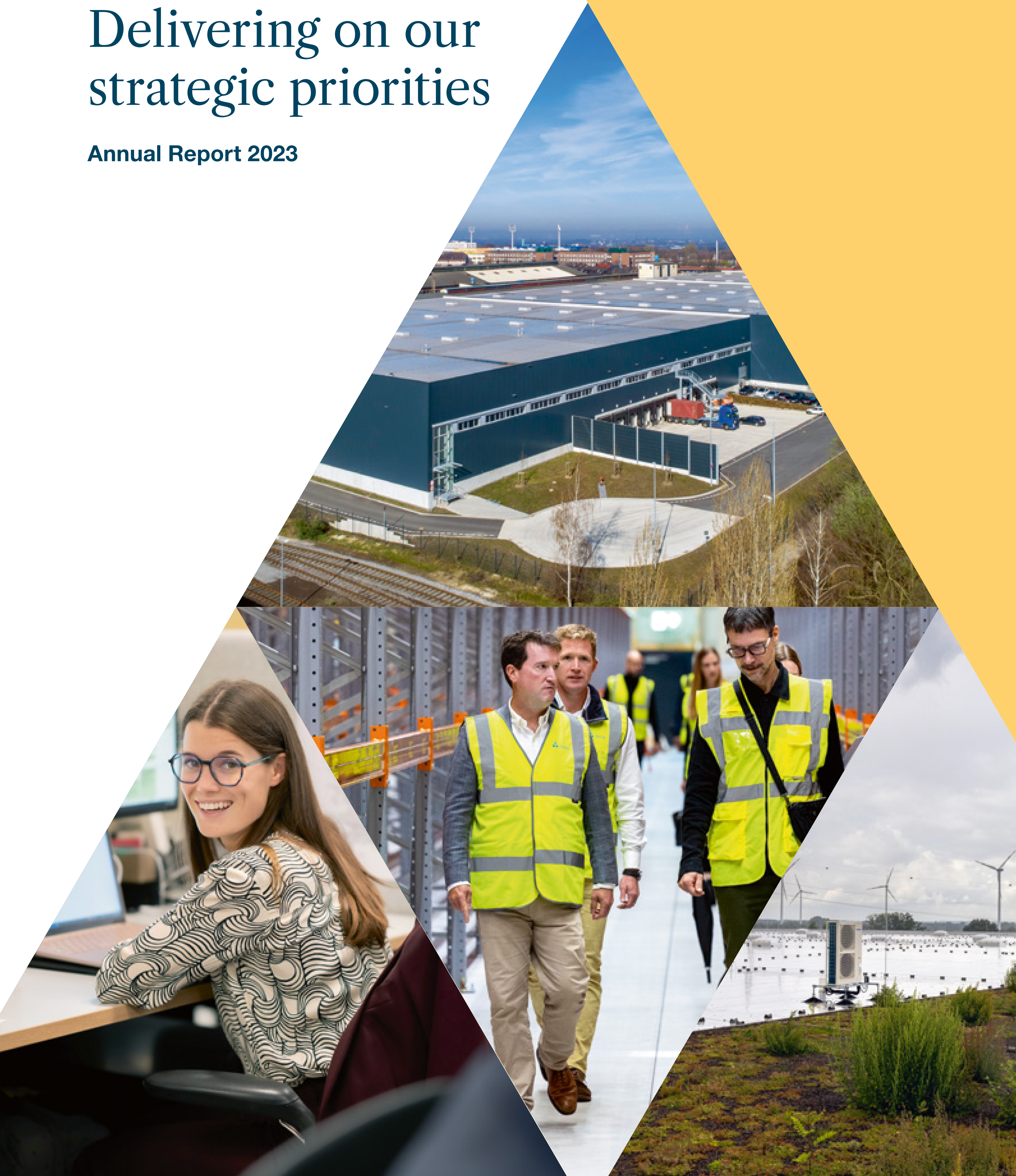
TRITAX EUROBOX

Delivering on our strategic priorities

Annual Report 2023



Specialists in European logistics real estate

Tritax EuroBox plc invests in and manages a well-diversified portfolio of Continental European logistics real estate. These assets fulfil crucial roles in logistics and distribution supply chains, and are located in established logistics markets near major population centres across core Continental European countries.

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

Our high-quality portfolio of properties is highly sustainable, offers predictable and predominantly inflation-linked income and has opportunities for capital growth through active asset management. These attributes underpin our ability to generate attractive returns for Shareholders over the long term.

The Manager, Tritax Management LLP, has assembled a full-service, pan-European capability for the Company, combining in-house leadership and strategic expertise with close partnerships with leading European developers and asset managers.

The Manager comprises a skilled, diverse team of real estate professionals with expertise across investment, asset management, development, finance, business analysis, research and communications. This is supplemented with specialist, on-the-ground developers, and asset and property managers with strong market standings in the Continental European logistics sector.

Strategic report

Governance

Financial statements

Overview of the year

Rental income €68.1m FY22: €57.9 million	Adjusted Earnings Per Share (Adjusted EPS)[1] 5.51 cents FY22: 4.24 cents	Basic EPS (27.68) cents FY22: 7.28 cents
Dividend per share 5.00 cents FY22: 5.00 cents	Dividend cover 110.2% FY22: 84.8%	Portfolio value[2] €1,561.9m FY22: €1,765.6 million
EPRA Net Tangible Assets (NTA) per share €1.02 FY22: €1.38	Loan to value (LTV) ratio[3] 46.4% FY22: 35.2%	Total Return (22.5)% FY22: 6.0%

▶ See pages 24-25 for full details and definitions of our performance measures

Rental income growth and cost efficiencies supporting higher Adjusted Earnings and a covered dividend

- Rental income of €68.1 million, up 17.6%, reflecting the full-year effect of prior year acquisitions, rent indexations, asset management and development activity.
- Like-for-like[4] rental growth was 4.5% (7.8% including new income from the Barcelona and Strykow extensions).
- Adjusted EPRA Cost Ratio[5] of 24.2% (FY22: 29.5%), in line with our target range of 20–25%, benefiting from higher income and lower management fee.
- Adjusted EPS of 5.51 cents, up 30%.
- Dividend per share of 5.00 cents was 110% covered by Adjusted EPS for the full year.

Investment portfolio let to strong customers on long-term, inflation-linked leases

- Portfolio value[2] of €1,561.9 million (FY22: €1,765.6 million), with 12-month like-for-like reduction of 14.5% primarily due to significant outward yield shift across the sector, partly offset by rental growth. H2 FY23 valuation decline of 0.3%.
- Despite a good operational performance, the fall in portfolio value led to a decline in NTA to €1.02 (FY22: €1.38) and a negative Total Return of 22.5% (FY22: 6.0%).
- Portfolio reversion of 17.6% or €13.4 million, reflecting a like-for-like increase in portfolio ERV of 6.5%.
- 97% of leases subject to annual rental increases, with 81% linked to inflation.
- Increase in EPRA vacancy rate to 5.5% (FY22: 0.3%) reflecting the completion of speculative forward fundings in Sweden and Italy, and a lease expiry in Poland, partially offset by new lettings.

Asset management, indexation and development adding €6.3 million to annualised rental income[6]

- Completed two pre-let developments and four speculative forward fundings, adding 224,763 sqm of new space.
- Completed a 109,083 sqm extension in Barcelona, adding €2.3 million to annual rent, and commenced an 8,841 sqm extension in Poland, increasing the annual rent by €0.5 million.
- Commenced a 23,000 sqm speculative development in Oberhausen, Germany; completion targeted for July 2024.
- Signed three new leases totalling €4.3 million of annual rent, an increase of €0.6 million above previous rent or guarantees.
- Sales of asset in Hammersbach in August for c.€65 million and, post period end, two assets in Bochum and Malmö for c.€47 million and c.€28 million respectively. All three were either broadly in line or above book value, and aligned with our stated disposal strategy.
- Ongoing integration of ESG objectives into operational business, including completion of two solar PV installations, adding a total of 2.8 MW to the portfolio, with a further six projects in progress.

Robust balance sheet with low cost of debt

- 100% of debt with fixed rates or caps, with an average cost of debt of 1.30% for FY23.
- 3.5-year weighted maturity, with earliest refinancing in Q4 2025.
- €172.5 million of undrawn debt facilities as at year end.
- Loan to value (LTV) ratio[3] of 46.4% remains higher than we would like, with the disposal proceeds offset by the portfolio valuation decline, development capital expenditure and other working capital effects.
- Covenant headroom with LTV ratio[3] of 46.4% and interest cover of 4.8x, versus covenants of 65% and 1.5x.
- Taking into account the post-period-end disposals at Bochum and Malmö, the pro-forma LTV decreases to 44.0%.

1. See note 12 to the financial statements for reconciliation.
2. Valuation under IFRS (excluding rental guarantees), this includes assets held for sale.
3. As per KPI definition.
4. Excluding extensions on existing buildings. Including extensions, like-for-like rental growth was 7.8%.
5. Including licence fee income and rental guarantees.
6. Contracted rent, on an annualised basis, at the reporting date. Including rental guarantees and licence fee.

Good progress on delivering our strategic priorities

Robert Orr
Independent Chairman

"Over the past 12 months we have made good progress on delivering the strategic priorities we outlined a year ago. Rental income has increased by 17.6% and our Adjusted EPRA Cost Ratio at 24.2% is now within our target range. This improved operational performance has led to a 30.0% increase in Adjusted Earnings and the dividend 110.2% covered for the full year. In addition, we expect our ongoing disposal programme to reduce our loan to value ratio towards our preferred percentage range in the low 40s in the year ahead."

Supportive structural trends throughout our five-year history

The past year marked the fifth anniversary of Tritax EuroBox plc, a five-year period that has seen consistently supportive underlying occupier market fundamentals against, more recently, a significant change in economic and investment market conditions.

Since its IPO in 2018, the combination of positive structural demand drivers and the constrained supply of modern warehouse space has generated strong rental growth across European logistics markets. These strong market fundamentals attracted considerable amounts of capital into the sector, further encouraged by supportive debt markets, leading to a corresponding decline in property yields and increase in capital values.

More recently, in response to central banks sharply raising interest rates to combat higher levels of inflation, property yields have shifted upwards to reflect the higher cost of capital, with asset values subsequently falling. Following an extended period of benign economic conditions, these fluctuations are a reminder that real estate markets are inherently cyclical in nature.

Despite these market swings, the Company's strategy – and its delivery – has remained consistent. Over the past five years, we have focused on assembling a portfolio of best-in-class, modern logistics assets that are mission-critical to our customers, with leading ESG credentials, and concentrated in major distribution corridors in key European markets.

Our approach, based on the ownership and management of a stabilised portfolio of core assets, with a carefully managed exposure to value-add and development risk, enables the Company to deliver income growth consistently through the economic cycle.

Our high-quality portfolio remains well placed to capitalise on structural drivers

The portfolio is now valued at €1.56 billion with a rent roll of €76.3 million and home to 35 customers, including multi-national organisations such as Mango, Amazon, Puma and Lidl. The assets are let on primarily long-term leases with annual uplifts linked to inflation, generating predictable and regular growth in rental income, which serves to support the fully covered dividend paid to Shareholders.

We remain of the view that the positive tailwinds from structural demand drivers will continue to benefit the Company for some time to come. The impact of increasing online shopping penetration, the need to build greater resilience into supply chains, and the aim of reducing the environmental impact of distribution operations will continue to generate strong demand for high-quality, sustainable warehouse space. The portfolio remains well positioned to benefit from these trends.

That said, we are also cognisant of the changing market context and the challenges this presents. While the central focus of our strategy remains constant, aimed at harnessing these supportive, long-term structural drivers, we have adapted our priorities to ensure the business remains appropriately positioned in this altered and evolving environment.

Over the past 12 months the Company has focused on capturing the income growth opportunities embedded within the existing portfolio, improving operational efficiency, growing earnings to deliver a covered dividend, and taking action to maintain a strong balance sheet position through selected disposals, which have been broadly in line with valuations. During the period, good progress has been made on these priorities and we remain on track to achieve our objectives.

Financial performance driven by good progress on our strategic priorities

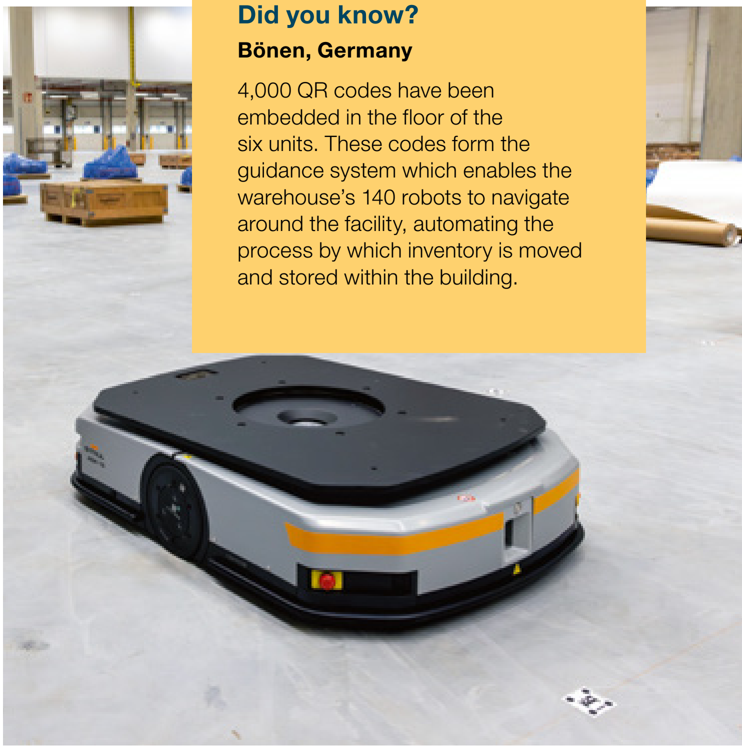
Rental income increased to €68.1 million per annum (FY22: €57.9 million) and like-for-like rental growth was 4.5% (7.8% if new income from completed extensions is included). The Company also continued to benefit from the revised Investment Management Agreement that reduced the Manager fees payable by the Company, with the Adjusted EPRA Cost Ratio declining to 24.2% from 29.5% over the year. These activities contributed to a 30.0% increase in Adjusted EPS to 5.51 cents (FY22: 4.24 cents).

We declared quarterly dividends totalling 5.00 cents per share for the period, in line with the previous year. The dividend was 110.2% covered by Adjusted EPS.

Did you know?

Bönen, Germany

4,000 QR codes have been embedded in the floor of the six units. These codes form the guidance system which enables the warehouse's 140 robots to navigate around the facility, automating the process by which inventory is moved and stored within the building.



Financial performance driven by good progress on our strategic priorities continued

However, the Company continues to be affected by the decline in asset values that is impacting the entire European logistics sector. The portfolio was independently valued by CBRE at €1,561.9 million at the period end (FY22: €1,765.6 million), representing a like-for-like valuation reduction of 14.5% for the full year. Signs of stabilisation are emerging, with a deceleration in the rate of decline from a reduction of 14.7% in H1 to a fall of 0.3% in H2. This resulted in EPRA NTA per share of €1.02, down 26% (FY22: €1.38).

One of the key priorities of the business is to maintain balance sheet strength. Earlier in the year we commenced a programme of planned disposals to lower the Company's leverage and in August announced the sale of an asset in Hammersbach (Germany) for c.€65 million. Post period end, we announced the sales of assets in Bochum (Germany) for c.€47 million and in Malmö (Sweden) for c.€28 million. Bochum was broadly in line with valuation and Malmö was significantly ahead. These transactions brought gross sales signed so far to c.€139 million.

However, the LTV of 46.4% (pro forma 44.0% post the Bochum and Malmö disposals) remains above where we would like it to be at this point in the cycle. This is due to the lower portfolio valuation, capital expenditure on developments and movements in working capital offsetting the benefit of the sales proceeds. Further disposals are planned in the months ahead.

The Company continues to benefit from a low average cost of debt of 1.30% due to the fixed or capped rates on all its borrowings and is not exposed to any near-term refinancings. In the medium term, the Company expects to refinance the RCF and the bond ahead of their respective maturities in October 2025 and June 2026.

Advancement of our ESG strategy and solar PV installations

During the year, we have made good progress with our ESG strategy, with several initiatives announced over the past 12 months. At the Interim Results in May we launched our new ESG targets. These include an accelerated commitment to achieve net zero carbon across all aspects of our business by 2040, rather than the previously stated 2050 target.

Our targets, which will be reviewed annually, will help drive further improvement for the benefit of our stakeholders and help us to keep pace with the evolving regulatory and market environment. This will ensure our approach is evidence- and data-led, and that we accurately measure and disclose our impact.

We have increased the renewable electricity generated by solar schemes on our assets, with our portfolio's generating capacity now 10.3 MW across arrays on eight buildings. We have made good progress on our plans to increase this further over the coming year, with applications submitted to commence schemes on three further assets, which would add an extra c.9 MW of capacity. In addition, there are three other projects in the pipeline.

As previously reported, we held the first meeting of our ESG Board Committee, chaired by the Board ESG Champion, Eva-Lotta Sjöstedt. This provides a dedicated forum for the Board and representatives of the Manager to oversee and review the progress in delivering our ESG objectives.

Also reported earlier in the year, we reviewed the Board and Committee composition and announced Sarah Whitney's appointment as Senior Independent Director (SID) with effect from 6 December 2022. Sarah has taken on the role from Keith Mansfield, who continues to make an important contribution as a Non-Executive Director and Chair of the Audit & Risk Committee.

In February 2023, the Management Engagement Committee approved the appointment of CBRE as the Company's independent valuer, replacing JLL. The position had been held by JLL since the Company's IPO in 2018 and the Board felt a rotation of this important role was appropriate at this time.

Outlook

The past 12 months have been characterised by a challenging geo-political and macro-economic backdrop. This has adversely impacted property investment markets and occupier sentiment across Europe. However, inflation in Continental Europe is now on a downward trajectory and interest rates are forecast to have peaked. This increased visibility is leading to signs of stabilisation in asset values, as demonstrated by the marginal fall in our portfolio valuation over the second half of the financial year and recently completed disposals broadly in line with book values.

While we expect investors to remain cautious and transaction volumes relatively low in the near term, we anticipate the positive structural drivers and strong market fundamentals of the logistics sector will support investor appetite and liquidity as we move through 2024.

In addition, while take-up of warehouse buildings has fallen over the past nine months, the availability of modern, sustainable logistics space remains low and the potential for a material supply increase limited. We expect these dynamics to keep vacancy rates at low levels and support positive rental growth, albeit at more normalised levels versus the very high rates seen recently.

The Board remains confident that the high-quality portfolio and strong customer base means the Company is well placed to benefit from the structural tailwinds and favourable underlying market dynamics that will continue to support the performance of the European logistics sector.

Despite the challenging market environment during the past year, the Company has delivered good progress on the strategic priorities set out 12 months ago. The Board continues to believe the focus on driving earnings, paying a fully covered dividend, and maintaining balance sheet strength through the ongoing programme of disposals, remains appropriate and will deliver value to Shareholders in the long term.

Robert Orr
Independent Chairman
4 December 2023

Adjusted Earnings Per Share (Adjusted EPS)[1]

5.51 cents

+30.0%

Dividend per share

5.00 cents

No change

Barcelona, Spain

The Barcelona logistics market is one of the strongest in Europe, with deep tenant demand and a severely constrained supply of vacant buildings and development land. This asset was initially acquired with 189,726 sqm of space. This has since been expanded by an additional 109,083 sqm in collaboration with the customer, Mango, to support its growth and service ambitions.

Gelsenkirchen, Germany

Redevelopment of a brownfield site within the attractive Rhine-Ruhr metropolitan region, comprising a 16,633 sqm building of three units on a 24,409 sqm plot.

A strong platform for growth

Strategic framework

Our purpose frames our commitment to being a sustainable business and how we deliver value for Stakeholders

Our purpose

Strategy | **ESG targets** | **Stakeholders**

Actions

More information on page 8

Market and trends

Structural drivers continue to support the occupier market, which has constrained supply and low vacancy rates

Structural trends

- Global digitalisation
- E-commerce
- Urbanisation
- Supply chain evolution
- ESG
- Emergence of circular economy

Multi-year sector impacts

Demand factors

1. Enhancing e-commerce capabilities
2. Creating resilient supply chains
3. Reducing environmental impact of operations

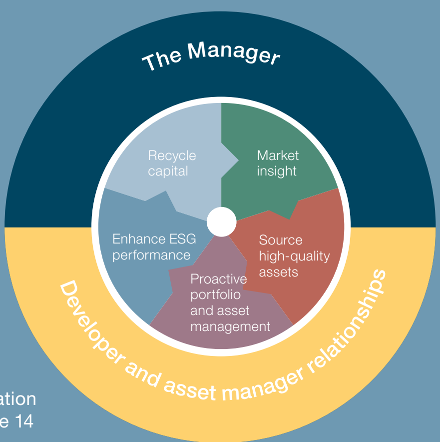
Barriers to developing new supply

1. Limited availability of land
2. Difficulty securing planning consents
3. Increased finance and construction costs

Favourable market dynamics are expected to help logistics real estate remain a compelling area for investment.

Business model

Our differentiated approach enables us to capture market opportunities and deliver performance for all our stakeholders



More information on page 14

Portfolio

In constructing our modern, high-quality portfolio, which generates high-quality income across seven countries, we have favoured locations and assets with the following characteristics:

Locations

- Densely populated
- Existing hubs
- Mission critical
- Limited supply

Assets

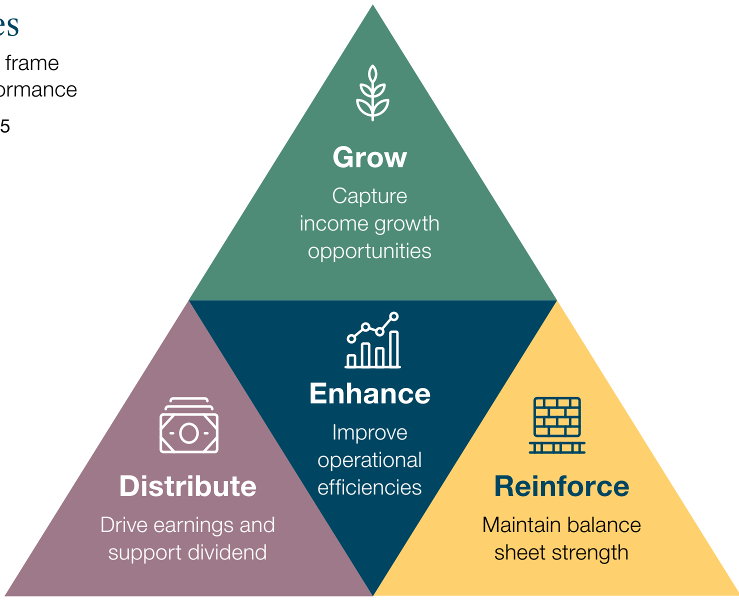
- Modern & sustainable
- Adaptable
- Secure income
- Growth potential

More information on pages 12–13

Strategic priorities

Our clear strategic priorities frame how we are optimising performance

More information on page 15



Investment case

We believe there are four simple and compelling reasons to invest in Tritax EuroBox

More information on page 16

1. Structural market trends

Structural market trends, characterised by strong occupier demand, limited supply of available space and high barriers to developing new assets in prime locations

2. Prime portfolio

Core, stabilised portfolio leased to a strong customer base, with leading ESG performance and embedded opportunities to add value over the long term

3. Specialist manager

Agile, specialist manager with a proven track record and disciplined approach to capital allocation, who can act quickly to capture value-enhancing opportunities

4. Through-cycle performance

Predictable income performance through the cycle, supporting the delivery of a fully covered dividend, which can grow over time

Key Performance Indicators (KPIs)

Grow Enhance Distribute Reinforce

The KPIs we use to track our strategic progress are:

1. Dividend per share
2. Total Return
3. Basic Net Asset Value (NAV)
4. Adjusted Earnings Per Share (Adjusted EPS)
5. Loan to value (LTV) ratio
6. Weighted Average Unexpired Lease Term (WAULT)
7. Dividend cover
8. Interest cover
9. Like-for-like rental growth

More information on pages 24-25

Our strong platform has in-built capability to grow income and create value over the long term

Our purpose frames our commitment to being a sustainable business and how we deliver value for our stakeholders.

Purpose

Our purpose is to open up new futures in sustainable commercial real estate, creating compelling opportunities for our stakeholders and giving the world's most ambitious companies the space to succeed. This translates into action through the combination of our strategy, our ESG targets and our focus on delivering performance for our diverse range of stakeholders.

Strategy

Our objective is to create value throughout the lifecycle of our assets, specifically by producing secure and predictable income streams and attractive returns over the long term. This is in line with our overarching aim of providing our Shareholders with growth in earnings and a fully covered dividend. We seek to do this via our strategy of disciplined capital allocation and proactive ESG-led asset management, with our approach underpinned by appropriate financing.

▶ Read more about our strategy on page 15

ESG targets

Robust ESG performance is important to who we are and what we represent and is embedded across the investment lifecycle. We have created an ambitious ESG strategy comprising targets across four areas – sustainable buildings; climate and carbon; nature and wellbeing; and social value – aimed at driving social, environmental and economic value for our customers, partners, investors and the wider society.

▶ Read more about our ESG targets, strategy and initiatives on pages 23 and 30

Stakeholders

In collaboration with our suppliers and partners, we have supported the growth of many of our customers across our Continental European markets, facilitating increased employment and regeneration of local environments as well as delivering income to Shareholders.

▶ Read more about our stakeholders on pages 28 and 29

Actions

Our actions this year have demonstrated good, tangible progress of the delivery of our strategic priorities, as well as further advancement of our ESG performance. Combined, this has enabled us to deliver on a range of aims and objectives for our various stakeholders.

Structural drivers continue to support the occupier market

Our market is characterised by strong occupier demand, limited supply of available space in core markets and high barriers to developing new assets in prime locations. These favourable market dynamics are supporting rental growth, with vacancy rates remaining low.

Structural trends

- Global digitalisation
- E-commerce
- Urbanisation
- Supply chain evolution
- ESG
- Emergence of circular economy

Multi-year sector impacts

Demand factors

1. Enhancing e-commerce capabilities
2. Creating resilient supply chains
3. Reducing environmental impact of operations

Barriers to developing new supply

1. Availability of land
2. Difficulty securing planning consents
3. Increased finance and construction costs

Favourable market dynamics are expected to help logistics real estate remain a compelling area for investment.

Good rental growth across core Continental European markets

Structural trends such as digitalisation and online retail growth are being amplified by growing urbanisation. In tandem, supply chains are evolving as organisations seek improved resilience and reliability, and demands for sustainability are increasing, driven by shifting stakeholder and societal expectations, including the emergence of circular economies. These themes are continuing to shape the demand-supply dynamics of the logistics sector.

Long-term demand drivers

Global events such as the Covid-19 pandemic and recent heightened geopolitical risk have accelerated demand in the short term. Over the longer term, demand is being driven by three underlying factors:

1) *Growth of e-commerce:* Warehouse space is fundamental to both successfully fulfilling e-commerce sales and doing so at a cost that allows companies to operate profitably. Companies typically require large, flexible, modern and well-located properties to deliver orders and manage returns rapidly and efficiently.

2) *Creating resilient supply chains:* Companies are reinforcing their supply chains to ensure their efficiency and resilience to external shocks. Measures used to do this include adopting the latest supply chain planning tools; reviewing manufacturing locations and transportation networks; and holding more critical stock closer to customers and end-users.

3) *Drive towards more sustainable real estate and operations:* Companies are looking for their logistics real estate to help meet their ESG objectives. In addition to reducing their environmental impacts – through incorporating clean energy generation, low-carbon technologies, and energy efficiencies – occupiers want a workspace that promotes employee wellbeing to help them attract and retain staff. Meanwhile, decarbonising transportation has driven increased demand for features such as EV charging points.

We believe these trends will continue to favour the modern, high-quality and well-located buildings we own.

Good rental growth across core Continental European markets continued

High barriers to development in prime markets

The availability of logistics space in many prime sub-markets continues to be limited, and the barriers to developing new warehouses in attractive locations remain high. These barriers include:

1) *Availability of land:* Sourcing new sites for assets continues to become more difficult. 95%[1] of developers highlight it as an issue, up from 76% in 2022.

2) *Difficulty securing planning consents:* Developers are also finding it increasingly difficult to obtain permission to develop land. 83% underlined the length of the zoning/permit process as an important restriction, while 82% note that increased ESG requirements are an important issue when seeking permission for a development[1].

3) *Increased finance and construction costs:* Raw material and labour cost inflation has eased, but development costs overall remain elevated. Increased finance costs are a further burden that negatively impact potential development profitability.

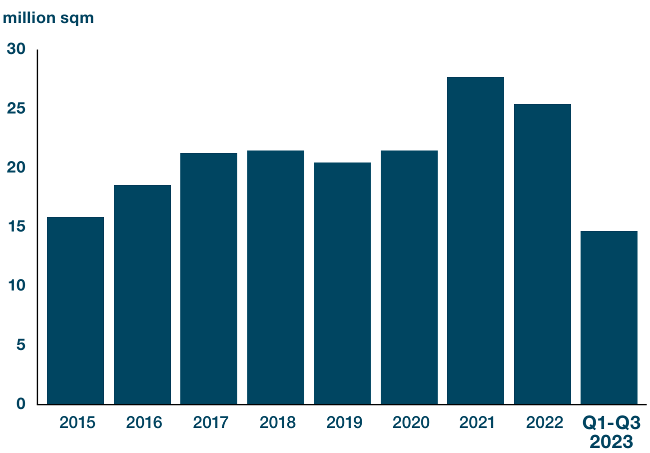
Real estate market fundamentals and investment markets

Take-up has moderated across European markets

2023 has seen a healthy level of demand for warehouse space across Europe despite the challenging macroeconomic backdrop. Take-up for the 12 months to Q3 2023 totalled 20.7 million sqm, down 24% year-on-year but in line with pre-Covid-19 levels[2]. The demand adjustment seen this year reflects a normalisation to more typical, pre-pandemic levels of activity.

The uncertain market environment has impacted occupier decision-making, as evidenced by the 2023 Savills/EuroBox European Logistics Real Estate Census. Rising costs remain a key concern and 39% of respondents suggested they have scaled back or delayed decisions by one to two years. Leasing volumes also continue to be impacted by ongoing constraints around the availability of well-located, high-quality logistics buildings.

Figure 1: European logistics take up by market, 2015–Q3 2023



Source: CBRE.

Despite these challenges, a wide range of occupiers continue to commit to new logistics buildings. Retailer, e-commerce and manufacturing companies all continued to evolve their warehouse network and 3PLs have been particularly active in the year. 3PLs continue to lease properties to satisfy demand driven by their customers' outsourcing logistics requirements and need to hold higher levels of buffer stock[3], as well as new business opportunities such as facilitating the return, repair and reuse of goods. Our letting at Dormagen, Germany, was evidence of the latter, where the occupier is using our building to process returns and repairs of household appliances.

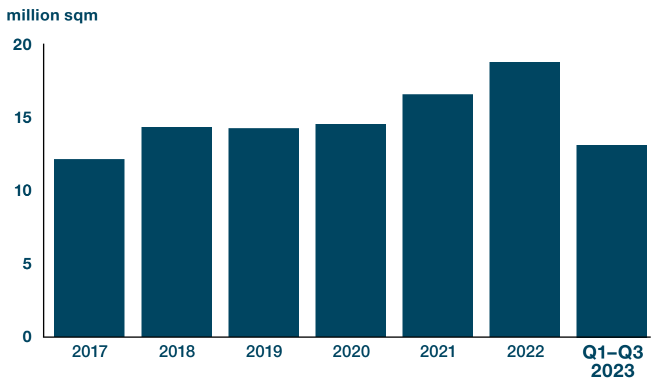
Supply remains constrained in core markets

Development completions slowed to 17.6 million sqm in the 12 months to Q3 2023, down from 19.5 million sqm in the year to Q3 2022. Completions have dropped particularly sharply in Germany, where year-on-year new supply is down 30% and completions are below pre-pandemic levels[2].

The limited availability of land, particularly for very large sites, and challenges associated with securing planning are especially evident across many of Europe's core logistics sub-markets. For example, in the Netherlands less than 50% of new supply in the last 12 months has been delivered into its nine principal sub-markets[2].

While pockets of excess speculative development have emerged, these are typically outside of the main logistics hubs where availability remains very low. Furthermore, the supply pipeline across Europe continues to reduce as developers reassess opportunities in light of the evolving market environment and higher cost of capital. Looking ahead, this is likely to continue the mismatch between available supply and occupier requirements in many of the best locations. These requirements include a heightened focus on ESG features, energy efficiency and generation, and the technical building features required to operate more efficient, productive and resilient supply chains.

Figure 2: European logistics completions by market, 2017–Q3 2023



Source: CBRE.

Yield increase across all our markets since March 2023

0–40 bps

Yield increase across Germany, Netherlands and France since March 2023

0–10 bps

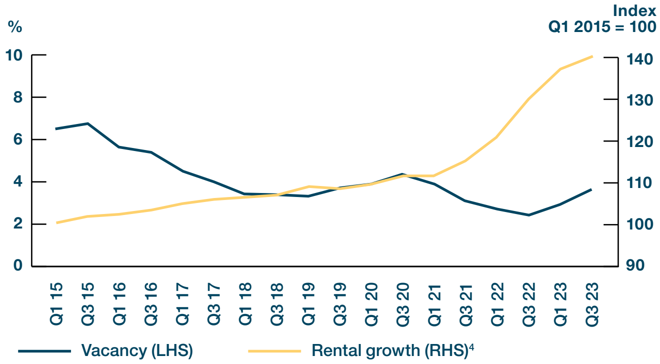
Low vacancy in many core logistics markets continues to support rental growth

Pan-European vacancy remains low by historical standards at just 3.6%[2]. An increasingly diverse picture is, however, beginning to emerge. While vacancy has ticked up at an aggregate level, it remains below 3%[2] in countries such as Germany, the Netherlands, and Belgium. Furthermore, many core logistics sub-markets have vacancy levels below the national average, which continues to limit the options for occupiers looking for new space in the most attractive markets.

A combination of healthy demand and still-constrained supply in the best locations has contributed to further rental traction in many sub-markets across Europe. Prime headline rents have risen by 8% on average[4] and, across the year, almost every major sub-market has experienced rental growth

While the near-term outlook will continue to be impacted by the volatile macroeconomic backdrop, we believe the ongoing structural trends underpinning demand and supply barriers in the best locations will lead to attractive levels of rental growth in our markets over the medium term.

Figure 3: European logistics rent index and vacancy, 2015–Q3 2023



Calculated using unweighted averages.
Source: CBRE.

Did you know?

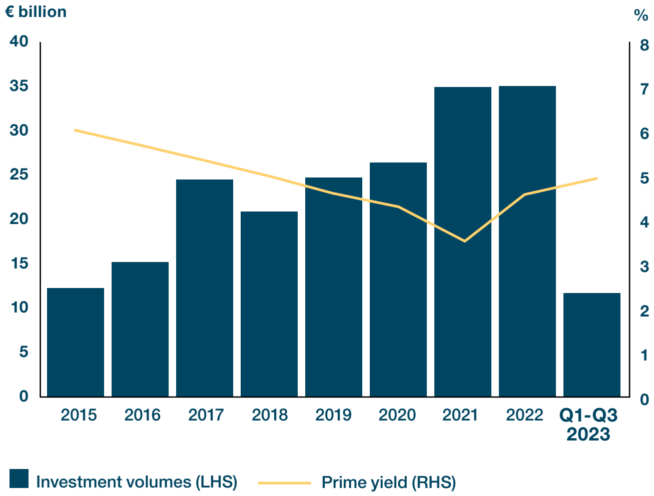
Dormagen, Germany

The appliance refurbishment facility repairs 7,200 washing machines a year, considerably reducing the annual volume of white goods sent for disposal.

Stabilisation of capital markets through the second half of the year

Transaction activity totalled €11.7 billion in Q1-Q3 2023, down 58%[2] versus the same period in 2022. That said, quarterly deal volumes have remained relatively flat through 2023[2] despite central banks continuing to raise interest rates, further impacting the cost of capital. Lower logistics deal volumes also reflect the trend across the wider real estate market, which continues to adjust to the higher cost of capital and return requirements that currently exists. Logistics real estate accounted for 19% of all real estate deal volumes year to date which is consistent with recent years, and up significantly from pre-Covid-19 levels which were typically around 12%[2].

Figure 4: European logistics investment volumes and pricing, 2015–Q3 2023



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

Source: CBRE.

A steady flow of transactions continues to provide pricing discovery, but many buildings have reversionary potential because of the healthy recent rental growth, which leases have often failed to fully capture. Pricing for these assets may therefore not directly reflect the market values reported by CBRE and others which are a best estimate for a prime, rack-rented building.

Prime yields, as reported by CBRE have adjusted higher over the past 18 months but recent quarters have seen increasing signs of stabilisation. Since March 2023, yields have moved out by 10bps or fewer in Germany, the Netherlands, and France. Peripheral markets have seen yields shift by between 20bps and 40bps over the same period.

The rapid adjustment in yields has helped keep logistics real estate pricing broadly in line with other asset classes and prices have stabilised over recent quarters. While the near-term outlook will continue to be heavily influenced by the macro trends that currently dominate, we continue to believe logistics real estate remains a compelling area for investment.

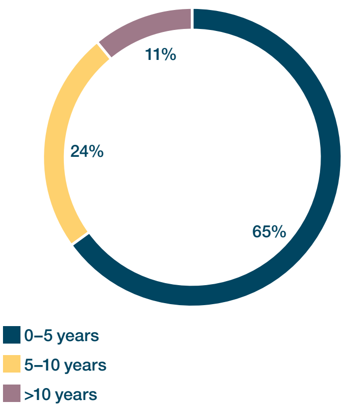
1. Savills/Tritax EuroBox European Logistics Real Estate Census 2023.
2. CBRE.
3. JLL, European logistics market update, Q2 2023.
4. Based on a straight average of rents in the leading sub-market in each of Germany, France, the Netherlands, Belgium, Italy, Spain, Sweden and Poland.

A portfolio of high-quality, sustainable assets with strong income characteristics

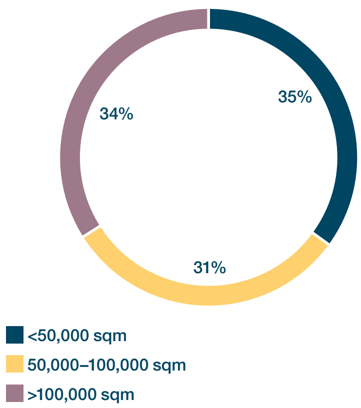
Our portfolio strategy is based on a long-term investment approach aimed at generating income-orientated returns and capturing capital growth over time. We seek to deliver this by combining disciplined capital allocation and proactive asset management, together with enhancing ESG performance.

High-quality asset characteristics, with occupancy of 95%

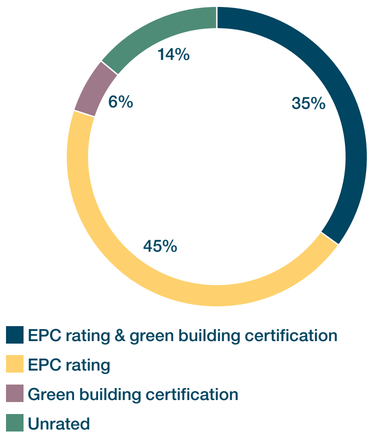
Age



Size



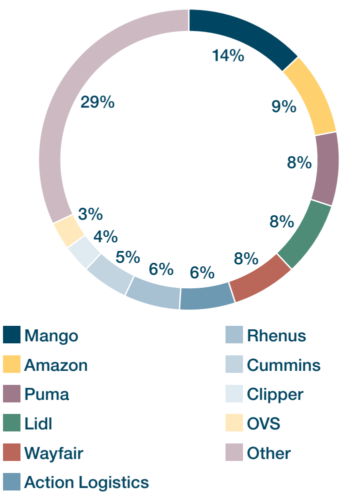
ESG credentials



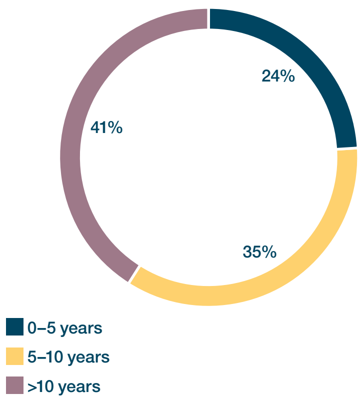
Our assets have an average building age of 5.5 years, an average size of 66,000 sqm and strong ESG credentials.

Strong income characteristics, with rent collection of 100%

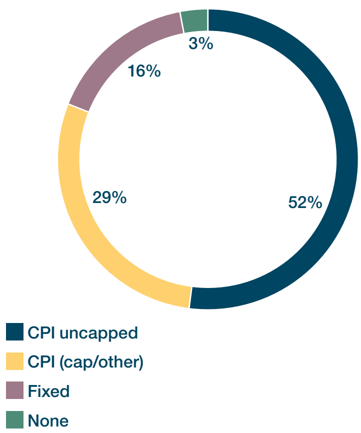
Customer



Lease duration

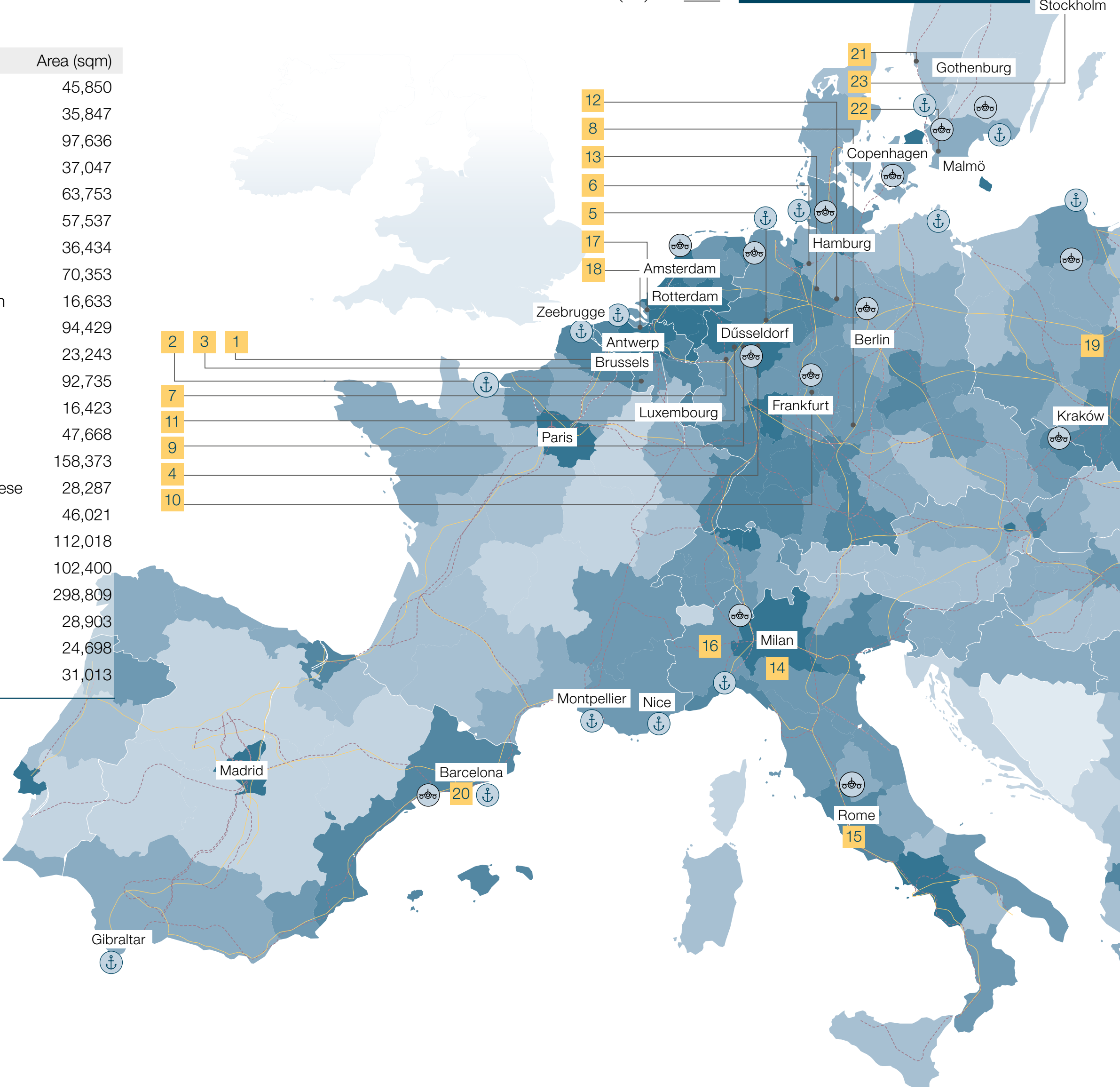


Lease review



Our buildings are leased to strong customers, have an average WAULT of 9.6 years and are predominantly index-linked.

Country	Location	Area (sqm)
1 Belgium	Bornem	45,850
2 Belgium	Nivelles	35,847
3 Belgium	Rumst	97,636
4 Germany	Bochum	37,047
5 Germany	Bönen	63,753
6 Germany	Bremen	57,537
7 Germany	Dormagen	36,434
8 Germany	Geiselwind	70,353
9 Germany	Gelsenkirchen	16,633
10 Germany	Lich	94,429
11 Germany	Oberhausen	23,243
12 Germany	Peine	92,735
13 Germany	Wunstorf	16,423
14 Italy	Piacenza	47,668
15 Italy	Rome	158,373
16 Italy	Settimo Torinese	28,287
17 Netherlands	Breda	46,021
18 Netherlands	Roosendaal	112,018
19 Poland	Strykow	102,400
20 Spain	Barcelona	298,809
21 Sweden	Gothenburg	28,903
22 Sweden	Malmö	24,698
23 Sweden	Rosersberg	31,013



Population density
(persons per square kilometre)

>20 | >1
>10 | >0.5
>5 | <0.5

Main highways
Main railways
Ports
Major Airports

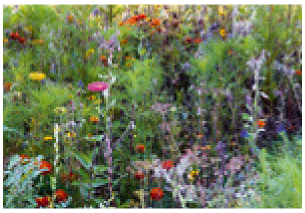
Key highlights

Modern
89%
of the portfolio by area has been built in the past 10 years

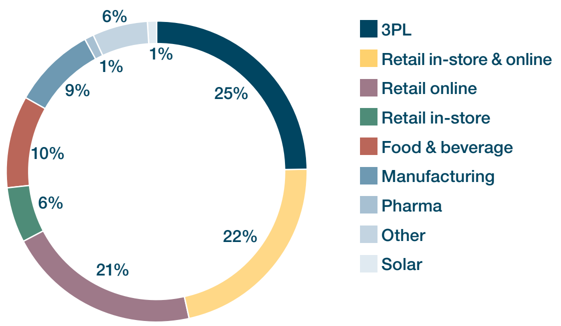
Long term
76%
of the portfolio income is secured for more than five years

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

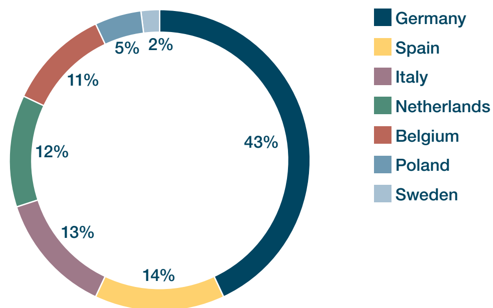
Sustainable
86%
of the portfolio income is generated from assets with an EPC rating, a Green Building certification or both



Passing rent by customer segment



Passing rent by country



A strong platform for success

Our business model underpins our ability to capitalise on market opportunities and deliver value for all our stakeholders over the long term.

The Manager

The Manager's sector specialism comes from many years of experience in the European real estate market as well as an agile, entrepreneurial culture which enables the Company to move quickly to pursue new and emerging opportunities. The Manager's expertise and reputation makes the company an attractive partner for occupiers and counterparty in asset transactions.

Developer and asset manager relationships

The relationships with our development and asset management partners are key advantages for the Company. They give the Company access to competitively priced, high-quality investment opportunities in core European logistics countries and enhance our local expertise and customer engagement in the markets in which we operate.

How we generate value

Market insight

Our in-depth market knowledge frames our analysis of the major structural trends which underpin occupier and investor demand for high-quality logistics assets. This proprietary expertise allows the Company to appropriately position the business to enable it to capitalise on the long-term growth potential.

Source high-quality assets

We strictly apply agreed criteria to ensure new investments are aligned with our investment strategy and portfolio objectives. We seek to acquire assets through the relationships with our developer and asset manager partners or, on an off-market basis, through our extensive network of key market contacts.

Proactive portfolio and asset management

We carefully align exposure to higher-risk value-add and development activities to external market conditions to appropriately position the portfolio through the cycle. We seek to capture embedded income growth opportunities and reversions via an innovative and proactive approach to asset enhancement initiatives, such as lease re-gears, letting vacant space and constructing new extensions for our customers.

Enhance ESG performance

We collaborate with our customers to adapt and upgrade their facilities. This helps improve operational efficiency and enhance ESG performance. This partnership approach helps our customers achieve their own ESG priorities and cost economies. It enables us to future-proof the performance of our assets and generate new income while protecting the environment and benefitting communities.

Recycle capital

We apply a long-term investment approach and acquire assets with the intention of holding them over a long-term investment horizon. However, we undertake an asset-by-asset review on a regular basis to identify recycling opportunities to capture gains where asset plans have been successfully completed, to maintain portfolio performance and to provide funds to reinvest into new opportunities that will enhance overall portfolio returns.

How we generate returns

We aim to generate income orientated returns with the potential for capital growth over the long term. We do this predominantly through the long-term leases agreed with our customers, with 97% of our income subject to annual increases and over 80% linked to local CPI indices. We seek to generate value through our capital recycling activities, by crystallising value on exit and reinvesting into higher returning opportunities, and through our asset management programme, by undertaking value-enhancing initiatives such as lease re-gears, lettings and new development.

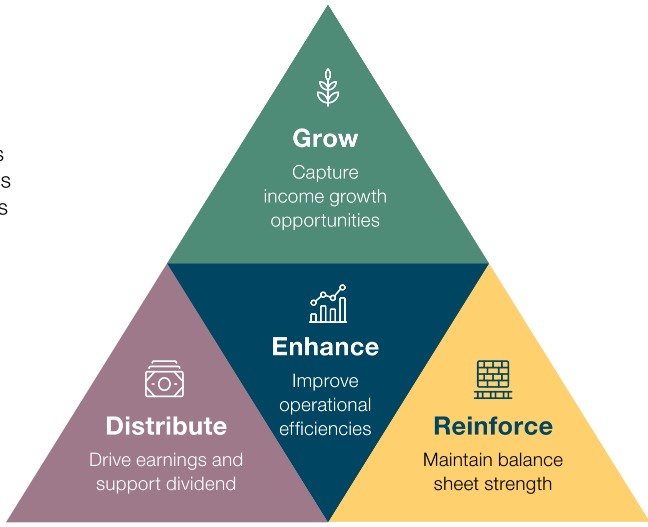
Strategy

Our clear strategic priorities underpin our approach

We have made good progress on delivering our strategy during the year.

Our strategy comprises four priorities: to capture income growth opportunities embedded within the existing portfolio; to improve operational efficiencies to lower the cost ratio; to combine these activities to drive forward earnings per share and deliver a fully covered dividend for the year; and to underpin these activities by maintaining a strong balance sheet position.

▶ Read more on page 8



How we enable our strategy

Grow

- Increased rental income across the portfolio by 17.6%, as a result of prior year acquisitions, indexation, asset management and development activity.
- Completed two pre-let developments as well as four speculative forward fundings, totalling nearly 224,763 sqm.
- Completed an extension in Barcelona (Spain) of 109,083 sqm and commenced another of 8,841 sqm in Strykow (Poland), as well as a speculative 23,243 sqm development in Oberhausen (Germany).
- Signed three new leases across Germany and Italy during the period, with a total income of €4.3 million.
- Completed two solar installations during the period, adding a total of 2.8 MW to the portfolio, with a further six projects in collaboration with customers in process.

Link to relevant KPIs: 2 3 4 7 9

Enhance

- Reduced the Adjusted EPRA Cost Ratio to 24.2% in FY23 (FY22: 29.5%). The performance improved in the second half, with an Adjusted EPRA Cost Ratio of 22.8% in the six months to September 2023. The ambition is to remain in our target range of 20–25%.
- Further enhanced ESG credentials of the portfolio through asset management, including schemes to enhance biodiversity and green space.

Link to relevant KPIs: 4 7 8

Distribute

- Generated FY23 dividend of 5.00 cents, which is 110.2% covered for the year. This is the result of higher income (development completions, asset management and indexation) and lower costs (mainly reduced management fees).
- Minimum of 85% of Adjusted Earnings paid out each year, with Q1–Q3 dividends steady and a dividend review carried out for Q4.

Link to relevant KPIs: 1 2 4 7

Reinforce

- Maintained focus on disciplined capital allocation when considering investment decisions.
- Disposed of asset in Hammersbach in August for c.€65 million and, post period end, asset in Bochum for c.€47 million and asset in Malmö for c.€28 million, with the first two broadly in line with book value, and the latter above book value, and all three aligned with our stated disposal programme of at least €150 million.

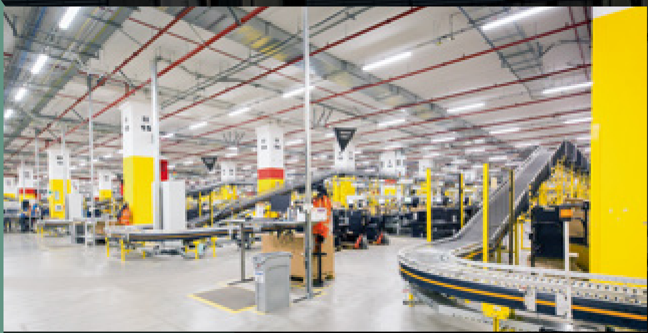
Link to relevant KPIs: 3 5 6 8

Key Performance Indicators

1. Dividend per share
2. Total Return
3. Basic Net Asset Value (NAV)
4. Adjusted Earnings
5. Loan to value (LTV) ratio
6. Weighted Average Unexpired Lease Term (WAULT)
7. Dividend cover
8. Interest cover
9. Like-for-like rental growth

A compelling investment proposition

We believe there are four simple and compelling reasons to invest in Tritax EuroBox.



1. Structural market trends

Long-term supportive structural drivers and favourable market dynamics, characterised by strong occupier demand, limited supply of available space and high barriers to developing new assets in prime locations.

2. Prime portfolio

Core, stabilised portfolio leased to a strong customer base, with leading ESG performance and embedded opportunities to add value over the long term.

3. Specialist manager

Agile, specialist manager with a proven track record and disciplined approach to capital allocation, who can act quickly to capture value-enhancing opportunities.

4. Through-cycle performance

Predictable income performance through the cycle, supporting the delivery of a fully covered dividend, which can grow over time.

In summary, our markets are supported by long-term structural drivers and underpinned by favourable demand and supply dynamics. We have used our expertise as a specialist fund manager and proven track record in the European logistics sector, to curate a high-quality portfolio which has strong income characteristics and the in-built potential to grow income and add further value. This long-term investment approach produces a predictable income performance, which supports our central business goal of delivering a fully covered dividend to our Shareholders, which can grow over time.

Manager's Report

A year of progress in challenging conditions

Phil Redding
CEO for Tritax EuroBox plc

"We have made good progress on delivering our strategic priorities, despite the more challenging macro-economic and property market backdrop."

Portfolio value

€1,561.9 million

FY22: €1,765.6 million

Rental income

€68.1 million

FY22: €57.9 million

At the start of the financial year, we set out four key priorities: to capture income growth opportunities embedded within the existing portfolio; to improve operational efficiencies to lower the cost ratio; to combine these activities to drive forward earnings per share and deliver a fully covered dividend for the year; and to underpin these activities by maintaining a strong balance sheet position.

Over the past 12 months, the Company has made good progress on delivering these strategic priorities despite the more challenging macro-economic and property market backdrop experienced in Continental Europe throughout the period.

During the year, the effect of sharply higher interest rates continued to impact investment markets in the form of increased yields, lower asset values and subdued transaction volumes. Most of the value adjustments were experienced in the first half of the financial year, with the modest declines in the second half reflecting the relatively rapid adjustments already taken and greater visibility emerging in the macro-economic environment.

In contrast to previous property cycles, occupational market fundamentals have remained robust, with most markets characterised by low levels of available modern warehouse space. While occupiers have become more cautious in response to the challenging economic conditions, the sector continues to be supported by long-term structural drivers, low vacancy rates and a limited pipeline of supply.

The high-quality nature of our assets has enabled the Company to navigate these tougher market conditions. The property portfolio we have curated provides resilience through the market cycle and delivers income growth over the long term. This resilience and income growth potential are produced by combining high-quality assets (modern buildings with excellent ESG credentials, located in sought-after distribution hubs and corridors), with attractive income characteristics (let on long leases to strong customers with annual rental uplifts linked to inflation).

Delivering on our strategic priorities

The focus over the past 12 months has been on driving improvements in operational performance, with a key part of this being the capture of income growth opportunities embedded within the existing property portfolio. During the period we successfully completed several initiatives across a broad spectrum of asset management, development and leasing activities, which delivered both new income growth and enhanced capital values.

Over the year, the in-house team, in conjunction with our locally based asset management and development partners, secured €3.6 million per annum of new rental income, which also positively impacted corresponding asset valuations. The in-built uplifts from the index-linked and fixed uplift structures of our leases produced €2.3 million of new rental income, and represented a significant driver of growth in annualised rental income, which increased to €76.3 million (FY22: €74.3 million). The like-for-like increase in rental income was 4.5% (7.8% including the extensions in Barcelona and Strykow).

We have also delivered enhancements in operational efficiency, including the full-year impact of the revised Investment Management Agreement, effective from August 2022. These improvements contributed to a reduction in the Adjusted EPRA Cost Ratio to 24.2% from 29.5% in the prior year. Our Adjusted EPRA Cost Ratio is now in line with our pan-European peers and within our target range of 20–25%. We continue to pursue opportunities to reduce the cost base to enable us to move towards our longer-term aspiration of being at the lower end of this range.

The combination of higher rental income and lower operational costs, together with full-year contributions from the completion of building extensions and developments, resulted in a 30.0% increase in Adjusted Earnings Per Share to 5.51 cents. The Company has declared quarterly dividends totalling 5.00 cents in the period, resulting in dividend cover of 110.2% and the delivery of a fully covered dividend for the year.

Dormagen, Germany

Air-source heat pumps provide the heating for the 36,434 sqm, three-unit building. The pumps deliver warm air via wing-shaped blades mounted on the internal rafters which support the roof.

Underpinning these priorities is our objective to maintain a strong balance sheet position, encompassing the appropriate management of our cost of debt, available liquidity and metrics including LTV and net debt/EBITDA.

The Company continues to benefit from a low average cost of debt of 1.30%, maintained through fixed and capped rates, no refinancings until Q4 2025 and €172.5 million of undrawn facilities in its RCF. In addition, there remains significant headroom to LTV ratio and interest cover ratio (ICR) covenants in the Company's debt agreements.

In response to the elevated LTV ratio reported in our Interim Results announcement in May, we outlined a disposal programme aimed at generating proceeds of at least €150 million over 12–18 months. The recycled capital would be used to lower debt levels, fund opportunities within the existing portfolio and maintain our investment grade credit rating.

We announced the first sale in this disposal programme in August, comprising a modern warehouse building in Hammersbach, near Frankfurt in Germany, for c.€65 million, which was broadly in line with book value. However, at 46.4% the LTV ratio remains higher than we would like, with the beneficial impact of the disposal being offset by a decline in the portfolio valuation, development capital expenditure and working capital movements.

Post period end, we also announced the disposal of a second asset in Germany, at Bochum, for c.€47 million and an asset in Sweden, at Malmö, for c.€28 million. These brought the cumulative total gross sale proceeds from the disposals to c.€139 million, decreasing the pro forma LTV ratio to 44.0% and showing further progress against our target. We aim to lower the LTV ratio towards our preferred percentage range in the low 40s over 6 to 12 months through our ongoing programme of disposals.

In the medium term, the Company expects to refinance the RCF and the bond ahead of their respective maturities in October 2025 and June 2026. Our expectation is for the refinanced debt facilities to be lower than the current amount, albeit at a higher rate to reflect a likely higher interest rate environment.

Valuation performance

The sharp increase in interest rates and higher cost of capital has led to a rapid adjustment in asset values over the past 12–18 months and continues to affect investor sentiment and transaction volumes across the European logistics sector. However, strong underlying structural drivers, supportive market fundamentals and rebased asset pricing are attracting investors back to the sector, with investment activity and asset values showing signs of stabilisation.

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

6.5%

FY22: 8.2%

Dividend cover

110.2%

FY22: 84.8%

The Company's portfolio valuation declines have reflected these market trends, with an increase in property yields first manifesting in the second half of FY22, a greater impact seen in the first half of FY23, followed by a more modest adjustment at the latest valuation date at the end of September 2023.

The property portfolio was valued by the Company's independent valuer, CBRE, at €1,561.9 million as at 30 September 2023 compared with €1,765.6 million at 30 September 2022. The valuation declined by 14.5% on a like-for-like basis during the period, driven by the outward yield shift across the portfolio partly offset by asset management gains and rental growth. This included a decline of 0.3% in the second half as signs of stabilisation emerged. As at 30 September 2023, the portfolio net initial yield was 4.4% (30 September 2022: 3.8%), with the equivalent yield at 4.9% (30 September 2022: 3.9%).

In contrast to the weaker investment markets, the continued strength of occupier markets is reflected in like-for-like rental growth of 4.5% (7.8% including the Barcelona and Strykow extensions) and ERV growth of 6.5% over the year, continuing the positive momentum seen in the prior year.

Did you know?

Oberhausen, Germany

The warehouse base will contain 11,000m³ of reused stone material – all recovered during the dismantling of the previous building on the site. This is equivalent to over four Olympic-size swimming pools and has dramatically reduced waste materials, transportation costs and CO_2 emissions from delivery of materials.

Valuation performance continued

As at 30 September 2023, the portfolio's ERV (which is the rent the valuer estimates the portfolio should generate if all buildings were leased at current market levels) was €84.5 million (30 September 2022: €81.2 million). As a result, the portfolio reversion has increased to €13.4 million or 17.6% (30 September 2022: €7.1 million or 9.5%), and the reversionary yield has increased to 5.3% from 4.2% on 30 September 2022.

Portfolio strategy and composition

Our portfolio strategy is based on a long-term investment approach and the goal to generate income-orientated returns with the ability to capture capital growth over time. We seek to deliver this strategy through combining a disciplined approach to capital allocation and proactive asset management and customer engagement, with enhancing ESG performance central to all our activities.

Our portfolio composition is based on the following characteristics:

- diversified by:
  - geography, but with the objective of each country having the appropriate critical mass to enable advantages of scale to be captured;
  - building size, but with a focus on larger-scale warehouses that facilitate operational efficiencies and where existing and potential supply is limited; and
  - customer and business sector, but with a focus on large, multi-national organisations;
- displaying an appropriate balance between:
  - stabilised, income producing assets; and
  - exposure to opportunities to create value through asset management and development activities;
- highly efficient:
  - let on long leases to strong companies; and
  - incorporating in-built, inflation-linked rent escalators;
- with market-leading ESG credentials:
  - reducing the environmental impact of our own and our customers' operations;
  - making a meaningful difference to people and communities across all our geographies; and
  - seeking green lease clauses, which commit customers to using buildings sustainably, along with an obligation to share resource usage data.

At the year end, the portfolio comprised 23 high-quality warehouse assets, diversified by location, building size and customer sector, plus one building under construction and one plot of land. The assets are modern, with 89% of the portfolio built in the past 10 years, located across Belgium, Germany, Italy, the Netherlands, Poland, Spain and Sweden, and are relatively large, with 65% of the portfolio in excess of 50,000 sqm (the average size being 66,000 sqm).

To deliver an attractive level of return with an appropriate level of risk, our portfolio combines core, stabilised assets with a managed exposure to development and land. The exposure to development and value-add activities is managed dynamically to be aligned with investment and occupational market conditions. With the external environment becoming more challenging over the past 12 months, we have sought to reduce portfolio exposure to speculative development risk and to focus on capturing income growth and value from the existing stabilised portfolio.

The stabilised assets provide the portfolio's core income, comprise the majority of the portfolio and reflect the relatively low-risk positioning of the Company.

Exposure to development activity provides the potential for capturing higher returns with the forward funding of pre-let developments representing the lower end of the risk spectrum and the funding of speculative developments the higher end. Typically, but not in all cases, rental guarantees will be agreed with our developer-partners to provide protection from potential void periods following the completion of the building. Speculative development offers the opportunity to capture higher market rental levels than appraised levels or the additional rental growth that may have occurred through the construction phase of the development.

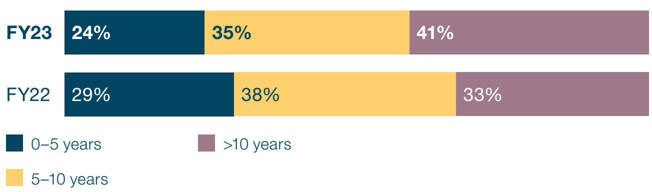
Stabilised vs development

The stabilised assets combine to form a highly efficient portfolio, reinforced by four distinct characteristics. Specifically, the assets are let:

i) On long leases

At the period end, the portfolio Weighted Average Unexpired Lease Term to expiry was 9.6 years (FY22: 9.3 years) and the Weighted Average Unexpired Lease Term to the first break was 7.9 years (FY22: 8.0 years).

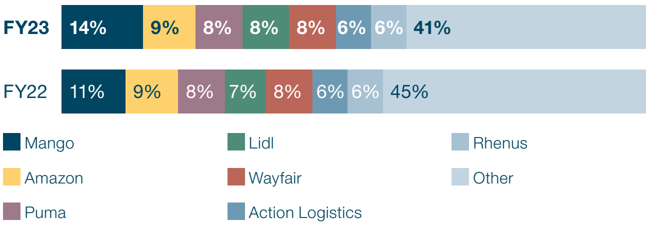
Lease duration



ii) To a high-quality customer base

Across the portfolio, the Company has 35 customers operating in a range of business sectors. Many of the Company's customers are multi-billion Euro businesses, including some of the world's best-known companies, underpinning the security of the portfolio's rental income.

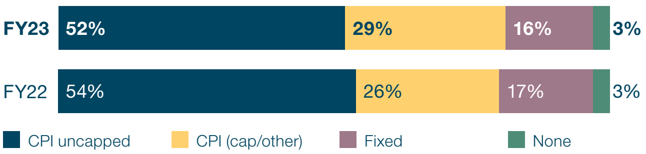
Customers



iii) With annual rental uplifts

The majority of the Company's leases contain indexation provisions offering significant inflation protection and regular uplifts in income. Rental uplifts are either linked to local inflation measures or fixed at an agreed rate, with the increases usually taking place annually.

Annual lease uplift



iv) With structurally low vacancies

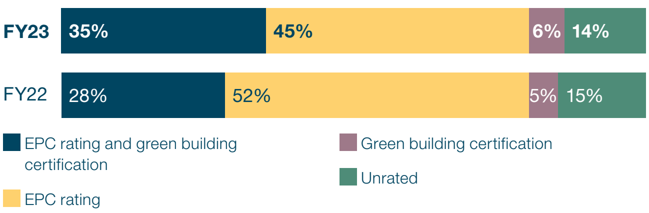
The EPRA vacancy at the period end was 5.5% (FY22: 0.3%). This increase was the result of the completion of two speculative forward fundings at Rosersberg (Sweden) and Settimo Torinese (Italy) that remain unlet (but covered by rental guarantees), and the take-back of 22,213 sqm at Strykow. This was partially offset by lettings at Dormagen (Germany) and half of the development in Settimo Torinese (Italy).

Strong ESG credentials

Our customers require the ESG performance of the buildings they occupy to be aligned with their own ESG commitments and targets. The ESG credentials of our buildings play an important role in attracting and retaining high-quality occupiers to the portfolio and also enable our customers to meet the expectations of their stakeholders. We have a clear ESG strategy focused on working collaboratively with our customers to jointly deliver enhanced building performance, including carbon reduction, wellbeing and biodiversity.

The ESG performance of our buildings and alignment with our net zero carbon pathway are key considerations in determining the future value and liquidity of our assets. The Company holds a four Green Star rating from GRESB and EPRA Gold for its Sustainability Best Practices Recommendations submission.

ESG credentials



A proactive approach to asset management

A fundamental part of how we deliver our portfolio strategy is our proactive approach to asset management. This is focused on extracting income growth and value uplifts from the opportunities embedded within the existing portfolio.

Our asset management operations are led by an experienced in-house team, giving us scope to take a direct and active role in the strategic asset management of the portfolio and strengthen relationships with our customers. The in-house team works closely and collaboratively with our locally based partners and also draws on the specialist skills within the wider Tritax Group, such as supply chain, ESG and power expertise, to help formulate our future asset management plans.

We undertake a thorough bottom-up review of all our assets on a biannual basis. This enables us to determine the value-maximising strategy for each property and to review expected returns. In conjunction with this, a top-down assessment is undertaken to ensure the portfolio is optimally positioned to capture efficiencies and to benefit from the positive structural tailwinds that continue to drive the Continental European logistics sector.

This process informs our asset recycling strategy by highlighting those assets where, for example, we have completed our asset management plans and maximised value or where forecast ESG performance is not aligned with our overall portfolio objectives. It also identifies markets where we expect performance to be less strong or where we have a sub-scale position and gaining sufficient scale in an appropriate timescale will be challenging. Such assets will be identified for disposal, enabling us to recycle the capital into higher returning opportunities or reduce balance sheet leverage.

Delivering our portfolio objectives

We set ourselves four key portfolio objectives for the year:

1. Capture income growth opportunities embedded in the existing portfolio.
2. Complete ongoing development projects and de-risk rental guarantees by securing new customers for unlet space.
3. Commence a disposal programme to maintain our balance sheet strength, and recycle proceeds into reducing debt levels and funding existing opportunities within the portfolio.
4. Progress agreements with our customers and secure necessary permits to enable the installation of roof-mounted PV panels on selected assets.

We have made good progress over the period on all these objectives.

Objective 1: Capture income growth

We have successfully completed several asset management initiatives during the period, including:

Asset, location	Asset management initiative	Detail
Barcelona, Spain	Extension	Completion of a 109,083 sqm extension in November 2022, which has increased annualised rental income by €2.3 million.
Strykow, Poland	Extension and lease re-gear	Commencement of a new extension for our customer Arvato, together with an 11-year re-gear of its existing lease. The extension was completed at a yield on cost of 7.2%, increasing the annualised rental income by €0.5 million upon completion.
Dormagen, Germany	Letting	Completion of a new 10-year lease to GXO at a rent 17.8% ahead of the underwritten rental guarantee, converting the rental guarantee into a lease and increasing the annualised rental income by an additional €0.5 million.
Settimo Torinese, Italy	Letting	Letting of unit one of the 28,287 sqm speculatively developed asset, with rent in line with ERV and consistent with the development funding underwrite. The six-year green lease to an Italian logistics specialist includes a further six-year extension option and includes annually reviewed inflation-linked uplifts.
Bochum, Germany	Letting	Letting of unit three at the four-unit prime asset to a German specialist catering equipment company, with a seven-year lease 35% above the current passing rent

Objective 2: Complete development projects and de-risk rental guarantees

We made good progress with the development programme during the period, completing six forward-funded developments, totalling 224,763 sqm and producing €14.6 million per annum in rental income (€11.2 million leased to customers and €3.4 million subject to rental guarantees).

Asset, location	Portfolio activity	Detail
Roosendaal, the Netherlands	Development completion *(pre-let)*	The second and third units (Phase 1B and 2) totalling 65,276 sqm of this forward funded development pre-let to Lidl completed in December 2022 and February 2023 respectively. The units generate annualised rental income of €3.2 million.
Rosersberg I, Sweden	Development completion *(speculative)*	Completed the speculative forward funding development of 13,181 sqm in January 2023, producing annualised rental income of €1.1 million through a rental guarantee, which expires in February 2024. We are in discussion with potential tenants at rents above the levels of the rental guarantees.
Dormagen, Germany	Development completion *(speculative)*	Completed speculative forward funding of 36,434 sqm in March 2023, with a 10-year lease signed with GXO in early May, 17.8% ahead of the underwritten rental guarantee.
Settimo Torinese, Italy	Development completion *(speculative)*	Practical completion reached in June 2023 of this speculative forward funding of 28,287 sqm, with half the space leased to an Italian logistics specialist in August 2023. The total scheme has an ERV of €1.3 million.
Bönen, Germany	Development completion *(pre-let)*	Practical completion reached in June 2023 of this forward funded development of 63,753 sqm, pre-let to Rhenus at an annualised rent of €4.3 million.
Rosersberg II, Sweden	Development completion *(speculative)*	Practical completion reached in July 2023 of this 17,832 sqm speculative forward funding, producing annualised rental income of €1.6 million through a rental guarantee, which expires in August 2024.
Oberhausen, Germany	Construction commenced *(speculative)*	Construction commenced on this two-unit, 23,243 sqm speculative forward funding in July 2023, which has the potential for rental income of €2.0 million when fully let. Practical completion is targeted for Q3 2024 and we are targeting a DGNB Platinum certification.

The Company owns two further land plots with potential for building extensions at Wunstorf, Germany, where the existing building can be extended by 10,000 sqm, and at Geiselwind, Germany, where capacity exists for a 42,000 sqm extension.

Objective 3: Commence disposal programme and recycle proceeds

In the Interim Results announcement in May we outlined our intention to undertake asset disposals of at least €150 million over the following 12–18 month period to reduce the Company's debt levels and to fund existing opportunities from within the portfolio. Further to this, and in line with our bi-annual portfolio review process, in August we announced the disposal of an asset in Hammersbach (Germany) for c.€65 million. This reflected a net initial yield of 4.45%, broadly in line with the book valuation of the property, and represented a good first step in our disposal programme.

Post period end, we announced the sale of a second asset, in Bochum (Germany), for c.€47 million, reflecting a net initial yield of 4.88%. We also announced the sale of an asset in Malmö for c.€28 million. The sale of the three assets generated gross sale proceeds of c.€139 million, with further sales expected during 2024.

Objective 4: Increase the solar PV generating capacity of the portfolio

During the year, we continued to progress initiatives to increase the generation of renewable energy by the installation of roof-mounted solar panels on our assets. We increased the solar PV generating capacity of our portfolio to 10.3 MW (FY22: 7.5 MW), with rooftop solar arrays now installed on eight of our assets.

In addition, we have made applications to commence schemes on three assets in Germany and are in negotiations with the customers to agree new Purchasing Power Agreements (PPAs) for those projects. These assets have been chosen due to their large roof areas, long unexpired lease terms, sufficient roof load-bearing capacity and positive, ongoing discussions with the respective customers. The forecast installation of these projects is Q3 2024 and would add a further c.9 MW to our portfolio's generating capacity, taking the total level to over 19 MW.

The intention is to maintain a rolling programme of feasibility studies to support a phased delivery of installations, in collaboration with our customers. Our aspiration is to install two to three solar schemes each year as we look to enhance the portfolio and support customers with their energy requirements and ESG ambitions.

Evolving our ESG strategy

At the heart of our asset management approach is our commitment to an ambitious ESG strategy. This comprises targets across four areas, comprising sustainable buildings; climate and carbon; nature and wellbeing; and social value. These are aimed at driving social, environmental and economic value for our customers, partners, investors and the wider society.

In 2020 we set a range of ESG targets for the period 2020–2023. One of our key priorities for 2022 was to establish a clear baseline from which to launch our new updated ESG targets. These targets reflect our four principal ambitions for the ESG performance of the Company which are summarised as:

1. Our ESG strategy and performance criteria to fundamentally underpin the investment philosophy of the Company.
2. Our portfolio and our assets to be net zero carbon.
3. Our portfolio to have a positive impact on our climate and the natural world.
4. The social value which our portfolio delivers to make a meaningful difference to people and communities across our geographies.

Most notable within these targets is an enhanced commitment to achieve net zero carbon (as defined by the UK Green Building Council) across all aspects of our business by 2040, rather than our previously stated 2050 target. These targets will be reviewed annually against our KPIs and updated as required.

2023 ESG targets and KPIs

Theme	Target	KPI
Sustainable buildings	– 100% of all asset due diligence uses Tritax ESG due diligence framework	– % utilisation of enhanced ESG due diligence framework
	– Produce and implement low-carbon baseline development specification on all new projects	– Production and % utilisation of low-carbon specification – % of circularity certified materials – % of projects undertaking a whole-life performance analysis
Climate and carbon	– Produce and disclose updated net zero carbon pathway: – Scope 1 and scope 2 – 2025 – Scope 3 (construction) – 2030 – Scope 3 (remainder of material emissions) – 2040	– Annual review of pathway and emissions – % carbon risk incorporated into each asset management plan – 1.5°C Paris decarbonisation pathway alignment – Science-Based Targets initiative (SBTi) alignment (or equivalent)
	– Integrate physical climate risk mitigation across investment lifecycle	– % climate risk incorporation into each asset management plan – Portfolio TCFD alignment
Nature and wellbeing	– Year-on-year annual increase in biodiversity for standing assets	– % increase in biodiversity against 2022 baseline
	– Year-on-year increased provision of wellbeing enhancements to developments and standing assets	– % increase in provision against 2022 baseline
Social value	– Publish community investment structure – Further integrate ESG criteria into supply chain procurement processes – upstream and downstream	– Set-up and operation of community investment structure – % utilisation of due diligence framework for suppliers
	– Continue support for the Company's main charity	– Level of financial and non-financial contributions

Please see pages 32-34 for further detail on progress against our ESG targets and KPIs.

Measuring our performance

Set out below are the Key Performance Indicators we use to track our strategic progress.

1. Dividend per share

5.00 cents

FY23	**5.00 cents**
FY22	5.00 cents
FY21	5.00 cents

How we measure it

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

Our progress in FY23

Our policy is to pay an attractive and progressive dividend, with a minimum payout of 85% of Adjusted Earnings.

While keeping the dividend per share unchanged from the prior year, the earnings growth from the business supported the dividend being fully covered for the year.

2. Total Return (TR)

(22.5)%

FY23	**-22.5%**
FY22	6.0%
FY21	14.3%

How we measure it

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

Our progress in FY23

The return calculated from the dividends paid has been more than offset by the decline in valuation, which was driven by inflation and the resulting impacts on interest rates.

3. Basic Net Asset Value (NAV)

€795.6 million

FY23	**€795.6 million**
FY22	€1,065.8 million
FY21	€1,053.5 million

How we measure it

Net asset value in IFRS GAAP.

Our progress in FY23

Inflation and the resulting impacts on interest rates have been the key drivers of this valuation movement, which could not be fully offset by strong market rental growth and indexation.

4. Adjusted Earnings

€44.5 million

FY23	**€44.5 million**
FY22	€34.2 million
FY21	€24.7 million

How we measure it

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

Our progress in FY23

Adjusted Earnings increased by 30% in the year, reflecting the full-year impact on rental income from acquisitions in the prior year and a 10% decrease in administrative expenses.

5. Loan to value (LTV) ratio

46.4%

FY23	**46.4%**
FY22	35.2%
FY21	13.3%

How we measure it

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

Our progress in FY23

The lower portfolio valuation, ongoing capital expenditure and working capital movements largely offset the benefit of the sales proceeds from the disposal programme. The Company remains comfortably below the LTV ratio covenant of 65%. (Including the disposals of Bochum and Malmö, the pro forma LTV is 44.0%.

Bönen, Germany

Redevelopment of a brownfield site, comprising six units within a c.66,000 sqm building situated in the Rhine-Ruhr metropolitan region – one of the most important logistics hubs in Europe.

6. Weighted Average Unexpired Lease Term (WAULT)

7.9 years

FY23	**7.9 years**
FY22	8.0 years
FY21	9.3 years

How we measure it

The portfolio average of the remaining number of years, weighted by annual passing rents, until the sooner of the lease expiry or the customer's break option.

Our progress in FY23

The Company has maintained a WAULT of greater than five years across the portfolio, in accordance with typical lease lengths in Continental Europe. The WAULT to expiry is 9.6 years.

7. Dividend cover

110.2%

FY23	**110.2%**
FY22	84.8%
FY21	80.2%

How we measure it

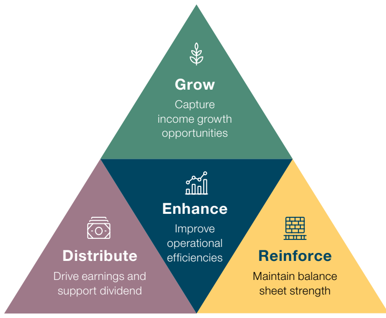
Adjusted Earnings as a proportion of the dividend declared for the financial period.

Our progress in FY23

The 30% growth in Adjusted Earnings, combined with maintaining a dividend per share of 5.00 cents, drove an increase in dividend cover to 110.2%.

Measured against our strategy

We clearly link each of our KPIs to our four strategic priorities.



▶ More information on page 15

8. Interest cover

4.8x

FY23	**4.8x**
FY22	4.2x
FY21	4.6x

How we measure it

The ratio of consolidated earnings before interest and taxation to consolidated net finance costs in respect of any measurement period.

The definition, and calculation method, of interest cover ratio has changed during the year aligning banking covenants and reporting. See Notes to EPRA and Other Key Performance Indicators for calculation. Comparatives for FY22 and FY21 were 6.6x and 6.3x using the previous definition.

Our progress in FY23

The Company remains comfortably above its interest cover ratio covenant of 1.5x.

9. Like-for-like rental growth

4.5%

FY23	**4.5%**
FY22	3.6%
FY21	2.4%

How we measure it

Like-for-like rental growth (excluding extensions; including extensions: 7.8%) compares the growth of the rental income of the portfolio that has been consistently in operation and not under development during the two full preceding periods.*

Our progress in FY23

Solid rental growth in the period was driven by our asset management initiatives and indexation.

* The definition, and calculation method, of like-for-like growth has changed during the year, moving to be in line with the industry standard definition, which excludes extensions. The comparative for FY22 using the previous basis was 4.0%. There were no extensions in FY21.

EPRA performance measures

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

1. EPRA Net Reinvestment Value (EPRA NRV)

€903.0 million

FY23	**€903.0 million**
FY22	€1,194.7 million
FY21	€1,147.4 million

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

Comments

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

2. EPRA Net Tangible Assets (EPRA NTA)

€820.6 million

FY23	**€820.6 million**
FY22	€1,111.0 million
FY21	€1,086.5 million

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

Comments

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

3. EPRA Net Disposal Value (EPRA NDV)

€795.6 million

FY23	**€795.6 million**
FY22	€1,065.8 million
FY21	€1,053.5 million

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

Comments

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

4. EPRA Earnings

€45.7 million

FY23	**€45.7 million**
FY22	€20.9 million
FY21	€14.7 million

Earnings from operational activities.

Comments

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

5. EPRA Net Initial Yield (NIY)

4.2%

FY23	**4.2%**
FY22	3.6%
FY21	3.7%

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.

Comments

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

6. EPRA topped-up NIY

4.3%

FY23	**4.3%**
FY22	3.7%
FY21	3.8%

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).

Comments

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

Roosendaal, the Netherlands

112,018 sqm building of two units is well positioned in the West-Noord-Brabant area, with connections to the ports of Rotterdam, Antwerp and Amsterdam and linkages with three major highways and a train station with high-speed rail.

7. EPRA vacancy rate

5.5%

FY23	**5.5%**
FY22	0.3%
FY21	3.3%

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

Comments

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

8. EPRA Cost Ratio

27.4%

FY23	**27.4%**
FY22	41.3%
FY21	30.5%

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

Comments

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

9. Adjusted EPRA Cost Ratio

24.2%

FY23	**24.2%**
FY22	29.5%
FY21	28.5%

EPRA Cost Ratio adjusted for non-operational items.

Comments

This ratio includes licence fee income and rental guarantees and excludes exceptional items of a capital nature. See Notes to the EPRA and Other Key Performance Indicators for further details.

10. EPRA loan to value (LTV) ratio

46.3%

FY23	**46.3%**
FY22	35.6%

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

Comments

The EPRA LTV introduces a consistent and comparable metric for the sector, with the aim to assess the gearing of the shareholder equity within a real estate company.

Bornem, Belgium

45,850 sqm development, strategically situated in the main Belgian logistics corridor between Brussels and Antwerp, with links to the Port of Antwerp, which is the second largest port on the continent and known locally as the "gateway to Europe".

Understanding our stakeholders

Section 172 statement

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

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

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

Further information on how we have engaged with our key stakeholders and considered their interests during the last reporting period can be found on pages 74 to 77.

Section 172 matter	Further information incorporated into this statement by reference
Long term	▶ Markets and trends pages **9 to 11**
	▶ Our Business Model page **14**
	▶ Manager's Report pages **17 to 23**
	▶ Key Board Decisions pages **76 and 77**
Investors	▶ Strategic Report pages **1 to 63**
	▶ Key Board Decisions pages **76 and 77**
	▶ Governance Report pages **64 to 102**
Employees	▶ Pages **29 and 68**
Community and environment	▶ Strategic Report page **21**
	▶ Manager's Report pages **17 to 23**
	▶ ESG pages **30 to 37**
	▶ Key Board Decisions pages **76 and 77**
Suppliers	▶ Strategic Report pages **1 to 63**
	▶ Manager's Report pages **17 to 23**
	▶ Key Board Decisions pages **76 and 77**
High business conduct	▶ Stakeholder Engagement pages **28 to 29 and 76 to 77**
	▶ Strategic Report pages **1 to 63**

Our stakeholders

Our Shareholders

Our customers

The Manager and its employees

Our suppliers

Our lenders

Government, regulators and local councils

Our communities

▶ Read more on pages **76** to **77**

Our Shareholders

What they care about

Delivering sustainable, profitable growth over the longer term.

Our investors take a keen interest and place a high level of importance on strong corporate governance, as well as a transparent reporting framework and the ESG objectives of the Company.

How we engage

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

Topics

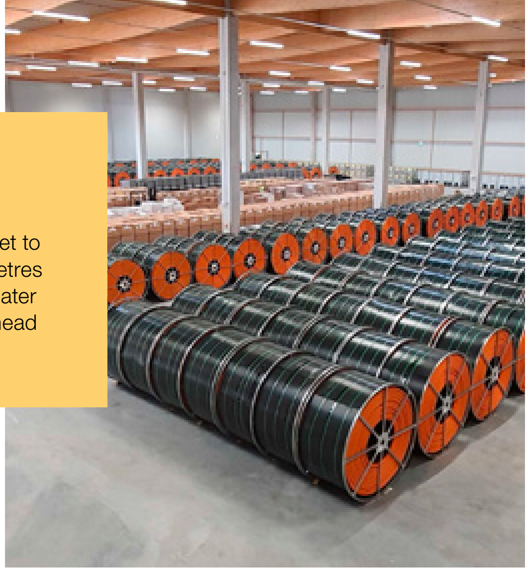
- Strategic plans and long-term value and returns
- Governance
- ESG
- Assets
- Macroeconomic environment

Impact on business decisions

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

Further information

- Business model page 14
- Board leadership and Company purpose pages 73 to 75
- Key decisions of the Board 2023 pages 76 and 77



Did you know?

Gelsenkirchen, Germany

One of the units in the building, let to Netceed, contains 10,896 kilometres of glass fibre ducting. This is greater than the distance between our head office in London and Singapore.

Our customers

What they care about

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

How we engage

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

Topics

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

Impact on business decisions

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

Further information

- Manager's Report pages 17 to 23
- ESG section pages 30 to 37

The Manager and its employees

What they care about

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

How we engage

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

Topics

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

Impact on business decisions

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

Further information

- Manager's Report pages 17 to 23
- Key decisions of the Board 2023 pages 76 and 77
- Division of Responsibilities pages 78 to 81
- Management Engagement Committee Report pages 92 to 94

Our suppliers

What they care about

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

How we engage

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

Topics

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

Impact on business decisions

- Continued good, and in some cases exceptional, levels of service
- Retender of JLL (Company's valuer)

Further information

- Key decisions of the Board 2023 pages 76 and 77
- Management Engagement Committee Report pages 92 to 94

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

Our ESG ambition is to invest in and manage a portfolio of assets that are attractive to customers today and for the future, resilient to a changing physical climate and aligned with a low-carbon economy.

Our ESG strategy

In support of this ambition, we follow an ESG strategy which is aligned with five of the United Nations Sustainable Development Goals (UN SDGs):

Sustainable buildings

Aiming to demonstrate our ESG strategy and performance criteria fundamentally underpin the investment philosophy of the Company.

SDG 11: Sustainable Cities and Communities

SDG 9: Industry, Innovation and Infrastructure

Climate and carbon

Working towards our portfolio and our assets being net zero carbon.

SDG 13: Climate Action

Nature and wellbeing

Seeking for our portfolio to have a positive impact on our climate and the natural world.

SDG 15: Life on Land

Social value

Striving for the social value which our portfolio delivers to make a meaningful difference to people and communities.

SDG 8: Decent Work and Economic Growth

FY23 in review

- Updated Company ESG targets, including accelerated net zero targets
- 86% of the portfolio income is generated from assets with an Energy Performance Certificate (EPC) rating, a Green Building certification or both
- 92% of occupier energy data collected during FY23
- Enhanced customer collaboration leading to 10.3 MW of combined on-site solar PV capacity across our portfolio with c.9 MW in the near-term pipeline
- GRESB score of 84/100 and four Green Stars
- Inaugural CDP submission completed
- World Green Building Council's Advancing Net Zero Carbon Commitment signatory
- EPRA Sustainability Best Practice Recommendations (sBPR) Gold Award
- Task Force on Climate-Related Financial Disclosures (TCFD) aligned
- CRREM aligned – portfolio-wide carbon risk analysis utilising CRREM decarbonisation pathways
- The Manager is ISO 14001 accredited

Environment

Our approach to managing environmental impact and leveraging opportunities which are material to the Company's business includes a focus on reducing greenhouse gas emissions associated with the portfolio, increasing asset resilience and improving energy performance in collaboration with our customers.

We continued to make good progress with our environmental initiatives during FY23, including:

- renewable energy: continuing to develop integrated solar and electric vehicle charging schemes across our assets, in partnership with occupiers, and using smart and low-carbon infrastructure to deliver efficient buildings which are fit for the future;
- climate change: updating the portfolio physical climate risk analysis and undertaking our second TCFD disclosure (see page 52). The majority of standing assets are considered to have a low exposure to climate hazards, while none of our assets is deemed as being vulnerable to physical climate risks. We continue to integrate climate risk mitigation across the investment lifecycle and into our asset management plans; and
- net zero carbon: completing a revision of the Company's net zero targets to reflect its ambition to align its operations and assets with a low-carbon economy by 2040.

Social

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

Our key activities during the year included:

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

Governance

Our environmental and socio-economic activities are underpinned by robust governance, both in relation to sustainability issues and more broadly (see the Corporate Governance section on pages 64 to 102, and the TCFD disclosure on page 52 for more information).

During FY23, our activities included:

- the first meeting of the ESG Board Committee;
- continuing public disclosure of our integrated policies and procedures, to provide transparency about our approach;
- continued incorporation of sustainability-related clauses into new leases; and
- participating in established ESG benchmarks:
  - retained EPRA sBPR Gold Award;
  - increased ISS ESG rating from C to C+;
  - completed the Company's inaugural CDP submission to align with market best practice and in response to investor demands;
  - continued engagement with Sustainalytics to update the Company's ESG risk rating; and
  - achieved four Green Stars in GRESB ratings.

Continued successful implementation of our ESG strategy

Our key objectives are:

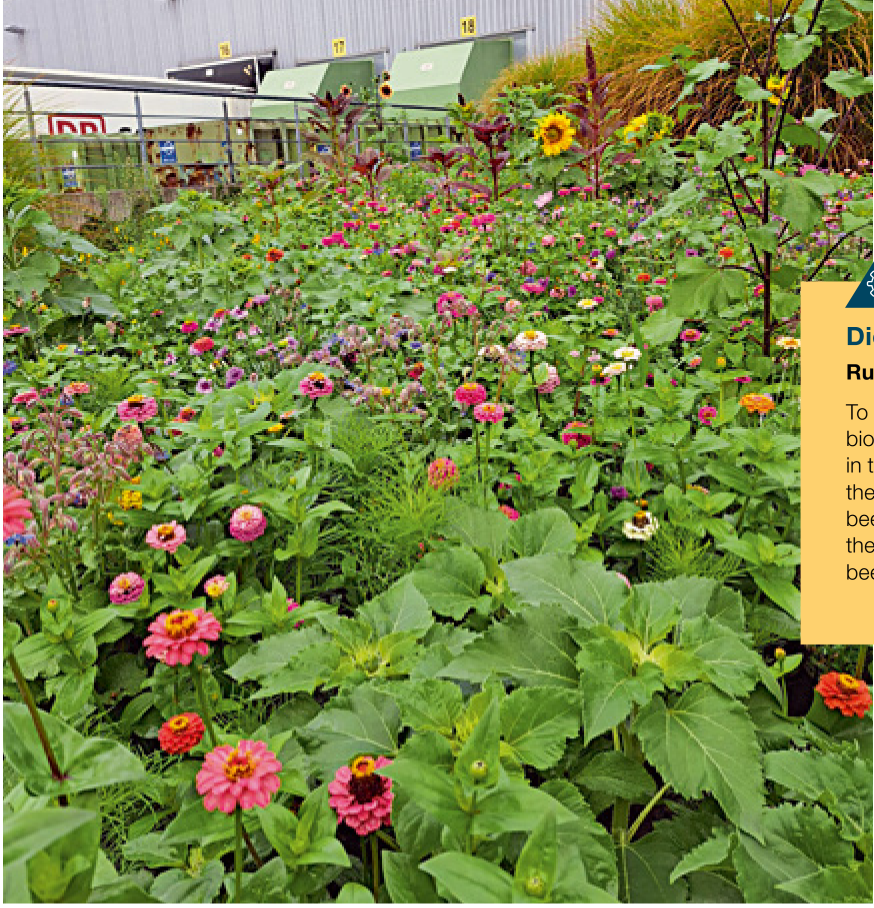
1. integrating ESG performance criteria across our entire investment process – due diligence, development, asset management and end of life;
2. aligning our portfolio with the Paris Agreement decarbonisation pathways and ensuring that our portfolio is resilient to the changing climate and makes a positive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

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

ESG progress summary

The tables below show our progress against each of the detailed ESG targets we have set for FY23:

ESG pillar	Target	KPI	FY23 progress
1. Sustainable buildings This year, the Company did not acquire any new buildings but completed the purchase of the land plot in Oberhausen. Further, the Manager updated its ESG due diligence framework to ensure material ESG risks are managed, and opportunities are leveraged. The emphasis was particularly on assessing physical climate and transition (carbon) risks and opportunities. The Company engaged with a third party to assess all assets without a Green Building Certificate against the BREEAM In-Use certification scheme. This analysis concluded that all assets in the portfolio could achieve a BREEAM In-Use Very Good rating for total capital expenditures of around €500k. In addition, all three new leases signed during the financial year included green clauses. On ESG benchmarks, the Company retained its EPRA sBPR Gold Award and improved its ISS ESG score from a C to a C+, maintaining its Prime status. In addition, the Company has a Sustainalytics low risk rating, with a score of 14.1, and achieved a GRESB score of 84/100, giving it four Green Stars. The Company also completed its inaugural CDP submission.	– 100% of all asset due diligence uses Tritax ESG due diligence framework	– % utilisation of enhanced ESG due diligence framework	The Company did not purchase any buildings during the financial year. We commenced the development of the Oberhausen asset, for which we are targeting a DGNB Platinum certification. In addition, the Manager revised its due diligence processes to ensure ESG factors, including climate risks, are systematically considered pre-acquisition.
	– Produce and implement low-carbon baseline development specification on all new projects	– Production and % utilisation of low-carbon specification – % of circularity certified materials – % of projects undertaking a whole-life performance analysis	The Company engaged a third-party consultant to measure the embodied carbon associated with its forward-funded developments in Rosersberg (Sweden) and Oberhausen (Germany). The reduction to a GRESB score of 84/100 (FY22: 88/100) was due to an increase in energy consumption. The Company is seeking to mitigate this through its renewable energy and customer engagement programme.



Did you know?

Rumst, Belgium

To support and enhance the biodiversity around the asset, and in the local environment beyond, the warehouse at Rumst has four beehives and a flower meadow, and the customer's branded sign has been recreated using a green wall.

ESG pillar	Target	KPI	FY23 progress
2. Climate and carbon EuroBox updated its net zero targets earlier this year to reflect its ambition and drive towards a low-carbon economy. The three targets focus on three different dimensions of its emissions: direct emissions (scope 1 and 2), emissions related to its forward funding of new developments and operational emissions from our customers. The Company modelled the operational emissions pathway of its assets until 2040 (its net zero target date), taking into account projected improvements to the assets – including solar PV and energy efficiency measures – and our customers' own emissions reduction ambitions. We continued to install electric vehicle charging points in collaboration with our customers, with new chargers being installed in our assets in Bornem and Rumst in Belgium, and Strykow in Poland.	Produce and disclose updated net zero carbon pathway: – Scope 1 and scope 2 – 2025 – Scope 3 (construction) – 2030 – Scope 3 (remainder of material emissions) – 2040	– Annual review of pathway and emissions – % carbon risk incorporated into each asset management plan – 1.5°C Paris decarbonisation pathway alignment – Science-Based Targets initiative (SBTi) alignment (or equivalent)	The Company finalised and disclosed its updated net zero targets and is integrating emissions' reduction across the portfolio. We are continuously reviewing changes in market best practice, including evolutions in the SBTi building sector guidance.
	– Integrate physical climate risk mitigation across investment lifecycle	– % climate risk incorporated into each asset management plan – Portfolio TCFD alignment	The Company updated its portfolio-wide physical climate risk assessment, and conducted a vulnerability assessment on assets exposed to natural hazards. See updated climate disclosures in the TCFD section (page 52).

ESG progress summary continued

ESG pillar	Target	KPI	FY23 progress
3. Nature and wellbeing **Nature** We continue to work with our asset and property managers to identify biodiversity enhancements on an asset level basis. During the year, the Company and its customers continued to pursue landscaping and biodiversity initiatives to support nature and staff wellbeing. This included several biodiversity improvements made to our Rumst and Strykow assets, including the addition of beehives, bat boxes, a flower meadow and a green wall.	– Year-on-year annual increase in biodiversity for standing assets	– % increase in biodiversity against 2022 baseline	Baseline data collection methodology agreed. Implemented biodiversity improvement measures on several assets including in Belgium and Poland. New developments: continued enhancement of ESG development specification, including integration of biodiversity measures.
Wellbeing The Company conducted its third annual European Real Estate Logistics Census in collaboration with Analytiqa and Savills, which highlighted occupiers' focus on ESG provisions. This included the importance of providing staff with good, basic amenities as competition for labour is high. We continue to engage with customers to understand how staff wellbeing provisions are evolving to ensure our assets provide occupiers with workspaces that are attractive to potential employees.	– Year-on-year increased provision of wellbeing enhancements to developments and standing assets	– % increase in provision against 2022 baseline	Assessed all buildings currently without a green building certification against the BREEAM In-Use certification scheme, including the Health & Wellbeing criteria. Increasing customer engagement, primarily through site visits. New electric vehicle (EV) charging stations installed at three assets.
4. Social value During the year, the Company sought to embed social value into its corporate and management activities to ensure better oversight and accountability. The Manager has continued its work to develop a structure to oversee the allocation and funding of community initiatives and charities, which will support the Company and its customers in delivering social value to local communities.	– Publish community investment structure which seeks to maximise the Company's social impact – Further integrate ESG criteria into supply chain procurement processes, both for upstream and downstream	– Set-up and operation of community investment structure – % utilisation of due diligence framework for supplier	The Manager is developing a community investment structure to oversee the social value workstream. The Manager undertook a review of the property management agreement, with key focus on ESG services.
In addition, we have continued to engage with customers to better understand the social value initiatives that they are actively involved in and identify where we could provide further support.	– Continue support for the Company's main charity	– Level of financial and non-financial contributions	The Company donated £25,000 to The Mission to Seafarers – continuing the Company's three-year partnership with the charity.

Supporting The Mission to Seafarers

The Company has continued to support The Mission to Seafarers for a third year running. The charity is instrumental in supporting seafarers, who play a key role in the global logistics supply chain.

Supported by our financial donation during the year, the charity has been able to undertake the following activities:

- In November 2022, the charity delivered a SafeTalk suicide alertness course at its centre in Schiedam, Rotterdam. It was free for all staff and representatives of local welfare organisations that support seafarers across the port.
- The Rotterdam centre has been refurbished to include high speed internet and is now a place where local businesses, community and welfare charities can meet, to help improve the welfare of seafarers visiting the port.
- Planning has now been approved for a sensory garden development in Rotterdam, which will give seafarers a space where they can seek refuge and comfort for the short periods they are in the port.

Energy and Greenhouse Gas Report

Quantification and reporting methodology

The greenhouse gas (GHG) emissions data were prepared in alignment with the GHG Protocol for the period from October 2022 to September 2023. The GHG emissions were calculated using the 2023 emission conversion factors published by the Department for Environment, Food and Rural Affairs ("DEFRA") and the Department for Energy Security and Net Zero ("DESNZ"), and the 2022 European emissions factors for production and residual mix published by the Association of Issuing Bodies ("AIB").

The monthly purchased fuel and energy consumption data is collected by the Company from utility billing information and compiled on an annual basis. In allocating emissions between landlord and occupier, we follow the methodology outlined in "Accounting and Reporting of GHG Emissions from Real Estate Operations – Technical Guidance for the Financial Industry" published in March 2023 by GRESB, PCAF and CRREM, which states that landlord-procured energy for sites where the occupier has operational control should sit within the landlord's Scope 3 downstream leased assets category. Our Scope 1 and 2 GHG emissions therefore relate to energy use within common areas of the assets for which the Company procures the utilities.

Organisational boundary and reporting scopes

This is the third year of the Company reporting our GHG emissions in line with Streamlined Energy and Carbon Reporting (SECR). Table 1.2 summarises our Scope 1 and 2 greenhouse gas emissions for the 2022/2023 financial year. The Company's base year is 2021/2022, which was chosen as it is representative of the Company's typical operations.

The Company has adopted the Operational Control Approach to organisational boundary to align with other GHG emissions reporting commitments. Previously, scope 3 data across the categories of Business Travel, Downstream Leased Assets and Purchased Goods & Services have all been voluntarily reported for the Company as part of our SECR submission. This year, our approach to accounting for these emissions has been revised to better reflect the guidance of the GRESB, PCAF and CRREM Technical Guidance document referred to above. The emissions previously reported for the Company under the Scope 3 categories of Business Travel and some Purchased Goods & Services are properly the emissions of the Company's Manager, Tritax Management LLP (the "Manager").

Going forward, the Manager shall be treated as a supplier to the Company for the purposes of GHG emissions accounting and will thus fall under Scope 3 Purchased Goods & Services.

Full data on emissions from downstream leased assets was not available at the time of report preparation due to the time required to collect our occupiers' energy consumption. These emissions, along with the Manager's recalculated emissions, will be disclosed in the Company's EPRA-aligned Sustainability Report, to be released during FY24.

Table 1.1 Energy consumption (kWh)

Activity (kWh)	FY23	Restated information for baseline year FY22[1]
Total EU energy consumption (relating to scope 1 and 2 emissions)	679,155	99,822

Table 1.2 Greenhouse gas emissions (tCO_2e)

Activity (tCO_2e)	Year FY23	Restated information for baseline year FY22
Scope 1 – combustion of fuels	—	—
Scope 2 – location-based purchased energy	40	32
Scope 2 – market-based purchased energy	2	—
Total location-based emissions (scope 1 and 2)	40	32
Total market-based emissions (scope 1 and 2)	2	—

Intensity measurements

Table 1.3 Intensity ratios

	Year FY23	Baseline year FY22
tCO_2e (gross scope 1 and 2 location-based) per €m revenue	0.58	0.55

1 In this disclosure we restate the previous year's energy consumption and emissions due to a revised approach, whereby the emissions of the Manager fall within the Company's Scope 3 rather than scope 1 and 2. Previously stated total EU energy consumption was stated as 87,860,573 kWh; scope 1 and 2 emissions were stated as 0 tCO_2e and 8 tCO_2e respectively, and the intensity ratio was stated as 0.24 tCO_2e per € million of revenue.

Energy performance and energy efficiency measures

There has been an increase in scope 1 and 2 emissions for this reporting year compared to the previous year. This is due to the acquisition of new assets in Sweden, where the operational control of the asset has remained with the Company for the duration of the reporting period. This means energy consumption is designated as being under the Company's control and emissions are categorised as scope 1 and 2. We have mitigated the emissions associated with the additional energy consumption through the procurement of renewable energy. This has enabled the Company to keep emissions low.

The Company has implemented several measures to reduce its energy consumption and emissions, and those of its occupiers, during 2023, including:

- the installation of electric vehicle charging stations on the Bornem, Rumst and Strykow assets;
- the installation of solar panels on the Barcelona asset by Mango; and
- the preparation of an Embodied Carbon assessment for the Rosersberg and Oberhausen developments.

The Company's revised emissions reduction targets can be found in the ESG section of the Annual Report (page 33).

External assurance

The Company works with its third-party property manager to collect and aggregate energy consumption data across its portfolio, while CBRE has been appointed to calculate Scope 1 and 2 emissions and prepare this Energy and Greenhouse Gas Report.

Good progress on our objectives

Mehdi Bourassi
CFO for Tritax EuroBox plc

"We have made material advances on our financial objectives, with the dividend now covered and our Adjusted EPRA Cost Ratio reduced, and we remain committed to maintaining a robust balance sheet."

What we said we would do

A year ago, we highlighted three key financial objectives:

1) cover the dividend;
2) reduce the Adjusted EPRA Cost Ratio; and
3) manage leverage and maintain a robust balance sheet.

What we achieved

The dividend is 110.2% covered for the financial year, an increase from 84.8% in FY22. This was the result of higher income, driven by development completions, asset management and indexation, together with lower costs, primarily from a reduction in management fees.

The Adjusted EPRA Cost Ratio[1] has reduced to 24.2% for FY23 from 29.5% in FY22. The ratio improved through the year, with an Adjusted EPRA Cost Ratio[1] of 22.8% in the six months to September 2023. Our aim is to remain in our target range of 20–25%.

Despite a solid start to our programme of disposals, the LTV ratio[2] has increased to 46.4% as at 30 September 2023 and remains higher than we would like at this point of the cycle. The increase was a result of valuation declines, ongoing development expenditure and movements in working capital, offsetting the sale proceeds.

Post period-end, we have made further good progress with our disposal programme, which has generated gross proceeds of c.€139m to date including the disposals of Bochum for c.€47 million and Malmö for c.€28 million. Taking account of the Bochum and Malmö disposals, the pro forma LTV ratio[2] is 44.0%. Further disposals have been identified and we remain confident of achieving our target LTV percentage of low 40s over the next 6 to 12 months.

What to expect next

We will look to maintain a covered dividend and the Adjusted EPRA Cost Ratio[1] within the 20–25% range.

We will seek additional disposals to reduce debt and deliver a lower LTV ratio[2], showing a trajectory towards our preferred level. In the medium term, we expect to refinance the RCF and the bond ahead of their respective maturities in October 2025 and June 2026.

Adjusted EPRA Cost Ratio[1]

24.2%

FY22: 29.5%

Average cost of debt

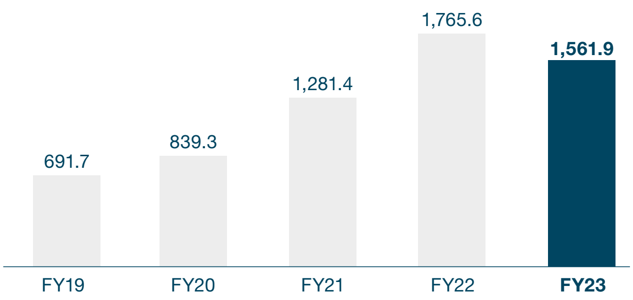
1.30%

FY22: 1.22%

Portfolio valuation

The portfolio was independently valued by CBRE as at 30 September 2023, in accordance with the RICS Valuation – Global Standards. The portfolio's total value[3] at the year end was €1,561.9 million (30 September 2022: €1,765.6 million), reflecting a like-for-like valuation decrease of 14.5%, including a decline of 0.3% in the second half. The Valuation NEY increased by 100 bps over the past 12 months and 10 bps over the past six months, with this outward yield shift only partially offset by like-for-like ERV growth of 6.5% over the year.

Portfolio value (€m)



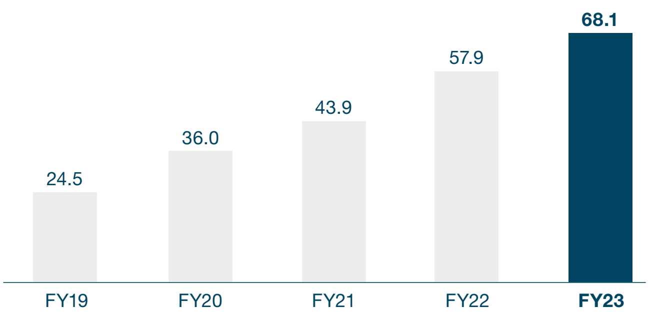
Financial results

Income

Rental income for the year was €68.1 million (FY22: €57.9 million), up 17.6%. The growth was primarily the result of acquisitions during 2022, rent indexations and our asset management initiatives, including the Mango extension in Barcelona. On a 12-month like-for-like basis, total annualised rental income was 4.5% higher (or 7.8% higher when including the Barcelona and Strykow extensions).

As at 30 September 2023, the annualised rental income[4] was €76.3 million (FY22: €74.3 million), including €3.4 million annualised rental guarantees. With the recent completion of most of our developments, we expect the share of rental guarantees as a percentage of total income to decrease materially in 2024, with most of these rental guarantees converted into IFRS income as customers take occupation of available warehouse space and leases commence.

Retail income (€m)



1. Including licence fee income and rental guarantees.

2. As per KPI definition.

3. Valuation under IFRS (excluding rental guarantees).

4. Including licence fee income and rental guarantees.

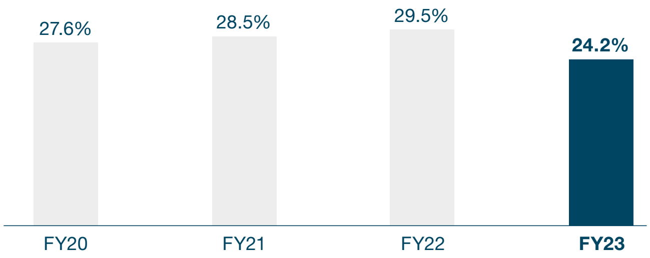
5. See note 12 to the financial statements for reconciliation.

Costs

The Company's operating and administrative costs were €16.4 million (FY22: €18.2 million), which primarily comprised:

- the Management Fee payable to the Manager of €5.5 million (FY22: €7.9 million);
- the Company's running costs, including accounting, tax and audit; and
- the Directors' fees.

Adjusted EPRA Cost Ratio (%)[1]



The EPRA Cost Ratio for the financial year (inclusive of vacancy cost) was 27.4% (FY22: 41.3%). The Adjusted EPRA Cost Ratio was 24.2% (FY22: 29.5%), including rental guarantees received.

The lower cost ratio was primarily the result of the change in the Investment Management Agreement last year, that lowered the fee payable by the Company to the Manager. This was implemented on 6 October 2022, and backdated to be effective from 1 August 2022.

IMA fees – effective 1 August 2022

NAV Value	Fee
<€1 billion	1.00%
>€1 billion	0.75%

IMA fees – previously

NAV Value	Fee
<€0.5 billion	1.30%
>€0.5 billion ≤€2 billion	1.15%
>€2 billion	1.00%

The total cost of debt (net of income earned on interest rate derivatives) for the year was €10.1 million (FY22: €8.7 million), reflecting an attractive average cost of debt of 1.30% (FY22: 1.22%). This is the result of all debt facilities during the year being fixed or hedged, with no refinancing maturities before Q4 2025.

Post period end, we renewed some of our interest rate caps expiring in October 2023. We bought a €40 million portion with a two-year maturity co-terminus with the remaining term of the RCF and a €40 million portion to match our short-term RCF requirement pending the full execution of the disposal programme. Reflecting current financing conditions, the weighted average strike price of these caps is 2.72% (previously 0.65%). Looking ahead to FY24, we expect the total cost of debt to be in the range of 1.25% and 1.50%, subject to drawdowns on the RCF.

The Group made a consolidated loss before tax for the period, of €243.0 million (FY22: gain of €76.6 million), primarily due to the decrease in the portfolio valuation, as outlined above.

The income taxation charge for the year was 2.5% (FY22: 2.3%). The charge is primarily incurred in the local jurisdictions in which the Company invests. As an HMRC approved investment trust, the Company is exempt from UK corporation tax on its chargeable gains. The Company is also exempt from UK corporation tax on dividend income received, whether from UK or non-UK companies, provided the dividends fall within one of the exempt classes under the Corporation Tax Act 2009.

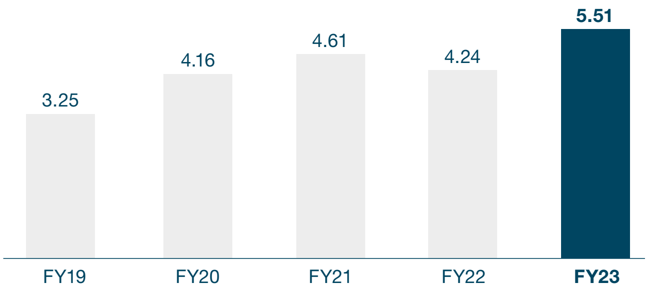
The corporation tax rate in future periods will depend primarily on the jurisdictions where the Company owns the property assets, given the differing tax rates across Continental Europe. The Company does not use any structures designed to artificially reduce its tax liabilities and looks to pay the appropriate level of tax where it is due.

Financial results continued

Earnings Per Share

Basic Earnings Per Share for the year was negative 27.68 cents (FY22: 7.28 cents), with the decrease versus the prior year reflecting the adverse valuation movement through FY23. EPRA EPS, which excludes valuation movements, was 5.66 cents (FY22: 2.58 cents). Adjusted Earnings, which include rental guarantees, were €44.5 million (FY22: €34.2 million), resulting in Adjusted EPS of 5.51 cents (FY22: 4.24 cents). More information about the calculation of basic, EPRA and Adjusted EPS can be found in note 12 to the Financial Statements on page 122.

Adjusted Earnings Per Share (cents)



Net assets

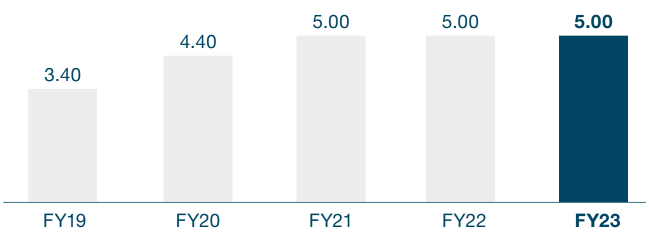
The IFRS NAV per share at the year end was €0.99 (30 September 2022: €1.32). The EPRA NTA per share at the year end was €1.02 (30 September 2022: €1.38). The Board recognises the 42% discount to EPRA NTA, as at 30 September 2023. The valuation of investment property is the main driver of the EPRA NTA, and was determined by CBRE as independent valuer. The Board is satisfied that the valuation exercise was performed in accordance with RICS Valuation – Global Standards. As such, the Board has full confidence in the level of EPRA NTA disclosed in the financial statements at the reporting date. More information on EPRA's net asset valuation metrics can be found in the EPRA Performance Measures section.

Debt financing

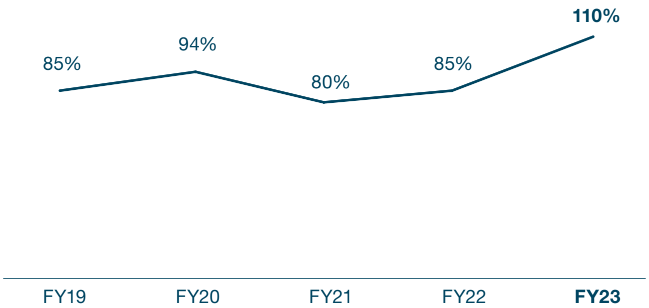
At the year end, the Company had total debt drawn of €777 million. This resulted in an LTV ratio of 46.4% (30 September 2022: 35.2%), with €172.5 million available undrawn debt. Taking into account the recently announced disposals at Bochum and Malmö, the pro forma LTV ratio decreases to 44.0%. Further disposals are planned during 2024 to reduce the LTV towards our preferred level of low 40s.

The Company's financing is insulated from any near-term increases in interest rates, with no maturities before Q4 2025 and 100% of its current total drawn debt either fixed or benefiting from interest rate caps limiting the rise in Euribor to 2.72%.

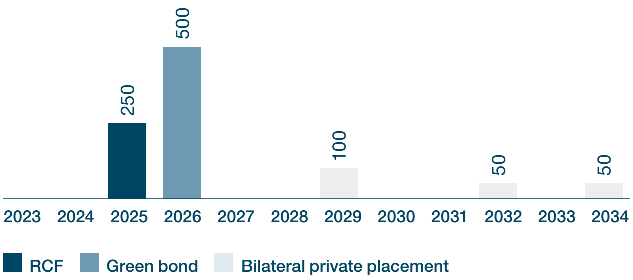
Dividend per share (cents)



Dividend cover



Debt facility maturity profile (€ million committed)



Post-period-end activity

On 29 November 2023, the Company agreed a lease at its two-unit asset in Settimo Torinese, Italy.

On 30 November 2023, the Company exchanged on the sale of its asset at Bochum, Germany, and the redevelopment site at Malmö, Sweden.

Related party transactions

Transactions with related parties included the Management Fee paid to the Manager and the Directors' fees.

Alternative Investment Fund Manager (AIFM)

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

Dividends

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

Declared	Amount per share	In respect of	Paid/to be paid
9 February 2023	1.25 cents	1 October to 31 December 2022	14 March 2023
18 May 2023	1.25 cents	1 January to 31 March 2023	23 June 2023
8 August 2023	1.25 cents	1 April to 30 June 2023	8 September 2023
5 December 2023	1.25 cents	1 July to 30 September 2023	12 January 2024

The total dividend for the year was 5.00 cents per share or €40.3 million (FY22: €40.3 million) and was 110.2% covered by Adjusted Earnings (FY22: 84.8%).

Mehdi Bourassi
CFO for Tritax EuroBox plc
4 December 2023

Current topics

The Manager's experienced team discusses some of the ongoing sector themes as well as the areas of focus for the business.

The Tritax EuroBox team
Left to right:
James Charlesworth – Director, Asset Management;
Minu Kidia – Director, Commercial and Reporting Finance;
Mehdi Bourassi – CFO;
Phil Redding – CEO;
Mehtab Rauf – Associate Director, Financial Control and Treasury;
Alina Iorgulescu – Director, Investment;
Charles Chalkly – Director, Investor Relations;
Maddy Marsden – Investment Associate; and
Will Richardson – Fund Controller.

What are your expectations for rental growth over the next 12 months?

Positive structural drivers and favourable market fundamentals will continue to support rental growth over the next 12 months. However, increasing occupier caution in light of the more challenging economic conditions is likely to lead to decision-making taking longer and requirements being delayed. Take-up is therefore likely to decline in the short term and levels of rental growth may moderate from the exceptionally high levels seen over the past few years.

What will be the most exciting aspect of the Company's ESG journey in the year ahead?

We look forward to working with our customers to deliver real impact as we implement our plans to lower the energy intensity of our portfolio. A central part of this plan is to deliver material growth in the renewable electricity generating capacity of our assets. We have recently submitted applications for three solar schemes which will approximately double our capacity to over 19 MW. This investment will support the resilience of our buildings and our customers' operations. Like us, many of our customers have ambitious ESG objectives and we are excited to help achieve these goals.

What are your priorities in terms of capital allocation?

A key priority is to maintain a robust balance sheet. In the Interim Results statement we announced the start of the disposal programme of at least €150 million to enable the LTV to be lowered to within our preferred percentage range of low 40s within 12 to 18 months from that announcement. We also indicated we would use some of the disposal proceeds to fund attractive opportunities we have within the existing portfolio, but only on the basis these projects generated appropriate returns. We remain conscious that the funding of internal projects will need to look compelling against other alternative uses of capital and therefore the bar to new investment is set appropriately high.

Do you think values are going to move significantly in 2024?

There are many factors which could influence the direction of values over 2024, including geopolitical and macro-economic risks, which are currently elevated. Values have adjusted rapidly in response to higher interest rates, with positive structural drivers and strong market fundamentals in the logistics sector remaining attractive to investors. We expect investment volumes to improve as we move through 2024, with visibility on transaction levels leading to greater stability of asset values.

"We believe this disciplined and methodical approach not only maintains portfolio performance but also ensures we continue to be optimally positioned in our selected markets."

Alina Iorgulescu
Director – Investment

Are you seeing any changes in customer behaviour, particularly regarding any evidence of reduced take-up?

Leasing activity continues to moderate from the very high take-up levels witnessed over the last few years. A recent survey undertaken by the Company alongside Savillls showed more caution from occupiers, reflected in 39% indicating a scaling back or delay to expansion plans by one to two years. Importantly, only a very small percentage stated requirements were being permanently cancelled.

Occupiers still cite the need to improve e-commerce capabilities, build resilience into their supply chains and reduce the environmental impact of their operations as on-going key objectives, with these structural drivers likely to support occupier demand over the years to come.

As a result, there continues to be a good level of demand for high-quality, sustainable buildings located in established distribution hubs, with limited availability. The letting of our recent development at Dormagen is a good example of this. The building attracted a high level of interest from a range of occupiers during construction, ultimately resulting in a deal being agreed with a leading logistics operator during the final stages of construction and signed five weeks after practical completion. The letting was 17.8% above the rental guarantee level, increasing the annualised rental income by €0.5 million.

How important is ESG to your customers?

ESG has become increasingly important to our occupiers, both from the perspective of delivering their own sustainability goals and in terms of improving operational resilience and efficiency. The latter moving more into focus in the context of rising and more volatile energy prices together with the greater efficiencies that can be derived from the use of renewable power sources and energy storage. This trend is clearly demonstrated in the recent occupier survey undertaken by the Company, with 45% of occupiers indicating they have implemented measures to improve energy efficiency over the past 12 months and 51% of occupiers rating renewable energy generation and storage as their top ESG priority for the year ahead.

Have you seen an increase in the supply of buildings?

While recent occupier caution has led to a moderation in take-up, the supply of new buildings has also fallen. This is partly in response to weaker demand but also increases in construction and finance costs impacting the viability of some development projects, particularly where land was acquired at elevated market prices. The result of this falling take-up and decrease in new building supply is that vacancy rates remain at historically low levels.

What is your preferred LTV range?

At this stage of the market cycle, we would like to reduce the LTV ratio to the low 40s. Our announced disposal programme to sell at least €150 million is aimed at supporting this objective as we move through 2024.

How do you select your assets for disposal?

Our asset disposal decisions are firmly rooted in our long-term strategy of continuously enhancing the performance of our portfolio. To achieve this, we undertake a rigorous portfolio review process twice a year comprising a top-down asset allocation analysis and a bottom-up asset by asset review. For example, where asset plans have been completed and value maximised, or where forecast sustainability performance is not aligned with our portfolio objectives, these assets are identified for disposal, with the capital recycled into higher returning opportunities or used to reduce debt levels. We believe this disciplined and methodical approach not only maintains portfolio performance but also ensures we continue to be optimally positioned in our selected markets.

How will the dividend and/or dividend cover be impacted by disposals? How do they affect the dividend cover target?

We have said that lowering the LTV ratio is a strategic priority for the Company and disposal proceeds will primarily be used for this purpose. The payment of a covered dividend is also an important priority for the Company and remains a key corporate objective. Reducing the LTV through asset disposals will have an impact on our total earnings. However, our high-quality portfolio, let on long term, predominantly inflation-linked leases to strong customers, provides us with good visibility of portfolio rental growth and we therefore expect the dividend to remain fully covered in FY24.

Are customers having difficulty keeping up with their rent?

We own a diverse portfolio of assets, with the buildings typically leased to large multinational customers from a broad range of business sectors. While we have delivered 100% rent collection going back to the IPO in 2018, the team remains vigilant given the current uncertain economic environment. Both directly and in conjunction with our asset management partners, we frequently engage with our customers to understand their business and assist them in their logistics needs. Although we are aware the recent period of higher inflation has caused rents to increase quite sharply in some jurisdictions, we have received no indication from our customers of any difficulties in paying their rent. It should be remembered that the rent element of total occupational costs is relatively small compared to other expenses such as transportation and therefore paying a higher rent for a warehouse in the right location remains the most efficient choice.

What are your near-term refinancing needs?

The Company has no debt maturities before Q4 2025 and is insulated from higher rates in the short term, with 100% of the drawn debt benefiting from fixed interest rates. In the medium term, the bond refinancing in 2026 is the most significant maturity. We continue to carefully monitor the market and evolution of the interest rate environment to enable us, in due course, to adopt the most appropriate financing strategy.

What are your priorities for the year ahead?

We have made good progress with our strategic priorities set out 12 months ago, but there is still more to do. Our near-term priorities will continue to focus on: capturing income and value from within the existing portfolio; improving operational efficiencies to lower the cost ratio; driving earnings to provide a covered dividend to our Shareholders; and maintaining a robust balance sheet through the further disposal of assets identified for sale.

> “We own a diverse portfolio of assets, with the buildings typically leased to large multinational customers from a broad range of business sectors. While we have delivered 100% rent collection going back to the IPO in 2018, the team remains vigilant given the current uncertain economic environment.”

Minu Kidia
Director – Commercial and Reporting Finance

> “The Company has no debt maturities before Q4 2025 and is well insulated from higher rates in the short term, with 100% of the drawn debt benefitting from fixed interest.”

Will Richardson
Fund Controller

Approach to risk management

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

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

Approach to managing risk

Our risk management process is designed to identify, evaluate, understand and mitigate (rather than eliminate) the significant risks we face. The process can, therefore, only provide reasonable, and not absolute, assurance. As an investment company, we outsource key services to the Manager, the Administrator and other service providers, and rely on their systems and controls. The Manager has established its own Risk Committee which ensures consistency and transfer of best practice in reporting, monitoring and controlling risk.

At least twice a year, the Board undertakes a formal risk review, with the assistance of the Audit & Risk Committee, to assess the effectiveness of our risk management and internal control systems. During the period the Audit & Risk Committee instructed BDO to perform a risk review. In conjunction with the Manager, the engagement was to enhance the Company's approach to risk management. The outcome of the review has led to an improved risk register, enhanced mitigations and a pathway to more adequate risk based decisions in the future.

Property risks

1. Customers may default.
2. The value of the property portfolio may experience adverse change.
3. Portfolio growth may slow.
4. Lack of diversification may amplify local risks.
5. Development activities may not be profitable.
6. The product may not appeal to customers or investors.
7. Getting the market cycle wrong, leading to wrong investment, divestment, and/or leasing decisions.
8. Inappropriate portfolio construct.

Operational risks

9. The performance of the Manager and/or third-party suppliers may not be adequate.
10. Insurance at appropriate premiums may not be available.

Financial risks

11. Debt funding at appropriate levels may not be available.
12. The Euro may fluctuate against other currencies of countries in which the Company operates.
13. The leverage level and target range may not be appropriate.
14. Debt covenants may be breached.

Taxation risks

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

Political and market risks

17. General political and/or economic uncertainty may disrupt the Company's ability to execute its strategy.
18. Rising energy prices may impact the overall economy and our customers.

ESG risks

19. Physical and transition risks from climate change.

Other risks

20. The Company's data may be exposed to cyber attack.
21. Lack of corporate governance and/or lack of compliance with laws and regulations.

Risk appetite

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

We have high-quality customer partners, with a portfolio of modern buildings and one of the longest unexpired lease terms in the sector, coupled with an average term to maturity on our debt of 3.5 years, all fixed or subject to interest rate derivative caps.

Principal risks and uncertainties

Further details of our principal risks and uncertainties are set out below. They have the potential to affect our business materially, either favourably or unfavourably. Some risks are currently unknown, while others that we currently regard as immaterial, and have therefore not included here, may turn out to be material in the future. The Board also continually reviews and assesses emerging risks, and has a process in place to decide their inclusion as principal risks.

Principal risks

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

Emerging risks

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

Property

1. Customers may default			
Probability	Risk appetite	Impact	Mitigation
Low to medium	**Medium**	**Low to medium** The default of one or more of the Company's customers would immediately reduce revenue from the relevant asset. If the customer cannot remedy the default, there may be a continuing reduction in revenue until a suitable replacement customer is found. Such a scenario could significantly affect the Company's rental income, cash flow, occupancy rate of the portfolio, and EPRA Earnings and may affect our ability to pay dividends to Shareholders and/or lead to a breach in banking covenants.	The Company selects assets with strong fundamentals (location close to population centres, access to infrastructure and energy supply), which should be attractive to other customers if the current customer defaults. In addition, while the Company focuses on customers with strong financial covenants, it also aims to negotiate various guarantees or deposits, to enable the Company to cover income while looking for a new customer. The Company reviews rent collections on a monthly basis to ensure arrears are addressed as swiftly as possible. Proactively monitoring the rental income ensures any issues are flagged early on in order to mitigate any potential customer default's impact. While there is no restriction on the Company's exposure to any one customer, the Company's Investment Policy requires the Company to deliver a high-quality, diversified portfolio.

2. The value of the property portfolio may experience adverse change			
Probability	Risk appetite	Impact	Mitigation
High	**Medium to high**	**High** Property valuation is inherently subjective and uncertain, and the appraised value of the Company's properties may not accurately reflect the current or future value of the Group's assets. In addition, the Company's due diligence may not identify all risks and liabilities in respect of a property acquired. Any such instances could lead to an adverse change in the future valuation of that asset. An adverse change in the Company's property valuation may lead to a decrease in the Net Asset Value and affect the Company's performance. In an extreme scenario, it could also lead to a breach of the Company's banking covenants, which may force the Company to sell assets to repay loan commitments.	As at 30 September 2023, the Company's property portfolio was 98.9% cash generating from leases, and rental guarantees, with long unexpired weighted average lease terms of 7.9 years and a strong customer partner base. 97% of leases (by income) include rent uplifts (with different features in each country). Combined with the fact that the Company focuses on the best locations, where land supply is tight, and undertakes significant due diligence using the services of relevant third parties, the Company believes these factors reduce the risk of significant adverse property valuation movements.

3. Portfolio growth may slow			
Probability	Risk appetite	Impact	Mitigation
Medium	**Medium**	**Medium** The fundamentals of the prime logistics locations in Continental Europe mean that the availability of land suitable for large logistics properties is limited. This may restrict the Company's ability to secure suitable logistics real estate assets in targeted countries in Continental Europe, in order to grow the portfolio while maintaining its performance.	The Company's business model is based on undertaking predominantly off-market transactions, sourced through the Manager's network of contacts across Europe, and through the Company's partnership with local development companies. The Manager has also developed strong relationships with several vendors and customers in the industry. The Company's reliability, experience and speed of execution gives an edge over many other potential investors.

Property continued

4. Lack of diversification may amplify local risks

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

5. Development activities may not be profitable

Probability	Risk appetite	Impact	Mitigation
Medium to high	**Medium**	**Medium** Any forward funded developments are likely to involve a higher degree of risk than is associated with standing investments. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. In particular, inflation will impact the costs of material and supplies. This passes directly into the cost of construction of development assets, as contractors are likely to pass on the increased costs. If any of the risks associated with the Company's developments materialised, this could reduce the value of these assets and its portfolio. Developments, upon completion, may not be leased. Resultantly, there is the risk of vacancy and ultimately adverse impact on valuation of the asset.	As at 30 September 2023, the Company had one live development in its portfolio. The risks associated to forward funded projects are significantly reduced, as the developer takes on a significant amount of construction risk and bears the risk of cost overruns (through a fixed price contract). Funds for developments remain with the Company and are only released to the developer on a controlled basis, subject to milestones as assessed by the Company's independent project monitoring surveyors. To address leasing risks, the Company typically negotiates rental guarantees from the completion developments.

6. The product may not appeal to customers or investors

Probability	Risk appetite	Impact	Mitigation
Low	**Low**	**Medium** If the Company held assets that lacked appeal to customers, then there's the risk of vacancy and a loss of revenue, which may impact the cash flow of the Company and may affect its ability to distribute dividends to its Shareholders. Lack of appeal to investors may adversely impact the portfolio's liquidity which may result in the portfolio's valuation being negatively impacted. An adverse movement in the Company's portfolio valuation may lead to a decrease in the Net Asset Value and affect the Company's performance.	The Company selects assets with strong fundamentals through rigorous appraisals with its Investment Committee ahead of any purchase or development. Criteria includes locations close to population centres, access to infrastructure, size and flexibility to appeal to a wide range of potential customers. In addition, the ESG credentials of assets are regularly assessed. This ensures the ESG specifications of the assets remain in line with the expectation of both customers and investors.

Property continued

7. Getting the market cycle wrong, leading to wrong investment, divestment, and/or leasing decisions

Probability	Risk appetite	Impact	Mitigation
Medium to high	**Low**	**High** The Company may carry out investment or leasing decisions at the wrong time in the market cycle, leading to under-performance of its assets and possible loss on its investments. It could also result in misallocation of capital, leading to an inappropriate level of leverage.	The Company has a team of experience real estate professionals who actively monitor the markets and assess the situation in the cycle. All investment, divestment and leasing decisions are supported by rigorous appraisal from the Company's Investment Committee which evaluates the rationale of each respective decision.

8. Inappropriate portfolio construct

Probability	Risk appetite	Impact	Mitigation
Medium	**Low**	**Medium** The Company's portfolio composition may be inappropriate, which may result in an under-performance of the property portfolio, and higher than desired exposure to certain risks. In particular, the Company might get overexposed to specific geographies and/or development activity.	The Company Investment Policy requires to deliver a high-quality, diversified portfolio of assets. Whilst the Company adopts a "bottom up" approach in the selection of real estate investments, it also considers concentration risk within the portfolio.

Operational

9. The performance of the Manager and/or third-party suppliers may not be adequate

Probability	Risk appetite	Impact	Mitigation
Low	**Low**	**Low to medium** The Company continues to rely on the Manager's services and its reputation in the property market, as well as the performance and reputation of the asset managers appointed by the Manager (currently LCP, Dietz and NCAP). As a result, the Company's performance, to a large extent, depends on the Manager's ability to source adequate assets, and to actively manage these assets, relying on the local knowledge of the asset manager, where necessary. Termination of the Investment Management Agreement (IMA) would severely affect our ability to manage our operations and may have a negative impact on the Company's share price.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 24 months' written notice. Significant notice periods are in place for other third-party supplier contracts. The Management Engagement Committee monitors and regularly reviews the Manager's performance, including the performance of the key third-party service providers to the Company. In addition, the Board meets regularly with the Manager to ensure it maintains a positive working relationship.

10. Insurance at appropriate premiums may not be available

Probability	Risk appetite	Impact	Mitigation
Low to medium	**Low**	**High** The Company relies on the Manager's experience in sourcing insurance in order to ensure assets are covered to the adequate level. Through the dynamics of the insurance market, it has become harder to secure insurance for the Company's assets at appropriate pricing levels. In a downside scenario, the Company may not be able to insure its assets at all which would create significant financial and operational risk.	The Manager uses an established broker in order to secure insurance for the Company's assets. The broker has relationships with a range of insurers which supports both the ability to source insurance, and the competitiveness of pricing. The most recent renewal was completed in October 2023. This cover is in place until October 2024. The Manager uses a block policy which covers all of the assets under its management, and therefore insures a significant scale of assets which assists in competitive pricing. If insurance was unobtainable for a particular asset, there may be opportunity for the Manager to obtain cover on a limited cover basis or potentially the Customer may be able to procure the insurance cover.

Financial

11. Debt funding at appropriate levels may not be available

Probability	Risk appetite	Impact	Mitigation
Medium	Low	**Medium** Interest on our Revolving Credit Facility ("RCF") is payable based on a margin over Euribor. Any adverse movement in Euribor could affect cash flows, earnings, and the Company's ability to pay dividends to Shareholders. The cost of raising new debt, or refinancing existing debt, may rise which would impact earnings adversely and resultantly lessen the amount available to distribute to shareholders as dividends.	Currently, 73.7% of total debt is subject to a fixed coupon. The drawn debt which is not subject to a fixed coupon (RCF), is fully covered by interest rate caps. The Company has entered into interest rate derivatives to hedge the direct exposure to movements in Euribor. These derivatives cap the exposure to the level to which Euribor can rise. The Company aims to minimise the level of unhedged debt whilst also considering the average level of drawn down RCF. There is no debt maturing before October 2025, therefore limiting the short-term impact of refinancing. The Company is actively monitoring interest rate options and will take active steps to mitigate the rising cost of interest where possible.

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

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

13. The leverage level and target range may not be appropriate

Probability	Risk appetite	Impact	Mitigation
Medium	Low	**Medium** An inappropriate leverage level may result in a riskier environment for the Company, with an increase to the financing costs, less available liquidity, and an adverse impact on credit rating. This may lead to lower earnings and dividend, and a breach of the debt covenants leading to an adverse impact on the Company's NAV.	The Company undertakes regular modelling and stress tests are applied to the portfolio. These outcomes are discussed between the finance and investment teams with preventative and corrective actions implemented as required. The LTV range which the Company targets is well below the covenant, which mitigates the reach of a breach.

14. Debt covenants may be breached

Probability	Risk appetite	Impact	Mitigation
Low to medium	Low	**Medium** If the Company was unable to operate within the respective debt covenants, this could lead to a default and the debt funding being recalled. This may result in the Company selling assets to repay loan commitments.	The Company continually monitors debt covenant compliance and performs stress tests. The Company has significant headroom before there is a risk of a breach and its covenants have a soft breach feature, which enables the Company to take remediation actions.

Taxation

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

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

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

Probability	Risk appetite	Impact	Mitigation
Medium	**Low**	**Low** A change in local taxation status or tax legislation in any of the countries the Company invests in may lead to increased taxation of the Group and have a negative impact on the Company's profits and returns to Shareholders.	The Board relies on the Manager to periodically review of any anticipated tax legislation changes in which the Company invests. In addition, the Company has been structured on a conservative basis, with reasonable internal debt ratios, in line with international transfer pricing requirements. Any prospective amendments to tax legislation are announced in advance, enabling the Company to take action where appropriate.

Political and market

17. General political and/or economic uncertainty may disrupt the Company's ability to execute its strategy

Probability	Risk appetite	Impact	Mitigation
Medium to high	**Low**	**Medium to high** Political and economic uncertainty can lead to weakened economic growth which can lead to reduced demand for logistics warehouses and/or have an impact on the Company's customers. The current geo-political uncertainties in Europe have led to severe disruption to energy and supply chains, leading to significant inflation across the economy.	The Company currently has Investment Properties in seven different countries within the EU. The diversification reduces the risk of significant political and/or economic uncertainties materially impacting the Company. The Company monitors geopolitical events and remains alert to any associated or anticipated economic impacts.

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

Probability	Risk appetite	Impact	Mitigation
High	**Low**	**Medium** A rise in energy costs can lead to a contraction of the economy, hence reducing the overall demand for logistics assets, reducing potential rental growth. It can also lead to the Company's customer having reduced profitability, reducing the affordability of rent, and in the worst case leading to the inability to continue to operate. Inflationary pressures combined with threats to energy security, emanating from Russia's invasion of Ukraine, have resulted in ongoing energy price increases. The impact of sustained price increases may result in reduced demand for logistics assets, as customers and potential customers look to cut operational costs. Long-term energy price increases would likely result in a contractionary effect on the European economy. The impact of sustained price increases may result in reduced demand for logistics assets and would likely result in a contractionary effect on the European economy.	A very limited number of the Company's customers are exposed to heavy industry, where cost of energy plays a significant role. The Company performs a customer covenant assessment on a regular basis, to ensure that the credit quality of the portfolio remains very good, and that rent payments are in line with the relevant contractual obligations. The Company actively reviews the energy ratings of the portfolio's assets, with the aim of ensuring that these are as efficient as possible. The Company continues to monitor, both the geopolitical and macroeconomic landscapes, in order to act proactively where necessary.

ESG

19. Physical and transition risks from climate change

Probability	Risk appetite	Impact	Mitigation
High	Low	**Medium** The Company's property portfolio is subject to the risk of physical damage as a result of climate-related factors such as flood risk and rising temperatures. Transition risks include the risk that less energy efficient and more carbon intensive buildings do not perform as well as those with the highest ESG credentials because institutional investors focus their capital towards more resilient buildings. ESG requirements are likely to increase over time and therefore the impact of a failure to comply with regulatory standards has the potential to affect the performance of the Company in the future.	The Manager operates with a dedicated ESG team as well as an ESG Committee which take operational responsibility for the Company's ESG matters. The Manager regularly reports to the Board, which has its own dedicated ESG Committee, including monitoring progress against the Company's stated ESG targets and providing updates on future initiatives. ESG performance is embedded across our investment lifecycle with ESG-related risks integrated into its due diligence process when purchasing assets and for new developments. The Company is also confident that its, internal procedures and insurance cover adequately mitigate these ESG risks. The Company measures and reports annually on its key ESG performance metrics to demonstrate how it manages ESG risks. The Company discloses its approach to climate risk management using the TCFD recommendations, which included a third-party climate change risk assessment using scenario analysis, and narrative around how we are integrating the outcomes into our asset and property management activities.

Other

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

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

21. Lack of corporate governance and/or lack of compliance with laws and regulations

Probability	Risk appetite	Impact	Mitigation
Low	Low	**High** Insufficient corporate governance and compliance with relevant laws and regulations would result in chiefly financial and reputational damage. Reputationally any errors may lead to an inability to execute the strategy of the Company. Financial penalties would ultimately impact the cash flow of the Company and may affect our ability to pay dividends to Shareholders.	The Manager employs trained professionals, all of which are either qualified or part qualified company secretaries, with considerable amount of experience in premium listed companies. The secretariat team has access to both internal and external legal resource to ensure compliance on more technical listed matters. The Company has international subsidiaries, and the secretariat has established effective controls with corporate service providers to ensure compliance and governance matters are adhered to.

Managing climate-related risks and opportunities

We have voluntarily prepared our second annual climate-related financial disclosure this year, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Where our disclosures do not currently fully align with the TCFD recommendations, we provide a rationale for why and outline the steps being taken to achieve full alignment in the future.

We are continually looking to move our sustainability-related disclosures forward to reflect evolving best practice as well as evolving expectations from our stakeholders. This includes reviewing any possible upcoming reporting requirements under the UK Sustainability Disclosure Standards. This will ensure that we are well-positioned to meet sustainability reporting requirements once they become mandatory for the Company.

This disclosure provides an update on last year's report and highlights the Company's progress over the past 12 months and key milestones achieved.

This report has been developed on a "best efforts" basis, reflecting the 2021 Annex to the TCFD Recommendations. Specifically, it follows the guidance for all sectors (section C) and the supplemental guidance for asset managers (part 3, section D). The Company will continue to strengthen its alignment with the TCFD recommendations in coming years, with a specific focus on strengthening material Scope 3 emissions reporting and highlighting further climate metrics in the future. All climate-related financial disclosures can be found below, following the TCFD's four pillars: governance, strategy, risk management, and metrics and targets.

Thematic area	Recommended disclosure	Consistency notes	Page reference
Governance	Describe the Board's oversight of climate-related risks and opportunities.	Consistent	Page 53
	Describe management's role in assessing and managing climate-related risks and opportunities.	Consistent	Page 53
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Consistent	Page 54
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Consistent Qualitative approach completed; quantitative approach being developed to assess impact on our financial planning	Page 54
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C lower scenario.	Consistent	Page 59
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks.	Consistent	Page 60
	Describe the organisation's processes for managing climate-related risks.	Consistent	Page 61
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Consistent	Page 61
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Consistent	Page 62
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Partially Consistent Full disclosure of downstream leased assets emissions will be released during the next financial year	Page 62
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Consistent	Page 62

Did you know?

Breda, the Netherlands

The building's rooftop solar array comprises 15,000 solar PV panels. These fuel its 3.0 MW solar scheme, which is large enough to fulfil the electricity needs of 2,400 households.

Governance

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

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

The Board is responsible for setting the ESG strategy of the Company and is ultimately responsible for overseeing the Company's climate-related risks and opportunities. Tritax Management LLP (the "Manager") identified climate change as a top ESG issue for the Company, based on an ESG materiality assessment it undertook in 2020. Today, climate change remains a principal risk to the business (found on page 51). In 2023, we made significant progress in implementing our new ESG strategy, as evidenced by the actions described in the ESG section (see page 33), which includes setting the new Net Zero Carbon ("NZC") pathway of the Company.

Board members receive reports from the Manager's ESG Director, Alan Somerville, at every quarterly Board meeting. These quarterly sessions discuss relevant market, regulatory, investor and analyst feedback, and also provide updates on the delivery of the Company's ESG programme, such as ESG rating submissions, Green Building Certifications, green finance, climate transition planning, renewable energy opportunities, and physical climate risk and carbon risk analysis. The ESG Director also meets with the Board's designated "ESG Champion", Eva-Lotta Sjöstedt, every month to discuss market trends and progress.

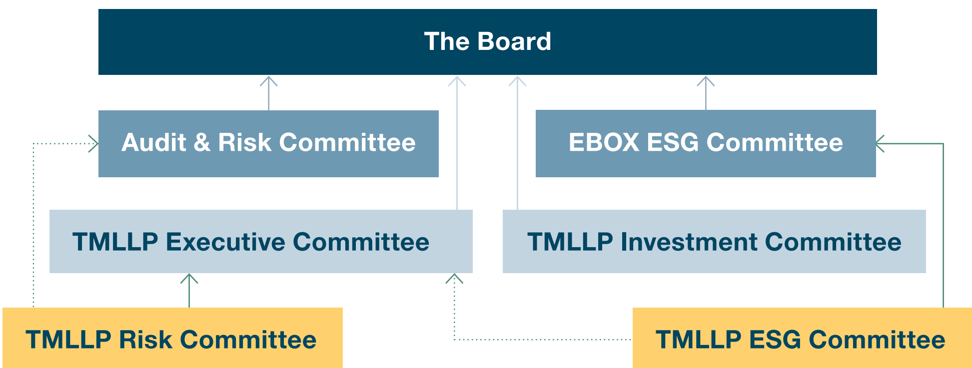
The Board demonstrated its commitment to ESG-related issues and topics by establishing a dedicated Company ESG Board Committee in 2022 to ensure that climate change amongst other ESG topics are discussed in sufficient detail at Board level. The ESG Committee is chaired by the Board's ESG Champion and comprises all Board members as well as selected representatives from the Manager. The Committee meets every six months to discuss ESG-related topics relevant to the Company's business and its sector and monitors the Company's performance against targets.

The Head of Asset Management, Petrina Austin, who chairs the Manager's ESG Committee, and the Manager's Chief Operating Officer, Henry Franklin, are ultimately responsible for monitoring and reporting on climate change amongst the management team. The ESG Director is an integral member of the Manager's ESG Committee, which reports to the Manager's Executive Committee. The Executive Committee then reports to the Company's Audit & Risk Committee, which ultimately reports to the Board.

The Manager's ESG Director and ESG Analyst are responsible for the assessment, management and reporting of climate-related risks and opportunities on a day-to-day basis, where appropriate engaging internal stakeholders (e.g. investment professionals, asset managers, etc.) or external parties (third-party consultants, etc.) to support this effort.

More information on governance structures and Committees associated with the management of climate-related risks and opportunities can be found in Figure 6 and Table 10.

Governance of climate-related risks and opportunities



The Board	Audit & Risk Committee	ESG Committee	TMLLP Executive Committee	TMLLP Investment Committee	TMLLP Risk Committee	TMLLP ESG Committee
Sets the ESG strategy of the Company and has oversight of climate-related strategy and performance against key goals and targets.	Monitors climate-related risks and opportunities and other emerging climate risks.	Oversees and advises the Board on the effectiveness of the Company's ESG strategy.	Jointly responsible for preparing the ESG strategy, implementation and priorities including climate-related strategy.	Ensures capital expenditure is in line with climate-related strategy and targets.	Conducts horizon scanning of emerging climate-related risks.	Jointly responsible for preparing the ESG strategy, implementation and priorities including climate-related strategy.

Governance continued

Governance of climate-related risks and opportunities continued

Committee	Hierarchy	Responsibility	Frequency
Tritax EuroBox plc Board	Board	The Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans. In addition, climate-related issues are considered when setting performance objectives within the Manager.	Quarterly
EBOX ESG Committee	Board	The Committee reviews the ESG strategy, receives updates and monitors progress against targets before onward reporting to the Board.	Biannually
ESG Committee	Manager	Tritax Management's ESG Director provides quarterly updates to the Board on emerging climate change risks and opportunities, as well as relevant market, regulatory, investor and analyst feedback. The updates also include progress on the ESG programme, such as ESG rating submissions, Green Building Certifications, green finance, climate transition planning, renewable energy opportunities, and carbon risk analysis.	Quarterly
Audit & Risk Committee	Board	The Committee monitors climate-related risks and opportunities and other emerging climate risks.	Six times per annum
Investment Committee	Manager	The Committee ensures capital expenditure is in line with climate-related strategy and targets.	Monthly
Executive Committee	Manager	Jointly responsible for preparing the ESG strategy, implementation and priorities including climate-related strategy.	Monthly

Finally, all the Manager's employees, up to the senior leadership level, have one ESG performance target against which their annual performance is assessed. These may include climate-related objectives as appropriate. This helps to encourage and monitor progress towards sustainability targets across the Manager's business. In addition, all employees were invited to attend two knowledge sharing sessions from external ESG real estate experts on the impact of ESG factors on asset valuations, asset liquidity and market transactions. Staff can request additional ESG-focused training as part of their annual training allowance.

Please see pages 78–81 for further detail on the division of responsibilities of the Board, the Manager and the Company's committees.

Strategy

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

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

We understand the importance of managing climate-related risks and leveraging opportunities for the sustainability of our business, and we believe that our strategic direction reflects this. We have identified the climate-related factors that may materially impact our operations and financial performance over the short, medium, and long term (defined in tables 1 and 2, and figure 5). This updated disclosure aims to provide our stakeholders with a comprehensive overview of these risks and opportunities, ensuring transparency and fostering a proactive approach towards net zero and climate resilience.

Physical risk

Last year, we completed a physical climate risk analysis using the Munich RE Climate Risk Platform to identify our portfolio's exposure to acute and chronic physical risks by geography. This analysis used three climate scenarios based on Representative Concentration Pathways (RCPs) across four time horizons, as outlined in Table 2 and further detailed in Table 3 on page 55.

Table 2: Climate time horizons

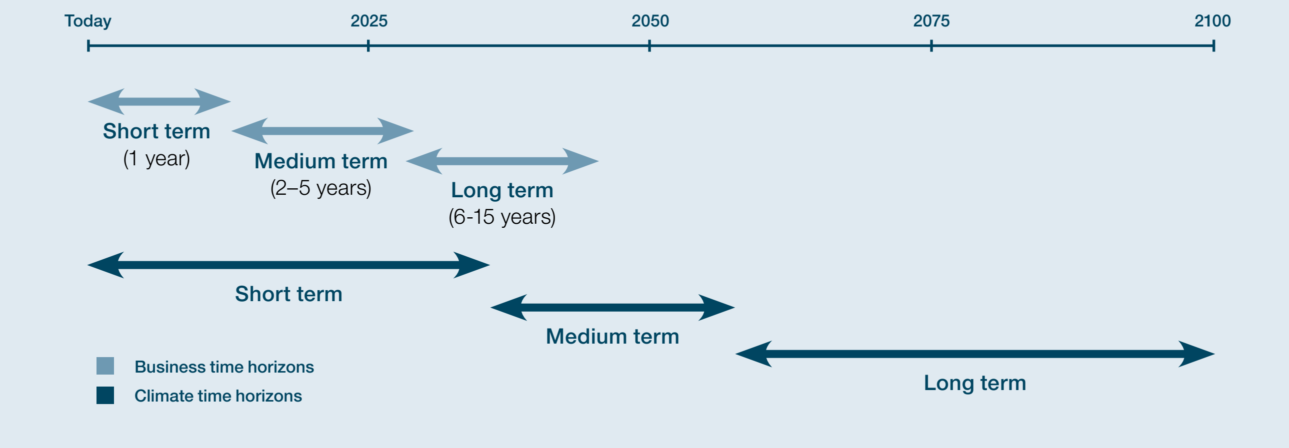
Time horizons	Explanation for the choice of timeframe
Current	Present day datasets provide a baseline level of risk exposure across our portfolio
2030s	Acute risks which may need to be addressed in the near term (e.g. extreme weather events such as flooding from rivers or heavy rainfall)
2050s	Represents a possible future for the lifetime of assets within our portfolio (based on 60-year design life) and allows us to better understand whether an asset will require actions to mitigate and adapt to changing climate (both acute and chronic)
2100s	Understanding of longer-term changes in climate to inform long-term investment decision making

We then integrated our physical climate analysis into our strategic planning, considering climate-related risks and opportunities across three business time horizons. Figure 5 illustrates the interaction between our climate risk and strategic time horizons.

Table 3: Business time horizons

Time horizons	Explanation for the choice of timeframe
Short term – up to 1 year	Aligned with going concern
Medium term – from 2 to 5 years	Aligned with viability period used for the Company's medium-term business plans and individual asset performance analysis
Long term – from 6 to 15 years	Aligned with the usual hold period, WAULT and average lease term on new buildings

Figure 5: Interplay between business and climate time horizons



Climate-related risks and opportunities remain important for the Company's strategy, both now and in the future. This year, we progressed our physical risk analysis. Where assets were identified to have a high exposure to a climate hazard, we completed a risk and vulnerability assessment to look at the impact of the hazard occurring at the site. Approximately 6% of our portfolio, assets located in Germany and Italy, were considered to be highly exposed to climate hazards, while all these assets were deemed to be resilient to future climate change based on existing mitigation measures in place. Carrying out a qualitative risk and vulnerability assessment has enabled us to calculate the impact level for different climate hazards; these impact levels are presented in the table below. We identified physical risks with a material financial impact by considering climate hazards, asset vulnerability and the cost of reducing vulnerability through capital resilience improvements.

Table 4: Physical climate risks

Level of impact: Low, Moderate, High

Physical risk	Impact level: Short term	Medium term	Long term	Financial impact	Management
Acute risks					
River flooding	RCP 8.5 Low	Low	Low	There are several possible financial impacts that the Company could incur, including the cost of repairing assets damaged by water ingress, increased insurance costs from growing flood risk and loss of value of buildings. The measures that the Company has in place will limit the impact to all development and standing assets should the hazard occur. The financial impact above and beyond existing budgets for flood mitigation is therefore low.	Mitigation measures for flood risks are incorporated into the design of planned developments. Financial appraisals are undertaken for≈all new investments.
	RCP 4.5 Low	Low	Low		
Heavy rainfall events	RCP 8.5 Low	Low	Low		
	RCP 4.5 Low	Low	Low		
Drought stress	RCP 8.5 Low	Low	Moderate	Most of our assets do not require water intensive activities and therefore impacts from drought are limited. Assets that are exposed to possible drought stress have measures in place to minimise water consumption. As a result, the financial impact to our business from drought is considered to be minimal.	Water saving measures can be found in our assets exposed to drought stress. As part of our planned development projects, mitigation measures for drought risks are incorporated into design to minimise any possible impacts from drought events.
	RCP 4.5 Low	Low	Low		

Strategy continued

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

Physical risk continued

Table 4: Physical climate risks continued

Level of impact: Low / Moderate / High

Physical risk	Impact level: Short term	Impact level: Medium term	Impact level: Long term	Financial impact	Management
Heat stress	RCP 8.5 Low RCP 4.5 Low	Low Low	Low Low	Our planned development projects incorporate measures to minimise the potential impacts of high temperatures and ensure thermal comfort during the operational phase of the building. The costs associated with these measures are factored into our development process and not considered to present a material financial risk to our business.	Developments are designed to maximise adaptation to extreme heat, including building orientation, shading and passive and active ventilation systems. Existing assets located in areas with proposed high heat stress have been fitted with measures to mitigate the impact from high temperatures and extreme heat events.
Chronic risks					
Sea level rise	RCP 8.5 Low RCP 4.5 Low	Low Low	Low Low	The impacts from sea level rise are not considered to materialise within the Company’s business strategy time horizons and therefore the financial impacts related to sea level rise over the short, medium and long term are considered minimal.	Financial appraisals of acquisitions, refurbishments and developments include mitigations to physical climate risks, including flood risk assessments.

Transition risk

We have updated our portfolio’s transition risk assessment to focus on the most material risks to the business and to highlight our mitigation efforts. Last year we conducted a CRREM analysis to understand stranding risk, and partnered with external advisers to further assess how our climate-related transition risks could manifest over time. This year we have conducted a qualitative climate assessment to understand how transition risks could manifest in an Orderly Below 2°C Scenario. This assessment evaluated the likelihood and impact of transition risks to identify the relative materiality of each climate risk and opportunity to the Company. As all assets are located in the European Union, it is assumed that the transition risks identified will materialise across the portfolio.

Table 5: Transition climate risks

Level of impact: Low / Moderate / High

Type of risk	Risk level: Short term	Risk level: Medium term	Risk level: Long term	Financial impact	Management
Policy and legal					
Carbon pricing	Low	Moderate	Moderate	Carbon pricing mechanisms are not expected to be introduced, or impact the Company’s direct emissions in the short term. Introduction of more stringent policies could see carbon pricing impact the Company indirectly over the medium to long term by negatively affecting occupier demand for emissions-intensive assets.	The Company has updated its net zero targets to make them more ambitious and make its assets more resilient to any carbon pricing shocks which may occur in the medium to long term.
Reporting compliance	Moderate	Moderate	Moderate	Increased costs associated with reporting and data gathering. Increased costs resulting from regulatory penalties for non-compliance. Damage to the Company’s reputation and investor confidence. As the Company already monitors compliance and reporting risk, the risk level is deemed low.	The Company allocates sufficient budget for sustainability compliance and reporting, and its advisers (including legal counsel) provide advice on upcoming regulations and their expected impacts. This is reviewed annually.

Strategy continued

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

Physical risk continued

Table 5: Transition climate risks continued

Level of impact: Low, Moderate, High

Type of risk	Risk level: Short term	Medium term	Long term	Financial impact	Management
Asset performance compliance	Low	Moderate	Moderate	Write-offs and early retirement of existing assets. Increased capital costs for development and refurbishment. Increased costs resulting from fines and judgements. Decreased property values if assets fail to meet energy efficiency and sustainability standards. The Company's failure to meet energy efficiency and sustainability standards could have an impact on the business, but this is partially mitigated by its ongoing focus on EPC and GBC performance.	The Company engaged a third-party consultant to assess all standing assets against the BREEAM In-Use certification scheme. This assessment concluded that all assets not yet certified could achieve BREEAM In-Use Very Good for total capex of less than €500k. The Company is also reviewing the evolving energy performance requirements of the jurisdictions in which it invests on a regular basis.
Market					
Occupier behaviour	Low	Moderate	Moderate	Increased capital costs. Negative impact on asset value and liquidity. The risk is deemed moderate as changes in occupier behaviour could affect rental revenue and property values, and affect the Company's ability to achieve its net zero targets.	The Company has a well-diversified occupier base, with many of them already setting their own emissions reduction targets. We continue to engage with current and potential occupiers to better understand their current energy use and future energy and emissions requirements.
Growth of green finance	Low	Moderate	Moderate	Green finance could provide opportunities for portfolio diversification and access to new capital sources. This could manifest in the medium to long term as more green finance mechanisms are likely to be introduced, with increasingly stringent sustainability criteria.	The Company issued a green bond in 2021. The Manager's Green Finance sub-committee meets on an ad hoc basis to review the evolving green finance landscape and shares insights with the Manager's ESG Committee and the Company.

Strategy continued

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

Transition risk continued

We have also identified several climate-related opportunities that may be material to the Company's business, which are outlined in Table 6.

Table 6: Climate-related opportunities

Level of opportunity: Low / Moderate / High

Climate-related opportunities	Level of opportunity: Short term	Level of opportunity: Medium term	Level of opportunity: Long term	Financial impact	Management
Resource Efficiency	Moderate	Moderate	Moderate	Cost savings from lower water and energy consumption. Reduced occupational costs. Tritax EuroBox plc's own environmental footprint is minimal compared to its portfolio, which explains why this opportunity could have a minimal impact if it was realised.	We continue to explore ways to automate data collection to improve monitoring of energy consumption.
Decarbonisation of logistics sector and access to new markets	Low	Moderate	Moderate	Logistics sector tenants could be willing to pay more for energy efficient assets, leading to increased rental costs and asset value. Access to new markets. Use of public sector incentives. Access to new assets and locations. Retention and enhancement of Shareholder relationships. Given that logistics sector clients make up a significant portion of the Company's client base, the impact of these clients' willingness to pay a premium for greener assets could be moderate.	The Company continues to look for new market opportunities to capitalise on investor demand for greener products.
Energy source	Low	Moderate	Moderate	Changes to energy costs associated with transition to lower emissions sources of energy. Shift toward decentralised energy generation. Increased energy security and resilience. As we continue to target renewable electricity sources, including six new solar installations in 2022, we feel this opportunity is likely to materialise.	We will continue to procure green electricity for our operations and encourage our customers to do the same. We also incorporate green clauses into new leases, engaging with occupiers to install solar PV on buildings.
Products and services	Low	Moderate	Moderate	Development of climate adaptation and insurance risk solutions. Ability to diversify business activities. Change in market demand for services due to climate-related risks or opportunities shifting consumer preferences. The Company's focus on Green Building Certification and EPC performance positions it to capitalise on the growing demand for sustainable commercial real estate.	We will keep improving portfolio coverage of GBCs so we continue to offer sustainable logistics spaces.

Table 6: Climate-related opportunities continued

Level of opportunity: Low / Moderate / High

Climate-related opportunities	Level of opportunity: Short term	Medium term	Long term	Financial impact	Management
Resilience	Low	Moderate	Moderate	Holding climate-resilient assets presents various opportunities for our business. They provide confidence to Shareholders that asset values will be maintained which strengthens our relationship with them. The Company could benefit from charging green premia on assets resilient to physical hazards.	The Company's commitment to designing climate-resilient buildings and ensuring mitigation measures are integrated into existing assets will help support the materialisation of this opportunity in the coming years.

We focus on reducing our assets' carbon footprint, using energy more efficiently to make them more resilient, and reducing operating costs for our customers. We have aligned our strategy with a lower-carbon economy and developed a new range of ESG targets, including our new net zero targets, as outlined on page 23. To achieve these emissions reduction targets, we have identified the three following areas of work:

1. reducing operational emissions in collaboration with our customers, through initiatives such as solar PV installation, energy efficiency measures and electrification of heating;
2. reducing the carbon emissions of our development activity in collaboration with third-party developers and occupiers; and
3. ensuring that all potential acquisitions of standing assets are assessed against the Manager's ESG due diligence framework, which assesses physical climate risk and transition (carbon) risk amongst other ESG elements.

By engaging with our customers, we have been able to improve our understanding of operational carbon related to our portfolio through increased asset-level data coverage. We have increased our data coverage to almost 100% of our portfolio for operational carbon and started to measure and collect embodied carbon performance data on new developments. As customers have operational control, the Company's operational emissions are negligible in comparison to emissions from customer operations. This year, we have taken several steps to support our net zero carbon objective, such as investing in renewable energy.

Case study 1: Renewable energy

This year, the Company completed a 109,000m^2 extension of its asset in Barcelona, in collaboration with the occupier (Mango). As part of this development activity, we installed 2.08 MW of solar PV capacity to the asset for on-site consumption by the occupier or off-site export through the electricity grid. This installation will contribute to reducing the emissions intensity of the building and help the Company and the occupier achieve their respective net zero targets.

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

Our climate analysis builds on work conducted over previous years to evaluate our climate-related risks and opportunities. We have built upon our physical climate assessment to incorporate vulnerability assessments of more assets to obtain a clearer picture of our organisational resilience to physical climate risks.

We have expanded our assessment of transition risks and climate-related opportunities to identify which risks are most likely to materialise. This is a qualitative exercise calculating the likelihood and impact of each risk. The risks have been reported as overall impact to the business. With the help of third-party advisers, we have qualitatively assessed our exposure to these risks and opportunities, and we will continue to build on this work in the coming years.

The scenarios considered within our climate assessments are outlined below.

Table 7: Climate scenarios considered

Physical risk scenarios		Transition risk scenarios	
Three scenarios were selected to assess the Company's resilience to a range of possible futures.		One scenario was selected to assess the Company's resilience to the transition towards a 'Paris-aligned' world.	
RCP 8.5	A high-emissions scenario with no policy changes, increasing GHG concentrations, and a temperature increase of around 4°C.	Network for Greening the Financial System (NGFS) 'Orderly Below 2°C' Scenario	The Orderly Below 2C Scenario is a plausible pathway to limiting global warming to below 2°C. It assumes that climate policies are introduced early and become gradually more stringent, allowing transition risks to be subdued. Moderate technological change and carbon removal are also expected.
RCP 4.5	An intermediate emissions scenario with relatively ambitious emissions reduction, likely overshooting the Paris Agreement temperature target.		
RCP 2.5	A moderate scenario with emissions peaking early in the 21st century and declining after, assuming a warming of less than 2°C.		

Strategy continued

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

In the last 12 months, we have set out several actions to increase our resilience to the transition risks we identified as part of last year's TCFD reporting. These actions are set out below:

- developed a new set of ESG targets, including more ambitious net zero targets;
- completed a review of our due diligence process to ensure that physical and transition risks are considered pre-investment and therefore minimise the impact of buying assets that may be at risk of stranding in future; and
- continued to drive climate-related asset management initiatives, including incorporating green clauses into all new leases, engaging with occupiers to install solar PV on buildings and identifying ways to automate data sharing for improved monitoring of energy consumption (and thereby GHG emissions) of our assets.

The actions we have taken over the last 12 months demonstrate the Company's willingness and ambition to align its operations with a lower-carbon and more resilient economy.

Risk management

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

Tritax EuroBox plc has recognised ESG as a material risk to its business which incorporates the consideration of climate-related risk. Over the last two years, we have worked with CBRE to further assess the relative significance of physical and transition climate-related risks to our portfolio using the processes set out below.

Our risk management starts by undertaking comprehensive due diligence of both physical and transition risks by assessing the level of risk prior to acquisition. For assets under ownership, we adopt the following steps to identify, assess, manage and mitigate risks as set out in the table below.

Last year, the Board and the Manager were updated on key findings of the TCFD and CRREM analysis and will be annually updated on any changes as our climate-related risk analysis evolves. As part of the Annual Report process, the Audit & Risk Committee evaluate the impacts on financial and strategic planning, integrating any changes to climate-related risks where revised data is available.

Table 8: Physical and transition risk management and mitigation process

	Physical risk	Transition risk
Risk identification	In 2021, we completed a physical climate risk analysis using the Munich RE platform to understand the exposure of our portfolio to physical climate hazards over the 21st century for three possible futures (RCP 2.6, RCP 4.5 and RCP 8.5). This included review of the frequency and magnitude of climate hazards such as flooding, high temperatures and drought stress and how they might impact our assets and operations (see the material risks identified in the Strategy section).	A portfolio transition risk assessment has been carried out in 2022, using energy consumption and carbon emission information for Tritax EuroBox plc assets to assess the alignment of the portfolio with the decarbonisation pathways outlined by the CRREM tool. In 2023, we worked with external advisers to deepen our understanding of transition risks and their potential impact and timeframes on our business by undertaking a qualitative transition risk assessment.
Risk assessment	This year we have continued to collect asset-level information about the resilience of our assets. For all assets that were identified to have a high exposure to one or more climate hazards, we have engaged with our asset managers to gather evidence of existing adaptation measures. This feeds into our risk assessment to identify potential impacts to our assets under management.	The CRREM analysis considers the CRREM 1.5°C pathway for alignment and a time horizon to 2050, with an intermediate net zero date of 2030 in line with the Company's medium-term time horizon. High-risk assets identified as part of this CRREM analysis reflects potential stranding risk across the portfolio. High-priority assets have been identified based on total absolute emissions, carbon use intensity, heat fuel type, EPC information and occupier profile. We used the NGFS Orderly Below 2°C Scenario to guide our qualitative transition risk assessment to identify how aligned the Company is with a Paris-aligned scenario.
Risk management	Climate risk management and mitigation strategies continue to be incorporated into the asset management plans in conjunction with the Head and Director of Asset Management. Progress against the asset management plans is reviewed each year by the asset managers and ESG teams and reported back to the Board by the ESG Director.	This year we have carried out work to develop, review and update the Company's Net Zero Carbon Pathway. This review resulted in the release of a set of more ambitious net zero targets and of the Company's operational emissions reduction pathway.
Risk mitigation	Actions in our asset-level Sustainability Action Plans (SAPs) help to mitigate our physical climate risks. The SAPs set out an implementation plan for integrating climate-resilient measures into existing assets including retrofitting low flow water fixtures and fittings and developing nature-based solutions. Implementation of these actions will result in a reduction of the impact caused by acute or chronic climate hazards in the future.	By carrying out decarbonisation activities in collaboration with our customers, such as increasing renewable energy generation and reducing reliance on fossil fuels, the potential impacts from possible transition risks described in the Strategy section (page 56) will be significantly reduced.

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

Our Audit & Risk Committee formally considers and assesses the risks that may be relevant to the Company on a biannual basis as reported by the Manager's Executive Committee. The risks highlight the potential impact on the Company along with any mitigating factors. The risks are reviewed and assessed by key representatives including the Manager's Executive Committee on an ad hoc basis.

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

Figure 6: Process for managing our climate-related risks

New acquisitions and forward funding

- Our ESG due diligence process included an assessment of transition and physical climate risks.

Forward funding for new developments

- Assessment of physical climate risks is undertaken during the design phase and adaptation measures are integrated into design where required.
- Our new construction requirements also include alignment with green building and operational energy performance certifications as well as lifecycle analysis to mitigate carbon emissions through design and operation of the development.

Ownership stage

- We undertake several steps through ownership to maximise resilience and minimise emissions. These include:
  - an annual review of our climate-related risks and identification of adaptation and mitigation measures
  - integration of adaptation and mitigation measures into our ongoing maintenance plans; and
  - identification of opportunities to minimise emissions across our portfolio, including implementation of solar PV.

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

Figure 7: Integration of climate risk into our risk management process

- Once acquired, as part of annual insurance renewal, an assessment of the physical climate change risks of the assets within the portfolio are assessed and the results are shared with the Partners. The Partner responsible for asset management ensures that any material risks are considered for the Fund.

Board oversight

- The Board recognises the importance of identifying and monitoring climate-related risks.
- These risks are reported to the Board through the Quarterly Asset Management Report and reviewed bi-annually by the ESG Committee.

Entity risk management

- The Audit & Risk Committee has embedded climate reporting into its risk management by determining ESG risk as a key risk of the Company.
- Climate-related risks are embedded into the Company's wider risk management framework which contributes towards investment decisions made by the Investment Committee.

Climate risk identification

- The Manager reviews and updates the Company's risk matrix on a biannual basis and reports up to the Audit & Risk Committee, which includes principal and emerging risks.
- The Manager has also established a Risk Committee which conducts periodic horizon scanning for new risks which may impacts funds under management including the Company.
- In addition, all acquisitions undergo a due diligence assessment to inform members of the Investment Committee about climate-related risks.

▶ For further details on the Company's risk management please refer to pages 44–51

Metrics and targets

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

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

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

The Company employs a holistic set of metrics to assess climate-related risks and opportunities, in line with the recommendations of the TCFD. Our energy consumption, greenhouse gas emissions and associated targets can be found in the Energy and Greenhouse Gas Report (see page 36). Further metrics used to track our climate-related targets are presented in the table below. Note that, at the present time, reporting against some of these metrics is in development; where this is the case, this is clearly noted. For other metrics, both current and past years' performance is reported where possible along with the accompanying targets.

Table 9: Climate-related metrics and targets

Metric category	Metric	FY21	FY22	FY23	Year-on-year target
Transition risks	% of the portfolio income generated from assets with an EPC rating, a Green Building certification or both	Not available	85%	86%	Increase coverage of portfolio by EPC or green building certification to 100%
Physical risks	% of assets in the portfolio screened for physical climate hazards	Not reported	100%	100%	Ensure a climate risk and vulnerability assessment is undertaken for all assets which are exposed to physical climate risks
	% of assets in the portfolio which are recorded as having a high exposure to climate hazard	Not reported	5%	6%	
	% of assets in the portfolio that are resilient to future climate change[1]	Not reported	Not reported	100%	
Climate-related opportunities	Renewable energy capacity installed (MW)	Not available	7.5 MW	10.3 MW	Increase on-site solar PV capacity installed across the portfolio where technically and economically feasible.
	Number of leases incorporating green lease clauses agreed in the FY	Not available	Nine green leases across the portfolio, representing 18% of the portfolio by income	All three new leases signed incorporated green clauses	Incorporate green lease clauses into all new leases

1 Note: This value is based on the total number of assets that recorded a high exposure to physical climate hazards in the screening assessment.

Going Concern and Viability Statement

The Group's cash balance as at 30 September 2023 was €52.31 million. It also had undrawn amounts under its debt facilities of a further €172.5 million at the reporting date. Of the Group's total facilities (RCF, Green Bond and USPP), €250 million mature in 2025, €500 million in 2026, €100 million in 2029, €50 million in 2032 and €50 million in 2034.

The Group currently has substantial headroom against its borrowing covenants, with an LTV of 46.4% as at 30 September 2023 against a borrowing covenant limit of 65%. The Group's borrowings are unsecured, providing it with a deeper pool of liquidity and with more flexibility over its arrangements.

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

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

Assessment of viability

The period over which the Directors consider it feasible and appropriate to report on the Group's viability is the five-year period to September 2028.

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

Within the five-year financial forecasts, the Group expects to refinance the RCF and Bond ahead of their maturities in October 2025 and June 2026 respectively. With the ongoing disposal programme, the expectation is for the refinanced total to be less than the current nominal amount, albeit at a higher rate to reflect the current interest rate environment.

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

While the principal risks assessed by the Directors could affect the Group's business model, the Directors do not consider that they have a reasonable likelihood of impacting the Group's viability over the five-year period to September 2028.

The forecasts were sensitised, individually and in aggregate, for the following scenarios:

1) the combined impact of four key customers defaulting without replacement, combined with a 12-month delay in letting properties under development;
2) yield expansion resulting in further property valuation falls and the impact on debt covenants; and
3) worsening macroeconomic environment resulting in increasing debt costs and inability to execute disposals.

Viability Statement

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

Having considered the forecast cash flows and covenant compliance, and the impact of the sensitivities in combination, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment to September 2028.

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

Robert Orr
Independent Chairman
4 December 2023

"Strong corporate governance is key to our long-term success."

Robert Orr
Independent Chairman

Governance highlights for 2022/2023

- Conducted an internally facilitated Board evaluation exercise. Further details on page 84.
- Appointed Sarah Whitney as SID.
- Oversaw the process for the appointment of a new valuer in time for the 31 March 2023 interim valuation.
- Implemented the agreed strategy of crystallising value and recycling proceeds into reducing leverage and funding existing portfolio opportunities.
- Shareholder approval given on the amended Investment Management Agreement ("IMA") on 25 October 2022.
- Complied with all of the Principles and Provisions of the 2019 AIC Code applicable to the Company. Please see pages 71 and 72.
- Met all of the requirements set out in the Financial Reporting Council's Guidance on Risk, Internal Control and Related Financial and Business Reporting. Please see pages 44 to 51 and 86 and 87.
- Further enhanced processes and procedures across the business and its supply chain in compliance with the Modern Slavery Act 2015 and published our fifth annual statement on our website. Please see page 87.
- Embedded the ESG strategy framework, updated ESG targets and established a dedicated EBOX ESG Committee. Further details on page 95.

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

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

Board priorities

This has been another productive year for the Board. On 6 December 2022, the Company announced the appointment of Sarah Whitney as the Senior Independent Director ("SID"). The SID role was held by Keith Mansfield, who remains on the Board as a Non-Executive Director and as Chair of the Audit & Risk Committee. The Board also announced the establishment of the EBOX ESG Committee chaired by Eva-Lotta Sjöstedt.

We continued to make good progress on our ESG strategy, including improved collection of ESG data and ESG integration across the investment lifecycle. The EBOX ESG Committee meets twice a year to enable greater time and focus on the Company's ESG strategy and targets and reports to the Board providing recommendations on all ESG initiatives, supporting the continued work of the Manager's own ESG Committee. Eva-Lotta Sjöstedt continues to be our "ESG Champion". For more information on steps the Group is taking in relation to climate change please refer to pages 30 to 37 and 52 to 62.

Throughout the period, the Board continued to implement the agreed strategy of crystallising value and recycling proceeds into reducing leverage and funding existing portfolio opportunities.

The Board worked closely with the Manager to identify ways to reduce costs; ensure that the Company has the right resources in place to deliver returns to Shareholders over the long term; and to ensure it receives added value from the services it procures. This resulted in the agreement to amend the terms of the Investment Management Agreement ("IMA") and I am pleased to report that in October 2022 the amended terms of the IMA received Shareholder

Statement of compliance

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

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

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

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

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

▸ For further details please see pages 71 and 72.

approval. The revised IMA supports the delivery of the Company's strategic objectives and our key short-term priorities of reducing costs and providing for improved dividend cover.

Following the appointment of Phil Redding, as Fund Manager in September 2022, the Board has provided Phil with all the necessary support in his leadership role at the Company to continue the delivery of our strategy.

I am pleased report that following a robust process the Board appointed CBRE as the Company's new valuer to undertake the 31 March 2023 interim valuation. Further details on the valuer retender decision can be found on page 77.

Board and Committee composition

The Company has a strong and fully independent Board with a diverse range of skills and extensive European real estate and supply chain experience. During the period, the Nomination Committee reviewed the Board and Committee composition and recommended no further changes. In line with the Board's Diversity and Inclusion Policy, I am pleased to report that at least 40% of Board Directors are female with at least one of the senior positions being held by a female. In this case, the SID role is held by Sarah Whitney. In respect of the target to have one individual on the Board from an ethnic minority background, the Board agreed to address this point as and when a vacancy on the Board arises.

Board development

The Board continues to receive regular updates and briefings on corporate governance as well as wider regulatory changes within the market to ensure we are fully conversant with and comply with all applicable laws and regulations. In addition to specific training to support the Board's strategic priorities, as at the date of the report, the Directors received training sessions on Cyber Security and on European Power Infrastructure and Opportunities.

Board engagement

We believe that our positive engagement and working relationship with the Manager is key to enhancing the Company's governance arrangements and ensuring that they are robust and fit for purpose. During the period, both the Manager and Board have worked closely to identify areas for improvement and best practice which promotes an open and collaborative culture. This was affirmed in the internally facilitated Board evaluation exercise.

We also regularly engage with the Company's advisers to discuss investor feedback they have received and/or gauge their views on corporate strategy and performance. We provide investors with regular updates on significant business events, specifically financial performance and investment activity, through announcements via the Regulatory News Service of the London Stock Exchange ("RNS").

The Board is committed to maintaining an open dialogue with Shareholders and in January 2023 the Company held a governance roadshow with investors. Please refer to page 74 for more information on the Company's approach to its relationship with Shareholders.

Outlook for 2023/2024

The Board will continue to work alongside the Manager to implement the agreed strategic priorities and build upon the significant enhancements made in respect of ESG matters. Regarding its governance arrangements, the Board will continue to seek alignment with best practice and will monitor its compliance with the Listing Rules in relation to Diversity Targets, as appropriate.

Robert Orr
Independent Chairman
4 December 2023

The right leadership

Robert Orr MRICS BSc

Independent Chairman

Appointed 5 June 2018

Tenure 5 years 6 months

Relevant skills and experience

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

Significant previous external experience

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

Principal external appointments

- Non-Executive Director of M&G European Property Fund SICAV and Non-Executive Manager of M&G Real Estate Funds Management S.a.r.l.
- Chairman of the advisory board of APCOA Parking Holdings GmbH
- Member of the Investment Advisory Committees of EQT Real Estate
- Senior Adviser to Blue Coast Capital (Lewis Trust Group)
- Investment Committee Member of ESAS Holding

Sarah Whitney BSc FCA

Senior Independent Director

Appointed 14 February 2022

Tenure 1 year 10 months

Relevant skills and experience

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

Significant previous external experience

- Non-Executive Director of St Modwen Properties PLC
- Partner, Corporate Finance at PwC
- Head of the Consulting & Research business at DTZ Holdings PLC (now Cushman & Wakefield)
- Executive Director heading the Government & Infrastructure team at CBRE

Principal external appointments

- Chair of the Audit Committee of JPMorgan Global Growth & Income PLC
- Chair of the Supervisory Board of BBGI Global Infrastructure S.A.
- Senior Independent Director of Bellway plc
- Non-Executive Director of the Skipton Building Society and Chair of Connells Group Limited (a subsidiary of Skipton Building Society)

Keith Mansfield

Independent Non-Executive Director

Appointed 5 June 2018

Tenure 5 years 6 months

Relevant skills and experience

- Chartered accountant with extensive experience of leading significant international transactions
- Partner at PwC, where he developed a specialisation in the real estate industry, serving as regional Chairman of PwC in London for seven years

Significant previous external experience

- Partner at PwC for 22 years
- Non-Executive Director and Chairman of the Audit Committee of Tarsus Group plc

Principal external appointments

- Chairman of Albemarle Fairoaks Airport Limited
- Non-Executive Director and Chairman of the Audit Committee of Motorpoint Group plc
- Senior Independent Director and Chair of the Audit Committee of Digital 9 Infrastructure plc
- Non-Executive Director of Martins Investment Holdings Ltd, Martins Development Holdings Ltd and Martins Financial Holdings Ltd

Taco de Groot MRE MRICS

Independent Non-Executive Director

Appointed 5 June 2018

Tenure 5 years 6 months

Relevant skills and experience

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

Significant previous external experience

- One of the founding partners of M7 Real Estate LLP in the UK
- CEO of Vastned Retail NV, a European retail property company listed on Euronext Amsterdam
- One of the founding partners of GPT/Halverton LLP, Heston Real Estate B.V. and Rubens Capital Partners
- CEO of Cortona Holdings BV, Amsterdam
- Non-Executive Director of EPP NV, a real estate investment company that operates throughout Poland

Principal external appointments

- Adviser at E22 Capital, a US residential real estate investment company
- CEO of UrbanInterest, a large family business with a real estate portfolio of residential, office and retail assets
- Visiting Lecturer at the University of Amsterdam and Hogeschool of Rotterdam
- Non-Executive Director of Brack Capital Properties, a company incorporated in the Netherlands and listed on the Tel-Aviv Stock Exchange

Eva-Lotta Sjöstedt

Independent Non-Executive Director

Appointed 10 December 2019

Tenure 4 years

Relevant skills and experience

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

Significant previous external experience

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

Principal external appointments

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

A Audit & Risk Committee
M Management Engagement Committee
N Nomination Committee
E EBOX ESG Committee
Chair

A dedicated team

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

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

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

Phil Redding

CEO for Tritax EuroBox plc

Relevant skills and experience

Phil is responsible for leading the Group's fund management function and has overall responsibility for the provision of strategic investment advice to the Group. He is Chairman of the Investment and Executive Committees. Phil started his career at King & Co (now JLL) where he qualified as a chartered surveyor in its Industrial Agency and Development division in 1992. In 1995, Phil joined SEGRO plc holding a number of management positions before becoming Chief Investment Officer and member of the Board in 2013. Phil joined the Tritax Group in 2020 and became a partner in 2021.

Mehdi Bourassi

CFO for Tritax EuroBox plc

Relevant skills and experience

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

Petrina Austin

Head of Asset Management, Tritax Management LLP

Relevant skills and experience

Petrina joined the Tritax Group in 2007, then became a partner of the Tritax Group in 2017. She is responsible for the Group's asset and property management service, incorporating ESG and insurance functions. She has developed the capabilities of the team to extend the skills in logistics and industrial operations, integrating ESG and power considerations into analysis.

James Dunlop

CEO – Investment, Tritax Management LLP

Relevant skills and experience

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

Henry Franklin

Chief Operating Officer, Tritax Management LLP

Relevant skills and experience

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

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

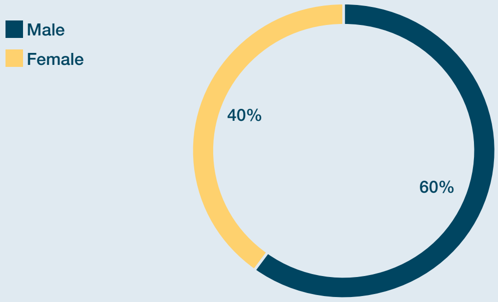
Our corporate governance structure

Board relevant sector experience

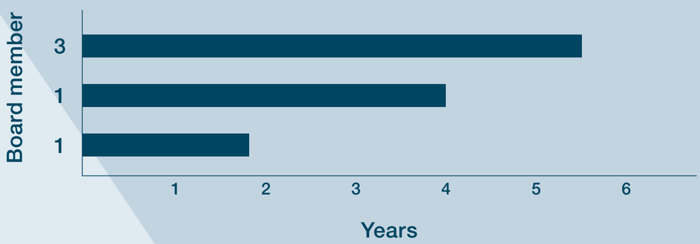
The Board has a complementary range of skills which are relevant to the Group's medium and longer-term objectives.

The Board considers Keith Mansfield to have recent and relevant financial expertise to chair the Audit & Risk Committee. Sarah Whitney, who is also a member of the Audit & Risk Committee, is also a fellow of the Institute of Chartered Accountants.

Board gender split



Non-Executive Director tenure



Key activities of the Board

October–December 2022

- Approved the Annual Report and Accounts 2022
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 30 September 2022
- General Meeting held on 25 October 2022 to approve the proposed amendments to the Investment Management Agreement between the Company and Tritax Management LLP
- Appointed Sarah Whitney as SID
- Created the EBOX ESG Committee

January–March 2023

- Held the Company's Annual General Meeting
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 31 December 2022
- Conducted a performance review of the Company's key suppliers
- Held governance roadshow with Investors
- Appointed new valuer, CBRE

April–June 2023

- Approved the Interim Report 2023
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 31 March 2023
- Directors' training session on Cyber Security

July–September 2023

- Conducted an internal Board and Committee evaluation
- Conducted performance review of the Manager
- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 30 June 2023
- Strategy Meeting held off-site
- Exchanged contracts for the sale of asset in Hammersbach

Post-year-end events

- Declared an interim dividend of 1.25 cents per share, in respect of the three months to 30 September 2023
- Agreed action plan following the internal Board and Committee evaluation
- Directors' training session on European Power Infrastructure and Opportunities
- Approved the Annual Report and Accounts 2023
- Exchanged contracts for the sale of assets in Bochum and Malmö

▶ For the key investment, operational and financial activities please see pages 1 to 63

Application of Code

Application of AIC Code Principles

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

Board leadership and purpose	
Principle A. A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	– Strategic Report pages 1 to 63 – Board Leadership and Company Purpose pages 73 to 75 – EBOX ESG Committee Report page 95
Principle B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	– Strategic Report pages 1 to 63 – Board Leadership and Company Purpose pages 73 to 75 – Division of Responsibilities pages 78 to 80
Principle C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	– Principal Risks and Uncertainties pages 44 to 51 – Section 172 Statement pages 28 to 29 – Audit, Risk and Internal Control pages 36 to 37 – Audit & Risk Committee Report pages 80 to 91
Principle D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties	– Section 172 Statement page 28 – Shareholder Relations page 74
Division of responsibilities	
Principle F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	– Board Leadership and Company Purpose pages 73 to 75 – Division of Responsibilities pages 78 to 80
Principle G. The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board's decision making.	– Division of Responsibilities pages 78 to 80 – Composition, Succession and Evaluation pages 66 to 67
Principle H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge and strategic guidance, offer specialist advice and hold third-party service providers to account.	– Board Leadership and Company Purpose pages 73 to 75 – Division of Responsibilities pages 78 to 80 – Audit & Risk Committee Report pages 80 to 91 – Management Engagement Committee Report pages 92 to 94
Principle I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	– How we govern the Company page 73
Composition, succession and evaluation	
Principle J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds and cognitive and personal strengths.	– Nomination Committee Report pages 82 to 85
Principle K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	– Board Biographies pages 66 to 67
Principle L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	– Nomination Committee Report pages 82 to 85

Application of AIC Code Principles continued

Audit, risk and internal control	
Principle M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	– Audit, Risk and Internal Control pages 86 to 87 – Audit & Risk Committee Report pages 88 to 91
Principle N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	– Going Concern page 63 – Statement of Directors' Responsibilities page 102
Principle O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	– Principal Risks and Uncertainties pages 44 to 51 – Viability Statement page 63 – Audit, Risk and Internal Control pages 86 to 87 – Audit & Risk Committee Report pages 88 to 91 – EBOX ESG Committee Report page 95 – Notes to the Financial Statements pages 114 to 133
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	– Board Leadership and Company Purpose pages 73 to 75 – Directors' Remuneration Report pages 97 to 99 – Management Engagement Report pages 92 to 94
Principle Q. A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.	– Directors' Remuneration Report pages 97 to 99
Principle R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	– Directors' Remuneration Report pages 97 to 99

Key Board statements

Requirement	Board statement	Where to find further information
Going concern basis	The Board is of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 63 of the Strategic Report.
Viability Statement	The Board is of the opinion that the Viability Statement adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 63 of the Strategic Report.
Annual review of systems of risk management and internal control	A continuing process for identifying, evaluating and managing the risks the Company faces has been established and the Board has reviewed the effectiveness of the internal control systems.	Further details are set out in Audit, Risk and Internal Control on pages 86 to 87 of this Governance Report.
Robust assessment of the Company's emerging and principal risks to the business model, future performance, solvency and liquidity of the Company	The Audit & Risk Committee and the Board undertake a full risk review twice a year where all the emerging and principal risks and uncertainties facing the Company and the Group are considered.	Further details can be found in Principal Risks and Uncertainties on pages 44 to 51 of the Strategic Report.
Fair, balanced and understandable	The Directors confirm that to the best of their knowledge the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.	Further details of the fair, balanced and understandable statement can be found on page 96.
Appointment of the Manager	The Directors consider the continuing appointment of the Manager on the terms agreed in the Investment Management Agreement dated 14 June 2018, as amended from time to time, to be in the best interests of the Company.	Further details are set out in the Management Engagement Committee Report on pages 92 to 94.
Section 172	The Directors have considered the requirements of Section 172 when making strategic decisions.	Further details are set out on pages 28 to 29 of the Strategic Report.
TCFD	The Directors have reported on the TCFD requirements.	Further details are set out on pages 52 to 62 of the Strategic Report.

How we govern the Company

The Board is responsible for promoting the long-term sustainable success of the Company and generating value for its Shareholders and other stakeholders through effective leadership.

The Board and the Manager work closely together to maintain the highest standards of corporate governance, which is central to every Board decision.

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

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

A typical Board agenda includes:

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

Board reserved matters include:

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

Implementing the Company's Investment Strategy

The Board is fully committed to implementing its investment strategy, including crystallising value in the portfolio and recycling proceeds. On 9 August 2023, the Company announced that it had successfully exchanged contracts for the sale of its warehouse asset in Hammersbach, Germany, for a price of €64.6 million to a leading pan-European real estate investment manager. The sale price was broadly in line with the valuation as at 31 March 2023. The disposal of Hammersbach represented an important step in the Company's sales programme. The completion of the sale supports the Company's strategy of crystallising value and recycling proceeds into reducing leverage and funding existing portfolio opportunities. The sale to a leading pan-European real estate investor highlights the attractiveness of the properties in our portfolio, and evidences the continued investor interest and market stabilisation for high-quality logistics assets. This provides the Board with confidence to complete further disposals as we continue to recycle capital within our business

Culture

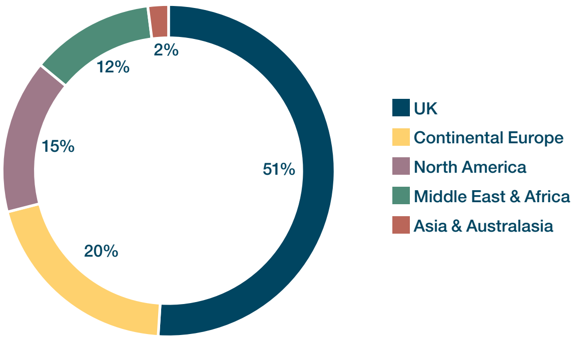
The Board promotes open dialogue and frequent, honest and open communication between the Manager and other key providers and advisers to the Company. Whilst the Company is externally managed, the Board is confident that the culture within the Manager is aligned with that of the Board. The Board believes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

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

Relations with Shareholders and other stakeholders

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

Geographical composition of investors met (October 2022 – September 2023)

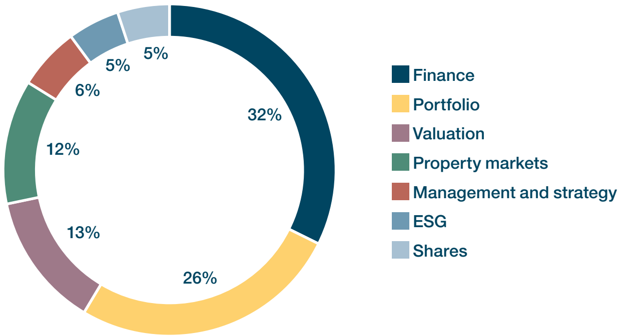


Regular roadshows, conferences, webinars and ongoing ad hoc meetings have enabled the Manager to listen to and understand the views of Shareholders and other stakeholders and to share those views with the Board. As part of the Board's commitment to maintaining open channels of communication with Shareholders, in January 2023, the Chairman and SID held a governance roadshow with investors. Across the schedule of meetings, the key themes discussed included capital allocation, the alignment of management structure and the reduced Manager's fee, the continuing macroeconomic uncertainty, the appointment of Phil Redding as the CEO and the progress of the Company's ESG strategy.

As well as tracking time spent discussing topics during investor meetings (represented below), the investor relations team sought feedback from the institutions met during the year. Topics which continued to be important to Shareholders included: reducing leverage, demonstrating a track record of delivering like-for-like rental growth, ongoing market dynamics, the speed and magnitude of yield shifts and valuation changes, portfolio and asset management initiatives, including enhancing ESG performance.

▸ Further details of the Company's engagement with our other key stakeholders can be found in our Section 172 Statement on pages 28 to 29

Split of meeting time discussions by topic (October 2022 – September 2023)



We believe that regular engagement with our stakeholders is fundamental to understanding their views. The stakeholder engagement section aims to highlight how we engage with our key stakeholders, why they are important to us and the impact they have on our business and therefore the long-term success of the Company, which we believe helps to demonstrate the Board's duties under Section 172; for further detail please see pages 28 to 29.

ESG

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

During the period, the Board monitored the performance of our ESG strategy, and undertook a number of in-depth ESG strategy review sessions. The Board also approved the Company's updated ESG targets, which were disclosed in the interim results presentation. Please see page 30 for more details on ESG activities during the year. The Company has made a commitment to achieve net zero carbon for its direct activities by 2025 and for its total Scope 3 emissions by 2040. For further information on how the Company manages climate-related risks and opportunities, please see the TCFD Report on pages 52-62.

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

- data management and how the Company can improve collection of ESG data to continue the process of ESG integration across the investment lifecycle;
- managing physical climate risk across the portfolio in line with the TCFD recommendations; and
- setting and delivering on the Company's revised net zero targets.

In 2024, climate change and decarbonisation and other ESG targets will be a continued focus for the Company. Integrating the physical and transition risk assessments undertaken into our asset management plans is a priority.

Annual General Meeting ("AGM")

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

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

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

General Meetings

The Company held one General Meeting during the period. The meeting held on 25 October 2022 was to consider and approve the IMA amendments.

Public communications

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

Strykow, Poland

At acquisition, this asset comprised two buildings which have subsequently been extended twice, first by 16,222 sqm in 2022 and by a further 8,841 sqm in 2023.

Key decisions of the Board

Delegated Authorities

The Board is committed to continuously reviewing its policies and procedures with a view to making key enhancements to seek to ensure the operations of the business run as efficiently and effectively as possible. One area of focus for the Board during the year was to ensure that the Manager was appropriately empowered to undertake the necessary day to day running of the business on behalf of the Board. As part of this focus, it was important for the Board to ensure that the necessary controls framework was also reviewed to ensure consistency and good practice.

Accordingly, the Secretariat led a project in order to create and embed a delegated authorities matrix within the business. The Secretariat engaged with key representatives from the Manager and the Board to create a matrix which reflected the existing agreed delegations, in particular the Board reserved matters and the overarching delegation to the Manager.

The purpose of the document was to create a user friendly document for the Manager, Board and external advisers to use whilst consolidating the existing authorities which are contained in a number of key corporate documents of the Company in line with best practice of the FTSE 350. The Board approved the delegated authorities matrix in July 2023, which helped to clarify and strengthen the existing governance and internal controls framework.

During 2024, the Board will monitor the effectiveness of the delegated authorities matrix and consult the necessary stakeholders as part of this process.

How were stakeholders' views taken into account?

- ✓ Active engagement with the Manager on current processes
- ✓ Input from external stakeholders

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

- ✓ Developed a matrix which was fit for purpose and user friendly

Long-term effects of the decision?

- ✓ Enhanced and clearer delegated authorities and decision making
- ✓ Further strengthened the governance framework of the Company

Stakeholders considered

- The Manager and its employees
- Our customers
- Our suppliers

Valuer retender

The Board agreed to review the Company's valuer given that it had been appointed at the Company's IPO in 2018 and it was deemed good governance practice to rotate the lead valuer and/or firm of valuers on a periodic basis. A comprehensive Request for Proposals ("RFP") was prepared and CBRE, Cushman & Wakefield and Savills were invited to tender for the valuation contract alongside the incumbent, JLL. Savills withdrew from the process due to a conflict of interest in Italy where Savills IM is appointed as Fund Manager for the local SGR ownership vehicle. It was the strong preference of the Manager not to carve out the Italian portfolio from the scope of the valuation instruction. Prior to including CBRE within the tender, the Manager and Board considered CBRE's current appointment to undertake property management and accounting services for the Company and the existing instruction for CBRE to undertake valuation services for Tritax Big Box REIT plc.

The Manager considered the following factors:

- over-reliance on CBRE as a service provider (from the Company's perspective); and
- potential conflicts of interest (from CBRE's perspective).

The Board decided that neither of these factors precluded CBRE from being considered for the valuer position for the Company.

A key objective of the process was to have the new appointment in place to be able to undertake the 31 March 2023 interim valuation. As such, an accelerated process was undertaken by which RFP's were received and follow-up interviews with preferred parties were arranged. The basis of the evaluation was structured around the following key criteria:

- experience of individual team members;
- pan-European network of local offices/teams;
- valuation department client roster;
- investment department relevant market transaction volumes;
- process / coordination;
- application of technology;
- additional "value-add" services; and
- fee levels and contract term.

The review team completed a valuer ranking matrix, summarising areas of assessment with a "score" out of five, with a view to creating an initial ranking of candidates' suitability.

Following the presentations a detailed discussion ensued, weighing up the strengths and weaknesses of the different parties. The recommendation to the Board was that CBRE be appointed as the Company's independent valuers going forward.

How were stakeholders' views taken into account?

✓ Feedback from the Board and Manager

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

✓ Valuer services were retendered

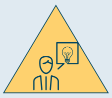
✓ Rigorous and fair retender process

Long-term effects of the decision?

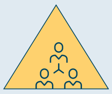
✓ Ensured good governance practice for the appointment of the Company's valuer

✓ Confidence gained in the robust governance and control procedures around the selection of preferred suppliers

Stakeholders considered



The Manager and its employees



Our suppliers

Division of Responsibilities

The Board

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

▶ To read more see pages 1 to 63

Chairman

Key roles and responsibilities

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

The Manager

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

▶ To read more see pages 17 to 23

The Manager

Key roles and responsibilities

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

Board Committees

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

These Committees are each chaired by a different Non-Executive Director and have their own Terms of Reference which can be found on the Company's website (or copies are available on request from the Company Secretary).

The Terms of Reference are reviewed as necessary by the Board as a whole. The Company Secretary acts as secretary to these Committees and each Committee Chair reports the outcome of the meetings to the Board.

▶ To read more see pages 78 to 80

Audit & Risk Committee

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

▶ To read more see pages 88 to 91

Nomination Committee

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

▶ To read more see pages 82 to 85

Manager Committees

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

Executive Committee

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

Investment Committee

- Chaired by Phil Redding, comprising Mehdi Bourassi, COO of the Manager, CEO of Investments, Head of Asset Management and CEO for Tritax BigBox REIT Plc.
- Taking into account an array of factors including ESG, review and recommend investments and divestments.
- Taking a lead on overall portfolio management (including asset management) with oversight from the Board.

Senior Independent Director

Key roles and responsibilities

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

Company Secretariat and Compliance

Key roles and responsibilities

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

Management Engagement Committee

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

▶ To read more see 92 to 94

Disclosure Committee

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

EBOX ESG Committee

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

▶ To read more see page 95

ESG Committee

- Chaired by Petrina Austin, comprising various members of the Manager, including the ESG Director.
- Overseeing ESG and sustainability matters.
- Reviewing and making recommendations to the Manager's Executive Committee and the Company's Board, regarding progress on integrating ESG factors into business strategy and decision making.
- Overseeing the Manager's policies in terms of performance, communication and engagement on ESG and sustainability matters, to ensure the Manager is effective in meeting its social and regulatory requirements and achieving its objective of being a socially responsible corporate entity.

Risk Committee

- Chaired by Henry Franklin, comprising the Chief Financial Officer of the Manager and Head of Risk and Compliance of the Manager.
- Responsible for identifying, recording and measuring risks to the Manager's Executive Committee and implementing controls to mitigate such risks.
- Overseeing the risk assessments made by the Company as well as other real estate funds to amplify the focus on risk and to ensure the Company is alerted to any new risks of the Manager.

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

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

Operations Committee

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

The Chairman and the SID

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

As we are subject to the AIC Code, there is no requirement for a limitation on the length of tenure of the Chairman, as approved by the FRC. However, we recognise that there is a significant body of opinion that tenure should be limited to nine years and bear this in mind in our succession planning. The Board has adopted a Policy on Tenure and Re-election; for more information, please refer to page 82. The Chairman has been in post for five and a half years since IPO. The Chairman's other significant commitments include being a Non-Executive Director of M&G Property Fund SICAV and Chairman on the Advisory Board of APCOA Parking Holdings. For the Chairman's full biography please refer to page 66 and the Company website. The Board believes he continues to dedicate sufficient time to his chairmanship of the Company.

In December 2022, Sarah Whitney was appointed as the Senior Independent Director ("SID"). The principal role of the SID is to support the Chairman and to act as an intermediary for the other Non-Executive Directors. The SID is available for Shareholders to contact if other channels of communication with the Company are not available or are inappropriate. The SID leads the oversight of the Chairman as part of the Board evaluation exercise.

The Board and its Committees

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

Directors' biographies are set out on pages 66 and 67. In accordance with the requirements of the AIC Code, all of the Directors will stand for re-election at the Company's AGM which we plan to hold on 14 February 2024.

We have not established a Remuneration Committee as the Board has no Executive Directors and the Company has no employees. The Board as a whole is responsible for reviewing the scale and structure of the Directors' remuneration. Details of the Directors' remuneration for the year ended 30 September 2023 are included in the Directors' Remuneration Report on page 97.

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

Board meetings

During the period we held seven scheduled Board meetings, plus four further ad hoc meetings which dealt with specific events. In addition, the Board held a dedicated strategy meeting.

The Board meetings follow a formal agenda, which is approved by the Chairman and circulated by the Company Secretary in advance of the meeting to all Directors and other attendees. At each Board meeting, every agenda item is considered against the Company's strategy, its Investment Objectives, its Investment Policy and the Directors' duties.

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

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

Conflicts of interest

Each Director has a duty to avoid a situation in which he or she has a direct or indirect interest that may conflict with the interests of the Company.

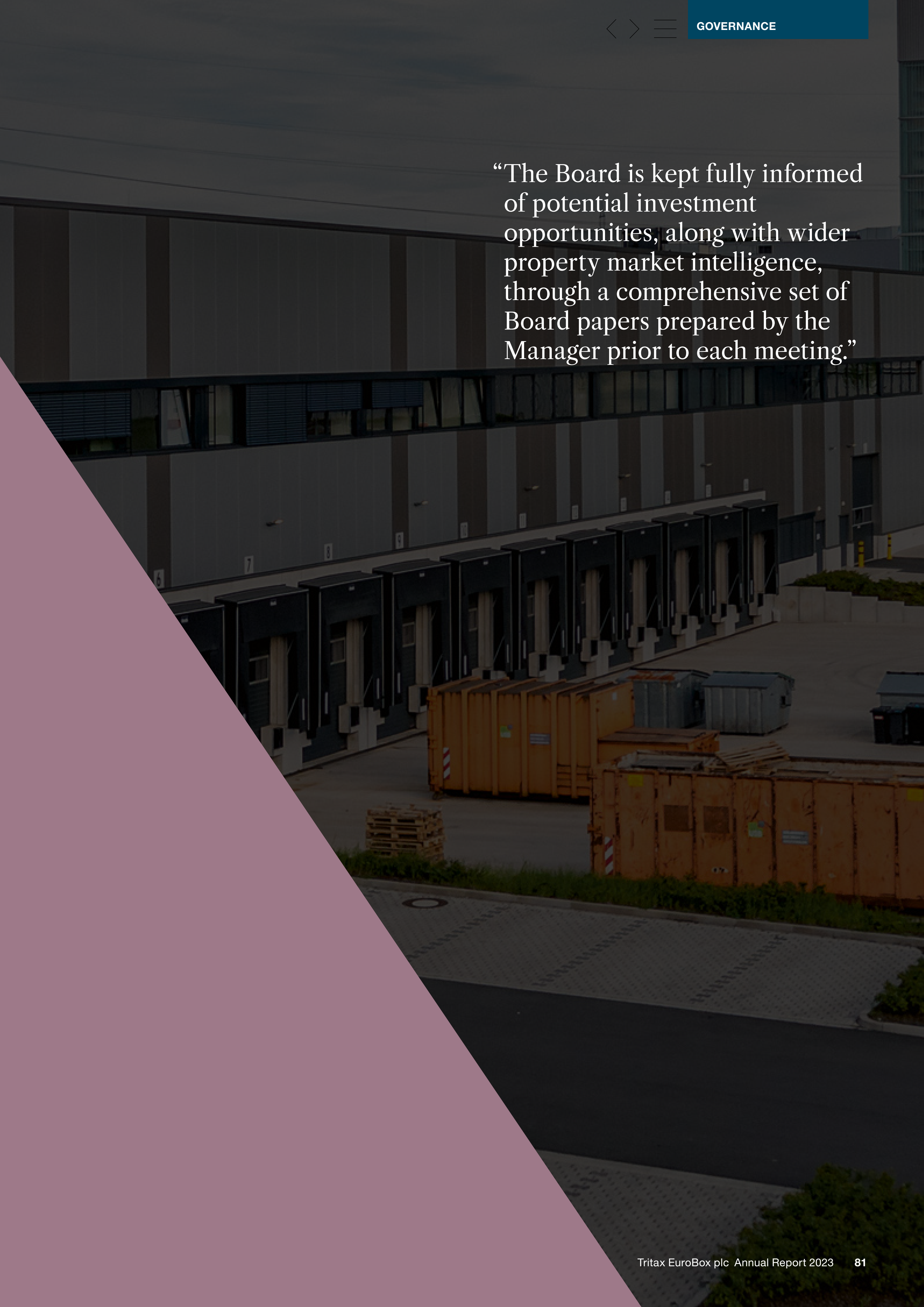
The Board may authorise any potential conflicts, where appropriate, in accordance with the Articles of Association. Where a potential conflict of interest arises, a Director will declare their interest at the relevant Board meeting and not participate in the decision making in respect of the relevant business.

Attendance at Board and Committee meetings during the year ended 30 September 2023

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

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

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



"The Board is kept fully informed of potential investment opportunities, along with wider property market intelligence, through a comprehensive set of Board papers prepared by the Manager prior to each meeting."

"The Board has the right balance of skills, qualifications and experience which are relevant for the Company."

Robert Orr
Chair of the Nomination Committee

Membership

Robert Orr (Chair)

Keith Mansfield

Eva-Lotta Sjöstedt

▶ For full details on Committee attendance please refer to page 80

Key areas of focus in 2022/2023:

- the size, structure and composition of the Board;
- succession planning;
- Board and Committee performance evaluation;
- the proposal for re-election of the Directors at the AGM which we plan to hold on 14 February 2024; and
- review of the Board Diversity and Inclusion Policy.

Dear Shareholders,

I am pleased to present the Nomination Committee Report for the year ended 30 September 2023. The Nomination Committee's focus during the period was on reviewing the Board's composition, diversity targets ("Diversity Targets"), succession planning and Board evaluation output.

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

Policy on Tenure and Succession Planning

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

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

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

Board diversity and inclusion

The Board meets the recommendations set out in the FTSE Women Leaders Review and is mindful of the Parker Review targets and recognises that this has become an area of even greater focus for the Company.

The Board places great emphasis on ensuring that its own membership reflects diversity in its broadest sense and intends to use all reasonable endeavours to comply with the Diversity Targets. The Company does not have any employees. In respect of appointments to the Board, we consider that each candidate should be appointed on merit to ensure that the best candidate for the role is appointed each time. We support diversity and inclusion at Board level and encourage candidates from all ethnic, gender and educational backgrounds. What is important to us is professional achievement and the ability to be a successful Director based on the individual's skill set and experience.

Qualifications are considered when appropriate to ensure compliance with regulation such as in relation to appointments to the Audit & Risk Committee, where we consider that Keith Mansfield and Sarah Whitney have significant financial experience. We regularly review the Board's Diversity and Inclusion Policy. We believe that the Board has a balance of skills, qualifications and experience which are relevant to the Company. The Company believes in the value and importance of cognitive diversity in the boardroom. The Board Diversity and Inclusion Policy can be found on the Company's website at https://www.tritaxeurobox.co.uk/about/governance/.

Board Diversity Targets

Objective	Progress as at 30 September 2023
At least 40% of individuals on the Board to be female	**Objective met:** The Board consists of two female directors and three male Directors.
At least one of the Senior Positions on the Board to be held by a female	**Objective met:** The Company considers the SID and the Chairman to be the only applicable senior roles. The SID is a female.
At least one individual on the Board to be from a minority ethnic background (as defined by the Office for National Statistics ("ONS") excluding those listed by the ONS as coming from a white ethnic background)	**Objective not met:** The Board is not looking to appoint an additional Director at this time due to the size and corporate structure of the Company, but is mindful of the Listing Rule requirements and will consider these during the next recruitment process.

Director training programme

We recognise that it is essential to keep abreast of regulatory and compliance requirements including ESG-related issues. All new Directors are provided with a tailored induction programme on appointment which includes an induction pack, and meetings with the Company's key advisers and key representatives of the Manager. In addition, a bespoke training programme is agreed and arranged each year.

As at the date of this report, the Board received formal training sessions on Cyber Security and European Power Infrastructure and Opportunities. The Board receives regular updates and/or briefings on corporate governance, ESG matters and general industry and market trends. As part of the internal Board evaluation, the Committee will work with the Manager to further enhance the Board's training programme.

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

▶ For further information on training completed throughout the period please refer to page 65

Committee evaluation

The overall performance of the Nomination Committee was rated highly, particularly its performance in reviewing the outcomes of the 2022 board evaluation.

Outlook for 2023/2024

We will continue to monitor and evaluate Board composition to ensure that the Board has the right balance of skills, experience and knowledge to carry out its duties. Board diversity continues to be an area that will be monitored during 2024.

Robert Orr
Chair of the Nomination Committee
4 December 2023

Board performance and evaluation

The Board's policy is to carry out an evaluation of the Board, and its Committees and the performance of individual Directors every year. For the period 2020/2021 an external evaluator was engaged by the Board to undertake an external review. This year, we undertook an internal evaluation.

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

Secretariat and Chairman discussed the key focus and purpose of the evaluation

Secretariat and Chairman agreed the questions

Questions were uploaded into an online platform by the Secretariat

Submissions were coordinated by the Secretariat into a draft report

Secretariat finalised report which was presented at a Board meeting

Secretariat formulated some key actions for the Board to monitor

Actions from the evaluation

As part of the Board evaluation a set of key actions were agreed by the Board and Manager to enhance the level of information provided to the Board; to focus the Board's attention on medium to long term strategic priorities and to develop an ongoing training plan to cover areas such as risk management and customer behaviour.

The Board through its Nomination Committee will also focus on monitoring the skills and diversity of the Board with a view to meeting the expectations of the Parker Review at its next Non-Executive Director appointment and on its wider Board succession planning.

Roadmap to diversity

Recognising what we have

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

The Board recognises the need to increase ethnic representation on the Board and will use all reasonable endeavours to comply with the Diversity Targets for future appointments. As at the date of this report, 40% of the Board are female. The Company considers the SID to be a senior position in accordance with the Listing Rules. As at the date of this report, the SID is a female.

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

The Board is of the opinion that there is a direct link between the benefits of achieving diversity in allowing the Board to maintain the necessary skills to deliver the Company's strategic objectives.

Identifying what we need

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

Furthermore, the Board supports the recommendations set out in the Parker Review in respect of ethnic diversity and the Board and the Nomination Committee intend to use all reasonable endeavours to comply with the voluntary targets. The Committee will continue to monitor the skills and diversity of the Board and endeavour to meet the expectations of the Parker Review at its next Non-Executive Director appointment and in its wider Board succession planning.

Table for reporting on gender identity or sex

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

Table for reporting on ethnic background

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

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

How we collected data

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

The Board is responsible for delivering robust and sustainable value to its Shareholders and wider stakeholders by setting and working towards strategic objectives. In order to do so we undertake robust assessments of the risks which the Group faces and ensure controls and mitigations are in place to manage those risks. The Company's key risks are set out on pages 45 to 51 of the Strategic Report. The Audit & Risk Committee reviewed the principal and emerging business risks of the Company on behalf of the Board.

The Board and Audit & Risk Committee regularly review the financial position of the Company and perform an assessment of any risks in relation to the Company's business model, the Group's future performance, liquidity and solvency, as well as any risks relating to specific or proposed investments and customers or initiatives relating to assets. To facilitate this process, the Manager produces financial reports, which include the latest management accounts, a review and report on the Company's financial forecast, a report on proposed and existing investment and asset management initiatives, substantiation of any dividend payments and a general update on the financial health of the Company.

As the Company's AIFM, the Manager is subject to reporting and ongoing compliance under the AIFMD. As part of this regulatory process, Langham Hall UK Depositary LLP has been retained by the Company and is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. Langham Hall UK Depositary LLP reports quarterly to the Board and the Manager.

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

Risk management and internal controls review and processes

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

The Board and the Manager have, together, reviewed all financial performance and results notifications. Non-financial internal controls include the systems of operational and compliance controls maintained by the Company's administrator, CBRE (the "Administrator"), and by the Manager in relation to the Company's business, as well as the management of key risks referred to in the Strategic Report on pages 1 to 63.

The Board has contractually delegated responsibility for administrative and accounting services to the Administrator and for company secretarial services to the Manager. These entities have their own internal control systems relating to these matters, which we have reviewed as part of the Company's Financial Position and Prospects Procedures document, which was reviewed, updated and approved in October 2023.

The Company is managed externally by the Manager. All payments of Company funds are authorised by the Manager in accordance with the duties delegated to it pursuant to the terms of the Investment Management Agreement ("IMA") and in accordance with the provisions of the AIFMD. The Manager instructs the Administrator to make the duly authorised payment and Langham Hall UK Depositary LLP, as part of its role as Depositary, reviews each material payment in relation to the specific test areas as mentioned in the report on page 87. We consider that the internal controls in place and the function undertaken by Langham Hall UK Depositary LLP make it unnecessary for the Company to employ an internal audit function. In addition to this, the Administrator has its own internal audit performed on an annual basis by KPMG, from which the Company reviews any findings. The audit for the period did not raise any significant findings to discuss.

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

This includes reviewing reports from the Auditor (details of which are included in the Audit & Risk Committee Report), regular reports from the Manager and the Company Secretary (outlining corporate activity within the Group and the Company's compliance with the AIC Code) and proposed future initiatives relating to the Company's governance and compliance framework. We also review the formal risk assessment conducted by the Audit & Risk Committee twice a year. Further, we actively consider investment/divestment opportunities, asset management initiatives, debt and equity fundraisings and other financial matters against the requirements of the Company's Investment Objectives and Investment Policy.

The Audit & Risk Committee also conducts a robust assessment of the emerging and principal risks to the business model, future performance, solvency and liquidity of the Company at least twice a year and reports its findings to the Board. The Manager is asked to analyse and report on the risks which the Company may encounter on specific transactions including, for example, an adverse decision regarding the development of an asset at the planning stages or a sudden change in market conditions before the launch of an equity raise or debt issue. The Audit & Risk Committee then considers each risk in turn, probing the Manager's assumptions and analysing whether the risk factors attributed to each individual risk are fair and accurate, and the effect of any mitigating factors. The Audit & Risk Committee also considers this as part of its biannual risk review and at each strategy meeting and challenges the Manager to actively review the risks it includes. Please see pages 44 to 51 for more details on emerging and principal risks.

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

The Manager established a Risk Committee which ensures consistency and transfer of best practice in reporting, monitoring and controlling risk. The Manager also maintains a risk register, where perceived risks and associated actions are recorded, and this is regularly shared with the Board for approval. For further details of the Manager's Risk Committee please refer to page 79.

Anti-bribery and corruption

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

In considering the Bribery Act 2010, at the date of this report, the Board had assessed the perceived risks to the Company arising from bribery and corruption and identified aspects of the business which may be improved to mitigate such risks. The Manager actively reviews and monitors perceived risks. The Board has overall responsibility for managing anti-bribery and corruption but has delegated day-to-day responsibility for anti-bribery and corruption to the Head of Risk and Compliance within the Manager, who reports up to the Board periodically. There have been no instances of bribery and corruption in the period.

Employees of the Manager are required to undertake certain e-training on anti-bribery and other topics such as conflicts of interest and anti-money laundering which is provided by Access Learning.

Modern slavery and human trafficking policy

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

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

We also regularly request formal governance information from the Group's suppliers, to enable ongoing monitoring of business and supply chain risk, and conduct due diligence and risk assessment on potential new suppliers.

This year, we have reviewed our processes and incorporated requests for details of suppliers' modern slavery policies in our contract procurement process. Our property and asset managers undertake on-site inspections, which enables us to check supplier practices, and this is recorded in the inspection proforma. We will continue to monitor and collaborate with the Group's suppliers, customers and developers, to ensure that they have systems and controls that reduce the risk of facilitating modern slavery and human trafficking.

Depositary Report

Established in 2013, Langham Hall UK Depositary LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depositary. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity safe keeps assets of US $115 billion and we deploy our services to over 175 alternative investment funds across various jurisdictions worldwide. Our role as depositary primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD").

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

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

In the financial year to 30 September 2023 our work included the review of one investment property acquisition, four property income dividends and one investment property disposal. Based on the work performed during this period, we confirm that no issues came to our attention to indicate that controls are not operating appropriately.

Joe Hime
Head of UK
For and on behalf of
Langham Hall UK Depositary LLP, London, UK
4 December 2023

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

“Significant enhancements have been implemented in respect of the Company’s risk management framework.”

Keith Mansfield
Chair of the Audit & Risk Committee

Membership

Keith Mansfield (Chair)

Taco de Groot

Sarah Whitney

▶ For full details on Committee attendance please refer to page 80

Key areas of focus in 2022/2023:

– reviewed and recommended to the Board that the Annual Report 2022 and Interim Accounts 2023 be approved;
– assessed the matters raised by the FRC on the 2022 Annual Report;
– monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance and reviewed any significant financial reporting judgements contained in them;
– monitored the effectiveness of the Group’s assessment of risk to ensure actions are being taken to mitigate the Group’s exposure to risk;
– conducted a risk review;
– reviewed the robustness of the Company’s internal financial controls and reviewed the efficiency of the internal control and risk management systems used by the Company;
– assessed the quality of the annual and interim property valuations prepared by the Company’s newly appointed independent valuer and challenged the assumptions used by the valuer in preparing the valuation;
– reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
– reviewed and monitored the Company’s relationship with its Auditor;
– reported to the Board on how the Committee discharged its responsibilities;
– reviewed the accounting and reporting implications of changes in standards or best practice;
– evaluated the Company’s key climate-related risks as part of the TCFD reporting;
– maintained ESEF reporting; and
– monitored development of the BEIS audit reform.

Dear Shareholders,

I am pleased to present the Audit & Risk Committee Report for the year ended 30 September 2023.

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

The Board maintains ultimate control and we report to it on a regular basis on how we have discharged our responsibilities. We operate within defined Terms of Reference which are available on the Company's website and on request from the Company Secretary.

All Audit & Risk Committee members are independent Non-Executive Directors of the Company, not connected to the Manager or the Auditor. The Committee believes that its members have the right balance of skills and experience to be able to function effectively.

I am an ACA registered accountant with the Institute of Chartered Accountants in England and Wales, and have extensive, recent and relevant financial experience gained in my previous role as Partner at PwC where I developed a specialism in the real estate industry, serving as regional Chairman of PwC in London for seven years. Sarah Whitney is also a fellow of the Institute of Chartered Accountants with an extensive career advising boards on strategy, corporate finance and real estate matters.

The Committee considers Sarah Whitney and me to be industry experts given our financial backgrounds. As such, we consider 67% of the Committee to have significant financial experience. Further details of each Director's experience can be found in the biographies on pages 66 and 67.

We met for seven scheduled meetings during the period, following the Company's corporate calendar, which ensures that the meetings are aligned to the Company's financial reporting timetable. The Company Secretary ensures that the meetings are of sufficient length to allow the Committee to consider all important matters and the Committee is satisfied that it receives full information in a timely manner to allow it to fulfil its obligations.

These meetings are attended by the Committee members, as well as representatives of the Manager, the Company Secretary and the Auditor, KPMG LLP, and, on occasion, the Company's Chairman. We also met with the Auditor without any representative of the Manager present.

The Committee also met with the Company's newly appointed independent valuer, CBRE, as part of the interim review and year-end audit processes. As the Committee Chair, I have had regular communications with the Company Secretary, the CFO for the Company and the Auditor. In addition, the Committee has discussions throughout the year outside of the formal Committee meetings.

The Committee reviewed the contents of the FRC letter in respect of the 2022 Annual Report, and worked with the Manager to implement their recommendations for the 2023 Annual Report, where appropriate. The FRC letter provides no assurance that the annual report and accounts are correct in all material respects. The FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Following the Green Bond issuance in June 2021, the Company instructed PwC to provide an independent limited assurance report in accordance with ISAE 3000 in June 2022. A similar exercise was undertaken in June 2023 and the full report together with PwC's independent limited assurance report can be found on the Company's website.

Risk management

During the period the Committee instructed BDO to perform a risk review. In conjunction with the Manager, the engagement was to enhance the Company's approach to risk management. BDO has reported back with an initial set of recommendations which have been agreed by the Committee:

- establish a principal risk register aligned to strategic objectives – now completed;
- establish a formal risk appetite statement to guide strategic risk decision-making; and
- define and embed relevant risk indicators which inform Board and Management.

BDO have recommended a further set of recommendations to further enhance the Company's risk management. In 2024 both the Board and the Committee will consider these recommendations and if applicable monitor their implementation.

Financial reporting and significant judgements:

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

We also considered the processes undertaken by the Manager to ensure that the financial statements are fair, balanced and understandable. A variety of financial information and reports were prepared by the Manager and provided to the Board and to the Committee over the course of the year. These included budgets, periodic re-forecasting following acquisitions or corporate activity, papers to support raising of additional finance and general compliance.

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

Building on our first TCFD disclosure in the 2022 Annual Report, I am pleased to note that working alongside the Manager, the Committee reviewed the Company's climate risks facing the business and advised the Board accordingly. ESG Consulting Group at CBRE Limited assisted the Company with the TCFD reporting. Please refer to pages 52 to 62 for our 2023 TCFD disclosure.

ESEF

I can confirm that the Company's consolidated financial statements have been prepared in a digital form under the European Single Format regulatory standard ("ESEF RTS").

Business combinations

At the time of acquiring a subsidiary that owns investment properties, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Where an acquisition is judged not to be the acquisition of a business, it is not treated as a business combination. Of the one acquisition in the period, this was considered to be an asset acquisition.

Newly appointed independent valuer

During the period, the Company announced the appointment of CBRE as the independent valuer. I am pleased to report that the Committee worked constructively with both the Manager and CBRE in determining the valuation of the Company's property portfolio as at 31 March 2023 and 30 September 2023.

Valuation of property portfolio

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

The Group has property assets valued at approximately €1.56 billion as explained in note 14 to the financial statements; CBRE has independently valued the properties applying the principles of both IAS 40 "Investment Property" and IFRS 13 "Fair Value Measurement". The Committee met with CBRE, to discuss and challenge the valuation and to ensure it was conducted properly and independently and could be fully supported. We have also reviewed the assumptions underlying the property valuations and discussed these with the Manager and CBRE and have concluded that both valuations are appropriate.

Fair, balanced and understandable financial statements

The production and audit of the Group's Annual Report is a comprehensive process, requiring input from a number of contributors. To reach a conclusion on whether the Annual Report is fair, balanced and understandable, as required under the AIC Code, the Board has requested that the Audit & Risk Committee advises on whether it considers that the Annual Report fulfils these requirements. In outlining our advice, we have considered the following:

- the comprehensive documentation that outlines the controls in place for the production of the Annual Report, including the verification processes to confirm the factual content, and the detailed reviews undertaken at various stages of the production process by the Manager, the Administrator, the Joint Financial Advisers, the Auditor and the Audit & Risk Committee, which are intended to ensure consistency and overall balance;
- controls enforced by the Manager, the Administrator and other third-party service providers, to ensure complete and accurate financial records and security of the Company's assets; and
- the satisfactory ISAE 3402 control report produced by the Administrator for the year ended 30 September 2023, which has been reviewed and reported upon by the Administrator's external Auditor, to verify the effectiveness of the Administrator's internal controls.

As a result of the work performed, we have concluded and reported to the Board that the Annual Report for the year ended 30 September 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Audit process

1. Planning meeting

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

2. Scope

At these meetings the Auditor prepares a detailed audit or review plan which is discussed and questioned by us and the Manager to ensure that all areas of the business are appropriately reviewed and that the materiality thresholds are set at the appropriate level, which varies depending on the matter in question.

3. Challenge

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

4. Ongoing review

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

Internal audit

The Company does not have an internal audit function and, following an internal risk review, we do not consider it necessary for the Company to have one.

External audit

KPMG was appointed as the Company's external Auditor with effect from 11 December 2018. KPMG's reappointment is approved annually by the Company's Shareholders at the AGM, and it has been in place for five years. The Audit Partner and wider team remained consistent during the period, with David Neale as Lead Audit Partner and Clason Low as Audit Director. The Auditor formally confirmed its independence for the period. The Audit Partner is subject to mandatory rotation every five years and, following the conclusion of the audit for the year ended 30 September 2023, David Neale will be rotated, with a mandatory audit firm retender after ten years. The Committee led by the Chair has commenced the process to appoint a new Audit Partner. The audit firm is subject to mandatory rotation after 20 years.

The Committee, having met with key members of the audit team, is satisfied that KPMG possesses the knowledge of the Company and continuity of team to produce a detailed, high-quality and in-depth audit. The Committee considered KPMG's internal quality control procedures and found them to be sufficient and all parties continue to ensure that the audit process is transparent and of good quality. Please refer to note 8 in the financial statements for a summary of fees paid to the Auditor.

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

Gothenburg, Sweden

Situated in the Gothenburg region, which is regarded as the gateway to the Nordics, the c.28,900 sqm asset has its own rail loading facility and is next to the Port of Gothenburg, a key logistics location in Sweden.

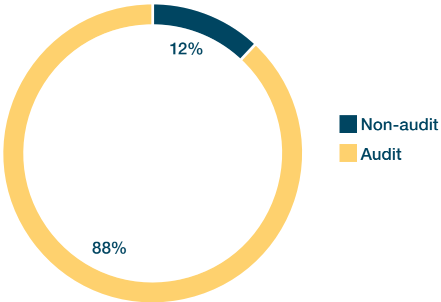
Non-audit services

The Committee has adopted a Non-Audit Services Policy to ensure appropriate controls around identifying any non-audit services being provided by KPMG on new entities. As a general rule, it is not expected that KPMG will be engaged for non-audit services other than to review the half year report. In limited circumstances, it may be appropriate to use KPMG for permitted non-audit services subject to prior approval by the Committee above a certain threshold.

The Company paid £71,500 in fees to the Auditor for non-audit services during 2023. These fees are set out in the table below.

Work undertaken	Rationale for using external Auditor	2023 fee £
Interim Review	Work is normally performed by an external Auditor	71,500
Total		**71,500**

Ratio of audit to non-audit services



Non-audit fees as a percentage of total fees paid to KPMG LLP for the financial year to 30 September 2023 were 12% (2022: 10%). The Committee periodically monitors the ratio to ensure that any fees for permissible non-audit services do not exceed 70% of the average audit fees paid in the last three years.

Committee Evaluation

The overall performance of the Audit & Risk Committee was rated highly, in particular addressing the issues within its remit, led by its experienced chair.

Outlook for 2023/2024

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

Keith Mansfield
Chair of the Audit & Risk Committee
4 December 2023

“We are pleased to have overseen the valuer re-tender process.”

Taco de Groot
Chair of the Management Engagement Committee

Membership

Taco de Groot (Chair)

Keith Mansfield

Robert Orr

Eva-Lotta Sjöstedt

Sarah Whitney

▶ For full details on Committee attendance please refer to page 80

Key areas of focus in 2022/2023:

- annual review of each service provider to ensure the quality of service and value for money; and
- comprehensive review of the Manager’s performance; and
- valuer re-tender process.

Dear Shareholders,

I am pleased to present the Management Engagement Committee Report which covers the period to 30 September 2023. During the period, the Committee reviewed the Manager’s performance, as well as its key suppliers, in line with the established framework.

The Committee’s role is to review the performance of the Manager and the Company’s key service providers and, if required, to recommend the re-tender of their services for consideration by the Board. These reviews are undertaken on an annual basis, or as relevant, to ensure that the services provided are in accordance with each supplier’s terms of engagement, are high quality and represent fair value for money. We also take note of any added value provided. The Committee is also responsible for overseeing any amendments to the Investment Management Agreement (“IMA”). During the review period, the Committee focused on reviewing the performance of the Company’s service providers and of the Manager. We met for two scheduled meetings in the year ended 30 September 2023.

Review of key suppliers

The Manager prepared a Key Supplier Review report. Following a thorough review, we agreed with the Manager that the performance of the Company’s current service providers for the past year continued to be satisfactory, and in several cases exceptional.

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

▶ Details of the Company’s performance during the period are set out in the Strategic Report on pages 1 to 63

Valuer Re-tender

The Committee took the opportunity to rotate the Company's independent valuer in accordance with best practice. JLL, the previous independent valuer had held this position since the Company's IPO. Following a rigorous tender process, the Manager recommended CBRE. The Committee reviewed CBRE's suitability and fee proposal to become the independent valuer, and accordingly CBRE's appointment was recommended to the Board for approval.

For full details of the re-tender process, please refer to page 77.

The Manager

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

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

The Committee also reviews the Manager's culture and organisational structure. The Manager increased the number of employees during the period to ensure that the Company is well served, including the appointment of the new Director of Investor Relations.

Investment Management Agreement

The Committee is pleased to note that Shareholders approved the revised IMA at a General Meeting held in October 2022. The IMA has an 18-month fixed term effective from the date of the General Meeting, after which the Company would have a two-year rolling notice.

The revised IMA reduces costs and ensures that the Company has the right skills and resources in place to deliver returns to Shareholders over the long term.

Conflict management

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

The Manager has an Investment Allocation Policy. This policy exists to ensure fair allocation of assets between funds manged by the Manager and describes the mechanism to be applied by the Manager to identify actual or potential conflicts. This policy is reviewed annually by the Manager and was last reviewed in April 2023.

Management fee

Under the terms of the IMA, the Manager is entitled to a management fee in consideration for its services. This is payable in cash by the Company to the Manager each quarter and is calculated based on a percentage of the Company's Net Asset Value ("NAV"). The fee is payable quarterly in arrears and the Manager is obliged to apply 10% of the fee in shares of the Company ("Management Shares"). If the Group buys or sells any assets after the date at which the relevant NAV is calculated, the NAV is adjusted pro rata for the net purchase or sale price, less any third-party debt drawn or repaid whilst remaining capped at NAV.

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

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

On a biannual basis, once the Company's Basic NAV has been announced, 10% of the management fee (net of any applicable tax) for the relevant six-month period will be applied by the Manager in subscribing for, or acquiring, Shares of the Company ("Management Shares"). The Manager has agreed not to transfer, dispose of or grant any options over Management Shares subscribed for or acquired by the Manager for a period of 12 months following the date of its subscription for or acquisition of Ordinary Shares pursuant to these arrangements without the prior written consent of the Company. All costs in relation to asset management services (which includes the fees paid to Dietz, LCP and NCAP) are paid by the Manager from the management fee.

On 6 December 2022, the Manager purchased Ordinary Shares in the market and allocated 364,637 to the Manager's Partners and its staff and abrdn in respect of the net cash amount, relating to the six-month period to 30 September 2022. The purchase price was 68.19 pence per Ordinary Share. Phil Redding acquired a total of 100,000 Ordinary Shares in the capital of the Company.

On 18 May 2023, the Manager purchased Ordinary Shares in the market and allocated 293,120 to the Manager's Partners and its staff and abrdn Holdings Limited in respect of the net cash amount, relating to the six-month period to 31 March 2023. The purchase price was 68.16 pence per Ordinary Share.

Following the purchase of Ordinary Shares, the Manager had the following beneficial interests as at 4 December 2023:

PDMR or person closely associated	Number of Ordinary Shares held*	Percentage of issued share capital*
Colin Godfrey	395,871	0.0491%
James Dunlop	395,870	0.0491%
Henry Franklin	265,774	0.0329%
Phil Redding	154,797	0.0192%
Petrina Austin	42,859	0.0053%
Tritax Management LLP	—	—
abrdn Holdings Limited[1]	498,145	0.0062%
Partners and staff of Tritax Management LLP[2]	503,137	0.0062%
Total	**2,256,453**	**0.2797%**

1 The figure comprises Ordinary Shares issued to abrdn Holdings Limited, previously called Aberdeen Asset Management plc, under the terms of the IMA and it does not include other shares that may have been acquired by abrdn Holdings Limited.

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

* Number of Ordinary Shares and percentage of issued share capital as at 30 September and 4 December 2023.

AIFM Directive

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

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

AIFM remuneration policy applied by the Manager

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

The annual fee paid by the Company is based on a percentage of its NAV, as set out on page 93. In addition, the Manager's Partners are required to apply 10% of that fee (net of tax and certain other costs, as described on the previous page) to the purchase of Management Shares. Management Shares are subject to a 12-month lock-in period. This aligns the interests of the Manager's Partners with the strategy and interests of the Company and its Shareholders. The Manager's Partners are able to allocate a proportion of the Management Shares to key members of staff, which they have once again done in respect of both Management Share purchases in the period.

The Manager's partnership board therefore meets at least twice a year to discuss the remuneration of its entire staff. Staff are remunerated in accordance with their seniority, expertise, professional qualifications, responsibilities and performance. They are paid salaries in line with market rates and, in profitable years, awarded a discretionary bonus from a bonus pool worth, in aggregate, at least 5% of the Manager's profits. The discretionary bonus may consist of cash or Ordinary Shares in the Company allocated to certain members of staff out of the Management Shares. This means that staff remuneration is predominantly fixed and the variable element is determined by the Manager's overall profitability, rather than the performance of a particular AIF.

The Manager's Partners are entitled to their partnership share of its profits and losses. None of the Partners are entitled to additional partnership drawings that depend on the performance of any AIF managed by the partnership. The Partner's remuneration therefore depends on the Manager's overall profitability, rather than the performance of any AIF.

Committee evaluation

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

Outlook for 2023/2024

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

Taco de Groot
Chair of the Management Engagement Committee
4 December 2023

EBOX ESG Committee Report

"We now have enhanced oversight over ESG Strategy."

Eva-Lotta Sjöstedt
Chair of the EBOX ESG Committee

Membership

Eva-Lotta Sjöstedt (Chair)

Taco de Groot

Keith Mansfield

Robert Orr

Sarah Whitney

▶ For full details on Committee attendance please refer to page 80

Key areas of focus in 2022/2023:

- establishing the EBOX ESG Committee's remit and agreeing reporting procedures;
- progress and delivery of the Company's updated ESG and net zero targets;
- the Company's solar PV investment programme; and
- increasing knowledge and engagement.

Dear Shareholders,

I am pleased to present the inaugural EBOX ESG Committee Report for the year ended 30 September 2023.

The Committee was constituted by the Board on 5 December 2022 and operates within defined Terms of Reference which are available on the Company's website. The purpose of this Committee is to oversee and advise the Board on the effectiveness of the Company's ESG strategy, overseeing its targets and key metrics, and advising the Board on the appropriateness of its policies.

The Committee is comprised of all five independent Non-Executive Directors and met twice in the period. The Committee maintains a dialogue with key individuals involved in the Company's ESG initiatives, including the Manager's ESG Director and its Director of Asset Management. I am pleased to report that during the period, the Committee has maintained a constructive dialogue with the Manager in respect of implementing the Company's agreed ESG strategy.

The Committee's remit – one year on

The EBOX ESG Committee was created in recognition of the growing importance of ESG topics affecting the Company, and the need for the Directors to have a dedicated forum to discuss ESG matters.

A year into its existence, the Directors recognise the value of the Committee. It has allowed its members to have better oversight of the Company's strategy at a time when it was reviewing its ESG targets, including its net zero targets.

Updated ESG targets

The Company disclosed a new set of ESG targets, which the ESG Committee had reviewed, discussed and agreed with representatives from the Manager prior to their release.

Environment

The ESG Committee monitored the Company's progress towards achieving its targets regarding climate change, decarbonisation, biodiversity, natural capital. The Manager's approach to the integration of climate risk management was also reviewed by the ESG Committee.

Social

As set out in the EBOX ESG Committee's Terms of Reference, the adequacy of testing and controls of the supply chain risk and compliance framework was formally reviewed by the Committee along with reviewing the Manager's social impact strategy.

The Committee also reviewed the Company's investment and charitable giving.

Regulation

I am pleased to report that the creation of the EBOX ESG Committee has provided for enhanced focus on the regulation and legislation around ESG.

ESG Opportunities

The Committee has focused on the Company's solar strategy. As at 30 September 2023, the Company has a total of eight assets with solar schemes, with a total capacity of 10.3 MW. I am pleased to report that the Manager has maintained focus on this from an Asset Management perspective and this will remain an area of focus for the Committee as this is a key component of the Company's ESG strategy.

Committee evaluation

The overall performance of the Committee for the period was positively rated, in particular its enhanced focus on overseeing the Company's ESG strategy.

Outlook for 2023/2024

The Committee will continue to review and assess the progress against the Company's agreed ESG strategy.

Eva-Lotta Sjöstedt
Chair of the EBOX ESG Committee
4 December 2023

Q&A with Eva-Lotta Sjöstedt

Chair of the EBOX ESG Committee

Why is ESG important to the Company?

As a responsible investor ESG performance is important. In addition, our stakeholders are making decisions based on ESG performance.

The Board is fully aware that our customers are increasingly making decisions based on our ESG credentials. The Board also notes that investors prefer companies such as the Company to have robust policies and procedures around ESG.

The Board and the Company fully recognise that strong governance contributes to long-term growth but in a way that is sustainable and provides for a positive impact. Increasingly the ESG performance of assets is having an impact on liquidity and value.

What is the Company's ambition for Net Zero Carbon?

Our ambition is to record, report and reduce the embodied carbon associated with our developments, and continue to collect and report on the operational performance data (in relation to energy, water use and waste) of our customers.

Usage and reductions are now monitored across the portfolio and reviewed regularly with an annual review of progress against targets. This progress is formally reviewed annually by the EBOX ESG Committee.

The Company's delivery strategy is focused on four key areas:

1. integration of our decarbonisation targets into the asset management and development management plans for our buildings;
2. working in partnership with our customers;
3. increasing the level of renewable energy across the portfolio through our solar PV roll-out programme; and
4. increasing the amount and quality of building performance data to allow best possible analysis.

In tandem with increasing the levels of renewable energy across the portfolio, we are also actively working with our occupiers to look for opportunities to remove gas from buildings where it currently exists. Carbon offsets will be the last resort once all other options have been explored.

How will the ESG Committee enhance the Company's ESG Governance?

The Board established the ESG Committee to ensure that the Company's ESG strategy is given more focus and attention.

The ESG Committee will allow for the appropriate scrutiny of the Company's policies and procedures around ESG. ESG is an ever-evolving area of the Company's business, and the work of the Committee will ensure that the Company always meets the applicable standards.

The Company has certain ESG goals and targets, and the role of the Committee will be to seek to ensure that targets are in place and appropriately monitored and reported upon.

The Manager's ESG Director is invited to each Committee meeting to discuss progress of the Company's ESG strategy.

Manager's asset tour in Germany

Directors' Remuneration Report

Annual statement (audited)

The Company only has Non-Executive Directors and therefore does not consider it necessary to establish a separate Remuneration Committee. The Directors' remuneration is disclosed below. The Remuneration Report will be presented at the AGM on 14 February 2024 for Shareholder consideration and approval.

Directors' Remuneration Policy

The Company's policy is to determine the level of Directors' fees with regard to those payable to Non-Executive Directors of the Company's peers and the time each Director dedicates to the Company's affairs. The Directors' Remuneration Policy was last approved at the Company's AGM on 9 February 2023 as set out in the Company's 2022 Annual Report which is available at https://www.tritaxeurobox.co.uk/investors/shareholder-information/key-documentation/.

The Directors' Remuneration Policy will continue to apply for the three financial years from its approval in February 2023.

The Directors are entitled to their annual fee and reasonable expenses. No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long term incentive plans from the Company.

Under the Company's Articles, all Directors are entitled to the remuneration determined from time to time by the Board.

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

External adviser

The Board has access to sufficient resources to discharge its duties. The Company did not engage external advisers during the period.

Directors' Fees – Benchmarking

In line with best governance practice, the Board requested the Manager conduct a fee benchmarking exercise.

The exercise was facilitated by the Secretariat and compared the Company with its peer group and additional FTSE 250 companies.

As a result, and following a number of meetings, the following changes were recommended by the Nomination Committee and subsequently approved by the Board and took effect from 6 December 2022.

- The fee for the Senior Independent Director would be £5,000.
- The fee for the Chair of the Audit & Risk Committee would increase from £5,000 to £10,000.
- The fee for the Chair of the Management Engagement Committee would be £5,000.
- The fee for the Chair of the EBOX ESG Committee would be £5,000.

Annual report on remuneration (audited)

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

Director	Letter of appointment dated	Expected and actual date of expiry	Unexpired term as at 4 Dec 2023	Notice period
Robert Orr	5 June 2021	5 June 2024	6 months	3 months
Keith Mansfield	5 June 2021	5 June 2024	6 months	3 months
Taco de Groot	5 June 2021	5 June 2024	6 months	3 months
Eva-Lotta Sjöstedt	10 December 2022	10 December 2025	24 months	3 months
Sarah Whitney	14 February 2022	14 February 2025	14 months	3 months

The fees and expenses paid to the Directors in the year to 30 September 2023, which have been audited, are set out below. In addition, each Director is entitled to recover all reasonable expenses incurred in connection with performing his or her duties as a Director. Directors' expenses for the year to 30 September 2023 totalled £7,577 (2022: £15,561). No other remuneration was paid or payable during the year to any Director. There have been no payments to past Directors or for loss of office.

	Total remuneration (fee)		All non-taxable benefits and expenses received		All taxable benefits and expenses received		Total fixed remuneration		
Director	**For the period ended 30 September 2023 £**	For the period ended 30 September 2022 £	**For the period ended 30 September 2023 £**	For the period ended 30 September 2022 £	**For the period ended 30 September 2023 £**	For the period ended 30 September 2022 £	**For the period ended 30 September 2023 £**	For the period ended 30 September 2022 £	% change in Directors remuneration
Robert Orr	**70,000**	70,000	**–**	2,676	**648**	874	**70,648**	73,550	(1.96)%
Keith Mansfield	**54,115***	50,000	**–**	1,792	**1,529**	1,940	**55,644**	53,732	8.23%
Taco de Groot	**49,115***	45,000	**–**	1,945	**219**	–	**49,334**	46,945	9.14%
Eva-Lotta Sjöstedt	**49,115***	45,000	**–**	1,391	**5,181**	3,552	**54,296**	49,943	9.14%
Sarah Whitney[1]	**49,115***	28,154	**–**	1,391	**–**	–	**49,115**	29,545	74.45%
Total	**271,460**	238,154	**–**	9,195	**7,577**	6,366	**279,037**	253,715	–

* Changes due to the updated NED fee which took effect from 6 December 2022.

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

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

Statement of voting at General Meeting

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

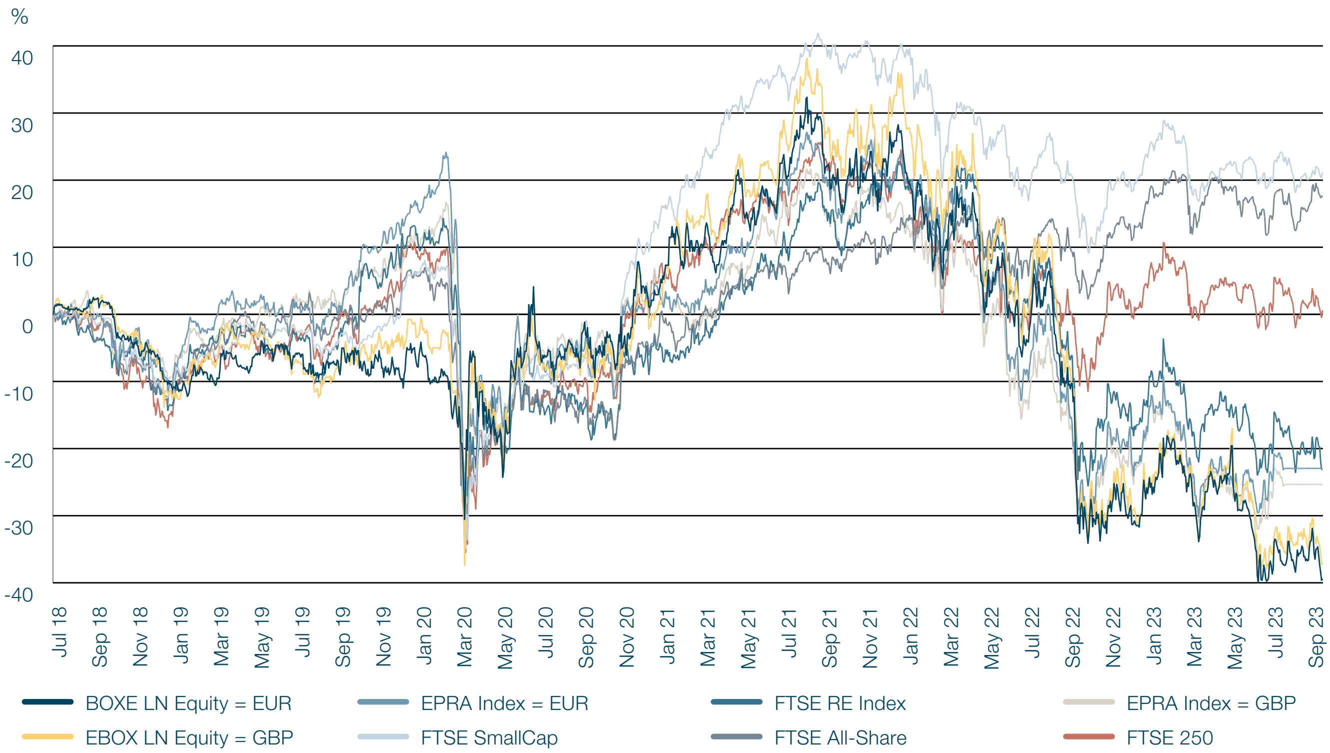
The Directors' Remuneration Policy and the Directors' Remuneration Report were most recently approved by Shareholders at the Company's AGM held on 9 February 2023. The voting on the respective resolutions was as shown below:

Resolution	For %*	Against %	Votes withheld
Directors' Remuneration Policy	98.25%	1.75%	63,163
Directors' Remuneration Report	88.16%	11.84%	80,101

* Including votes in favour and discretion.

Total Shareholder Return

The graph below shows the Total Shareholder Return (as required by company law) of the Company's Ordinary Shares relative to a return on a hypothetical holding over the same period in the FTSE SmallCap, the FTSE All-Share, the FTSE All-Share REIT, and the EPRA Nareit Developed Europe indexes.



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

Directors' shareholdings (audited)

There is no requirement for the Directors of the Company to own shares in the Company. As at 4 December 2023, the Directors and their persons closely associated held the shareholdings listed below.

Director	Number of shares held*	Percentage of issued share capital	Dividends received 30 September 2023 €
Robert Orr	201,029	0.025%	9,773
Keith Mansfield	290,000	0.036%	14,500
Taco de Groot	42,000	0.005%	2,100
Eva-Lotta Sjöstedt	6,900	0.001%	245
Sarah Whitney	65,230	0.004%	2,849

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

Relative importance of spend on pay (audited)

	2023 €m	2022 €m	Change %
Directors' remuneration*	**0.35**	0.32	9.38%
Investment management fees*	**9.29**	11.86	(21.67)%
Dividends paid to Shareholders	**40.34**	40.34	0%

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

Other items

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

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

Robert Orr
Independent Chairman
4 December 2023

Introduction

The Directors are pleased to present the Annual Report, including the Company's audited financial statements as at, and for the year ended, 30 September 2023.

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

Statutory information contained elsewhere in the Annual Report

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

Information	Location in Annual Report
Directors	Pages 66 and 67
Section 172	Pages 28 to 29
Business relationships	Pages 1 to 63
Directors' interest in shares	Page 99
Future developments of the Company	Pages 14 and 38
Financial instruments	Note 4.4 on page 116
Corporate Governance Statement	Pages 60, 67 and 68
Going concern and viability	Page 63
Disclosure of information to Auditor	Page 101
Share capital	Page 100
TCFD	Page 52
SECR reporting	Page 36

Incorporation by reference

The Governance Report (pages 62 to 102 of this Annual Report and Accounts for the year ended 30 September 2023) is incorporated by reference into this Directors' Report.

Financial results and dividends

The financial results for the year can be found in the Group Statement of Comprehensive Income on page 110.

The following interim dividends amounting to, in aggregate, 5.00 cents per Ordinary Share, were declared in respect of the year ended 30 September 2023.

On 9 February 2023, we declared an interim dividend in respect of the period from 1 October 2022 to 31 December 2022 of 1.25 cents per Ordinary Share, paid on 14 March 2023 to Shareholders on the register on 17 February 2023.

On 18 May 2023, we declared an interim dividend in respect of the period from 1 January 2023 to 31 March 2023 of 1.25 cents per Ordinary Share, paid on 23 June 2023 to Shareholders on the register on 26 May 2023.

On 8 August 2023, we declared an interim dividend in respect of the period from 1 April 2023 to 30 June 2023 of 1.25 cents per Ordinary Share, paid on 8 September 2023 to Shareholders on the register on 18 August 2023.

A fourth interim dividend in respect of the three months ended 30 September 2023 of 1.25 cents per Ordinary Share will be declared on 5 December 2023, payable on 12 January 2024.

Political donations

No political donations were made during the year.

Employees

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

Share capital

As at 4 December 2023, there were 806,803,984 Ordinary Shares in issue. There were no Ordinary Shares issued during the year.

Restrictions on transfer of securities in the Company

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

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

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

Securities carrying special rights

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

Substantial shareholdings

As at 8 November 2023, the Company is aware of the following substantial shareholdings, which were directly or indirectly interested in 3% or more of the total voting rights in the Company's issued share capital. As at 8 November 2023, the issued share capital remained the same as at 30 September 2023 with 806,803,984 shares in issue.

Shareholder name	8 November 2023	%
Aviva Investors	65,514,434	8.12
CCLA Investment Management	43,705,691	5.42
BlackRock	36,600,168	4.54
Primonial REIM	33,285,315	4.16
Close Brothers Asset Management	28,858,150	3.58

Amendment of Articles of Association

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

Powers of the Directors

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

Powers in relation to the Company issuing its shares

At the AGM held on 9 February 2023, the Directors were granted a renewed general authority to allot Ordinary Shares in accordance with Section 551 of the Companies Act 2006 up to an aggregate nominal amount of €2,689,346. Of those Ordinary Shares, the Directors were granted authority to issue up to an aggregate nominal amount of €403,401 (which is equivalent to 5% of the Company's issued share capital as at that date) non-pre-emptively and wholly for cash and authority to issue up to an aggregate nominal amount of €403,401 to be used only for the purpose of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights. These authorities replaced the equivalent authorities given to the Directors at the 2022 AGM. These authorities expire at the next AGM on 14 February 2024 or 15 months after the date of the previous AGM.

Authority to purchase own shares

At the 2023 AGM Shareholders authorised the Company to make market purchases of its own shares. The Company has not yet exercised this authority to date.

Change of control

Under the Group's financing facilities, any change of control at the borrower or immediate parent company level may trigger a repayment of the outstanding amounts to the lending banks or institutions.

Appointment and replacement of Directors

Details of the process by which Directors can be appointed or replaced are included in the Nomination Committee Report on pages 82 to 85.

Disclosure of information to the Auditor

The Directors, who were members of the Board at the time of approving the Directors' Report, have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is not aware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Events subsequent to the year-end date

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

Independent Auditor

KPMG LLP has expressed its willingness to continue as Auditor for the financial year ending 30 September 2024.

Manager and service providers

The Manager during the year was Tritax Management LLP.

Details of the Manager and the Investment Management Agreement are set out in the Management Engagement Committee Report on pages 92 to 94.

Additional information

In accordance with Listing Rule (LR) 9.8.4C R, the only disclosure requirement required under LR 9.8.4 R is the disclosure of capitalised interest, which is disclosed in note 10 on page 120.

Annual General Meeting

It is planned for the Company's AGM to be held at the offices of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW, on 14 February 2024.

This report was approved by the Board on 4 December 2023.

Tritax Management LLP
Company Secretary
4 December 2023

Company registration number: 11367705

Statement of Directors' Responsibilities

In respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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

We confirm that to the best of our knowledge:

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

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

Robert Orr
Independent Chairman
4 December 2023

Independent Auditor's Report

To the members of Tritax EuroBox plc

1. Our opinion is unmodified

We have audited the financial statements of Tritax EuroBox plc ("the Company") for the year ended 30 September 2023 which comprise the Group Statement of Financial Position, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group Cash Flow Statement, the Company Balance Sheet and the Company Statement of Changes in Equity and the related notes, including the accounting policies in notes 2 and 4 and note 1 of the Group and Company's financial statements respectively.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30th September 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit & Risk Committee.

We were first appointed as auditor by the Directors on 11 December 2018. The period of total uninterrupted engagement is for the five financial years ended 30 September 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: group financial statements as a whole	€17.1m (2022: €18.8m) 1% (2022: 1%) of total Group assets	
Coverage	100% (2022:100%) of total Group assets	
Key audit matters		**vs 2022**
Recurring risks	**Group:** Valuation of investment properties and investment properties classified as Assets Held for Sale	◀▶
	Parent: Recoverability of investment in subsidiaries	▲

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

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of investment properties and Investment properties classified as Assets Held for Sale (Group) Investment Property: €1,512 million; (2022: €1,766 million) Assets Held for Sale: €49 million (2022: €nil) Refer to page 90 (Audit and Risk Committee Report), page 115 (accounting policy) and page pages 123–126 (financial disclosures).	**Subjective valuation** Investment properties are the largest balance in the group financial statements. At the date of this report, the portfolio comprises 25 properties across Europe which are externally valued by a qualified independent valuer, CBRE, and held at fair value at the balance sheet date. CBRE were engaged as the valuer during the year. JLL were engaged as the valuer in the previous period. The fair value includes subjective selection of assumptions, most significantly the estimated rental value and the yield. These key assumptions will be impacted by a number of factors including size, building specification, location, the tenant and lease length. Whilst comparable market transactions can provide valuation evidence, the nature of each property means that a key factor in the property valuations are the assumptions made by the valuer. Valuing investment properties either under development or with development potential can be further complicated by the need to assess the likelihood for planning consent, an allowance for development and stabilisation risk and capital expenditure not yet incurred. There is a risk that these adjustments could be inappropriate and result in a material difference in the valuation. The degree of estimation uncertainty remains high given the current macro economic environment. The narrowed gap between transaction yields versus cost, high inflation, falling consumer confidence, high interest rates and increased debt costs leads to increased investment risk and, at the same time fewer transactions to benchmark valuations. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of investments properties has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 14) disclose the sensitivity in estimates by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures, assisted by our own property valuation specialist (for procedures 1, 2 and 3), included: – **Valuer's credentials:** We assessed CBRE's objectivity, professional qualifications and experience through discussions with them and analysing their valuation report and the terms of their engagement; – **Methodology choice:** We critically assessed the methodologies used by the valuer by considering whether the methods adopted were in accordance with the RICS Valuation – Global Standards and accounting standards; – **Benchmarking assumptions:** We selected a sample of properties using various criteria including analysis of valuation movements during the year, value of individual properties, movements in yield rates and market rents, country specific risks and an analysis of tenancies. With the assistance of our own property valuation specialist, we held discussions with CBRE to critically assess movements in property values for the sample selected. We evaluated and challenged the key assumptions upon which these valuations were based, by making a comparison to our own understanding of the market, comparable evidence relied on by the valuers and to industry benchmarks. – **Assessing transparency:** We considered the adequacy of the Group's disclosures about the degree of estimation and sensitivity to key assumptions made when valuing properties. – Our additional procedures in respect of properties under development included – **Test of Details:** For all properties under development, we assessed the progress of the development and evaluated assumptions over future construction costs, by agreeing them to construction contracts and management's project appraisals. – For forward funded contracts, we assessed the terms of the development agreements, and how the associated costs of development were considered by the valuers. – **Use of valuation expertise:** Using our property valuation specialist, we critically assessed any adjustments made for development associated risks with reference to market practice. **Our results** – We found the valuation of investment properties to be acceptable (2022: acceptable)

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

	The risk	Our response
Recoverability of investment in subsidiaries (€565.9 million; 2022: €671.4 million) Refer to page 90 (Audit Committee Report), page 136 (accounting policy) and page pages 137-138 (financial disclosures).	**Subjective estimate** The recoverability of the investment in subsidiaries is substantially driven by the fair value of the underlying investment properties. The property valuations have a high degree of estimation uncertainty, which is assessed as part of our Group Key Audit Matter. The risk associated with the recoverability of the investments has increased during the year following a fall in the values of the underlying properties held by the subsidiaries which underpin the assessment of the recoverability. The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of the investment in subsidiaries has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 4) disclose the sensitivity in estimates made by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – **Tests of detail:** We compared the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount. – Our procedures over the fair value of the underlying investment properties are described in our Group Key Audit Matter. – **Assessing transparency:** We considered the adequacy of disclosures about the degree of estimation and sensitivity to key assumptions made assessing the recoverability of the Investment. **Our results** – We found the balance of the Company's investments in subsidiaries and the related impairment charge to be acceptable (2022: acceptable)

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

Materiality for the Group financial statements as a whole was set at €17.1 million (2022: €18.8 million), determined with reference to a benchmark of total Group assets of €1,652 million (2022: €1,895 million), of which it represents 1% (2022: 1%).

In addition, we applied materiality of €2.17 million (2022: €1.51 million) to these specific components of adjusted earnings: invoiced rental income and income from rental guarantees, direct property costs (excluding gross service charges), net service charge expenses, management fees and finance expense from borrowings, for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Group.

Materiality for the parent company financial statements as a whole was set at €14.6 million (2022: €15.5 million), determined with reference to a benchmark of Company total assets of €1,468 million (2022: €1,555 million), of which it represents 1% (2022: 1%).

Performance materiality was set at 65% (2022: 65%) of materiality for the financial statements as a whole, which equates to €11.1 million (2022: €12.2 million) for the Group and €9.5 million (2021: €10.1 million) for the parent company. Specific item performance materiality was €1.41 million (2022: €0.98 million).

We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies in the control environment during the prior period.

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding €0.9 million (2022: €0.9 million) for the Group, €0.7 million (2022: €0.8 million) or €0.1 million (2022: €0.1 million) for misstatements relating to accounts to which the lower materiality was applied, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

The Group team performed the audit of the Group as if it was a single aggregated set of financial information. The Group team performed the parent company audit. The audit was performed using the materiality and performance materiality levels set out above.

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

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

Total Group assets

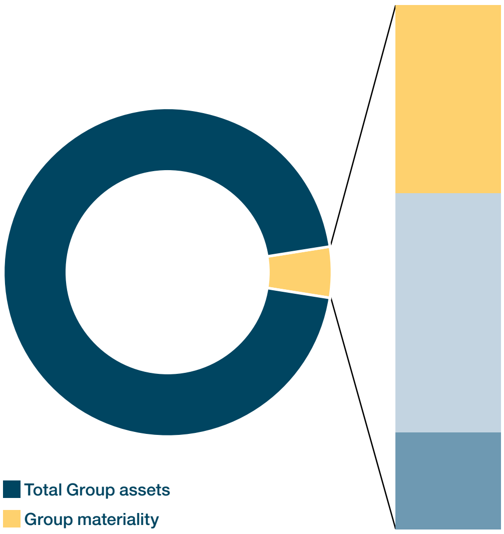
€1,652m

(2022: €1,895m)

Group Materiality

€17.1m

(2022: €18.8m)



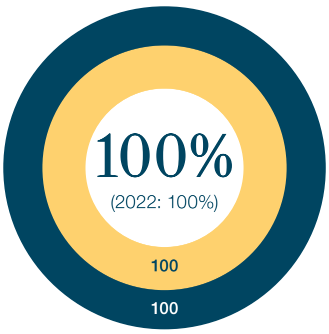
€17.1m
Whole financial statements materiality (2022: €18.80m)

€11.1m
Whole financial statements performance materiality (2022: €12.2m)

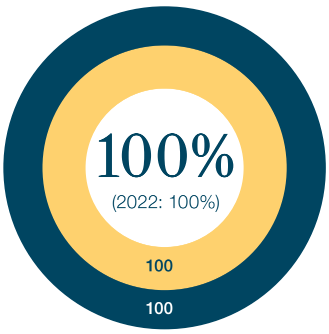
€2.2m
Materiality applied to components of adjusted earnings: invoiced rental income and income from rental guarantees, direct property costs (excluding gross service charges), net service charge expenses, management fees and finance expense from borrowings (2021: €1.51m)

€0.9m
Misstatements reported to the Audit & Risk Committee (2022: €0.94m)

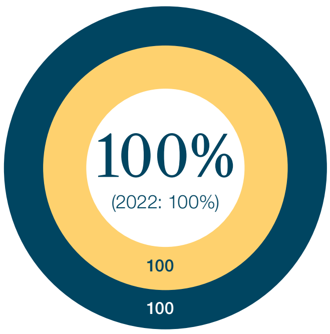
Group revenue



Group profit before tax



Group total assets



Full scope for group audit purposes 2023
Full scope for group audit purposes 2022

4. The Impact of climate change on our audit

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

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

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

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

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

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

We have also read the Group's disclosure of climate related information in the front half of the Annual Report as set out on pages 52 to 62, and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

5. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

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

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

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

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 63 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

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

Identifying and responding to risks of material misstatement due to fraud

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

Our risk assessment procedures included:

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

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment property valuations.

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

We performed procedures including:

- Identifying and selecting certain journal entries made at the end of the reporting period and post-closing journal entries for testing and comparing the identified entries to supporting documentation.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

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

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits, overseas taxation legislation and its qualification as an Investment Trust under UK tax legislation, any breach of which could lead to the company losing various deductions and exemptions from UK corporation tax. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: landlord and tenant legislation, property laws and building legislation, data protection, anti-money laundering, market abuse regulations, listing rules and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Group's investment manager and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

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

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Going concern and viability statement page 63 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Going concern and viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Going concern and viability statement, set out on page 63 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

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

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 102, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square London, E14 5GL
4 December 2023

Group Statement of Comprehensive Income

For the year ended 30 September 2023

	Note	**Year ended 30 September 2023 €m**	Year ended 30 September 2022 €m
Rental income	6	**68.07**	57.89
Service charge income	6	**10.79**	10.14
Other income	6	**1.03**	0.70
Gross property income	6	**79.89**	68.73
Direct property costs	7	**(14.15)**	(16.53)
Net property income		**65.74**	52.20
Fair value (loss)/gain on investment properties	14	**(285.43)**	49.94
Loss on disposal of investment property		**(2.73)**	—
Administrative and other expenses	8	**(16.35)**	(18.18)
Operating (loss)/profit		**(238.77)**	83.96
Finance income	10	**3.49**	—
Finance expense	10	**(5.21)**	(12.07)
Effect of foreign exchange differences	8	**(0.29)**	0.20
Changes in fair value and realised loss on interest rate derivatives	21	**(2.19)**	4.55
(Loss)/profit before taxation		**(242.97)**	76.64
Taxation	11	**19.61**	(17.87)
(Loss)/profit for the year		**(223.36)**	58.77
Other comprehensive income			
Foreign currency translation differences – foreign operations		**(6.43)**	(6.30)
Total comprehensive (loss)/income for the year attributable to the Shareholders		**(229.79)**	52.47
Earnings Per Share ("EPS") (expressed in cents per share)			
EPS – basic and diluted	12	**(27.68)**	7.28

Group Statement of Financial Position
As at 30 September 2023

	Note	30 September 2023 €m	30 September 2022 €m
Non-current assets			
Investment properties	14	**1,512.55**	1,765.60
Derivative financial instruments	21	**1.05**	4.43
Trade and other receivables	16	**1.76**	1.17
Deferred tax assets	11	**1.23**	2.11
Total non-current assets		**1,516.59**	1,773.31
Current assets			
Asset held for sale	15	**49.30**	—
Trade and other receivables	16	**33.63**	31.43
Cash and cash equivalents	17	**52.31**	90.18
Total current assets		**135.24**	121.61
Total assets		**1,651.83**	1,894.92
Current liabilities			
Trade and other payables	18	**(30.21)**	(38.80)
Income tax liability		**(1.32)**	(0.60)
Total current liabilities		**(31.53)**	(39.40)
Non-current liabilities			
Trade and other payables	18	**(1.71)**	(1.29)
Loan notes and borrowings	19	**(770.10)**	(701.07)
Deferred tax liabilities	11	**(27.22)**	(51.74)
Other liabilities	20	**(23.31)**	(33.62)
Customer deposit	24	**(2.34)**	(2.05)
Total non-current liabilities		**(824.68)**	(789.77)
Total liabilities		**(856.21)**	(829.17)
Net assets		**795.62**	1,065.75
Equity			
Share capital	25	**8.07**	8.07
Share premium reserve		**597.58**	597.58
Translation reserve		**(12.67)**	(6.24)
Retained earnings		**202.64**	466.34
Total equity		**795.62**	1,065.75
Net Asset Value ("NAV") per share (expressed in Euro per share)			
Basic NAV	26	**0.99**	1.32
EPRA NTA	26	**1.02**	1.38

The financial statements were approved by the Board of Directors on 4 December 2023 and signed on its behalf by:

Robert Orr
Independent Chairman

Company registration number: 11367705

Group Statement of Changes in Equity

For the year ended 30 September 2023

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2022		8.07	597.58	(6.24)	466.34	1,065.75
Net loss for the year		—	—	—	(223.36)	(223.36)
Other comprehensive loss		—	—	(6.43)	—	(6.43)
Total comprehensive loss		—	—	(6.43)	(223.36)	(229.79)
Contributions and distributions:						
New share capital subscribed	25	—	—	—	—	—
Associated share issue costs		—	—	—	—	—
Dividends paid	13	—	—	—	(40.34)	(40.34)
Total contributions and distributions		—	—	—	(40.34)	(40.34)
At 30 September 2023		**8.07**	**597.58**	**(12.67)**	**202.64**	**795.62**

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	0.06	447.91	1,053.50
Net profit for the year		—	—	—	58.77	58.77
Other comprehensive income		—	—	(6.30)	—	(6.30)
Total comprehensive income		—	—	(6.30)	58.77	52.47
Contributions and distributions:						
New share capital subscribed	25	—	0.14	—	—	0.14
Associated share issue costs		—	(0.02)	—	—	(0.02)
Dividends paid	13	—	—	—	(40.34)	(40.34)
Total contributions and distributions		—	0.12	—	(40.34)	(40.22)
At 30 September 2022		8.07	597.58	(6.24)	466.34	1,065.75

Group Cash Flow Statement

For the year ended 30 September 2023

	Note	For the year ended 30 September 2023 €m	For the year ended 30 September 2022 €m
Cash flows from operating activities			
Loss/profit for the year		**(223.36)**	58.77
Result on disposal of investment property		**2.73**	—
Changes in fair value of investment properties	14	**285.43**	(49.94)
Changes in value of interest rate derivatives	21	**3.91**	(4.38)
Tax (credit)/expense	11	**(19.61)**	17.87
Net finance expense	10	**1.72**	12.07
Spreading of customer lease incentives	6	**(1.67)**	(2.45)
Amortisation of capital contribution and lease commissions	6	**0.95**	0.54
(Increase)/decrease in trade and other receivables		**(3.54)**	(24.30)
Increase/(decrease) in trade and other payables		**(8.10)**	15.06
Increase/(decrease) in other liabilities		**(7.78)**	8.37
Cash generated from operations		**30.68**	31.61
Tax paid		**(3.31)**	(0.92)
Net cash flow generated from operating activities		**27.37**	30.69
Investing activities			
Purchase of investment properties	14	**(25.89)**	(288.41)
Disposal of investment properties		**59.06**	—
Disposal of assets held for sale		**—**	—
Improvements to investment properties and development expenditure	14	**(127.13)**	(144.79)
Rental guarantees and developer licence fees received		**9.20**	8.74
Net cash flow used in investing activities		**(84.76)**	(424.46)
Financing activities			
Net proceeds from issue of Ordinary Share capital		**—**	0.12
Loans received	19	**126.00**	206.48
Loans repaid	19	**(59.50)**	—
Premium paid for interest rate cap	21	**(0.53)**	—
Finance expense paid		**(5.23)**	(8.96)
Dividends paid to equity holders	13	**(40.34)**	(40.34)
Net cash flow generated from financing activities		**20.40**	157.30
Net movement in cash and cash equivalents for the year		**(36.99)**	(236.47)
Cash and cash equivalents at start of the year	17	**90.18**	329.73
Unrealised foreign exchange gains		**(0.88)**	(3.08)
Cash and cash equivalents at end of the year		**52.31**	90.18

1. Corporate information

The consolidated financial statements of the Group for the year ended 30 September 2023 comprise the results of Tritax EuroBox plc ("the Company") and its subsidiaries (together "the Group") and were approved by the Board for issue on 4 December 2023. The Company is a public limited company incorporated and domiciled in England and Wales. The registered address of the Company is disclosed in the Company Information.

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

Accounting policies

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards (UK-adopted IFRS) and the applicable legal requirements of the Companies Act 2006. The Group's financial statements have been prepared on a historical cost basis, as modified for the Group's investment properties and interest rate derivatives, which have been measured at fair value through the Group profit or loss.

The Group has chosen to adopt EPRA (European Public Real Estate Association – www.epra.com/finance/financial-reporting/guidelines) best practice guidelines for calculating key metrics such as net tangible assets ("NTA") and Earnings Per Share. The Group has decided to adopt EPRA NTA as its primary EPRA NAV measure. These are disclosed in notes 12 and 26.

2.1. Going concern

The Directors have prepared cash flow forecasts for the Group for a period of at least 12 months from the date of approval of the consolidated financial statements.

The assumptions underpinning these forecast cash flows and covenant compliance forecasts were sensitised, to explore the Group's resilience to the potential impact of its significant risks, or a combination of those risks, as detailed in the scenarios below.

1) The combined impact of four key customers defaulting without replacement, combined with a 12-month delay in letting properties under development.
2) Yield expansion resulting in further property valuation falls and the impact on debt covenants.
3) Worsening macroeconomic environment resulting in increasing debt costs and inability to execute disposals.

The above sensitivities indicated that the Group would be able to operate within its existing facilities and maintain covenant compliance in a severe but plausible downside.

The Group's cash balance at 30 September 2023 was €52.31 million. It also had undrawn amounts under its unsecured Revolving Credit Facility ("RCF") of a further €172.50 million at the date of approval of these financial statements. Of the Group's total loans and facilities (RCF, Green Bond and USPP), €250 million mature in 2025, €500 million in 2026, €100 million in 2029, €50 million in 2032 and €50 million in 2034. The loan includes financial covenants for loan to value ("LTV"), interest cover ratio ("ICR") and gearing. These covenants have been complied with throughout the year and up to the date of approval of these financial statements.

The LTV covenant is measured quarterly based on the property valuation as used in the consolidated financial statements. Based on the most recent valuation the Group retained headroom against a covenant limit, reporting 46.4% against the limit of 65%. LTV would breach 65% if the valuation of the Group's investment properties were to decrease by 28.6%, based on the latest valuation.

The gearing covenant is measured quarterly based on consolidated total net borrowings to consolidated Shareholders' funds. Based on the most recent reporting the Group retained headroom against the covenant limit, reporting 91% against the limit of 150%. Gearing would breach 150% if the valuation of the Group's investment properties were to decrease by 20%, based on the latest valuation. The Directors are confident that there's sufficient headroom from the potential downside scenarios identified in the reverse stress tests.

LTV and gearing covenants are measured using "net borrowings" which reduces the drawn debt by the Group's cash holdings at each measurement date.

The ICR covenant is measured as the ratio of the Group's consolidated earnings before income and tax, subject to certain adjustments, to consolidated net finance costs in respect of any measurement period, by reference to accounting income (see Notes to the EPRA and Other Key Performance Indicators).

Based on the most recent reporting, the Group was not in breach of covenant minimum, reporting 4.81 times which was above the 1.5 times minimum.

As a result of the above considerations the Directors forecast that covenant compliance will continue for at least the next 12 months.

Consequently, the Directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Significant accounting judgements, estimates and assumptions

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

3.1. Judgements

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

Business combinations

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Under the Definition of a Business (Amendments to IFRS 3 "Business Combinations"), to be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The Group applies the optional "concentration test" in determining whether an acquisition is a business combination; where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. Therefore, the Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

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

3. Significant accounting judgements, estimates and assumptions continued

3.1. Judgements continued

Business combinations continued

In the current and prior periods all acquisitions were accounted for as asset acquisitions as in all acquisitions substantially all of the fair value of the gross assets acquired was concentrated in a single asset.

Segment reporting

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

3.2. Estimates

Fair valuation of investment property

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

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards January 2022 (the "Red Book"). Factors reflected include current market conditions, annual rentals, lease lengths and location. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in note 14.

4. Summary of significant accounting policies

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company up to 30 September 2023.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. For acquisitions not considered business combinations, the cost of acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised. Non-controlling interests are accounted for in section 4.5.

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

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

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

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

4.2. Investment property and investment property under construction

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

Investment property is recognised when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably. The cost of investment property includes potential payments under put options granted to non-controlling interests of subsidiaries which own investment property. Rent guarantees and top-ups paid by a vendor to the Group to compensate the Group for vacant space or rent-free periods are treated as part of the cost of the property acquired and offset the initial purchase consideration. Such receipts are included in the Group's Adjusted EPS in note 12. Transaction costs include transfer taxes, professional fees for legal and other services and other costs incurred in order to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the Group profit or loss.

Investment properties under construction are financed by the Group where the Group enters into contracts for both pre-let properties and speculative development under a funding agreement. All such contracts specify a fixed amount of consideration. The speculative development risk is mitigated by having rental guarantees in place to mitigate this risk. Investment properties under construction are initially recognised at cost (including any associated costs), which reflect the Group's investment in the assets. Development payments made in line with funding agreements are recognised in additions. Subsequently, the assets are remeasured to fair value at each reporting date. The fair value of investment properties under construction is estimated as the fair value of the completed asset less any costs still payable in order to complete.

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

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

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

4. Summary of significant accounting policies continued

4.3. Assets held for sale

A non-current asset or disposal group is classified as held for sale when the carrying amount will be recovered principally through sale rather than through continuing use. Four criteria must all be satisfied to trigger disclosure as an asset held for sale. These are; the asset is available for immediate sale, it is management's intent to dispose of the asset, there are active efforts to promote its disposal, and sale is highly probable within one year. Such assets or disposal groups are measured at the lower of the carrying amount and fair value less costs to sell and once classified as held for sale, the asset is no longer amortised or depreciated. Investment property that is classified as held for sale is held at fair value.

4.4. Financial instruments

Fair value hierarchy

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

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

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

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

4.4.1. Financial assets

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

Derivative financial instruments

Derivative financial instruments refer to interest rate caps purchased for hedging purposes which are initially recognised at fair value plus costs of acquisition and are subsequently measured at fair value. The Group does not apply hedge accounting and hence the gain or loss at each fair value remeasurement date is recognised in the profit or loss.

Amortised cost

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

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

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

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

4.4.2. Financial liabilities

The Group classifies its financial liabilities as amortised cost.

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

Loans and borrowings

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

Extensions of bank borrowings under accordion options in the original facility agreement are treated as changes in estimated cash flows under the original financial liability.

Other non-derivative financial liabilities

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

4.5. Put option liabilities

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

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

4.6. Forward funded pre-let investments

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

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

4. Summary of significant accounting policies continued

4.7. Dividends payable to Shareholders

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

4.8. Property income

4.8.1. Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in gross rental income in the Group profit or loss. The lease term is the non-cancellable period of the lease. Customer break clauses are assumed to be exercised unless it is reasonably certain at inception of the lease that the break will not be exercised.

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

Amounts received from customers to terminate leases or to compensate for dilapidations are recognised in the Group Statement of Comprehensive Income when the right to receive them arises. Similarly, amounts paid to customers to terminate leases are recognised in the Group Statement of Comprehensive Income.

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

4.8.2. Service charges and other income

Income from providing services is recognised in the accounting period in which the services are rendered. Revenue from services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided and recognised over time. The Group generally acts as the principal in service charge transactions as it directly controls the delivery of the services at the point they are provided to the customer. Where the Group acts as a principal, service charge income is presented gross within revenue and service charge expense presented gross within costs.

4.9. Finance income

Finance income is recognised as interest accrues on cash balances and short-term deposits held by the Group. Finance income is also recognised in respect of interest rate derivatives. Interest charged to a customer on overdue rental income is also recognised within finance income.

4.10. Finance costs

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

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

4.11. Taxation

The Company is approved by HMRC as an investment trust under Section 1158 of the Corporation Tax Act 2010.

In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its capital gains. The Company is, however, liable to UK corporation tax on its income.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the “exempt classes” in Part 9A of the CTA 2009. The Company is also able to elect to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period referred to as the “streaming” regime. Under regulations made pursuant to the Finance Act 2009, the Company may designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. If the Company designates any dividend it pays in this manner, it is able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the Consolidated Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Where corporation tax arises in subsidiaries, these amounts are charged to the Consolidated Statement of Comprehensive Income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet in the countries where the Group operates.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. The rates used in the calculation of deferred tax are in accordance with legislation where the Group operates.

4. Summary of significant accounting policies continued

4.11. Taxation continued

Deferred tax continued

The carrying values of the Group's investment properties are assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the Consolidated Balance Sheet regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

4.12. Provision

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

4.13. Foreign currency translation

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

The assets and liabilities of Sweden are translated to the Group's presentational currency, Euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

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

5. Standards in issue

5.1. Standards in issue and effective from 1 October 2022

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

5.2. New standards issued but not yet effective

There are new standards and amendments to standards and interpretations which have been issued that are effective in future accounting periods, and which the Group has decided not to adopt early. None of these are expected to have a material impact on the consolidated financial statements of the Group.

Certain new accounting standards and amendments are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these financial statements:

- IFRS 17 'Insurance contracts';
- Amendments to IAS 1, 'Presentation of Financial Statements', on classification of liabilities;
- Amendments to IAS 8, 'Accounting policies, Changes in Accounting Estimates and Errors', definition of accounting estimates;
- Amendments to IAS 1, 'Presentation of Financial Statements', disclosure of accounting policies;
- Amendments to IAS 12 – 'Deferred taxes related to assets and liabilities arising from a single transaction'; and
- Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information'.

The amendments that are not yet effective are not expected to have a material impact on the Group in the current or future reporting periods and on the foreseeable future transactions.

6. Gross property income

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Rental income	**67.35**	55.98
Spreading of customer incentives	**1.67**	2.45
Amortisation of capital contribution and lease commission	**(0.95)**	(0.54)
Gross rental income	**68.07**	57.89
Service charges recoverable	**10.79**	10.14
Other income	**1.03**	0.70
Gross property income	**79.89**	68.73

The Group derives property income from the following countries:

Gross property income (€m)	Belgium	Germany	Spain	Italy	Poland	The Netherlands	Sweden	Total
30 September 2023	**9.00**	**32.69**	**10.97**	**9.85**	**6.66**	**7.66**	**3.06**	**79.89**
30 September 2022	7.98	28.34	10.77	8.95	6.18	4.00	2.51	68.73

The undiscounted future minimum lease payments under non-cancellable operating leases receivable by the Group are as follows:

	Less than 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	More than 5 years €m	Total €m
30 September 2023	**71.41**	**70.59**	**64.79**	**62.51**	**53.57**	**284.28**	**607.15**
30 September 2022	64.98	63.74	60.27	55.65	53.22	262.64	560.50

The Group's investment properties are leased mainly to single customers, some of which have rental securities attached (bank or parent guarantees, cash deposit), under the terms of a commercial property lease. The majority have rent indexation that are linked to either RPI/CPI or fixed uplifts.

There is one customer (€9.73 million) representing more than 10% of rental income during the year (2022: two customers €7.75 million and €6.29 million). As of 30 September 2023, one customer represented more than 10% of passing rent (2022: one customer).

7. Direct property costs

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Service charge expense	**11.60**	10.49
Other expenses	**2.55**	1.74
Lease surrender payment[1]	**—**	4.30
Total property expenses	**14.15**	16.53

1 Payment to terminate existing lease.

8. Administrative and other expenses

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Investment management fees[1]	**9.29**	11.86
Directors' remuneration (note 9)	**0.35**	0.32
Auditor's fees:		
Fees payable for the audit of the Company's accounts	**0.53**	0.51
Fees payable for the review of the Company's interim accounts	**0.07**	0.07
Fees payable for the audit of the Company's subsidiaries	**0.35**	0.12
Total Auditor's fee	**0.95**	0.70
Corporate administration fees	**1.89**	1.80
Regulatory fees	**0.11**	0.12
Legal and professional fees	**2.28**	2.03
Marketing and promotional fees	**0.93**	0.70
Other administrative costs	**0.55**	0.65
Total administrative and other expenses	**16.35**	18.18

1 Investment management fees include fees payable to Tritax Management LLP for €5.47 million (30 September 2022: €7.88 million (see note 27)). The remaining €3.82 million (2022: €3.98 million) was paid to asset managers and property managers.

The effect of foreign exchange differences for the year ended 30 September 2023 consists of an unrealised foreign exchange currency loss of €0.29 million (2022: unrealised foreign exchange currency gain of €0.28 million and offset by realised foreign exchange currency loss of €0.08 million).

9. Directors' remuneration

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Directors' fees	**0.22**	0.21
Employer's National Insurance	**0.13**	0.11
Total Directors' remuneration	**0.35**	0.32

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report (page 97).

Personnel

During the current and prior periods the Company did not have any personnel, besides the Directors of the Company.

10. Finance income and expense

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Interest income on interest rate derivative	**3.41**	—
Interest received on bank deposits	**0.08**	—
Total finance income	**3.49**	—
Interest payable on loans and bank borrowings and other liabilities	**11.91**	6.76
Commitment fees payable on bank borrowings	**0.99**	1.13
Present value movement on remeasurement of put option and repayment	**(10.89)**	0.90
Bank fees	**0.25**	0.80
One-off cost of bank loans	**—**	0.05
Amortisation of loan arrangement fees and derivative financial instrument	**2.95**	2.43
Total finance expense	**5.21**	12.07

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €12.90 million (30 September 2022: €7.89 million), of which €nil was capitalised in both periods, and amortisation of loan arrangement fees of €2.55 million (30 September 2022: €2.43 million), of which €nil million (30 September 2022: €2.40 million) of the loan agreement fees was capitalised into the loan in the year (see note 19).

The fair value movement on remeasurement of put option relates to the minority interest in the Group's German properties. This reflects the minority interest's share of the respective financial result for the financial year, for further details see note 20 and accounting policy 4.5.

11. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Current taxation:		
UK taxation	**–**	–
Overseas taxation – current year	**(1.71)**	(1.19)
Overseas taxation – prior year adjustment	**–**	–
Deferred taxation:		
UK taxation	**–**	–
Overseas taxation	**21.32**	(16.68)
Total tax credit/(charge)	**19.61**	(17.87)

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the year in accordance with its status as an Investment Trust Company ("ITC").

In the 3 March 2021 Budget it was announced that, from 1 April 2023, the UK main rate of corporation tax would be increased to 25%. Given that the Company's tax charge is €nil, due to its status as an ITC, there is no anticipated consequential effect on the future tax charge.

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
(Loss)/profit before taxation	**(242.97)**	76.64
Theoretical tax at UK corporation tax rate of blended 22% (30 September 2022: 19%)	**53.45**	(14.56)
Losses and other differences where no deferred taxes have been recognised	**(33.68)**	(2.52)
Impact of different tax rates on foreign jurisdictions	**(3.28)**	(2.50)
Expenses not deductible for tax purposes	**1.19**	(0.99)
Impact of UK interest distributions from the Investment Trust	**1.93**	2.65
Prior year adjustment to current tax	**–**	0.05
Total tax credit/(charge)	**19.61**	(17.87)

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Deferred tax assets:		
Differences between tax and property revaluation	**0.71**	1.64
Tax losses carried forward	**0.52**	0.47
Other	**–**	–
Total	**1.23**	2.11

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Deferred tax liabilities:		
Differences between tax and property revaluation	**27.22**	51.74
Other	**–**	–
Total	**27.22**	51.74

The amount of unutilised tax losses and tax credits for which no deferred tax asset is recognised in the profit and loss account was €16.1 million (2022: €9.6 million).

12. Earnings Per Share

Earnings Per Share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of Ordinary Shares in issue during the year. As at 30 September 2023 and 2022, there are no dilutive or potentially dilutive equity arrangements in existence.

The calculation of EPS is based on the following:

For the year ended 30 September 2023	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings Per Share cents
Basic EPS	**(223.36)**	**806,804**	**(27.68)**
Adjustments to remove:			
Deferred tax charge/(credit) (note 11)	**(21.32)**		
Changes in fair value of investment properties and investment property under construction (note 14)	**285.43**		
Changes in fair value of interest rate derivatives (note 21)	**1.70**		
Loss on disposal on investment properties	**2.73**		
Loss on disposal of financial derivatives (note 21)	**0.49**		
EPRA EPS	**45.67**	**806,804**	**5.66**
Adjustments to (exclude)/include:			
Rental income recognised in respect of fixed uplifts	**(0.72)**		
Amortisation of loan arrangement fees	**2.55**		
Unrealised foreign exchange currency loss (note 8)	**0.29**		
Present value movement on remeasurement of put option and repayment (note 20)	**(10.89)**		
Rental guarantee receipts and developer's licence fee excluded from property income – settled via cash[2]	**9.20**		
Finance income from financial derivatives	**(1.63)**		
Adjusted EPS	**44.47**	**806,804**	**5.51**

For the year ended 30 September 2022	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings Per Share cents
Basic EPS	58.77	806,779	7.28
Adjustments to remove:			
Deferred tax charge and capital gains tax on disposal of investment properties (note 11)	16.68		
Changes in fair value of investment properties and investment property under construction (note 14)	(49.94)		
Changes in fair value of interest rate derivatives (note 21)	(4.66)		
EPRA EPS	20.85	806,779	2.58
Adjustments to (exclude)/include:			
Rental income recognised in respect of fixed uplifts	(1.90)		
Amortisation of loan arrangement fees	2.43		
Unrealised foreign exchange currency loss	(0.26)		
Fair value movement on remeasurement of put option (note 20)	0.05		
Rental guarantee receipts and developer's licence fee excluded from property income – settled via cash[2]	8.74		
Lease surrender payment[3]	4.30		
Adjusted EPS	34.21	806,779	4.24

1 Based on the weighted average number of Ordinary Shares in issue throughout the period.

2 This is offset against the cost of investment properties.

3 Capital investment to terminate an existing lease in Hammersbach to harness rental growth resulting in longer-term value to the business – refer to note 7.

12. Earnings Per Share continued

Adjusted Earnings is a performance measure used by the Board to assess the level of the Group's dividend payments. The metric mainly adjusts EPRA earnings for:

i. Exclusion of non-cash items credited or charged to the Group Statement of Comprehensive Income, such as fixed rental uplift adjustments and amortisation of loan arrangement fees;

ii. Inclusion of licence fees which relate to cash received from developers during development periods, in order to access the land;

iii. Inclusion of rental guarantee adjustments which relate to acquired assets with properties which have had an income guarantee attached to them as part of the acquisition of the asset. The rental guarantee is released (through a cash movement or contracted liability settlement) as Adjusted Earnings over the period of the lease which it is intended to cover or lease break. However, this release does not go through rental income in the Group Statement of Comprehensive Income, and as such an adjustment is made to recognise the receipt;

iv. Exclusion of exceptional items, considered as an expense under IFRS, which are capital in substance and nature and result in longer-term value to the business; and

v. Exclusion of the over hedged portion of interest income from financial derivatives, considered as income under IFRS, as financing activities are not part of the Group's operations.

13. Dividends paid

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Final dividend in respect of year ended 30 September 2022 at 1.25 cents per Ordinary Share (30 September 2021: 1.25 cents)	**10.08**	10.08
First interim dividend in respect of year ended 30 September 2023 at 1.25 cents per Ordinary Share (30 September 2022: 1.25 cents)	**10.09**	10.08
Second interim dividend in respect of year ended 30 September 2023 at 1.25 cents per Ordinary Share (30 September 2022: 1.25 cents)	**10.08**	10.09
Third interim dividend in respect of year ended 30 September 2023 at 1.25 cents per Ordinary Share (30 September 2022: 1.25 cents)	**10.09**	10.09
Total dividends paid	**40.34**	40.34
Total dividends paid for the year	**3.75 cents**	3.75 cents
Total dividends unpaid but declared for the year	**1.25 cents**	1.25 cents
Total dividends declared for the year	**5.00 cents**	5.00 cents

On 5 December 2023 the Directors of the Company declared a fourth interim dividend in respect of the period from 1 July 2023 to 30 September 2023 of 1.25 cents per Ordinary Share, which will be payable on or around 12 January 2024 to Shareholders on the register on 15 December 2023.

Out of €40.34 million (30 September 2022: €40.34 million) dividends declared for the year, €15.09 million (30 September 2022: €8.79 million) is designated as interest distribution.

14. Investment properties

The Group's investment property has been valued at fair value by CBRE an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The prior year's valuation was carried out by Jones Lang LaSalle. The valuations have been prepared in accordance with the RICS Valuation – Global Standards January 2022 (the "Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13. In forming its opinion, CBRE makes a series of assumptions, which are typically market related, such as yields and expected rental values, and are based on the valuer's professional judgement and the current tenancy of the properties.

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

The total valuation fee incurred by the Group in the year amounts to €132,055 (period ended 30 September 2022: €124,800). The fee is not contingent on the valuation of the properties.

Other than Tritax EuroBox plc, the external valuer provides valuation and research-related services to the Tritax Group, as well as to other funds Tritax Group manages. The Directors ensure full independence of the valuer.

All acquisitions during the current and prior period have been treated as asset purchases rather than business combinations (see note 3.1).

During the year, the Group acquired land at Oberhausen. The acquisition was finalised on 5 January 2023, shown in the table below under investment properties under construction.

14. Investment properties continued

	Investment properties completed €m	Investment properties under construction €m	Investment properties total €m
At 1 October 2022	1,543.87	221.73	1,765.60
Acquisition of properties[1]	1.13	7.05	8.18
Additions to investment properties	2.42	142.42	144.84
Transfer from investment properties under construction to investment properties	339.87	(339.87)	—
Investment property transferred to asset held for sale	(49.30)	—	(49.30)
Disposal of investment property	(65.70)	—	(65.70)
Licence fees and rental guarantees received	(3.21)	—	(3.21)
Fixed rental uplift and customer lease incentives[2]	4.64	—	4.64
Amortisation of rental uplift and customer lease incentives[2]	(1.49)	—	(1.49)
Change in fair value during the year[3]	(271.79)	(13.64)	(285.43)
Foreign exchange movement during the year	(5.58)	—	(5.58)
As at 30 September 2023	**1,494.86**	**17.69**	**1,512.55**

	Investment properties completed €m	Investment properties under construction €m	Investment properties total €m
At 1 October 2021	1,257.35	24.03	1,281.38
Acquisition of properties[1]	168.65	134.52	303.17
Additions to investment properties	1.41	143.38	144.79
Transfer from investment properties to investment properties under construction	(1.30)	1.30	—
Transfer from investment properties under construction to investment properties	70.17	(70.17)	—
Licence fees and rental guarantees received	(0.44)	(14.31)	(14.75)
Fixed rental uplift and customer lease incentives[2]	5.66	—	5.66
Amortisation of rental uplift and customer lease incentives[2]	(1.35)	—	(1.35)
Change in fair value during the year[3]	46.87	3.07	49.94
Foreign exchange movement during the year	(3.15)	(0.09)	(3.24)
As at 30 September 2022	1,543.87	221.73	1,765.60

1 This includes acquisition costs of €0.64 million (30 September 2022: €13.81 million) and relates to the purchase of land at Oberhausen.

2 This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent-free periods, which requires the recognition of rental income on a straight-line basis over the lease term. The amount as at 30 September 2023 was €13.30 million (30 September 2022: €10.94 million). The difference between this and cash receipts changes the carrying value of the property against which revaluations are measured (also see note 6).

3 Included in the fair value change in the year were unrealised gains of €6.16 million (30 September 2022: €93.08 million) and unrealised losses of €291.59 million (30 September 2022: €43.14 million).

	30 September 2023 €m	30 September 2022 €m
Investment properties in balance sheet and asset held for sale (see note 15)	**1,561.85**	1,765.60
Rental guarantee held in separate receivable	**2.90**	6.93
Total external valuation of investment properties	**1,564.75**	1,772.53

As at 30 September 2023, the Group had €22.9 million of outstanding capital commitments in relation to its forward funded development assets (30 September 2022: €123.7 million):

- Stryków €1.8 million; and
- Oberhausen €21.1 million.

These costs are not provided for in the Statement of Financial Position. Capital commitments represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin.

14. Investment properties continued

Valuation risk

There is risk to the fair value of real estate assets that are part of the portfolio of the Group, comprising variation in the yields that the market attributes to the real estate investments and the market income that may be earned.

Real estate investments can be impacted adversely by external factors such as the general economic climate, supply and demand dynamics in the market, climates risks, competition, and increase in operating costs.

Besides asset-specific characteristics, general market circumstances affect the value and income from investment properties such as the cost of regulatory requirements related to investment properties, interest rate levels and the availability of financing.

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

As of the date of this Annual Report, the only investments of the Group that have been identified consist of the current portfolio as specified in the Management Report.

With respect to new investments, management will be targeting specific investment categories based on the Group's investment objective and restrictions. Because such investments may be made over a substantial period of time, the Group faces the risk of interest rate fluctuations in case of leveraging these investments and adverse changes in the real estate markets.

Fair value hierarchy

The Group considers that all of its investment properties and investment properties under construction fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

The valuations have been prepared on the basis of market value ("MV"), which is defined in the RICS Valuation Standards as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

MV as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques

Investment properties completed: income approach

The income method (or income approach) quantifies the net present value of future benefits associated with the ownership of the asset by totalling the current tenancy of the property, followed by the demand market rent on lease expiry, capitalised at an appropriate yield. The methodology is based on a direct capitalisation model where the lease-based income has been capitalised with an all-risk yield in perpetuity. The choice of this methodology represents the likely basis of analysis to be used by a potential purchaser for this type of property (income producing).

Investment properties under construction: residual approach or equivalent

The residual approach or equivalent for properties under construction takes the expected valuation of the finished property using the income approach and deducts forecast costs to complete the development and an allowance for developer's profit.

Unobservable input: estimated rental value ("ERV")

ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location derived from comparable evidence as identified by the independent valuer. At 30 September 2023, the range was between €33 and €104 per square metre, per annum (2022: €44 and €94). The Group has not disclosed the weighted average ERV due to the large dispersion of these due to the different markets that the properties are located in.

Unobservable input: yield

Yield is dependent on the customer, lease length and the other variables listed above for ERV, derived from comparable evidence as identified by the independent valuer. At 30 September 2023, the weighted average yield for standing assets was 4.43% and the range was between 3.56% and 5.70% (2022: 3.28% and 4.89%). Implicit in the yield is the valuer's consideration of climate risks.

Yield and ERV are not necessarily independent variables. It is possible a change in one assumption may result in an offsetting change to the other but equally the change in both assumptions may increase the impact on valuation.

Sensitivities of measurement of significant unobservable inputs

As set out within significant accounting estimates and judgements above, the Group's property portfolio valuation is open to estimation uncertainty and is inherently subjective by nature. At the balance sheet date, when the property portfolio was valued, the Group considered the range used below, in the sensitivity analysis, to be appropriate as at that date. As in a stabilised logistics market, the ranges used represent reasonable possible changes in unobservable inputs.

14. Investment properties continued

Valuation techniques continued

Sensitivities of measurement of significant unobservable inputs continued

As a result the following sensitivity analysis has been prepared for investment properties:

	-0.25% yield €m	+0.25% yield €m	-5% in ERV €m	+5% in ERV €m
Increase/(decrease) in the fair value of investment properties as at 30 September 2023	**85.45**	**(76.19)**	**(52.79)**	**53.08**
Increase/(decrease) in the fair value of investment properties under construction and land as at 30 September 2023	**5.05**	**(4.56)**	**(4.83)**	**4.83**
Increase/(decrease) in the fair value of investment properties as at 30 September 2022	95.69	(84.74)	(31.67)	33.82
Increase/(decrease) in the fair value of investment properties under construction as at 30 September 2022	19.45	(17.48)	(14.07)	15.14

The CBRE valuation includes deductions for transaction costs that would be incurred by a hypothetical purchaser at the valuation date. These costs include Real Estate Transfer Tax ("RETT") equivalent to stamp duty except for properties in Belgium, Poland and Sweden. In Belgium, Poland and Sweden, the local valuation practice is to exclude such costs given the prevalence of corporate rather than asset transactions in these markets.

15. Asset held for sale

	30 September 2023 €m	30 September 2022 €m
Asset held for sale	**49.30**	—

Asset held for sale relates to an investment property for which there was Investment Committee approval to dispose of at the year-end date, and the intention is to dispose of the asset, which is highly probable to be disposed of within 12 months. The asset is expected to be disposed of via a share deal, with the investment in subsidiary balance detailed as a current asset in the parent company financial statements.

16. Trade and other receivables

Non-current trade and other receivables	**30 September 2023 €m**	30 September 2022 €m
Cash in public institutions	**1.76**	1.17

The cash in public institutions is a deposit of €1.76 million given by the customer for the property in Barcelona, Spain.

Current trade and other receivables	**30 September 2023 €m**	30 September 2022 €m
Trade receivables	**1.77**	1.34
Prepayments, accrued income and other receivables[1]	**28.89**	18.61
VAT receivable[2]	**2.97**	11.48
	33.63	31.43

1 Other receivables includes a fitout cost of €6.75 million receivable from a tenant, and two subsidies totalling €11.58 million receivable from KfW, the German development bank, on recently completed developments (30 September 2022: €nil).

2 VAT receivable includes VAT on capital expenditure across the developments and a reclaim on the purchase of the property in Italy of €0.93 million (30 September 2022: €1.00 million).

The following table sets out the ageing of trade receivables as at 30 September 2023:

Past due but not impaired	**30 September 2023 €m**	30 September 2022 €m
<30 days	**1.11**	0.92
30–60 days	**—**	—
60–90 days	**0.15**	0.02
90 days+	**0.72**	0.40
Total	**1.98**	1.34
Past due and impaired	**(0.21)**	—
Total	**1.77**	1.34

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

16. Trade and other receivables continued

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Both the expected credit loss provisions in the current and prior period are immaterial.

No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

17. Cash and cash equivalents

	30 September 2023 €m	30 September 2022 €m
Cash and cash equivalents	**52.31**	90.18

At the year-end there are no balances deemed as cash equivalents. All cash held under the Italian subsidiaries fund are subject to local dividend distribution rules which means that dividends can only be paid twice a year. The amount of cash held in Italy as at 30 September 2023 was €9.23 million (30 September 2022: €24.40 million).

18. Trade and other payables

Non-current trade and other payables	**30 September 2023 €m**	30 September 2022 €m
Other payables	**1.71**	1.29

Current trade and other payables	**30 September 2023 €m**	30 September 2022 €m
Trade and other payables	**8.25**	7.44
Bank loan interest payable	**2.38**	2.40
Deferred income	**2.54**	2.97
Accruals	**15.62**	25.99
VAT liability	**1.42**	—
	30.21	38.80

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

19. Loan notes and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 22.

	30 September 2023 €m	30 September 2022 €m
Bank borrowings	**76.25**	9.11
Loan notes	**693.85**	691.96
Non-current liabilities: loans and borrowings	**770.10**	701.07

The Group has €200 million US private placement debt split into three tranches: €100 million with a coupon of 1.216% maturing in 2029, €50 million with a coupon of 1.449% maturing in 2032, and €50 million with a coupon of 1.590% maturing in 2034. The 0.95% Green Bond matures in 2026.

The Group has a long-term Revolving Credit Facility ("RCF") (see table below). The loan has a margin of 1.2% to 1.9% above the higher of zero or Euribor, depending on the drawn level and the prevailing LTV ratio.

	Facility €m	Maturity date
Banco Santander	58.8	19 October 2025
BNP Paribas	58.8	19 October 2025
Bank of China	58.8	19 October 2025
Bank of America	58.8	19 October 2025
Banco de Sabadell	14.8	19 October 2025
Total RCF	250.0	

As at 30 September 2023, 73.7% (2022: 73.7%) of the Group's debt facilities are fixed term with 26.3% floating term (2022: 26.3%). The weighted average term to maturity of the Group's total debt facilities at the year end is 3.5 years (30 September 2022: 4.5 years). The LTV across all drawn debt was 46.4%.

19. Loan notes and borrowings continued

The Group has been in compliance with all of the financial covenants of the Group's loans and borrowings facilities as applicable throughout the year covered by the financial statements.

Any associated fees in arranging the loan and borrowings that are unamortised as at the year end are offset against amounts drawn on the facilities as shown in the table below:

Bank borrowings drawn	30 September 2023 €m	30 September 2022 €m
Bank borrowings at the beginning of the year	**9.11**	—
Bank borrowings drawn in the year	**126.00**	11.00
Bank borrowings repaid in the year	**(59.50)**	—
Loan issue costs paid	**(0.01)**	(0.45)
Non-cash amortisation of loan issue costs	**0.65**	0.55
Reclass unamortised loan issue costs to/(from) prepayments	**—**	(1.99)
Non-current liabilities: borrowings	**76.25**	9.11

Loan notes	30 September 2023 €m	30 September 2022 €m
Green Bond	**500.00**	500.00
1.216% USPP 2029	**100.00**	100.00
1.449% USPP 2032	**50.00**	50.00
1.590% USPP 2034	**50.00**	50.00
Less: unamortised costs on loan notes	**(6.15)**	(8.04)
Non-current liabilities: loan notes	**693.85**	691.96

A summary of the drawn and undrawn loans and bank borrowings in the year is shown below:

	30 September 2023		
	Drawn €m	**Undrawn €m**	**Total debt available €m**
Repayable between one and two years	**—**	**—**	**—**
Repayable between two and three years	**577.50**	**172.50**	**750.00**
Repayable between three and four years	**—**	**—**	**—**
Repayable between four and five years	**—**	**—**	**—**
Repayable in over five years	**200.00**	**—**	**200.00**
	777.50	**172.50**	**950.00**

	30 September 2022		
	Drawn €m	Undrawn €m	Total debt available €m
Repayable between one and two years	—	—	—
Repayable between two and three years	—	—	—
Repayable between three and four years	511.00	239.00	750.00
Repayable between four and five years	—	—	—
Repayable in over five years	200.00	—	200.00
	711.00	239.00	950.00

Set out below is a comparison by class of the carrying amounts and the fair value of the Group's financial instruments that are carried in the financial statements:

	Book value 30 September 2023 €m	Fair value 30 September 2023 €m	Book value 30 September 2022 €m	Fair value 30 September 2022 €m
Bank borrowings: RCF	**77.50**	**77.50**	11.00	11.00
Loan notes: 0.95% Green Bonds 2026	**500.00**	**440.30**	500.00	422.55
1.216% USPP 2029	**100.00**	**91.85**	100.00	91.81
1.449% USPP 2032	**50.00**	**44.37**	50.00	44.75
1.590% USPP 2034	**50.00**	**43.52**	50.00	44.14
Loan notes and borrowings	**777.50**	**697.54**	711.00	614.25

19. Loan notes and borrowings continued

The fair value of the 0.95% Green Bonds 2026 is determined with reference to its quoted market price. The fair value of the 1.216% USPP 2029, 1.449% USPP 2032 and 1.590% USPP 2034 is determined by an independent third party. The financial liabilities are considered to be a Level 1 and Level 2 fair value measure. The fair value of the financial liabilities at Level 1 was €440.30 million (30 September 2022: €422.55 million) and Level 2 was €179.74 million (2022: €180.70 million).

20. Other liabilities

	30 September 2023 €m	30 September 2022 €m
Balance at the beginning of the year	**33.62**	25.19
Addition	**3.93**	8.38
Repayments	**(0.97)**	(0.85)
Disposal	**(3.35)**	—
Present value movements on measurement of put option	**(9.92)**	0.90
Balance at the end of the year	**23.31**	33.62

The Group's properties in Germany are held in subsidiaries in which the Group holds 94.9% or 89.9% of the shares in those subsidiaries. As part of the purchase agreements, the Group issued put options to the minority Shareholders. The options are exercisable 10 years after acquisition and would require the Group to acquire all shares held by the minority Shareholders at the then market value. Prior to the option date the Group has guaranteed a fixed dividend to the minority Shareholders. If this is not met by the subsidiary, then the Company is required to settle this obligation.

The options are exercisable as follows:

Companies	Ownership %	Date of maturity of option
Tritax EuroBox (Bochum) Propco GmbH	94.9	5 April 2029
Tritax EuroBox (Peine) Propco GmbH	94.9	28 March 2029
Tritax EuroBox (Bremen I) Propco GmbH	89.9	22 February 2030
Tritax EuroBox (Bremen II) Propco GmbH	89.9	22 February 2030
Tritax EuroBox (Gelsenkirchen) Propco GmbH (formerly Dietz Logistik 26. Grundbesitz GmbH)	89.9	31 August 2031
Dietz Logistik 44. Grundbesitz GmbH	89.9	6 November 2031
Dietz 23. Grundbesitz GmbH	89.9	13 December 2031
Dietz FNL 5. Grundbesitz GmbH	89.9	24 April 2032

21. Derivative financial instruments

To mitigate the interest rate risk that arises as a result of entering into variable rate loans, a number of interest rate caps have been taken out in respect of the Group's variable rate debt to cap the rate to which three-month Euribor can rise.

During the year the Group disposed of €125 million of interest rate caps that were due to expire in October 2023, realising a loss of €0.41 million. A new €25 million interest rate cap was purchased for €0.53 million, with a start date on 19 October 2023 and expiring on 19 October 2025 which is in line with the maturity of the RCF.

The table below details the interest rate caps at the current period end.

Nominal	CAP rate	Start date	End date
€100m	0.50%	30/11/2018	19/10/2023
€25m	0.75%	28/02/2019	19/10/2023
€25m	2.50%	19/10/2023	19/10/2025

The weighted average capped rate, excluding any margin payable, for the Group as at the year end was 0.55% (30 September 2022: 0.65%).

	30 September 2023 €m	30 September 2022 €m
Interest rate derivatives valuation brought forward	**4.43**	0.05
Purchase of interest rate cap	**0.53**	—
Realised loss on derivative	**(0.49)**	(0.11)
Disposal of interest rate cap/cap break receipt	**(1.32)**	(0.17)
Amortisation of derivative financial instrument	**(0.40)**	—
Fair value movement	**(1.70)**	4.66
Non-current assets: interest rate derivatives carried forward	**1.05**	4.43

21. Derivative financial instruments continued

The interest rate derivatives are marked to market based on the valuation by the relevant counterparty banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark to market values of the derivatives are taken to the Group profit or loss.

As at the year-end date the total proportion of drawn debt hedged via interest rate derivatives equated to 100% (30 September 2022: 100%).

Fair value hierarchy

The fair value of the Group's interest rate derivatives is recorded in the Group Statement of Financial Position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year end. This valuation technique falls within Level 2 of the fair value hierarchy, as defined by IFRS 13. The valuation was provided by the counterparty to the derivatives. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

22. Financial risk management

Financial instruments

The Group's principal financial assets and liabilities are those that arise directly from its operations: trade and other receivables, trade and other payables and cash held at bank. The Group's other principal financial assets and liabilities are bank borrowings and interest rate derivatives, the main purpose of which is to finance the acquisition and development of the Group's investment property portfolio and hedge against the risk of interest rates rising. The book value of the Group's financial instruments that are carried in the financial statements approximates their fair value at the end of the year.

Risk management

The Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk. The Board of Directors oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Group that are affected by market risk are principally the Group's cash balances and bank borrowings along with interest rate derivatives entered into to mitigate interest rate risk.

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis was performed to ascertain the impact on the Group Cash Flow Statement and net assets based on nominal borrowings at the year end. The RCF was drawn by €77.50 million at the year end, 31% of the total €250 million facility. A sensitivity analysis performed to ascertain the impact on the Group Cash Flow Statement and net assets shows that a 50 basis point decrease or increase in interest rates would result in an increase of €nil or a decrease of €0.06 million to the interest payable charge, based on the nominal borrowings at the year end. The RCF benefits from interest rate caps, at the year-end, capping the level of Euribor 3-months to a maximum of 0.65%. On 18th October the RCF benefits from a new set of caps, approximately €80 million, with a cap of 2.72%.

The Group currently operates in eight countries. The current distribution of total assets is as follows:

Total assets	Belgium	Germany	Spain	Italy	Poland	UK	The Netherlands	Sweden	Total
30 September 2023	**149.24**	**755.26**	**214.43**	**182.97**	**78.97**	**4.34**	**148.28**	**118.34**	**1,651.83**
30 September 2022	170.02	877.33	238.06	227.39	63.82	24.81	181.79	111.70	1,894.92

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions. Credit risk is mitigated by customers being required to pay rentals in advance under their lease obligations. The credit quality of the customer is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement or acquiring a let property. The Group holds collateral by way of bank deposits totalling €1.76 million (see note 16), and in certain cases holds bank guarantee letters.

Outstanding trade receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset less the collateral held.

Credit risk related to cash deposits

One of the credit risks of the Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks, which are committed lenders to the Group, with high credit ratings assigned by international credit rating agencies.

22. Financial risk management continued

Liquidity risk

Liquidity risk arises from the Group's management of working capital and, going forward, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements (see note 14). It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, as the majority of the Group's assets are property investments and are therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management ensuring it has appropriate levels of cash and available drawings to meet liabilities as they fall due.

The RCF is drawn in short to medium-term tranches of debt which are repayable within 6 months from draw-down. These tranches of debt can be rolled over provided certain conditions are met, including covenant compliance. The Group considers that it is highly unlikely it would be unable to exercise its right to roll-over the debt. This is due to mitigating actions it could take to maintain compliance with these conditions. The Directors therefore believe that the Group has the ability to roll-over the drawn RCF amounts when due and consequently has presented the RCF as a non-current liability. Included within Loans and Borrowings, at 30 September 2023, are amounts drawn-down of €76.25 million relevant to the RCF (2022: €9.11 million).

The table below summarises the maturity profile of the Group's financial liabilities, on the amount drawn at the year end, based on contractual undiscounted payments, including interest charges:

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3–12 months €m	Between 1–2 years €m	Between 2–5 years €m	More than 5 years €m
30 September 2023							
Loans and borrowings[1]	**770.10**	**815.08**	**2.40**	**7.19**	**9.59**	**588.98**	**206.92**
Trade and other payables[2]	**27.96**	**27.96**	**26.25**	**—**	**1.71**	**—**	**—**
Non-current liabilities	**23.31**	**23.31**	**—**	**—**	**—**	**—**	**23.31**
Customer deposit	**2.34**	**2.34**	**—**	**—**	**0.11**	**—**	**2.23**
	823.71	**868.69**	**28.65**	**7.19**	**11.41**	**588.98**	**232.46**

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3–12 months €m	Between 1–2 years €m	Between 2–5 years €m	More than 5 years €m
30 September 2022							
Loans and borrowings[1]	701.07	752.93	2.06	6.19	8.25	526.43	210.00
Trade and other payables[2]	35.83	35.83	34.54	—	1.29	—	—
Non-current liabilities	33.62	33.62	—	—	—	—	33.62
Customer deposit	2.05	2.05	—	—	0.47	—	1.58
	772.57	824.43	36.60	6.19	10.01	526.43	245.20

1 Included within the between 2 to 5 years disclosure is the €77.5 million nominal value of drawn RCF (2022: €11 million).

2 Excludes VAT and deferred income as these are not financial liabilities.

Foreign currency risk

As at 30 September 2023	Investment property exposure €m	Cash and cash equivalents exposure €m	Total currency exposure €m
Pound Sterling	**—**	**0.30**	**0.30**
Zloty	**—**	**2.33**	**2.33**
SEK	**106.50**	**9.36**	**115.86**
Total foreign currency	**106.50**	**11.99**	**118.49**

Foreign currency sensitivity	+10% movement €m	+5% movement €m	-5% movement €m	-10% movement €m
Pound Sterling	0.03	0.01	(0.02)	(0.03)
Zloty	0.21	0.11	(0.12)	(0.26)
SEK	10.53	5.52	(6.10)	(12.87)

As at 30 September 2022	Investment property exposure €m	Cash and cash equivalents exposure €m	Total currency exposure €m
Pound Sterling	**—**	**10.19**	**10.19**
Zloty	**—**	**1.64**	**1.64**
SEK	**9.65**	**11.71**	**21.36**
Total foreign currency	**9.65**	**23.54**	**33.19**

22. Financial risk management continued

Foreign currency risk continued

Foreign currency sensitivity	+10% movement €m	+5% movement €m	-5% movement €m	-10% movement €m
Pound Sterling	1.13	0.54	(0.49)	(0.93)
Zloty	0.18	0.09	(0.08)	(0.15)
SEK	2.37	1.12	(1.02)	(1.94)

The Group's functional currency is the Euro as the Group operates in Continental Europe. The Group keeps some cash in foreign currency to finance its working capital.

As at 30 September 2023 the Group has a cash balance of GBP 0.26 million and PLN 10.82 million, equivalent to €0.30 million and €2.33 million respectively (30 September 2022: GBP 8.94 million and PLN 7.97 million, equivalent to €10.18 million and €1.64 million respectively). The Group also has a cash balance of SEK 108.05 million, equivalent to €9.36 million as at 30 September 2023 (30 September 2022: SEK 127.44 million, equivalent to €11.72 million).

The Group holds investment properties in Sweden, which transact business denominated in SEK. As such, there is currency exposure resulting from translating their performance and net assets into the functional currency, Euros, for each financial period and at each balance sheet date.

Development risk

Development risk is the exposure that the Group takes in projects where building is not yet completed. Construction risk is mitigated by the Group by entering into fixed price contracts with the developers/general contractors. Letting risk is usually alleviated by entering into pre-let agreements with customers or rental guarantees with the developers or vendors.

Taxation risk

Tax laws in these countries may change in the future, representing an increase in tax risk to the Company.

23. Capital management

The primary objective of the Group's capital management is to ensure that it remains a going concern.

The Board, with the assistance of the Investment Manager, monitors and reviews the Group's capital so as to promote the long-term success of the business, facilitate expansion and maintain sustainable returns for Shareholders. The Group considers proceeds from share issuances, bank borrowings and retained earnings as capital. The Group's policy on borrowings is as set out below:

The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds.

The Group has complied with all covenants on its borrowings up to the date of this report. The targets mentioned above sit comfortably within the Group's covenant levels, which include LTV and interest cover ratio. The Group LTV at the year end was 46.4% (30 September 2022: 35.2%).

24. Customer deposit

Non-current liabilities	**30 September 2023 €m**	30 September 2022 €m
Balance at the beginning of the year	**2.05**	2.11
Additions/(repayments) in the year	**0.29**	(0.06)
Balance at the end of the year	**2.34**	2.05

The balance mainly relates to a cash deposit given by the customer for the property in Barcelona, Spain.

25. Share capital

The share capital relates to amounts subscribed for share capital at its nominal value:

	30 September 2023 Number	**30 September 2023 €m**	30 September 2022 Number	30 September 2022 €m
Issued and fully paid at 1 cent each				
Balance at beginning of year – €0.01 Ordinary Shares	**806,803,984**	**8.07**	806,693,378	8.07
Shares issued in the year	**—**	**—**	110,606	—
Balance at end of year	**806,803,984**	**8.07**	806,803,984	8.07

The Group has one class of Ordinary Shares which carry no right to fixed income.

26. Net asset value ("NAV") per share

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

	30 September 2023 €m	30 September 2022 €m
Net assets per Group Statement of Financial Position	**795.62**	1,065.75
Ordinary Shares:		
Issued share capital (number)	**806,803,984**	806,803,984
NAV per share (expressed in Euro per share):		
Basic NAV per share	**0.99**	1.32

	30 September 2023			30 September 2022		
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to Shareholders	**795.62**	**795.62**	**795.62**	1,065.75	1,065.75	1,065.75
Mark-to-market adjustments of derivatives	**(1.05)**	**(1.05)**	**—**	(4.43)	(4.43)	—
Deferred tax adjustment	**25.99**	**25.99**	**—**	49.63	49.63	—
Transaction costs[1]	**82.39**	**—**	**—**	83.78	—	—
NAV	**902.95**	**820.56**	**795.62**	1,194.73	1,110.95	1,065.75
NAV per share in Euro	**1.12**	**1.02**	**0.99**	1.48	1.38	1.32

1 EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

27. Transactions with related parties

For the year ended 30 September 2023, all Directors and some of the Partners of the Manager are considered key management personnel. The terms and conditions of the Investment Management Agreement are described in the Management Engagement Committee Report. The fee payable to the Manager for the year ended 30 September 2023 was €5.47 million (2022: €7.88 million). An additional €0.24 million of the investment management fee was capitalised during the year (2022: €0.19 million).

The total amount outstanding at the year end relating to the Investment Management Agreement was €1.12 million (2022: €1.99 million).

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report.

The Members of the Manager that are considered as key management personnel are James Dunlop, Henry Franklin, Petrina Austin and Phil Redding.

During the year, the Directors received the following dividends: Robert Orr: €9,773 (2022: €4,714); Keith Mansfield: €14,500 (2022: €14,500); Taco De Groot: €2,100 (2022: €2,100); Eva-Lotta Sjöstedt: €245 (2022: €345); and Sarah Whitney: €2,849 (2022: €403).

During the year, the Members of the Manager received the following dividends: James Dunlop: €18,787 (2022: €16,348); Henry Franklin: €7,104 (2022: €10,144); Petrina Austin: €2,079 (2022: €1,816); and Phil Redding: €7,170 (2022: €681).

28. Leases

As lessor

Details of the Group's leases from customers of its investment property are found in note 6.

As lessee

The Group holds one investment property, with a carrying amount of €113.75 million, on a lease which ends in 84.5 years. A peppercorn rent is paid and hence the associated lease liability and right-of-use asset are immaterial.

29. Subsequent events

On 29 November 2023, the Group agreed a lease at its two-unit asset in Settimo Torinese, Italy. The new six-year lease has been secured with the same leading Italian logistics provider which signed a lease for the other unit in August 2023.

On 30 November 2023, the Group successfully exchanged on the sale of the warehouse in Bochum, Germany for a consideration of €46.8m to a leading pan-European real estate investment manager.

On 30 November 2023, the Group successfully exchanged on the sale of the redevelopment site in Malmö, Sweden for a consideration of €28.3 million to a data centre owner-occupier.

There were no other significant events occurring after the reporting period, but before the financial statements were authorised for issue.

Company Balance Sheet

Company registration number 11367705

	Note	At 30 September 2023 €m	At 30 September 2022 €m
Non-current assets			
Derivative financial instruments		**1.05**	4.43
Trade and other receivables	5	**895.41**	854.03
Investment in subsidiaries	4	**551.68**	671.37
Total non-current assets		**1,448.14**	1,529.83
Current assets			
Investment in subsidiaries*	4	**14.23**	—
Trade and other receivables	5	**3.90**	8.86
Cash held at bank	6	**1.31**	16.47
Total current assets		**19.44**	25.33
Total assets		**1,467.58**	1,555.16
Current liabilities			
Trade and other payables	7	**(9.03)**	(5.81)
Income tax liability		**—**	—
Total current liabilities		**(9.03)**	(5.81)
Non-current liabilities			
Loans and borrowings	8	**(770.10)**	(701.07)
Total non-current liabilities		**(770.10)**	(701.07)
Total liabilities		**(779.13)**	(706.88)
Total net assets		**688.45**	848.28
Equity			
Share capital	9	**8.07**	8.07
Share premium reserve		**597.58**	597.58
Retained earnings		**82.80**	242.63
Total equity		**688.45**	848.28

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in the financial statements. The loss attributable to the Parent Company for the year ended 30 September 2023 amounted to €119.49 million (2022: loss €11.45 million).

*See note 15 of the Group financial statements, relates to the asset held for sale.

The financial statements were approved by the Board of Directors on 4 December 2023 and signed on its behalf by:

Robert Orr
Director

Company Statement of Changes in Equity

For the year ended 30 September 2023

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2022		8.07	597.58	242.63	848.28
Net loss for the year		—	—	(119.49)	(119.49)
Total comprehensive loss		—	—	(119.49)	(119.49)
Contributions and distributions:					
New share capital subscribed		—	—	—	—
Associated share issue costs		—	—	—	—
Dividends paid	3	—	—	(40.34)	(40.34)
At 30 September 2023		**8.07**	**597.58**	**82.80**	**688.45**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	294.42	899.95
Net loss for the year		—	—	(11.45)	(11.45)
Total comprehensive loss		—	—	(11.45)	(11.45)
Contributions and distributions:					
New share capital subscribed[1]		—	0.14	—	0.14
Associated share issue costs		—	(0.02)	—	(0.02)
Dividends paid	3	—	—	(40.34)	(40.34)
At 30 September 2022		8.07	597.58	242.63	848.28

1 See note 25 of the Group accounts.

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards (UK-adopted IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Disclosure exemptions adopted

In preparing the financial statements the Company has taken advantage of all applicable disclosure exemptions conferred by FRS 101. Therefore the financial statements do not include:

- certain comparative information as otherwise required by UK-adopted IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows and related notes;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the Tritax EuroBox plc Group.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated financial statements. The financial statements do not include certain disclosures in respect of:

- financial instruments; and
- fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated. No newly applicable accounting standards for the current year had any material impact on the Company.

Currency

The Company financial statements are presented in Euro which is also the Company's functional currency.

Dividends payable for Shareholders

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

Financial assets and financial liabilities

Please refer to sections 4.4.1 and 4.4.2 of the Summary of significant accounting policies of the Group accounts.

Investment in subsidiaries

The investment in subsidiary companies is included in the Company's Balance Sheet at cost less provision for impairment. Provision for impairment is determined by comparing the carrying value of the subsidiary, at the reporting date, against the recoverable amounts. The recoverable amount is the greater of its value in use and its fair value less costs to sell. The fair value is driven by investment property, held in the subsidiary, which is measured using fair value hierarchy in accordance with IFRS 13. See note 14 of the Group financial statements for further details.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. There were no significant accounting judgements, estimates or assumptions in preparing the financial statements.

2. Taxation

	30 September 2023 €m	30 September 2022 €m
UK corporation tax	**0.06**	–

In the 3 March 2021 Budget it was announced that, from 1 April 2023, the UK main rate of corporation tax would be increased to 25%. Given that the Company's tax charge is €nil, due to its status as an ITC, there is no anticipated consequential effect on the future tax charge.

The tax credit relates to a relief received owing to an overpayment in a previous financial year.

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the year.

3. Dividends paid

Please refer to note 13 of the Group accounts.

4. Investment in subsidiaries

	30 September 2023 €m	30 September 2022 €m
At the beginning of the year	**671.37**	458.21
Increase in investments via share purchase	**49.40**	239.76
Disposals in the year[1]	**(19.30)**	—
Impairment in the year[2]	**(135.56)**	(26.60)
At the end of the year	**565.91**	671.37

The recoverable amount of the impaired investments is €352.74 million (30 September 2022: €208.66 million).

1 This relates to the Hammersbach disposal whereby the subsidiary, Dietz Logistik 33. Grundbesitz GmbH, was divested.

2 Impairments to investment in subsidiaries in the current year have resulted primarily from the reduction in the valuation of investment properties held, the primary driver of fair value in each subsidiary. Investment property valuation is measured using the fair value hierarchy; see note 14 of the Group financial statements for further detail. The impairment charge is sensitive to the assumptions used in the valuation of the investment property, see sensitivity table below.

	-0.25% yield €m	+0.25% yield €m	-5% in ERV €m	+5% in ERV €m
Increase/(decrease) in the impairment charge as at 30 September 2023	**(50.14)**	**44.78**	**31.77**	**(36.01)**
Increase/(decrease) in the impairment charge as at 30 September 2022	**(13.41)**	**35.05**	**21.15**	**(10.03)**

4. Investment in subsidiaries continued

The Company has the following subsidiary undertakings as at 30 September 2023:

	Principal activity	Country of incorporation	Ownership %
Tritax EuroBox (Spain) Holdco, S.L.	Investment Holding Company	Spain	100%*
Tritax EuroBox Barcelona SLU	Property Investment	Spain	100%
Eurobox Italy Holdco Limited	Investment Holding Company	Jersey	100%*
Fondo Minerva Eurobox Italy**	Property Investment	Italy	100%
Tritax Eurobox (Belgium) Holdco NV	Investment Holding Company	Belgium	100%*
Panton Kortenberg Vastgoed NV	Property Investment	Belgium	100%
Rumst Logistics NV	Property Investment	Belgium	100%
Rumst Logistics II NV	Property Investment	Belgium	100%
Rumst Logistics III NV	Property Investment	Belgium	100%
Pakobo NV	Property Investment	Belgium	100%
LCP Nivelles DC NV	Property Investment	Belgium	100%
Tritax EuroBox (Wunstorf) Holdco Limited***	Investment Holding Company	United Kingdom	100%*
Tritax EuroBox (Germany) Holdco Limited	Investment Holding Company	United Kingdom	100%*
Tritax EuroBox (Bochum) Propco GmbH	Property Investment	Germany	94.9%*
Tritax EuroBox (Peine) Propco GmbH	Property Investment	Germany	94.9%*
Dietz Logistik 33. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Bremen I) Propco GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Bremen II) Propco GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 26. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 44. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Poland) Propco sp. z.o.o.	Property Investment	Poland	100%*
Tritax EuroBox (Strykow) Propco sp. z o.o.	Property Investment	Poland	100%*
Tritax EuroBox (Breda) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Oberhausen) Propco B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Gothenburg) Propco AB	Property Investment	Sweden	100%*
Tritax EuroBox (Sweden) Holdco Limited	Investment Holding Company	United Kingdom	100%*
Dietz 23. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Gelsenkirchen) Propco GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Hammersbach) FixCo GmbH	Property Investment	Germany	100%*
Dietz FNL 5. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Roosendaal) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Roosendaal) Solar B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Rosersberg I) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Rosersberg II) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Malmö) Propco AB	Property Investment	Sweden	100%
Tritax EuroBox (Malmö) Holdco AB	Property Investment	Sweden	100%
Tritax EuroBox (France) Propco SCI	Investment Holding Company	France	100%*
Tritax EuroBox (France) Holdco Limited	Investment Holding Company	UK	100%*
Tritax EuroBox (France) Minco Limited	Investment Holding Company	UK	100%*

* These are direct subsidiaries of the Company.

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

*** The subsidiary Tritax EuroBox (Wunstorf) Holdco Limited is exempt from Companies Act 2006 requirements relating to the audit of its individual accounts by virtue of Section 479A of the Act as this company has guaranteed these subsidiary companies under Section 479C of the Act.

4. Investment in subsidiaries continued

The registered addresses for the subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

Spain entities: Calle Maria Auxiliadora, 5, Local 10, 29602, Marbella, Málaga, Spain

Jersey entities: 26 New Street, St Helier, Jersey JE2 3RA

Italy entities: Savills Investment Management SGR S.p.A., Fondo Minerva, Via San Paolo 7, 20121 Milano, Italy

Belgium entities: Floor 7, Louizalaan 489, 1050 Brussels, Belgium

Germany entities: Darmstädter Straße 246, 64625 Bensheim, Germany, and Eschersheimer Landstraße 14, 603 22 Frankfurt am Main, Germany

Poland entities: Warsaw, ul. Piękna 18, 05-077 Warsaw, Poland

The Netherlands entities: Hoogoorddreef 15, 1101BA Amsterdam, the Netherlands

Sweden entities: c/o Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden

United Kingdom entities: 3rd Floor, 6 Duke Street St James's, London SW1Y 6BN, United Kingdom

France entity: 92, Avenue de Wagram, 75017 Paris, France

5. Trade and other receivables

	30 September 2023 €m	30 September 2022 €m
Amounts receivable from Group companies	**895.41**	854.03
Other receivables	**3.90**	8.86
	899.31	862.89

All amounts receivable from Group companies are documented under term loans with maturity exceeding three years, with an option to extend for a further five years. All borrowings are unsecured and are charged at 3%–5%. Interest is generally payable quarterly and, therefore, is classified as current assets.

	30 September 2023 €m	30 September 2022 €m
Current assets	**3.90**	8.86
Non-current assets	**895.41**	854.03
	899.31	862.89

6. Cash held at bank

	30 September 2023 €m	30 September 2022 €m
Cash held at bank	**1.31**	16.47

7. Trade and other payables

	30 September 2023 €m	30 September 2022 €m
Trade and other payables	**4.33**	5.57
Accruals	**4.70**	0.24
	9.03	5.81

8. Loan notes and borrowings

All external borrowings of the Group are held by the Company. Please refer to note 19 of the Group accounts for further details.

9. Share capital

Please refer to note 25 of the Group accounts.

10. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other wholly owned members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

Below are the amounts received by the companies which are not wholly owned:

Income received from Group companies	30 September 2023 €m	30 September 2022 €m
Tritax EuroBox (Bochum) Propco GmbH	**0.93**	0.98
Tritax EuroBox (Peine) Propco GmbH	**2.52**	2.59
Dietz Logistik 33. Grundbesitz GmbH*	**1.24**	1.27
Tritax Eurobox (Bremen I) Propco GmbH	**0.50**	0.53
Tritax Eurobox (Bremen II) Propco GmbH	**0.53**	0.55
Dietz Logistik 26. Grundbesitz GmbH	**2.82**	2.96
Dietz Logistik 44. Grundbesitz GmbH	**3.27**	3.37
Dietz 23. Grundbesitz GmbH	**1.93**	0.75
Tritax EuroBox (Gelsenkirchen) Propco GmbH	**0.56**	0.45
Dietz FNL 5. Grundbesitz GmbH	**1.51**	0.32
	15.81	13.77

* This subsidiary was disposed of during the financial year, see note 14 of the Group financial statements.

Below are the amounts owed by the companies which are not wholly owned:

Amount owed from Group companies as at 30 September 2023	Less than one year €m	More than one year €m
Tritax EuroBox (Bochum) Propco GmbH	**–**	**22.92**
Tritax EuroBox (Peine) Propco GmbH	**–**	**62.24**
Tritax Eurobox (Bremen I) Propco GmbH	**–**	**12.36**
Tritax Eurobox (Bremen II) Propco GmbH	**–**	**13.06**
Dietz Logistik 26. Grundbesitz GmbH	**–**	**84.83**
Dietz Logistik 44. Grundbesitz GmbH	**–**	**80.20**
Dietz 23. Grundbesitz GmbH	**–**	**77.04**
Tritax EuroBox (Gelsenkirchen) Propco GmbH	**–**	**18.35**
Dietz FNL 5. Grundbesitz GmbH	**–**	**42.52**
	–	**413.52**

10. Related party transactions continued

Amount owed from Group companies as at 30 September 2022	Less than one year €m	More than one year €m
Tritax EuroBox (Bochum) Propco GmbH	—	24.42
Tritax EuroBox (Peine) Propco GmbH	—	64.74
Dietz Logistik 33. Grundbesitz GmbH	—	35.10
Tritax Eurobox (Bremen I) Propco GmbH	—	13.16
Tritax Eurobox (Bremen II) Propco GmbH	—	13.86
Dietz Logistik 26. Grundbesitz GmbH	—	91.53
Dietz Logistik 44. Grundbesitz GmbH	—	84.30
Dietz 23. Grundbesitz GmbH	—	41.84
Tritax EuroBox (Gelsenkirchen) Propco GmbH	—	18.95
Dietz FNL 5. Grundbesitz GmbH	—	28.42
	—	416.32

For all other related party transactions please refer to note 27 of the Group accounts.

11. Directors' remuneration

Please refer to note 9 of the Group accounts.

12. Subsequent events

Please refer to note 29 of the Group accounts.

Notes to the EPRA and Other Key Performance Indicators (Unaudited)

1. EPRA Earnings Per Share

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Total comprehensive profit/(loss) (attributable to Shareholders)	**(223.36)**	58.77
Adjustments to remove:		
Changes in fair value of investment properties	**285.43**	(49.94)
Deferred tax adjustment	**(21.32)**	16.68
Changes in fair value of interest rate derivatives	**1.70**	(4.66)
Loss on disposal of investment property	**2.73**	—
Loss on disposal of interest rate derivative	**0.49**	—
Profits to calculate EPRA Earnings Per Share	**45.67**	20.85
Weighted average number of Ordinary Shares	**806,803,984**	806,779,439
EPRA Earnings Per Share – basic and diluted	**5.66 cents**	2.58 cents

2. EPRA NAV measures

The Group has adopted EPRA NTA and EPRA NTA per share metrics as its primary EPRA NAV metric measure, alongside Basic IFRS NAV, for the year ended 30 September 2022 onwards.

	30 September 2023			30 September 2022		
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	EPRA NAV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to Shareholders	**795.62**	**795.62**	**795.62**	1,065.75	1,065.75	1,065.75
Mark-to-market adjustments of derivatives	**(1.05)**	**(1.05)**	**—**	(4.43)	(4.43)	—
Deferred tax adjustment	**25.99**	**25.99**	**—**	49.63	49.63	—
Transaction costs[1]	**82.39**	**—**	**—**	83.78	—	—
NAV	**902.95**	**820.56**	**795.62**	1,194.73	1,110.95	1,065.75
NAV per share in Euro	**1.12**	**1.02**	**0.99**	1.48	1.38	1.32

1 EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

3. EPRA Net Initial Yield ("NIY") and EPRA Topped Up NIY

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Investment property	**1,561.85**	1,765.60
Less: development properties	**(17.69)**	(214.89)
Completed property portfolio	**1544.16**	1,550.71
Allowance for estimated purchaser's costs	**82.39**	83.78
Gross up completed property portfolio valuation (B)	**1,626.55**	1,634.49
Annualised passing rental income	**72.00**	61.19
Property outgoings	**(3.36)**	(2.15)
Annualised net rents (A)	**68.64**	59.04
Notional rent expiration of rent-free periods or other lease incentives	**0.87**	0.94
Topped up annualised net rents (C)	**69.51**	59.98
EPRA Net Initial Yield (A/B)	**4.22%**	3.61%
EPRA Topped Up Net Initial Yield (C/B)	**4.27%**	3.67%

4. EPRA vacancy rate

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Annualised estimated rental value of vacant premises	**4.86**	0.19
Portfolio estimated rental value[1]	**87.65**	69.46
EPRA vacancy rate	**5.54%**	0.28%

1 Excludes land held for development.

80% of vacant space is currently covered by rental guarantees.

5. EPRA Cost Ratio and Adjusted EPRA Cost Ratio

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Property operating costs[1]	**2.55**	6.10
Administrative expenses	**16.35**	18.18
Net service charge costs	**0.81**	0.35
Other operating income	**(1.03)**	(0.70)
Total costs including vacant property costs (A)	**18.68**	23.93
Vacant property costs	**(0.81)**	(0.35)
Total costs excluding vacant property costs (B)	**17.87**	23.58
Gross rental income – per IFRS (C)	**68.07**	57.89
Total EPRA Cost Ratio (including vacant property costs) (A/C)	**27.44%**	41.34%
Total EPRA Cost Ratio (excluding vacant property costs) (B/C)	**26.25%**	40.73%
Gross rental income including rental guarantee (D)	**77.27**	66.63
Total Adjusted EPRA Cost Ratio[1] (including vacant property costs) (A/D)	**24.17%**	29.46%
Total Adjusted EPRA Cost Ratio[1] (excluding vacant property costs) (B/D)	**23.13%**	28.94%

1 Prior year adjusted for €4.3 million lease surrender payment at Hammersbach – see note 12 of financial statements for further details.

6. Capital expenditure

	30 September 2023 €m	30 September 2022 €m
Acquisition[1]	**25.89**	303.17
Development[1]	**124.71**	144.79
Investment properties[1]:		
Incremental lettable space	**2.42**	6.32
Customer incentives[2]	**3.15**	4.31
Other material non-allocated types of expenditure[3]	**2.90**	6.93
Total	**159.07**	465.52

1 See note 14 of Group financial statements.

2 Fixed rental uplift and customer lease incentives after adjusting for amortisation on rental uplift and customer lease incentives.

3 Licence fees and rental guarantees.

The Group has no interest in joint ventures.

7. Total Return

	Year ended 30 September 2023 cents	Year ended 30 September 2022 cents
Opening EPRA NTA	**137.70**	134.69
Closing EPRA NTA	**101.71**	137.70
Increase/(decrease) in EPRA NTA	**(35.99)**	3.01
Dividends paid	**5.00**	5.00
Total growth in EPRA NTA plus dividends paid	**(30.99)**	8.01
Total Return	**(22.51)%**	5.95%

8. Loan to value ("LTV") ratio

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Gross asset value (A)	**1,561.85**	1,765.60
Borrowings[1] (B)	**777.50**	711.00
Cash and cash equivalents (C)	**52.31**	90.18
LTV ((B-C)/A)	**46.43%**	35.16%

1 Nominal value of borrowings.

9. EPRA Loan to value ("LTV") ratio

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Include:		
Borrowings from financial institutions	**277.50**	211.00
Bond loans	**500.00**	500.00
Net payables	**(1.38)**	7.97
Exclude:		
Cash and cash equivalents	**52.31**	90.18
Net debt (A):	**723.81**	628.79
Include:		
Investment properties at fair value	**1,494.86**	1,541.27
Properties held for sale	**49.30**	—
Properties under development	**17.69**	224.33
Total property value (B):	**1,561.85**	1,765.60
EPRA LTV (A/B)	**46.34%**	35.61%

10. Dividend cover

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Adjusted earnings (A)	**44.47**	34.21
Dividends paid for the financial year (B)	**40.34**	40.34
Dividend cover (A/B)	**110.24%**	84.80%

11. Interest cover

	Year ended 30 September 2023 €	Year ended 30 September 2022 €
Gross property income (note 6)	**79.89**	68.73
Direct property costs (note 7)	**(14.15)**	(16.53)
Net property income	**65.74**	52.20
Administrative cost (note 8)	**(16.35)**	(18.18)
Repayments (note 20)	**(0.97)**	(0.85)
Finance income from financial derivatives (note 12)	**1.63**	—
EBIT (A)	**50.05**	33.17
Interest payable	**11.91**	6.76
Commitment fees	**0.99**	1.13
Bank fees	**0.25**	0.80
Repayments (note 20)	**(0.97)**	(0.85)
Hedged portion of finance income from financial derivatives	**(1.78)**	—
Net finance expense (B)	**10.40**	7.84
Interest cover (A/B)	**4.81**	4.23

Glossary of Terms

"Adjusted Earnings"

Post-tax earnings attributable to Shareholders, adjusted to include licence fees receivable on forward funded development assets and adjusted for other earnings not supported by cash flows, as further explained in note 12 in the Group financial statements. "Adjusted Earnings Per Share" or "Adjusted EPS" on a per share basis.

"Adjusted EPRA Cost Ratio"

Administrative and operating costs (including or excluding costs of direct vacancy) divided by gross rental income and rental guarantees.

"AIFM"

An Alternative Investment Fund Manager and has the meaning given in the AIFMD.

"AIFMD"

Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and, where the context requires, includes references to Commission Delegated Regulation (EU) No 231/2013 and any applicable local laws implementing the AIFMD into the national law of an EEA member state.

"Average cost of debt"

The average cost of debt is the finance costs, less hedged income from of interest rate derivatives, divided by the weighted borrowings for the financial year.

"Basic NAV" or "Basic Net Asset Value"

The value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time.

"Big Box"

A "Big Box" property or asset refers to a specific sub-segment of the logistics sector of the real estate market, relating to very large logistics warehouses (each with typically over 30,000 sqm of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade customers; annual rental indexation; having a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and typically with sophisticated automation systems or a highly bespoke fit out.

"Board"

The Directors of the Company.

"BREEAM"

Building Research Establishment's Environmental Assessment Method is a recognised environmental assessment method and rating system for best practice in sustainable building design, construction and operation measuring a building's environmental performance. A BREEAM assessment evaluates a building's specification, design, construction and use, such as energy and water use, the internal environment (health and wellbeing), pollution, transport, materials, waste, ecology and management processes.

"Company"

Tritax EuroBox plc (company number 11367705).

"Company Secretary"

The Manager.

"CPI"

Consumer Price Index, a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care as calculated by the relevant authority in each country.

"Corporation Tax Act 2010"

The Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force.

"Development pipeline"

The Group's current programme of developments authorised or in the course of construction at the balance sheet date, together with potential schemes not yet commenced on land owned or controlled by the Group.

"Dietz"

Dietz Asset Management GmbH.

"Directors"

The Directors of the Company as of the date of this report being Robert Orr, Keith Mansfield, Taco de Groot, Eva-Lotta Sjöstedt and Sarah Whitney.

"Dividend cover"

Adjusted Earnings as a proportion of the dividend declared for the financial year.

"EPRA"

European Public Real Estate Association.

"EPRA Cost Ratio"

Administrative and operating costs (including or excluding costs of direct vacancy) divided by gross rental income, as further described in EPRA Best Practices Recommendation Guidelines.

"EPRA Earnings"

Earnings from operational activities (which excludes the licence fees receivable on our forward funded development assets).

"EPRA NAV" or "EPRA Net Asset Value"

The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2016) requirements by (among other adjustments) excluding the impact of any fair value adjustments to debt and related derivatives and other adjustments and reflecting the diluted number of Ordinary Shares in issue.

"EPRA NDV" or "EPRA Net Disposal Value"

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

"EPRA NRV" or "EPRA Net Reinstatement Value"

IFRS NAV adjusted to remove the fair values of financial instruments and deferred taxes, and include transaction costs.

"EPRA NTA or "EPRA Net Tangible Assets"

IFRS NAV adjusted to remove the fair values of financial instruments and deferred taxes. This excludes transaction costs.

"EPRA Triple Net Asset Value ("NNNAV")"

EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.

"EPRA Net Initial Yield ("NIY")"

Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs.

"EPRA Topped Up NIY"

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives, such as discounted rent periods and step rents).

"EPRA Vacancy"

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

"Estimated cost to completion"

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

"Estimated rental value (ERV)"

The estimated annual market rental value of lettable space as determined by the Group's valuer. This will normally be different from the rent being paid.

"Euribor"

Euro Interbank Offered Rate, published by the European Money Markets Institute.

"FCA"

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

"Forward funded development"

A pre-let forward funded development of a Big Box or other logistics asset is where the Company invests in an asset which is either ready for, or in the course of, construction and pre-let to an acceptable customer. In such circumstances, the Company seeks to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the customer commencing rental payments under the terms of the lease.

"Foundation asset"

Foundation assets provide core, low-risk income. They are usually let on long leases to customers with excellent covenant strength. The buildings are usually new or modern and in prime locations, and the leases have regular rent reviews, either fixed or linked to inflation indices.

"Gearing"

Net borrowings divided by total Shareholders' equity excluding intangible assets and deferred tax provision.

"GIA"

Under the RICS Code of Measuring Practice (6th Edition) the Gross Internal Area ("GIA") is the basis of measurement for valuation of industrial buildings (including ancillary offices) and warehouses: the area of a building measured to the internal face of the perimeter walls at each floor level (including the thickness of any internal walls). All references to building sizes in this document are to the GIA.

"Global Real Estate Sustainability Benchmark ("GRESB") Assessment"

GRESB assesses the ESG performance of real estate and infrastructure portfolios and assets worldwide, providing standardised and validated data to the capital markets.

"Gross rental income"

Contracted rental income recognised in the period, in the income statement, including surrender premiums and interest receivable on finance leases. Lease incentives, initial costs and any contracted future rental increases are amortised on a straight-line basis over the lease term.

"Group"

The Company and all of its subsidiary undertakings.

"Growth Covenant asset"

Growth Covenant assets are fundamentally sound assets in good locations, let to customers perceived to be undervalued at the point of purchase and who have the potential to improve their financial strength. These assets offer value enhancement through yield compression.

"Investment property"

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

"Interest cover"

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

"Interest cover ratio covenant"

Interest cover ratio covenant refers to the ratio of consolidated EBIT to consolidated net finance costs in respect of any measurement period. This differs from interest cover and the amounts used to calculate cannot be derived from the financial statements of the Group or Company.

"IPO"

The Company's initial public offering in July 2018.

"ITC"

Investment Trust Company.

"Logistics Capital Partners" or "LCP"

LCP Services (UK) Limited.

"London Stock Exchange"

London Stock Exchange plc.

"LTV"

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

"Manager"

Tritax Management LLP (partnership number 0C326500).

"Market rental value"

The annual ERV applied to the current portfolio.

"Net initial yield"

The annual rent from a property divided by the combined total of its acquisition price and assumed acquisition expenses.

"Net rental income"

Gross rental income less ground rents, service charge expenses, property operating expenses and any other non-recoverable expenditure.

"Ordinary Shares"

Ordinary Shares of £0.01 each in the capital of the Company.

"Passing rent"

The annual rental income currently receivable on a property (which may be more or less than the ERV). Excludes rental income where a rent-free period is in operation. Excludes service charge income (which is netted off against service charge expenses).

"Portfolio"

The overall portfolio of the Company including both the investment and development portfolios.

“Portfolio value”
The value of the portfolio which includes capital commitments on forward funded developments and the Group’s share of joint venture assets (commonly known as a proportionally consolidated basis).

“Pre-let”
A lease signed with an occupier prior to completion of a development, which commits the occupier to sign a lease on practical completion.

“RETT”
Real Estate Transfer Tax – the tax imposed by European states on the purchase of land and properties.

“Revolving Credit Facility” or “RCF”
An unsecured revolving credit facility.

“RPI”
Retail Price Index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated by the relevant authority in each country.

“Transaction costs”
RETT and purchaser’s costs.

“SGR”
Societa’di Gestione del Risparimo, a regulated Italian investment management company.

“Shareholders”
The holders of Ordinary Shares in the Company.

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

“sqm”
Square metre or square metres, as the context may require.

“Strategic land”
Opportunities identified in strategic land which the Manager believes will enable the Company to secure, typically, pre-let forward funded developments in locations which might otherwise attract lower yields than the Company would want to pay, delivering enhanced returns but controlling risk.

“Topped up net initial yield”
Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent-free period at the valuation date. This is in accordance with EPRA’s Best Practices Recommendations.

“Total Return”
Net Total Shareholder Return, being the change in EPRA NTA over the relevant period plus dividends paid.

“Total Shareholder Return”
A measure of the return based upon share price movement over the period and assuming reinvestment of dividends.

“Value-add asset”
These assets are typically let to financially strong companies and offer the chance to grow the assets’ capital value or rental income, through lease engineering or physical improvements to the property.

“WAULT” or “Weighted Average Unexpired Lease Term”
The average remaining number of years until the sooner of the lease expiry, or customer break option within the portfolio (including rental guarantees). In respect of forward funded developments, the unexpired term from lease start date.

“Yield on cost”
The expected gross yield based on the estimated current market rental value (“ERV”) of a development when fully let, divided by the book value of the developments at the earlier of commencement of the development or the balance sheet date plus future development costs and estimated finance costs to completion.

Company Information

Company Registration Number: 11367705
Incorporated in the United Kingdom

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Independent Chairman

Sarah Whitney
Senior Independent Director

Keith Mansfield
Non-Executive Director

Taco de Groot
Non-Executive Director

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