3,350.0
Net asset value per share – basic	16	**180.92p**	239.23p	179.25p
Net asset value per share – diluted	16	**180.92p**	239.23p	179.25p
EPRA net tangible asset per share – basic	16	**183.02p**	242.88p	179.25p
EPRA net tangible asset per share – diluted	16	**183.02p**	242.88p	180.37p

These financial statements were approved by the Board of Directors on 2 August 2023 and signed on its behalf by:
Aubrey Adams OBE (Chairman)

Condensed group statement of changes in equity

For the six months ended 30 June 2023

Six months ended 30 June 2023 (unaudited)	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
At 1 January 2023		**18.7**	**764.3**	**835.1**	**1,731.9**	**3,350.0**
Profit and total comprehensive income		**–**	**–**	**–**	**100.7**	**100.7**
		18.7	**764.3**	**835.1**	**1,832.6**	**3,450.7**
Contributions and distributions						
Shares issued in relation to management contract		**–**	**–**	**–**	**–**	**–**
Share-based payments		**–**	**–**	**–**	**2.2**	**2.2**
Cancellation of the share premium account	15	**–**	**(764.3)**	**764.3**	**–**	**–**
Transfer of share-based payments to liabilities to reflect settlement		**–**	**–**	**–**	**(2.2)**	**(2.2)**
Dividends paid	7	**–**	**–**	**(69.6)**	**–**	**(69.6)**
At 30 June 2023		**18.7**	**–**	**1,529.8**	**1,832.6**	**3,381.1**

Six months ended 30 June 2022 (unaudited)	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
At 1 January 2022		18.7	762.0	964.5	2,331.3	4,076.5
Profit and total comprehensive income		–	–	–	458.7	458.7
		18.7	762.0	964.5	2,790.0	4,535.2
Contributions and distributions						
Shares issued in relation to management contract		–	2.3	–	–	2.3
Share-based payments		–	–	–	2.6	2.6
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(2.6)	(2.6)
Dividends paid	7	–	–	(66.8)	–	(66.8)
At 30 June 2022		18.7	764.3	897.7	2,790.0	4,470.7

Year ended 31 December 2022 (audited)	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2022		18.7	762.0	964.5	2,331.3	4,076.5
Profit and total comprehensive income		–	–	–	(599.4)	(599.4)
		18.7	762.0	964.5	1,731.9	3,477.1
Contributions and distributions						
Shares issued in relation to management contract		–	2.3	–	–	2.3
Share-based payments		–	–	–	5.3	5.3
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(5.3)	(5.3)
Dividends paid	7	–	–	(129.4)	–	(129.4)
At 31 December 2022		18.7	764.3	835.1	1,731.9	3,350.0

Condensed group cash flow statement
For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 (unaudited) £m**	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Cash flows from operating activities				
Profits for the period (attributable to the shareholders)		**100.7**	458.7	(599.4)
Add: tax charge		**1.7**	-	(1.6)
Add: changes in fair value of contingent consideration payable		**0.4**	4.8	(1.1)
Add: finance expense		**25.3**	18.4	39.4
Add: changes in fair value of interest rate derivatives		**(2.9)**	(7.4)	(14.9)
Add: share-based payment charges		**2.5**	4.5	1.9
Add: impairment of intangible and other property assets		**0.3**	0.2	1.4
Add: amortisation of other property assets		–	0.9	1.7
Add: share of loss from joint ventures		–	–	(0.5)
Less: changes in fair value of investment properties		**(29.9)**	(390.5)	759.5
Add: loss on disposal of investment properties		**1.7**	–	–
Accretion of tenant lease incentive		**(7.4)**	(5.2)	(11.1)
Less: Finance income		**(4.6)**	–	(1.6)
Decrease in trade and other receivables		**2.2**	8.0	12.1
(Decrease)/increase in deferred income		**(2.6)**	(3.7)	(3.9)
Increase/(decrease) in trade and other payables		**6.8**	(2.6)	(2.9)
Cash generated from operations		**94.2**	86.1	179.0
Taxation refunded/(paid)		**1.3**	–	(1.6)
Net cash flow generated from operating activities		**95.5**	86.1	177.4
Investing activities				
Additions to investment properties		**(102.1)**	(136.1)	(286.8)
Additions to land options		**(7.6)**	(6.4)	(13.1)
Additions to joint ventures		**–**	(1.9)	(2.8)
Net proceeds from disposal of investment properties		**149.0**	–	–
Interest received		**0.1**	–	0.1
Dividends received from joint ventures		**0.4**	0.4	0.5
Net cash flow generated from/(used in) investing activities		**39.8**	(144.0)	(302.1)
Financing activities				
Proceeds from issue of Ordinary Share Capital		–	2.3	2.3
Bank borrowings drawn		**102.0**	133.0	319.0
Bank and other borrowings repaid		**(150.0)**	(26.0)	(52.0)
Interest derivatives payments received		**3.1**	–	1.5
Loan arrangement fees paid		**(0.2)**	(0.5)	(1.4)
Bank interest paid		**(22.3)**	(17.5)	(35.8)
Interest rate cap premium paid		–	(3.2)	(3.2)
Dividends paid to equity holders		**(69.6)**	(66.5)	(129.2)
Net cash flow (used in)/generated from financing activities		**(137.0)**	21.6	101.2
Net decrease in cash and cash equivalents for the period		**(1.7)**	(36.3)	(23.5)
Cash and cash equivalents at start of period	12	**47.4**	70.9	70.9
Cash and cash equivalents at end of period	12	**45.7**	34.6	47.4

Notes to the consolidated accounts

1. Basis of preparation

These condensed consolidated interim financial statements for the 6 months to 30 June 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Services Authority, IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. They do not include all of the information required for full annual financial statements and should be read in conjunction with the 2022 Annual Report and Accounts, which were prepared in accordance with UK-adopted International Accounting Standards (IFRS).

The condensed consolidated financial statements for the six months ended 30 June 2023 have been reviewed by the Group's Auditor, BDO LLP, in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and were approved for issue on 2 August 2023. The condensed consolidated financial statements are unaudited and do not constitute statutory accounts for the purposes of the Companies Act 2006.

The comparative financial information presented herein for the year to 31 December 2022 does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's Annual Report and accounts for the year to 31 December 2022 have been delivered to the Registrar of Companies. The Group's independent auditor's report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

1.1. Going concern

The Board has paid attention to the appropriateness of the going concern basis in preparing these financial statements. Any going concern assessment considers the Group's financial position, cash flows and liquidity, including its continued access to its debt facilities and its headroom under financial loan covenants.

The Directors have considered the cash flow forecasts for the Group for a period of at least twelve months from the date of approval of these condensed consolidated financial statements. These forecasts include the Directors' assessment of plausible downside scenarios. The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about its future trading performance. Various forms of sensitivity analysis have been performed having a particular regard to the financial performance of its Customers, taking into account any discussions held with the Customer surrounding their rental obligations. The analysis also included sensitising the impact of portfolio valuation movements through market volatility, rent collection and customer default. These scenarios all paid regard to the current economic environment.

The Group has a strong track record around rent collection with no history of bad debts. There have been no agreements to grant rent free periods or rent holidays across the whole portfolio as a result of customer credit issues. The Directors have also considered the arrears position in light of IFRS 9, expected credit loss model, see Note 11 for further details.

As at 30 June 2023, the Group had an aggregate £531 million of undrawn commitments under its senior debt facilities, of which £141.3 million was committed under various development and purchase contracts. In addition, the Group had exchanged on an asset for sale, where £84.3 million of proceeds were due to be received in August 2023.

At 30 June 2023 the Group's loan to value ratio stood at 30.3%, with the debt portfolio having an average maturity term of approximately 4.9 years. As at the date of approval of this report, the Group has substantial headroom within its financial loan covenants. As at 30 June 2023 property values would have to fall by approximately 45% before loan covenants are breached.

The Group's financial covenants have been complied with for all loans throughout the period and up to the date of approval of these financial statements.

The Directors are therefore satisfied that the Group is in a position to continue in operation for at least twelve months from the date of approval of these condensed consolidated financial statements and consider it appropriate to adopt the going concern basis of accounting in preparing them. There is no material uncertainty relating to going concern.

2. Significant accounting judgements, estimates and assumptions

The condensed consolidated financial statements have been prepared on the basis of the accounting policies, significant judgements, estimates and key assumptions as set out in the notes to the Group's annual financial statements for the year ended 31 December 2022. No changes have been made to the Group's accounting policies as a result of the amendments and interpretations which became effective in the period as they do not have a material impact on the Group. Full details can be found in the Group's annual financial statements for the year ended 31 December 2022, apart from the below:

2.1 Judgements

Other operating income

Other operating income is receivable from development management agreements in place with third parties. Development management income is recognised in the accounting period in which the services are rendered and a significant reversal is not expected in future periods.

Judgement is exercised in identifying performance obligations including achieving a pre-let, managing the building of an asset and arranging for lease completion. Certain performance obligations are recognised at a point in time and others are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services. A judgement is formed over the level of other operating income to be recognised in any accounting period, which also takes into account any associated costs attached to the development management agreements.

2.2 Estimates

Fair valuation of Investment property

The market value of Investment property is determined by an independent property valuation expert (see note 8) 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 and the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 ("the Red Book"). Factors reflected comprise current market conditions including net initial yield applied, annual rentals, lease lengths and location. The net initial yield, being the most significant estimate, is subject to changes depending on the market conditions which are assessed on a periodic basis. The significant methods and assumptions used by the valuers in estimating the fair value of Investment property, together with the sensitivity analysis on the most subjective inputs, are set out in note 8.

3. Summary of significant accounting policies

The accounting policies adopted in this report are consistent with those applied in the Group's consolidated financial statements for the year ended 31 December 2022 and are expected to be applied consistently during the year ending 31 December 2023.

3.1 New standard issued and effective from 1 January 2023

The following standard and amendment to existing standards has been applied in preparing the condensed financial statements.

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

There was no material effect from the adoption of the above-mentioned amendments to IFRS effective in the period. They have no significant impact to the Group as they are either not relevant to the Group's activities or require accounting which is already consistent with the Group's current accounting policies.

4. Finance expense

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Interest payable on bank borrowings	**9.9**	3.0	9.3
Interest payable on loan notes	**14.8**	14.8	29.8
Commitment fees payable on bank borrowings	**1.0**	1.0	1.7
Swap interest payable	**–**	0.1	0.1
Borrowing costs capitalised against development properties	**(2.1)**	(1.3)	(4.7)
Amortisation of loan arrangement fees	**1.7**	0.8	3.2
	25.3	18.4	39.4

5. Taxation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
UK corporation tax credit/(charge)	**(1.7)**	–	1.6

The UK corporation tax rate for the financial year is 19% to 5 April 2023 and 25% from 6 April 2023. Accordingly, a blended rate of 22% has been applied in the measurement of the Group's tax liability at 30 June 2023.

Non-taxable items include income and gains that are derived from the property rental business and are therefore exempt from UK corporation tax in accordance with Part 12 of CTA 2010.

REIT exempt income includes property rental income that is exempt from UK corporation tax in accordance with Part 12 of CTA 2010.

The tax charge in the period relates to the profit on disposal of an asset which is not exempt from UK corporation tax.

6. Earnings per share

Earnings per share (EPS) are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are dilutive instruments outstanding, basic and diluted earnings per share are shown below.

In relation to the dilutive shares to be issued in respect of the B and C Shares, the Directors have indicated an intention as at 30 June 2023 to settle these 100% in cash. The calculation of basic and diluted earnings per share is based on the following:

For the six months ended 30 June 2023 (unaudited)	Net profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares[1] '000	Earnings per share pence
Basic EPS and diluted EPS[2]	**100.7**	**1,868,827**	**5.39**
Adjustments to remove:			
Changes in fair value of Investment property	**(29.9)**		
Changes in fair value of interest rate derivatives	**(2.9)**		
Finance income received on interest rate derivatives	**(4.6)**		
Loss on sale of investment properties	**2.0**		
Tax on disposals	**1.7**		
Impairment of intangible contract	**0.2**		
EPRA EPS and EPRA diluted EPS[2]	**67.2**	**1,868,827**	**3.60**
Adjustments to include:			
Fixed rental uplift adjustments	**(2.8)**		
Share-based payments charges	**2.5**		
Changes in fair value of contingent consideration payable	**0.4**		
Finance income received on interest rate derivatives	**4.6**		
Amortisation of loan arrangement fees and intangibles (see note 4)	**1.7**		
Adjusted EPS and Adjusted diluted EPS[2]	**73.6**	**1,868,827**	**3.94**

1. Based on the weighted average number of Ordinary Shares in issue throughout the period.
2. Based on the weighted average number of Ordinary Shares in issue throughout the period, plus potentially issuable dilutive shares (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C Shareholders that could potentially be settled as equity. The share-based payments charges are not dilutive at period end.

For the six months ended 30 June 2022 (unaudited)	Net profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares[1] '000	Earnings per share pence
Basic EPS and diluted EPS[2]	458.7	1,868,446	24.55
Adjustments to remove:			
Changes in fair value of Investment property	(390.5)		
Changes in fair value of interest rate derivatives	(7.4)		
Amortisation of other property assets	0.9		
Impairment of intangible contract	0.3		
EPRA EPS and EPRA diluted EPS[2]	62.0	1,868,446	3.32
Adjustments to include:			
Fixed rental uplift adjustments	(2.3)		
Share-based payments charges	4.5		
Changes in fair value of contingent consideration payable	4.8		
Amortisation of loan arrangement fees and intangibles (see note 4)	0.7		
Adjusted EPS and Adjusted diluted EPS[2]	69.7	1,868,446	3.73

1. Based on the weighted average number of Ordinary Shares in issue throughout the period.
2. Based on the weighted average number of Ordinary Shares in issue throughout the period, plus potentially issuable dilutive shares (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C Shareholders that could potentially be settled as equity. The share-based payments charges are dilutive at period end.

For the year ended 31 December 2022	Net profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares[1] '000	Earnings per share pence
Basic EPS	(599.4)	1,868,638	(32.08)
Diluted EPS[2]	(599.4)	1,868,638	(32.08)
Adjustments to remove:			
Changes in fair value of investment property	759.5		
Changes in fair value of interest rate derivatives	(14.9)		
Amortisation of other property assets	1.7		
Share of profit from joint ventures	(0.5)		
Impairment of intangible contract and other property assets	1.5		
EPRA EPS	147.9	1,868,638	7.92
Dilutive shared based payment charge	(2.0)		
Fair value movement in contingent consideration	(1.1)	14,040	
Dilutive shares in respect of B and C Shareholders		8,775	
EPRA diluted EPS[2]	144.8	1,891,453	7.66
Adjustments to include:			
Share-based payments charge	2.0		
Fair value movement in contingent consideration	1.1		
Fixed rental uplift adjustments	(6.1)		
Share-based payments charges	1.9		
Changes in fair value of contingent consideration payable	(1.1)		
Amortisation of loan arrangement fees and intangibles (see note 4)	3.0		
Adjusted EPS[4]	145.6	1,868,638	7.79
Dilutive shared based payment charge	(2.0)		
Fair value movement in contingent consideration	(1.1)	14,040	
Dilutive shares in respect of B and C Shareholders		8,775	
Adjusted diluted EPS[2]	142.5	1,891,453	7.54

1. Based on the weighted average number of Ordinary Shares in issue throughout the year.
2. Based on the weighted average number of Ordinary Shares in issue throughout the year, plus potentially issuable dilutive shares (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C shareholders that could potentially be settled as equity. The share-based payments charges are dilutive to basic EPS only at year end.
4. Relates to dilutive effect of shares to be issued on outstanding investment manager's fees.

Adjusted earnings is a performance measure used by the Board to assess the Group's financial performance and dividend payments. The metric adjusts EPRA earnings by other 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. Licence fees received during the period are added to EPRA earnings on the basis noted below as the Board sees these cash flows as supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

Fixed rental uplift adjustments relate to adjustments to net rental income on leases with fixed or minimum uplifts embedded within their review profiles. The total minimum income recognised over the lease term is recognised on a straight-line basis and therefore not supported by cash flows during the early term of the lease, but this reverses towards the end of the lease.

Share-based payment charges relate to the B and C Shareholders. Whilst impacting on earnings, this value is considered capital in nature from the perspective it relates to an equity holding in Tritax Symmetry Limited. It is therefore removed from Adjusted earnings.

7. Dividends paid

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Fourth interim dividend in respect of year ended 31 December 2021 at 1.90 pence per Ordinary Share	**–**	35.5	35.5
First interim dividend in respect of year ended 31 December 2022 at 1.675 pence per Ordinary Share	**–**	31.3	31.3
Second interim dividend in respect of year ended 31 December 2022 at 1.675 pence per Ordinary Share	**–**	–	31.3
Third interim dividend in respect of year ended 31 December 2022 at 1.675 pence per Ordinary Share	**–**	–	31.3
Fourth interim dividend for the year ended 31 December 2022 at 1.975 pence per Ordinary Share	**36.9**	–	–
First interim dividend for the year ended 31 December 2023 at 1.75 pence per Ordinary Share	**32.7**	–	–
Total dividends paid	**69.6**	66.8	129.4
Total dividends paid in respect of the period/year	**1.75p**	1.675p	5.025p
Total dividends unpaid but declared in respect of the period/year	**1.75p**	1.675p	1.975p
Total dividends declared – per share	**3.50p**	3.35p	7.00p

On 2 August 2023, the Company approved the declaration of the second interim dividend in respect of the year ended 31 December 2023 of 1.75 pence per share payable on 31 August 2023. In relation to the total dividends declared for the period of 3.50 pence, 3.50 pence is a property income distribution (PID).

8. Investment property

In accordance with IAS 40: Investment property, the Investment property has been independently valued at fair value by CBRE Limited ("CBRE") and Colliers International Valuation UK LLP ("Colliers"), both accredited independent valuers with recognised and relevant professional qualifications and with recent experience in the locations and categories of the investment properties being valued. CBRE value all properties with leases or agreements for lease attached or assets that are under construction.

Colliers value all land holdings either owned or held under option. The valuations have been prepared in accordance with the RICS Valuation – Global Standards November 2021 ("the Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13.

The valuer in forming its opinion make a series of assumptions, which are typically market related, such as net initial yields and expected rental values and are based on the valuer's professional judgement. The valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently. There has been no changes to the assumptions made in the period as a result of a range of factors including the macro-economic environment, availability of debt finance and physical and transition risks relating to climate change.

The valuations are ultimately the responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board.

(unaudited)	Investment Property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2023	**3,811.2**	**637.2**	**398.9**	**4,847.3**
Property additions	**0.2**	**–**	**93.6**	**93.8**
Fixed rental uplift and tenant lease incentives[2]	**7.1**	**0.3**	**–**	**7.4**
Assets transferred to held for sale	**(84.3)**	**–**	**–**	**(84.3)**
Property disposed in the year	**(75.7)**	**(52.3)**	**–**	**(128.0)**
Transfer of completed property to Investment property	**173.5**	**–**	**(173.5)**	**–**
Change in fair value during the period	**31.8**	**2.4**	**(4.3)**	**29.9**
As at 30 June 2023	**3,863.8**	**587.6**	**314.7**	**4,766.1**

(unaudited)	Investment Property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2022	4,208.7	812.5	227.9	5,249.1
Property additions	4.4	–	197.9	202.3
Fixed rental uplift and tenant lease incentives[1]	5.1	0.1	–	5.2
Transfer of completed property to Investment property	16.5	–	(16.5)	–
Change in fair value during the period	274.9	16.4	99.2	390.5
As at 30 June 2022	4,509.6	829.0	508.5	5,847.1

	Investment property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2022	4,208.7	812.5	227.9	5,249.1
Property additions	4.9	0.1	366.7	371.7
Fixed rental uplift and tenant lease incentives[1]	10.4	0.7	–	11.1
Assets transferred to held for sale	–	–	(25.1)	(25.1)
Transfer of completed property to investment property	200.4	–	(200.4)	–
Change in fair value during the year	(613.2)	(176.1)	29.8	(759.5)
As at 31 December 2022	3,811.2	637.2	398.9	4,847.3

1. Included within the carrying value of Investment property is £78.0 million (31 December 2022: £70.6 million) in respect of accrued contracted rental uplift income. This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent-free periods, which requires the recognition of rental income on a straight-line basis over the lease term. The difference between this and cash receipts change the carrying value of the property against which revaluations are measured.

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Investment property at fair value per Group Statement of Financial Position	**4,766.1**	5,847.1	4,847.3
Assets held for sale	**84.3**	**–**	25.1
Total Investment property valuation	**4,850.4**	5,847.1	4,872.4

The Group has other capital commitments which represent commitments made in respect of direct construction, asset management initiatives and development land (refer to note 18).

Fees payable under the DMA totalling £nil (31 December 2022: £2.3 million) have been capitalised in the period being directly attributable to the ongoing development projects.

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, competition for buildings and environmental factors which could lead to an 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, the availability of financing and ESG scores.

The Manager of the Group has implemented a portfolio strategy with the aim to mitigate the above stated real estate risk. By diversifying in regions, risk categories and tenants, it is expected to lower the risk profile of the portfolio.

Fair value hierarchy

The Group considers that all of its investment properties 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 following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

The key unobservable inputs made in determining fair values are as follows:

Unobservable input: estimated rental value (ERV)

The rent per square foot at which space could be let in the market conditions prevailing at the date of valuation.

Passing rents are dependent upon a number of variables in relation to the Group’s property. These include: size, location, tenant covenant strength and terms of the lease.

Unobservable input: net initial yield

The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase.

30 June 2023	Unobservable Inputs	
	ERV range £ psf	Net initial yield range %
South East	5.46 – 16.80	3.65 – 5.62
South West	6.50 – 7.00	4.00 – 4.75
East Midlands	5.88 – 11.25	3.55 – 5.82
West Midlands	6.69 – 9.09	4.00 – 5.75
Yorkshire and the Humber	5.96 – 7. 50	4.29 – 5.25
North East	3.91 – 4.25	4.61 – 4.79
North West	4.95 – 11.25	4.10 – 5.92

31 December 2022	Unobservable Inputs	
	ERV range £ psf	Net initial yield range %
South East	5.46 – 15.12	3.65 – 5.66
South West	6.50 – 7.00	4.00 – 4.85
East Midlands	5.75 – 11.25	3.60 – 5.82
West Midlands	6.33 – 8.54	4.10 – 6.00
Yorkshire and the Humber	5.96 – 7.25	4.30 – 5.25
North East	3.91 – 4.25	4.63 – 4.80
North West	4.95 – 11.25	4.05 – 6.31

30 June 2022[1]	Unobservable Inputs	
	ERV range £ psf	Net initial yield range %
South East	5.30 – 13.75	2.67 – 5.00
South West	6.25 – 6.50	3.50 – 4.10
East Midlands	5.50 – 7.00	3.24 – 6.00
West Midlands	5.50 – 7.25	3.10 – 5.75
Yorkshire and the Humber	5.75 – 6.50	2.95 – 5.00
North East	3.91 – 4.25	3.40 – 3.40
North West	4.25 – 10.00	3.20 – 6.31

1. The unobservable input data for 30 June 2022 was not previously reported and has been provided for comparability purposes.

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 judgements and is inherently subjective by nature.

As a result, the following sensitivity analysis has been prepared:

	-0.25% net initial yield £m	+0.25% net initial yield £m	-5.0% in passing rent £m	+5.0% in passing rent £m
(Decrease)/increase in the fair value of investment properties as at 30 June 2023 (unaudited)	**271.0**	**(242.1)**	**(226.8)**	**226.8**
(Decrease)/increase in the fair value of investment properties as at 30 June 2022 (unaudited)	410.8	(356.0)	(266.9)	266.9
(Decrease)/increase in the fair value of investment properties as at 31 December 2022 (audited)	273.0	(243.6)	(251.1)	251.1

9. Investment in land options

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Opening balance	**157.4**	201.5	201.5
Costs capitalised in the period	**7.6**	6.4	13.0
Transferred to Investment property	**–**	(57.2)	(57.1)
Closing balance	**165.0**	150.7	157.4

10. Interest rate derivatives

To mitigate the interest rate risk that arises as a result of entering into variable rate loans, the Group has entered into a number of interest rate derivatives. The fair value of 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. There have been no transfers between Level 1 and Level 2 during any of the years, nor have there been any transfers between Level 2 and Level 3 during any of the years.

11. Trade and other receivables

Non-current trade and other receivables	**30 June 2023 (unaudited) £m**	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Cash in public institutions	**2.0**	2.0	2.0

The cash in public institutions is a deposit of £2.0 million (June 2022: £2.0 million and December 2022: £2.0 million) paid by certain tenants to the Company, as part of their lease agreements.

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Trade receivables	**9.5**	13.8	16.4
Prepayments, accrued income and other receivables	**9.6**	7.8	2.9
VAT	**5.5**	7.4	5.6
	24.6	29.0	24.9

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 three-year 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. The expected credit loss provision for June 2023 was £0.3 million (June 2022: £0.1 million and December 2022: £0.3 million). The incurred loss provision in the current and prior year are immaterial. No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

12. Cash held at bank

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Cash and cash equivalents to agree with cash flow	**45.7**	34.6	47.4
Restricted cash	**0.2**	0.2	0.2
	45.9	34.8	47.6

Restricted cash is cash where there is a legal restriction to specify its type of use, i.e. this may be where there is a joint arrangement with a tenant under an active asset management initiative.

13. Borrowings

The Group has a £300 million unsecured revolving credit facility (RCF). The Group also has a second RCF of £450 million which provides the Group with a significant level of operational flexibility. Both facilities are provided by a syndicate of relationship lenders formed of large multi-national banks.

As at 30 June 2023, 83% (December 2022: 80% and June 2022: 89%), of the Group's drawn debt is fixed term, with 38% floating term (December 2022: 38% and June 2022: 31%). When including interest rate hedging the Group has fixed term or hedged facilities totaling 100% of drawn debt for 30 June 2023, December 2022 and June 2022 (see note 10).

As at 30 June 2023, the weighted average cost of debt was 2.56% (December 2022: 2.57% and June 2022: 2.52%). As at the same date, the Group had undrawn debt commitments of £531.0 million (and 31 December 2022: £483.0 million and 30 June 2022: £443.0 million).

The Group has been in compliance with all of the financial covenants of the Group's bank facilities as applicable throughout the period covered by these financial statements.

A large part of the Group's borrowings are unsecured financing arrangements. A summary of the drawn and undrawn bank borrowings in the period is shown below:

Bank borrowings drawn

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
At the beginning of the period	**479.9**	212.9	212.9
Bank borrowings drawn in the period under existing facilities	**102.0**	133.0	319.0
Bank borrowings repaid in the period under existing facilities	**(150.0)**	(26.0)	(52.0)
Total bank borrowings drawn	**431.9**	319.9	479.9

Any associated fees in arranging the bank borrowings and loan notes 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 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Bank borrowings drawn: due in more than one year	**431.9**	319.9	479.9
Less: unamortised costs on bank borrowings	**(4.1)**	(5.7)	(5.1)

	427.8	314.2	474.8

Loan notes

Bonds	**30 June 2023 (unaudited) £m**	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
2.625% Bonds 2026	**249.6**	249.5	249.6
3.125% Bonds 2031	**247.9**	247.7	247.8
2.860% USPP 2028	**250.0**	250.0	250.0
2.980% USPP 2030	**150.0**	150.0	150.0
1.500% Green Bonds 2033	**246.9**	246.6	246.7
Less: unamortised costs on loan notes	**(4.6)**	(5.4)	(5.0)
	1,139.8	1,138.4	1,139.1

The weighted average term to maturity of the Group's debt as at the period end is 4.9 years (June 2022: 6.2 years and December 2022: 5.4 years).

Maturity of borrowings

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Repayable between one and two years	**129.0**	–	164.0
Repayable between two and five years	**680.0**	446.5	443.0
Repayable in over five years	**772.9**	1,017.2	1,022.9
	1,581.9	1,463.7	1,629.9

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 June 2023 (unaudited) £m	**Fair value 30 June 2023 (unaudited) £m**	Book value 30 June 2022 (unaudited) £m	Fair value 30 June 2022 (unaudited) £m	Book value 31 December 2022 (audited) £m	Fair value 31 December 2022 (audited) £m
Financial assets						
Interest rate derivatives	**22.8**	**22.8**	12.4	12.4	19.9	19.9
Trade and other receivables[1]	**9.6**	**9.6**	18.5	18.5	17.2	17.2
Cash held at bank	**45.9**	**45.9**	34.8	34.8	47.6	47.6
Financial liabilities						
Interest rate derivatives	**–**	**–**	–	–	–	–
Trade and other payables[2]	**94.2**	**94.2**	92.5	92.5	87.3	87.3
Amounts due to B and C shareholders	**45.1**	**45.1**	46.2	46.2	42.2	42.2
Borrowings	**1,581.9**	**1,316.2**	1,463.7	1,354.3	1,624.0	1,402.8

1. Excludes certain VAT, prepayments and other debtors.
2. Excludes tax and VAT liabilities.

Interest rate derivatives and amounts due to B and C shareholders are the only financial instruments measured at fair value through profit and loss. All other financial assets and all financial liabilities are measured at amortised cost. All financial instruments were designated in their current categories upon initial recognition.

The Group has two fixed rate loans totalling £162 million, provided by PGIM (£90 million) and Canada Life (£72 million). The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 1.25% 2027 Gilt and Treasury 4.75% 2030 Gilt respectively, with an implied margin that is unchanged since the date of fixing. The loans are considered to be a Level 2 fair value measurement. For all other bank loans there is considered no other difference between fair value and carrying value.

The fair value of financial liabilities traded on active liquid markets, including the 2.625% Bonds 2026, 3.125% Bonds 2031, 1.5% Bonds 2033, 2.860% USPP 2028 and 2.980% USPP 2030, is determined with reference to the quoted market prices. These financial liabilities are considered to be a Level 1 fair value measure.

The fair value of the financial liabilities at Level 1 fair value measure were £907.3 million (Dec 2022: £941.1 million and June 2022: £1,041.3 million) and the financial liabilities at Level 2 fair value measure were £139.1 million (Dec 2022: £143.8 million and June 2022: £155.1 million).

14. Amounts due to B and C Shareholders

Amounts due to B and C Shareholders comprise the fair value of the contingent consideration element of B and C Shares along with the fair value of the obligation under the cash settled share-based payment element of B and C Shares.

Amounts due to B and C Shareholders are detailed in the table below:

30 June 2023 (unaudited)	**Contingent consideration £m**	**Share-based payment £m**	**Fair value £m**
Opening balance	**25.6**	**16.6**	**42.2**
Fair value movement recognised	**0.4**	**–**	**0.4**
Share-based payment charge	**–**	**2.5**	**2.5**
Closing balance	**26.0**	**19.1**	**45.1**

30 June 2022 (unaudited)	Contingent consideration £m	Share-based payment £m	Fair value £m
Opening balance	26.7	14.7	41.4
Fair value movement recognised	4.8	–	4.8
Share-based payment charge	–	4.5	4.5
Closing balance	31.5	19.2	50.7

31 December 2022 (audited)	Contingent consideration £m	Share-based payment £m	Fair value £m
Opening balance	26.7	14.7	41.4
Fair value movement recognised	(1.1)	–	(1.1)
Share-based payment charge	–	1.9	1.9
Closing balance	25.6	16.6	42.2

The Group considers that the amounts due to the B and C Shareholders 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.

1. Contingent consideration

The B and C Shares vest over a five-year period and require the Symmetry Management Shareholders to, amongst other things, remain in the employment of the Symmetry ManCo for the vesting period. The value of the amount due (subject to certain vesting conditions) is the lower of 50% of the Adjusted NAV of Tritax Symmetry at the relevant future point in time and the value of the B and C Shares at the original completion date. In accordance with IFRS 3 “Business Combinations” the unconditional amount due under Shareholders agreement is accounted for as contingent consideration.

The Adjusted NAV of Tritax Symmetry is the NAV of Tritax Symmetry at the reporting date, adjusted for various matters impacting on the fair value of those land options where planning permission has been obtained but the land has not been acquired along with the elimination of profits created from the Tritax Symmetry investment assets.

2. Share-based payment

In accordance with IFRS 3 "Business Combinations" the requirement to remain in continued employment in order to realise the full value of the B and C Shares has resulted in the excess value (over and above the amount recognised as contingent consideration) being accounted for as payments for post combination services which reflect the 13% economic right held to their share of future performance of the Tritax Symmetry Development assets over and above the completion NAV. The amount due to Symmetry Management Shareholders is based on the Adjusted NAV of Tritax Symmetry and is settled in cash to the value of 25% with the balance settled in either cash and/or shares in the Company, at the sole discretion of the Company.

The fair value of the B and C Shares has been calculated using a Monte Carlo simulation model, for the cash settled element of the liability. This approach has the benefits of being flexible, not reliant on a single case scenario and removes the inherent difficulties with determining discount rate to assign to a particular class of share as the risk would change every time the NAV moved. The change in volatility assumptions does not lead to a significant change in the resulting fair values of the B and C Shares because there are limited hurdles attached to them and it is assumed that all will be exercised at some point over the eight-year horizon. The key unobservable inputs for the Monte-Carlo simulation purposes are the net initial yield of completed developments, future costs of debt and the timing of the completion of the developments.

The Company has the legal option of settling the share-based payment either via cash or equity, with a minimum of 25% being settled in cash. The Directors have a current intention to maximise the cash element of the settlement as they believe this would minimise dilution to existing shareholders. The Directors will endeavour to settle all of the B and C Shares in cash, subject to sufficient funds being available to the Group at the time of settlement without adversely impacting the operations of the Group.

Amounts due to B and C Shareholders are shown as a liability at fair value in the Group Statement of Financial Position. The liability is fair valued at each reporting date with a corresponding charge recognised in the Group profit or loss over the vesting period. For the period ended 30 June 2023 £2.5 million (December 2022: £1.9 million and June 2022: £4.5 million) was charged in the Group profit or loss for the share-based payment.

15. Equity reserves

Share capital

The share capital relates to amounts subscribed for share capital at its nominal value. The Company had 1,868,826,992 shares of nominal value of 1 pence each in issue at the end of the period 30 June 2023 (30 June 2022: 1,868,826,992 shares and 31 December 2022: 1,868,826,992 shares).

Issued and fully paid at 1 pence each	**30 June 2023 (unaudited) £m**	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Balance at the beginning and end of period	**18.7**	18.7	18.7

Share premium

The share premium relates to amounts subscribed for share capital in excess of its nominal value.

On 5 June 2023, the Company by way of Special Resolution, cancelled the then value of its share premium account, by an Order of the High Court of Justice, Chancery Division. As a result of this cancellation, £764.3 million has been transferred from the share premium account, into the capital reduction reserve account. The capital reduction reserve account is classed as a distributable reserve.

Capital reduction reserve

The capital reduction reserve account is classed as a distributable reserve. Movements in the current period relate to dividends paid.

Also see above within Share premium.

Retained earnings

Retained earnings relates to all net gains and losses not recognised elsewhere.

16. Net asset value (NAV) per share

Basic NAV per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to ordinary equity holders of the Parent by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments outstanding, both basic and diluted NAV per share are shown below.

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Net assets per Condensed Group Statement of Financial Position	**3,381.1**	4,470.7	3,350.0
EPRA NTA (see table below)	**3,420.4**	4,539.1	3,370.8
Ordinary Shares:			
Issued share capital (number)	**1,868,826,992**	1,868,826,992	1,868,826,992
Basic net asset value per share	**180.92p**	239.23p	179.25p
Dilutive shares in issue (number)	**–**	–	–
Diluted NAV per share	**180.92p**	239.23p	179.25p

The Group considered EPRA NTA to be the most relevant NAV measure for the Group and we are now reporting this as our primary NAV measure.

	30 June 2023 (unaudited)			30 June 2022 (unaudited)			31 December 2022 (audited)		
	EPRA NTA £m	**EPRA NRV £m**	**EPRA NDV £m**	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders	**3,381.1**	**3,381.1**	**3,381.1**	4,470.7	4,470.7	4,470.7	3,350.0	3,350.0	3,350.0
Revaluation of land options	**41.4**	**41.4**	**41.4**	60.5	60.5	60.5	20.4	20.4	20.4
Mark-to-market adjustments of derivatives	**(0.9)**	**(0.9)**	**–**	9.5	9.5	–	1.8	1.8	–
Intangibles	**(1.2)**	**–**	**–**	(1.6)	–	–	(1.4)	–	–
Fair value of debt	**–**	**–**	**260.2**	–	–	109.3	–	–	221.1
Real estate transfer tax[1]	**–**	**353.6**	**–**	–	412.3	–	–	387.4	–
NAV	**3,420.4**	**3,775.2**	**3,682.7**	4,539.1	4,953.0	4,640.5	3,370.8	3,759.6	3,591.5
NAV per share	**183.02p**	**202.01p**	**197.06p**	242.88p	265.03p	248.31p	180.37p	201.17p	192.17p
Dilutive NAV per share	**183.02p**	**202.01p**	**197.06p**	242.88p	265.03p	248.31p	180.37p	201.17p	192.17p

[1]EPRA NTA and EPRA NDV reflect IFRS values which are net of RETT (real estate transfer tax). RETT are added back when calculating EPRA NRV.

17. Transactions with related parties

For the half year 30 June 2023, all Directors and some of the Members 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 within the 2022 Annual Report.

The total amount payable in the period relating to the Investment Management Agreement was £10.8 million (30 June 2022: 12.6 million, 31 December 2022: £26.0 million), with the total amount outstanding at the period end was £5.4 million (30 June 2022: £6.3 million and 31 December 2022: £6.7 million).

The Manager receives a net fee relating to asset management services provided to three properties which are 4% owned by the Group, amounting to £0.05m for the period ended 30 June 2023.

The amounts paid to Directors for their services for the period to 30 June 2023 was £0.2 million (30 June 3022: £0.2 million and 31 December 2022: £0.4 million).

The total expense recognised in the Group profit or loss relating to share-based payments under the Investment Management Agreement was £1.1 million (30 June 2022: £2.6 million and 31 December 2022: £5.3 million), of which £1.1 million (30 June 2022: £2.6 million and 31 December 2022: £2.7 million) was outstanding at the period end.

The Members of the Manager who are considered as key management personnel are Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin, Bjorn Hobart, and Frankie Whitehead. The other Members of the Manager are Alasdair Evans, James Watson, Philip Redding and Abrdn Holdings Limited

During the period the Directors who served during the period received the following dividends: Aubrey Adams: £8,940 (June 2022: £8,200 and December 2022: £16,240), Alastair Hughes: £1,731 (June 2022: £1,444 and December 2022: £3,001), Richard Laing: £1,863 (June 2022: £1,788 and December 2022: £3,463), Karen Whitworth: £1,144 (June 2022: £1,098, December 2022: £2,126), Wu Gang £97 (June 2022: £nil, December 2022: £87) and Elizabeth Brown £541 (June 2022: £156, December 2022: £469).

During the period the Members of the Manager, who are considered key management personnel, received the following dividends: Colin Godfrey: £100,578 (June 2022: £88,359 and December 2022: £174,834), James Dunlop: £98,255 (June 2022: £86,129 and December 2022: £170,516), Henry Franklin: £73,185 (June 2022: £64,477 and December 2022: £127,643), Petrina Austin: £12,893 (June 2022: £10,927 and December 2022: £21,777), Bjorn Hobart: £14,626 (June 2022: £12,347 and December 2022: £24,623) and Frankie Whitehead £6,760 (June 2022: £5,135 and December 2022: £10,470).

18. Capital commitments

The Group had capital commitments of £141.3 million in relation to its development assets, active asset management initiatives and commitments under development land, outstanding as at 30 June 2023 (30 June 2022: £191.5 million 31 December 2022: 99.9 million). All commitments fall due within eighteen months from the date of this report.

In addition, the Group had exchanged on an asset for sale, where £84.3 million of proceeds were due to be received in August 2023.

19. Subsequent events

On 20 July 2023, the Group completed on the purchase of an asset at Junction 6, Birmingham for £58.0 million.

Tritax Symmetry

On 31 July 2023, we agreed with the founding directors of Tritax Symmetry, to acquire their 13% retained equity interest in Tritax Symmetry Holdings Limited (TSHL) which formed part of the contingent consideration following its acquisition in February 2019.

The B and C Non-Hurdle shares in TSHL, are being acquired for a total consideration of £65.0 million, and will be settled through a combination of cash and the issue of new ordinary shares in the Company (Ordinary Shares).

In conjunction, the Company will also purchase the remaining C Hurdle shares in TSHL, awarded under the previous arrangements, valued at £1.6 million as at 30 June 2023, also for a combination of cash and the issue of new Ordinary Shares.

Post settlement, the full quota of B and C shares (equivalent to the 13% equity interest) will be extinguished and the Company will own 100% of TSHL. The B and C share liability recognised within the Statement of Financial Position, as at 30 June 2023, was £45.1 million.

Under the previous arrangement, the Company had an ability to buyback the remaining B and C shares post December 2026, therefore this, is in part, an acceleration of the charge to EPRA NTA that would have been expected to be charged during the period June 2023 to December 2026.

The charge expected to EPRA NTA resulting from the early settlement, including the issue of the new ordinary shares to both the founding directors and other C shareholders, would amount to approximately 1.0% of EPRA NTA as at 30 June 2023.

NOTES TO THE EPRA AND OTHER KEY PERFORMANCE INDICATORS (UNAUDITED)

1. Adjusted earnings - income statement

The Adjusted earnings reflects our ability to generate earnings from our portfolio, which ultimately underpins dividend payments.

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Gross rental income	**109.3**	101.5	206.2
Service charge income	**3.1**	2.6	6.3
Service charge expense	**(3.1)**	(2.6)	(6.5)
Fixed rental uplift adjustments	**(2.9)**	(2.3)	(6.1)
Net rental income	**106.4**	99.2	199.9
Other operating income	**–**	2.6	9.3
Administrative expenses	**(13.8)**	(15.3)	(32.2)
Licence fee receivable on forward funded developments	**–**	–	–
Amortisation of other property assets	**–**	0.9	1.7
Adjusted operating profit before interest and tax	**92.6**	87.4	178.7
Net finance costs	**(20.7)**	(18.4)	(37.8)
Amortisation of loan arrangement fees	**1.7**	0.7	3.1
Adjusted earnings before tax	**73.6**	69.7	144
Tax on adjusted profit	–	–	1.6
Adjusted earnings after tax	**73.6**	69.7	145.6
Adjustment to remove additional DMA income	**–**	–	(5.3)
Adjusted earnings (Exc. additional DMA income)	**73.6**	69.7	140.3
Weighted average number of Ordinary Shares	**1,868,826,992**	1,868,445,694	1,868,637,910
Adjusted earnings per share	**3.94p**	3.73p	7.79p
Adjusted earnings per share (Exc. additional DMA income)	**3.94p**	3.73p	7.51p

2. EPRA earnings per share

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Total comprehensive income (attributable to shareholders)	**100.7**	458.7	(599.4)
Adjustments to remove:			
Changes in fair value of investment properties	**(29.9)**	(390.5)	759.5
Changes in fair value of interest rate derivatives	**(2.9)**	(7.4)	(14.9)
Finance income received on interest rate derivatives	**(4.6)**	–	–
Share of loss from joint ventures	**–**	–	(0.5)
Loss on disposal of investment properties	**2.0**	–	–
Tax on profits or losses on disposals	**1.7**	–	–
Amortisation of other property assets	**–**	0.9	1.7
Impairment of intangible contract and other property assets	**0.2**	0.3	1.5
Tax refund	**–**	–	–
Profits to calculate EPRA earnings per share	**67.2**	62.0	147.9
Add back: Dilutive share based payment charge	**–**	–	(2.0)
Changes in fair value of contingent consideration payable	**–**	–	(1.1)
Profits to calculate EPRA diluted earnings per share	**67.2**	62.0	144.8
Weighted average number of Ordinary Shares	**1,868,826,992**	1,868,445,694	1,868,637,910
EPRA earnings per share – basic	**3.60p**	3.32p	7.92p
Dilutive shares to be issued	**–**	–	22,814,350
EPRA earnings per share – diluted	**3.60p**	3.32p	7.66p

3. EPRA NAV per share

The Group considered EPRA Net Tangible Assets (NTA) to be the most relevant NAV measure for the Group. EPRA NTA excludes the intangible assets and the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

30 June 2023

	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		**3,381.1**	**3,381.1**	**3,381.1**
Revaluation of land options		**41.4**	**41.4**	**41.4**
Mark-to-market adjustments of derivatives		**(0.9)**	**(0.9)**	**–**
Intangibles		**(1.2)**	**–**	**–**
Fair value of debt		**–**	**–**	**260.2**
Real estate transfer tax[1]		**–**	**353.6**	**–**
At 30 June 2023	**16**	**3,420.4**	**3,775.2**	**3,682.7**
NAV per share		**183.02p**	**202.01p**	**197.06p**
Dilutive NAV per share		**183.02p**	**202.01p**	**197.06p**

30 June 2022

	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		4,470.7	4,470.7	4,470.7
Revaluation of land options		60.5	60.5	60.5
Mark-to-market adjustments of derivatives		9.5	9.5	–
Intangibles		(1.6)	–	–
Fair value of debt		–	–	109.3
Real estate transfer tax[1]		–	412.3	–
At 30 June 2022	**16**	4,539.1	4,953.0	4,640.5
NAV per share		242.88p	265.03p	248.31p
Dilutive NAV per share		242.88p	265.03p	248.31p

31 December 2022

	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		**3,350.0**	**3,350.0**	**3,350.0**
Revaluation of land options		**20.4**	**20.4**	**20.4**
Mark-to-market adjustments of derivatives		**1.8**	**1.8**	**–**
Intangibles		**(1.4)**	**–**	**–**
Fair value of debt		**–**	**–**	**221.1**
Real estate transfer tax[1]		**–**	**387.4**	**–**
At 31 December 2022	16	**3,370.8**	**3,759.6**	**3,591.5**
NAV per share		**180.37**	**201.17**	**192.18**
Dilutive NAV per share		**180.37**	**201.17**	**192.18**

1. EPRA NTA and EPRA NDV reflect IFRS values which are net of RETT. RETT are added back when calculating EPRA NRV.

4. EPRA net initial yield (NIY) and EPRA "topped up" NIY

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Investment property – wholly owned	**4,978.4**	5,844.4	4,872.4
Investment property – share of joint venture	**4.2**	4.3	4.2
Less: development properties	**(318.8)**	(512.8)	(403.2)
Completed property portfolio	**4,663.8**	5,335.9	4,473.4
Allowance for estimated purchasers' costs	**316.2**	361.7	303.3
Gross up completed property portfolio valuation (B)	**4,980.0**	5,697.6	4,776.7
Annualised passing rental income	**224.0**	216.6	224.0
Less: contracted rental income in respect of development properties	**(12.5)**	(16.9)	(18.8)
Property outgoings	**–**	(0.1)	(0.2)
Less: contracted rent under rent-free period	**(9.6)**	(8.4)	(4.9)
Annualised net rents (A)	**201.9**	191.2	200.1
Contractual increases for fixed uplifts and rent free periods	**14.3**	14.0	9.7
Topped up annualised net rents (C)	**216.2**	205.2	209.8
EPRA net initial yield (A/B)	**4.05%**	3.36%	4.19%
EPRA topped up net initial yield (C/B)	**4.34%**	3.60%	4.39%

5. EPRA vacancy rate

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Annualised estimated rental value of vacant premises	**4.8**	–	5.3
Portfolio estimated rental value[1]	**255.5**	229.7	247.2
EPRA vacancy rate	**1.9%**	0%	2.1%

1 Excludes land held for development.

6. EPRA cost ratio

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Property operating costs	**–**	0.1	0.2
Administration expenses	**13.8**	15.3	32.2
Service charge costs recovered through rents but not separately invoiced	**–**	–	–
Total costs including and excluding vacant property costs (A)	**13.8**	15.4	32.4
Vacant property cost	**–**	–	–
Total costs excluding vacant property costs (B)	**13.8**	15.4	32.4
Gross rental income – per IFRS	**109.3**	101.5	206.2
Less: Service charge cost components of gross rental income	**–**	–	–
Gross rental income (C)	**109.3**	101.5	206.2
Total EPRA cost ratio (including vacant property costs) (A/C)	**12.6%**	15.2%	15.7%
Total EPRA cost ratio (excluding vacant property costs) (B/C)	**12.6%**	15.2%	15.7%

7. EPRA like-for-like rental income

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Change £m	Change %
Like-for-like rental income	**98.6**	95.3		
Other rental income	**–**	–		
Like-for-like Gross rental income	**98.6**	95.3	3.4	3.5
Irrecoverable property expenditure	**–**	(0.1)		
Like-for-like Net rental income	**98.6**	95.2	3.5	3.6
Reconciliation to Net rental income per Statement of Comprehensive Income:				
Development properties	**2.3**	–		
Properties acquired	**–**	–		
Properties disposed	**1.7**	3.5		
Properties under rent free periods	**(0.7)**	(2.4)		
Spreading of tenant incentives and guaranteed rental uplifts	**7.4**	5.2		
Total per statement of comprehensive income	**109.3**	101.5		

8. EPRA property-related capital expenditure

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Acquisition[1]	**0.3**	4.4	4.9
Development[2]	**99.1**	203.0	375.1
Transfers to Investment Property	–	(57.1)	(57.1)
Investment properties:			
Tenant incentives[3]	**7.4**	5.2	11.1
Capitalised interest	**2.1**	1.3	4.7
Total	**108.9**	156.8	338.7

[1] See note 8
[2] See note 8 and note 9
[3] Fixed rental uplift and tenant lease incentives after adjusting for amortisation on rental uplift and tenant lease incentives.

9. Total Accounting Return (TAR)

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Opening EPRA NTA	**180.37p**	222.60p	222.60p
Closing EPRA NTA	**183.02p**	242.88p	180.37p
Change in EPRA NTA	**2.65p**	20.28p	(42.23p)
Dividends paid	**3.725p**	3.575p	6.93p
Total growth in EPRA NTA plus dividends paid	**6.38p**	23.86p	(35.30p)
Total return	**3.5%**	10.7%	(15.9%)

10 . Loan to value ratio

The proportion of our gross asset value that is funded by net borrowings.

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Gross debt drawn	**1,576.3**	1,463.7	1,624.0
Less: Cash	**(45.9)**	(34.8)	(47.6)
Net Debt	**1,530.4**	1,428.9	1,576.4
Gross property value	**5,043.4**	6,030.7	5,059.3
Loan to value ratio	**30.3%**	23.7%	31.2%

11 . EPRA Loan to value ratio

The proportion of our gross asset value that is funded by net borrowings.

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022[1] £m	Year ended 31 December 2022[1] £m
Gross debt drawn	**1,576.3**	1,463.7	1,623.9
Add: Net Payables[2]	**91.0**	67.8	87.5
Less: Cash	**(45.9)**	(34.8)	(47.6)
Net Debt	**1,621.4**	1,496.7	1,663.8
Gross property value	**5,043.4**	6,030.7	5,059.3
EPRA Loan to value ratio	**32.1%**	24.8%	32.9%

[1] The data for 30 June 2022 and 31 December 2022 were not previously reported and have been provided for comparability purposes.

[2] Net payables is calculated as the net position of the following line items shown on the Balance Sheet: Current trade and other receivables, current trade and other payables and current tax liabilities.

The financial information contained in this results announcement has been prepared in accordance with the measurement and recognition principles of UK adopted international accounting standards. Whilst the financial information included in this announcement has been computed in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, this announcement does not itself contain sufficient disclosures to comply with IFRS. The financial information does not constitute the Group's statutory financial statements for the years ended 31 December 2022 or 31 December 2021, but is derived from those financial statements. Financial statements for the year ended 31 December 2022 have been delivered to the Registrar of Companies and those for the year ended 31 December 2023 will be delivered following the Company's Annual General Meeting. The auditors' reports on both the 31 December 2022 and 31 December 2021 financial statements were unqualified; did not draw attention to any matters by way of emphasis; and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Glossary of Terms

"Adjusted Earnings" Post-tax earnings attributable to shareholders, adjusted to include licence fees receivable on forward funded development assets and adjusts for other earnings not supported by cash flows. "Adjusted Earnings per share" or "Adjusted EPS" on a per share basis.

"B and C Shares" The B and C Shares in Tritax Symmetry issued to the Symmetry Management shareholders.

"Big Box" A "Big Box" property or asset refers to a specific subsegment of the logistics sector of the real estate market, relating to very large logistics warehouses (each with typically over 500,000 sq ft of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade tenants; with regular, upward-only rental reviews; 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 increasingly with sophisticated automation systems or a highly bespoke fit out.

"Board" The Directors of the Company.

"BREEAM" The Building Research Establishment Environmental Assessment Method certification of an asset's environmental, social and economic sustainability performance, using globally recognised standards.

"Company" Tritax Big Box REIT plc (company number 08215888).

"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 on a monthly basis by the Office of National Statistics.

"Current Development Pipeline" Assets that are in the course of construction or assets for which we have made a construction commitment.

"CVA" A company voluntary liquidation, a legally binding agreement between a business and its creditors which sets out a debt repayment plan and enables a viable business to avoid insolvency.

"db Symmetry" db Symmetry Group Ltd and db symmetry BVI Limited, together with their subsidiary undertakings and joint venture interests, which were acquired by the Group in February 2019.

"Directors" The Directors of the Company as of the date of this report being Aubrey Adams, Elizabeth Brown, Alastair Hughes, Richard Laing, Karen Whitworth and Wu Gang.

"Development Management Agreement" or **"DMA"** An agreement between the Group and a developer setting out the terms in respect of the development of an asset. In particular, the development of the Symmetry Portfolio is the subject of a DMA between Tritax Symmetry and Symmetry ManCo.

"Development portfolio" or **"Development assets"** The Group's Development portfolio comprises its property assets which are not Investment assets, including land, options over land as well as any assets under construction on a speculative basis.

"EPC rating" A review of a property's energy efficiency.

"EPRA" European Public Real Estate Association.

"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 excluding the impact of any fair value adjustments to debt and related derivatives and other adjustments and reflecting the diluted number of Ordinary Shares in issue.

"EPRA Triple Net Asset Value (NNNAV)" EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.

"EPRA Net Tangible Asset (NTA)" The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2019) requirements by excluding intangibles and the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options.

"EPRA Net Reinstatement Value (NRV)" IFRS NAV adjusted to exclude the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options and the Real estate transfer tax (RETT).

"EPRA Net Disposal Value (NDV)" IFRS NAV adjusted to include the fair values of debt and the revaluation of land options.

"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.

"EPRA Cost Ratio" Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

"Estimated cost to completion" Costs still to be expended on a development or redevelopment to practical completion, including attributable interest.

"Estimated rental value" or **"ERV"** The estimated annual market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different from the rent being paid.

"FCA" The United Kingdom Financial Conduct Authority (or any successor entity or entities).

"Forward Funded Development" Where the Company invests in an asset which is either ready for, or in the course of, construction, pre-let to an acceptable counterparty. In such circumstances, the Company seeks to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease. Expert developers are appointed to run the development process.

"Foundation asset" Foundation assets provide the core, low-risk income that underpins our business. They are usually let on long leases to customers with excellent covenant strength. These buildings are commonly new or modern and in prime locations, and the leases have regular upward only rent reviews, often either fixed or linked to Inflation Indices.

"FRI Lease" Full Repairing and Insuring Lease. During the lease term, the tenant is responsible for all repairs and decoration to the property, inside and out, and the building insurance premium is recoverable from the tenant.

"Future Development Pipeline" The Group's land portfolio for future development typically controlled under option agreements which do not form part of the Current or Near Term development pipelines.

"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.

"GAV" The Group's gross asset value.

"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" or **"REIT 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 we perceive to be undervalued at the point of purchase and who have the potential to improve their financial strength, such as young e-retailers or other companies with growth prospects. These assets offer value enhancement through yield compression.

"IMA" The Investment Management Agreement between the Manager and the Company.

"Investment portfolio" or **"Investment assets"** The Group's Investment Portfolio comprises let or pre-let (in the case of Forward Funded Developments) assets which are income generating, as well as any speculative development assets which have reached practical completion but remain unlet.

"Investment property" Completed land and buildings held for rental income return and/or capital appreciation.

"Land asset" Opportunities identified in 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.

"LIBOR" London Interbank Offered Rate.

"Link" or **"Link Asset Services"** A trading name of Link Market Services Limited (company number 2605568).

"Listing Rules" The listing rules made by the Financial Conduct Authority under section 73A of FSMA.

"Loan Notes" The loan notes issued by the Company on 4 December 2018.

"Loan to Value (LTV)" The proportion of our gross asset value that is funded by net borrowings.

"London Stock Exchange" London Stock Exchange plc.

"Manager" Tritax Management LLP (partnership number 0C326500).

"Minimum Energy Efficiency Standards (MEES)" The legal standard for minimum energy efficiency which applies to rented commercial buildings as regulated by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.

"Near-term Development Pipeline" Sites which have either received planning consent or sites where planning applications have been submitted prior to the year end.

"Net Initial Yield (NIY)" The annual rent from a property divided by the combined total of its acquisition price and expenses.

"Net rental income" Gross rental income less ground rents paid, net service charge expenses and property operating expenses.

"Net zero carbon" Highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset.

"Non-PID Dividend" A dividend received by a shareholder of the principal company that is not a PID.

"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 as at the balance sheet date (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).

"PID" or **"Property income distribution"** A dividend received by a shareholder of the principal company in respect of profits and gains of the Property Rental Business of the UK resident members of the REIT group or in respect of the profits or gains of a non-UK resident member of the REIT group insofar as they derive from their UK Property Rental Business.

"Portfolio" The overall portfolio of the Company including both the Investment and Development portfolios.

"Portfolio Value" The value of the Portfolio which, as well as the Group's standing assets, includes capital commitments on Forward Funded Developments, Land Assets held at cost, the Group's share of joint venture assets and other property assets.

"Pre-let" A lease signed with a customer prior to commencement of a development.

"REIT" A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications.

"Rent roll" See **"Passing rent".**

"RPI" Retail price index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics.

"SDLT" Stamp Duty Land Tax – the tax imposed by the UK Government on the purchase of land and properties with values over a certain threshold. "Shareholders" The holders of Ordinary Shares.

"SONIA" Sterling Overnight Index Average

"Speculative development" Where a development has commenced prior to a lease agreement being signed in relation to that development.

"sq ft" Square foot or square feet, as the context may require.

"Symmetry Management shareholders" The holders of B and C Shares in Tritax Symmetry.

"Symmetry ManCo" Tritax Symmetry Management Limited, a private limited company incorporated in England and Wales (registered number 11685402) which has an exclusive development management agreement with Tritax Symmetry to manage the development of the Tritax Symmetry Portfolio.

"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 thereby providing the Group with income during the rent-free period. This is in accordance with EPRA's Best Practices Recommendations.

"Total Expense Ratio" or **"TER"** The ratio of total administration and property operating costs expressed as a percentage of average net asset value throughout the period.

"Total Accounting Return" Net total return, being the percentage 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.

"Tritax Symmetry" Tritax Symmetry Holdings Limited, a limited company incorporated in Jersey (registered number 127784).

"Tritax Symmetry Portfolio" The portfolio of assets held through Tritax Symmetry following the acquisition of db Symmetry in February 2019, including land, options over land and a number of assets under development.

"True Equivalent Yield (TEY)" The internal rate of return from an Investment property, based on the value of the property assuming the current passing rent reverts to ERV on the basis of quarterly in advance rent receipts and assuming the property becomes fully occupied over time.

"UK AIFMD Rules" The laws, rules and regulations implementing AIFMD in the UK, including without limitation, the Alternative Investment Fund Managers Regulations 2013 and the Investment Funds sourcebook of the FCA.

"Value Add asset" These assets are typically let to customers with good covenants and offer the chance to grow the assets' capital value or rental income, through lease engineering or physical improvements to the property. We do this using our asset management capabilities and understanding of customer requirements. These are usually highly re-lettable. It also includes assets developed on a speculative basis which have reached practical completion but remain unlet at the period end.

"WAULT" or **"Weighted Average Unexpired Lease Term"** The income for each property applied to the remaining life for an individual property or the lease and expressed as a portfolio average in years. 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 the developments when fully let or actual rental value for completed developments or those pre-let, as appropriate, divided by the estimated or actual total costs of the development.