

## ACQUISITION OF PRIME SOUTH COAST TEMPERATURE CONTROLLED DISTRIBUTION UNIT

### *Multiple asset management opportunities to increase value and income*

Tritax Big Box REIT plc (Tritax Big Box or the Company) today announces it has acquired a prime temperature controlled distribution unit in the core South Coast location within the Nursling Industrial Estate in Southampton, for £44.2 million, reflecting a net initial yield of 5.24%, in an off market transaction with a UK real estate fund.

#### **An attractive asset in a prime location**

The acquisition secures an attractive asset in a prime logistics location, providing critical cold-store capabilities close to a key UK port.

- 325,000 sq ft building with extensive cold-store capabilities on a 20 acre site
- Well configured cross-docked building with 10 metre eaves and 53 dock levellers, together with extensive parking and yard area
- Nursling Industrial Estate is the pre-eminent location for logistics on the South Coast, where Southampton represents the primary logistics hub for the region
  - Excellent road, port and rail connectivity
  - Proximity to a major population centre providing a deep employment market for occupiers
- Very low vacancy rates in the Southampton area due to high demand from a range of occupiers

#### **Opportunities to increase value and income**

The building is let to Tesco on a 25 year lease expiring in January 2021 and, through extensive due diligence, we believe the site provides a range of opportunities to deliver near-term value through asset management, including:

- Increasing value through agreeing a lease regear/new lease
- Growing income through capturing current market rental reversion
- Capturing future rental growth in a structurally undersupplied location
- Enhancing the configuration of the built area and yard
- Increasing the asset's sustainability through green initiatives such as solar

#### **Financed through a blend of existing resources and issuance of new shares**

The £44.2 million consideration will be financed through £24.2 million of existing resources and the issue to the seller of 12,166,930 new Ordinary Shares in the Company at a price of 164.38 pence per share.

- This issue price represents a 6.2% premium to the 30 June 2020 EPRA NAV
- The new Ordinary Shares are subject to a six-month orderly market agreement in customary form

#### **Colin Godfrey, CEO, Fund Management, commented:**

"This is a rare asset acquired off-market in a prime South Coast location next to the M27 motorway and close to the Port of Southampton. Benefitting from a strong existing tenant and a robust underlying occupational market, this building presents us with several attractive asset management opportunities which we expect will drive income and capital value growth. While the investment market for logistics assets continues to strengthen, there remain select attractive acquisition opportunities where significant value can be added through asset management."

#### **Listing of new shares**

The new Ordinary Shares to be issued by the Company as part of the consideration represent approximately 0.71% of the Company's existing issued share capital. Applications have been made for all of the new Ordinary Shares to be admitted to the Premium Listing segment of the Official List of the UK Financial Conduct Authority (the "FCA") and to trading on the London Stock Exchange's Main Market for listed securities ("Admission"). The new Ordinary Shares will rank pari passu with the Company's existing Ordinary Shares, and Admission is expected to occur at 8.00am on 16 November 2020.

#### **Total voting rights**

Immediately following Admission, the Company will have 1,719,141,878 Ordinary Shares of 1 pence each in issue and therefore the total voting rights in the Company will be 1,719,141,878. This figure may be used by Shareholders as the denominator for the calculations by which they may determine whether or not they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules. The Company does not hold any shares in Treasury.

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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The Company's LEI is: 213800L6X88MIYPVR714

**NOTES:**

Tritax Big Box REIT plc (ticker: BBOX) is the only listed vehicle dedicated to investing in very large logistics warehouse assets (**Big Boxes**) in the UK and is committed to delivering attractive and sustainable returns for Shareholders. Investing in and actively managing existing built investments, land suitable for Big Box development and developments predominantly delivered through pre-let forward funded basis, the Company focuses on large, well-located, modern Big Box logistics assets, let to institutional-grade tenants on long-term leases (typically at least 12 years in length) with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity in this sub-sector of the UK logistics market owing to strong tenant demand and limited supply of Big Boxes.

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

Further information on Tritax Big Box REIT is available at [www.tritaxbigbox.co.uk](http://www.tritaxbigbox.co.uk)