TRITAX EUROBOX

03 December 2020

THIS ANNOUNCEMENT HAS BEEN DETERMINED TO CONTAIN INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014.

Tritax EuroBox plc

(the "**Company**")

RESULTS FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2020

Tritax EuroBox plc (ticker: EBOX (Sterling) and BOXE (Euro)), which invests in a high-quality portfolio of large, prime logistics real estate assets strategically located across continental Europe, is today reporting its results for the 12 months ended 30 September 2020.

Financial performance

	30 September 2020	**30 September 2019**[1]	**Increase/ (decrease)**
Portfolio value	€837.9m[5]	€689.1m[2,5]	21.6%
IFRS NAV per share[3]	€1.19	€1.13m	5.3%
EPRA Net Reinstatement Value per share[3]	€1.30	€1.21	7.4%
Dividend per share	4.40 cents	3.40 cents	
Total Return[6]	11.3%	9.5%	1.8 pts
Profit before tax	€53.58m	€26.34m	
Basic Earnings Per Share (“EPS”)[4]	10.60 cents	6.25 cents	
Adjusted EPS[4]	4.16 cents	3.25 cents	
EPRA cost ratio	31.3%	34.5%	(3.2) pts
Loan to value (“LTV”) ratio	39.9%	33.3%	6.6 pts

Strategy and dividend policy: Evolving to deliver resilient, sustainable value to our Shareholders

- Acquisition strategy refined, to tilt towards a more value add approach, with the aim of acquiring more assets earlier in their development cycle or with opportunities to add value through leasing and utilising vacant land
- No change to the investment policy, with the Company continuing to target large, modern buildings in the best logistics locations in continental Europe, close to major population centres and transport links
- The Company is fully invested and hence is now well positioned to adopt a more progressive and active capital management programme
- Updated dividend policy will deliver sustainable, covered and growing dividends to shareholders with aiming to pay out 90-100% of Adjusted EPS each year

Robert Orr, Chairman of Tritax EuroBox plc, commented:

“This was a good year for the business, during which we delivered a robust financial performance and made further strategic progress. We have worked closely with our tenants to support them where necessary during the Covid-19 pandemic and have benefited from the resilience of our business, based on high-quality assets in prime locations, a robust balance sheet and a tenant base that is financially strong.

“Our market is compelling, and the already positive structural trends, such as the growth of e-commerce, have accelerated demand for logistics space. We see exciting opportunities ahead of us and the refinements we are making to our strategy and dividend policy will support the delivery of secure and attractive dividends and capital growth for shareholders. We have a significant pipeline of growth opportunities and look forward to making further progress in the year ahead."

Financial highlights: strong balance sheet and robust performance

- Dividends declared in respect of the year of 4.40 cents, 94.4% covered by Adjusted EPS. New dividend guidance with an anticipated increase to 1.25 cents for the quarter ending 31 December 2020
- Portfolio contracted annualised passing rent increased 16.7% to €40.6 million as at 30 September 2020 (30 September 2019: €34.8 million)
- Portfolio independently valued at €839.3 million[5] at the year end (30 September 2019: €691.7 million), reflecting a like-for-like valuation uplift of 5.4%
- Like for like income growth of 0.5%
- Like for like market rental value growth for 12 months of 2.9%
- Agreement with one tenant to defer €1.6 million of rent until 2021, with all other rent due by 30 September 2020 received
- Debt of €344.0 million at 30 September 2020, giving headroom within facilities of €81.0 million, along with cash balance of €24.4 million
- LTV ratio of 39.9%[6] at 30 September 2020 (30 September 2019: 33.3%), well below our covenant limit and in line with the Company's medium-term target of 45%
- Credit facilities had a weighted average maturity of 3.8 years at 30 September 2020, with no facilities maturing before 2023

Operational highlights: a well-positioned, high-quality portfolio

- Acquired two prime logistics assets totalling nearly 124,000 sqm, for an aggregate cost of €103.6 million[7]
- At the year end, the portfolio comprised:
    - 12 assets in prime locations, with a large average size of nearly 76,000 sqm
    - A strong, well-diversified base of 21 tenant partners, 80%[8] of whom are multi-billion Euro turnover businesses
- 100% of assets are income producing[9] and 95% of rental income is subject to an element of indexation each year
- Weighted average unexpired lease term of 9.1 years at 30 September 2020 (30 September 2019: 11.0 years)
- Awarded 2 Green Stars in the GRESB Assessment. Implemented 7 sustainability initiatives, including installation of LED lighting and solar PV panels, implementation of biodiversity enhancement and provision of community support across the portfolio
- Continued value creation through active asset management during the year:
    - Leased vacant space at Bochum, Germany 8,335 sqm
    - Agreed the option to fund an approximately 88,000 sqm extension to the property in Barcelona, Spain, enhancing income and capital values
    - Sold a 16,400 sqm plot of non-core development land at Bornem, Belgium, for €2.3 million, 53% ahead of the latest valuation and realising a profit of €0.8 million

- Further asset management activity continues across the portfolio, including development on zoned plots of unused land and further leasing of unoccupied space

Post year end highlights

- Acquired a 34,119 sqm logistics facility in Nivelles, Belgium, for €31.2 million, resulting in full deployment of our equity and debt

A Company presentation for analysts and investors will take place via a live webcast and audio only dial in at 0900 (GMT) on the day.

To view the live webcast, please register at:
https://www.investis-live.com/tritaxeurobox/5fb500ee248bc212006b9b13/whlw

The audio only dial in is available using the following details:
Phone number: +44 (0) 203 868 4725
Participant access code: 537198

The presentation will also be accessible on-demand later in the day from the Company website: **https://www.tritaxeurobox.co.uk/investors/**.

Notes

1 The comparator period is the 15 months from 1 July 2018 to 30 September 2019

2 Includes held for sale assets

3 Following the October 2019 update to EPRA's Best Practice Recommendations Guidelines, the Company has adopted EPRA net reinstatement value (NRV) as its primary measure of net asset value and restated its September 2019 position in line with this change. See note 25 of the Financial Statements for reconciliation.

4 See note 12 to the financial statements for reconciliation

5 Like-for-like increase of 5.4%

6 As per KPI definition

7 Excluding the capitalised acquisition costs

8 By rental income

9 Including licence fee income and rental guarantees

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The Company's LEI is: 213800HK59N7H979QU33.

NOTES:

Tritax EuroBox plc invests in and manages a well-diversified portfolio of prime Continental European logistics real estate assets that are delivering an attractive capital return and secure income to shareholders. These assets fulfil key roles in the logistics and distribution supply-chain focused on the most established logistics markets and on the major population centres across core Continental European countries.

Occupier demand for Continental European logistics assets is in the midst of a major long-term structural change principally driven by the growth of e-commerce. This is evidenced by technological advancements, increased automation and supply-chain optimisation.

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

Further information on Tritax EuroBox plc is available at **www.tritaxeurobox.co.uk**

CHAIRMAN'S STATEMENT

Despite the obvious challenges that society has faced as a whole, this was a positive year for us, as we made further strategic progress and our resilient and responsible business model with strong rent collection delivered a robust financial performance. Since the end of the year, we have announced the full deployment of our funds, achieving the portfolio construction targets we set out at IPO.

While Covid-19 has had a dramatic impact on European economies its impact on the Company has been modest. Our assets are key to our strong and well-financed tenant partners' logistics and distribution supply chains and we have worked closely with them to offer support where appropriate.

Favourable market conditions

Covid-19 has impacted business sectors in different ways. It has reinforced the attractions of our market, by accelerating long-term trends and creating new drivers to secure logistics space.

E-commerce is a key driver of demand for logistics space and the pandemic has pushed online shopping to new highs. Covid-19 has also highlighted the need for robust and flexible supply chains, encouraging companies to manufacture more in Europe and hold more inventory close to end users.

These factors are increasing demand for large logistics assets in prime locations but there is an acute shortage of available space and a lack of suitable development sites. This is leading to increasing occupational and investment demand, and rising rents. With limited investment alternatives these assets are ever more attractive to institutional investors, putting further downward pressure on yields.

A secure and growing dividend

We aim to pay an attractive and growing dividend as a key part of the Total Return we generate for Shareholders. Our earnings and dividends are supported by the resilience of our income stream, supported by a diversified tenant base operating in a range of industries. In addition, the indexation built into the majority of our leases ensures steady growth in rental income from our assets. Total dividends for the year were 4.40 cents per share.

At IPO, we aimed to construct a high quality and resilient portfolio that would support a dividend equivalent to 4.75% of the IPO issue price, when fully geared and invested. Following signature of the post-year end acquisition in Belgium and with the anticipated practical completion of our current forward funded developments, we have reached full deployment and expect to achieve the initial dividend target on a pro forma basis, once the Mango extension has completed.

We now require a dividend policy that will underpin the next stage of our development. Going forward, we aim to pay out 90-100% of our Adjusted EPS each year, with a minimum payout of 85%. This will give us the flexibility to implement our refined strategy (see below), while ensuring our Shareholders are rewarded with a significant, secure and attractive dividend. We expect the dividend to gradually increase and aim to distribute 1.25 cents per share for the quarter ending 31 December 2020[1].

A strategy for value creation

Our strategy to date has proved to be highly successful, resulting in an excellent portfolio of assets in prime logistics locations in six core European countries.

As our market evolves, we continue to refine our investment focus so we can take advantage of the unprecedented conditions described above and maximise the value we create for Shareholders. In line with our four pillar investment approach established at IPO, we have always looked favourably on assets with value creation potential and although we will continue to acquire fully let standing assets, we will increasingly tilt our activity towards value-add opportunities. Our overall investment policy and acquisition criteria will not change but we will aim to acquire assets at an earlier point in the development cycle to enable us to control more effectively the value-add opportunity. While the dividend will remain a substantial driver of our Total Return, this strategy will enable us to supplement that with increased capital growth.

With the Company having now reached full deployment, it is now in a position to adopt a more progressive and active capital management programme. Options include recycling capital through asset disposals, partnering with other investors, continued debt management and, where supported by a clear rationale, raising new equity.

Robust financial results and total returns

The Company is posting strong performance results with Total Return of 11.3%, ahead of our long term objective of 9% per annum. This is the result of growing income and increased valuation underpinned by a strong portfolio of assets and tenants. This enabled the Company to distribute a reliable and consistent dividend throughout the year, despite the market turbulence around Covid-19.

The Company took prudent financial measures at the start of Covid-19 and we decided to suspend investment activity for a few months during the summer in order to preserve cash and our available Revolving Credit Facility ("RCF"). This resulted in a delay in deploying the last remaining slice of equity, which has now been done with the acquisition of the asset in Nivelles.

With the new acquisition and the portfolio now running at full capacity, the Board expects the Adjusted Earnings to continue growing during the next financial year, which should underpin future performance.

Board and Governance

There was one change to the Board's composition during the year, with Eva-Lotta Sjöstedt joining as a Non-Executive Director on 10 December 2019. The Board now comprises four independent Non-Executive Directors, including me as Chairman. Eva-Lotta's appointment has broadened the range of skills and experience on the Board, enhancing our discussions and decisions.

The Board has continued to provide robust oversight of the business during the year and in particular since the start of the pandemic, and has been closely involved in discussions with the Manager about the Company's response, as well as debating and approving the changes to our strategy and dividend policy described earlier.

Enhancing our sustainability

The world is rapidly changing and there are many external forces that affect our business and our long-term ability to create value for our Shareholders and for society as a whole.

We understand the scale of the challenge and a robust approach to sustainability is a critical part of any long-term investment management strategy. Managing the risks while seizing the opportunities embedded within our portfolio, is central to the delivery of market leading returns. Covid-19 has made this even more important, by highlighting the non-financial risks we face such as the importance of workers and wider social issues such as health, safety and wellbeing.

During the year, the Board approved a new sustainability strategy that has a long term vision to create a positive environmental and socio-economic impact, aligned with the UN Sustainable Development Goals (SDGs). This will help us to future-proof our assets to meet the global challenges of climate change and to ensure that we capitalise on the opportunity to create sustainable value for all of our stakeholders. More information can be found in the Manager's Report.

Share price

The Board is very conscious that the Company's shares have traded at a discount to its net asset value. We believe that one of the principal reasons for this is the low level of liquidity in our stock. Now that we have fully invested all equity and debt, the Company can implement the refined strategy to create meaningful value for shareholders and enable the valuation gap to be closed.

Outlook

We expect the Company to make further progress in the coming year as we continue to benefit from the rental growth inherent in our leases and as we receive a full year of income from this year's acquisitions. We also expect further value creation through our active asset management programme.

Looking further ahead, occupier demand is set to remain strong, while the supply of new logistics space will be constrained for some time to come, which is positive for market rental growth. Our strategy and our ability to extract value embedded in the existing portfolio will help us to take advantage of these conditions and to deliver strong dividend and capital growth for Shareholders, supporting our Total Return targets.

We have identified a pipeline of attractive investment opportunities totalling well in excess of €1 billion and look forward to expanding the portfolio to support the sustainable growth in our income and capital value that we will deliver to our Shareholders. Further investment will increase portfolio diversification and economies of scale and provide access to an investment grade credit rating which will open up new debt financing opportunities.

In summary, we are positive about the outlook for the Company and look forward to creating further value for all our stakeholders.

Robert Orr, Chairman
2 December 2020

1. This is a target only and not a profit forecast. There can be no assurances that the target will be met, and it should not be taken as an indicator of the Company's expected or actual future performance.

OUR MARKET

A compelling market

We operate in a market with strong fundamentals. While each European country is different, there are common themes of rising occupational demand, constrained supply, increasing rents and improving lease terms. There is a growing body of evidence that the Covid-19 pandemic is leading to an acceleration in many of these trends, intensifying occupational demand and increasing investment returns.

Structural changes are driving occupational demand

Logistics property occupiers are responding to profound structural and operational changes in their markets. To ensure these occupiers have sustainable business models, they must focus on:

1. Meeting the needs and changing demands of modern consumers;
2. Optimising their supply chains to reduce costs; and
3. Ensuring they occupy sustainable assets that will be fit for purpose for years to come.

1. <u>Meeting the needs and changing demands of modern consumers</u>

The move to online shopping is one of the key drivers of occupational demand for large logistics assets. Faced with the high costs of occupying shops and rising online spending, retailers are looking to consolidate their physical store operations and have a combined in-store and online "omnichannel" presence.

Online sales are increasing rapidly in many European countries, spurred by Covid-19. Many consumers, and particularly older ones, tried e-commerce for the first time during lockdown, creating new converts to online shopping. The Centre for Retail Research (CRR) forecasts that Covid-19 has brought forward the higher level of online sales that was previously expected in 2021. The CRR forecasts that online share of total sales is expected to reach new highs in the six main Western European countries, before moderating to more normalised levels in 2021.

The pandemic is also causing retailers to reconsider not reopening stores that were struggling pre-Covid-19, and encouraging them to intensify their focus on an increasingly omnichannel approach. Some of this redundant retail space may be repurposed to support last mile delivery of online sales.

A sophisticated and modern supply chain is fundamental to the success of the omnichannel model. Retailers are increasingly reliant on very large, flexible, modern logistics properties, enabling them to offer consumers access to their entire product range and then quickly, flexibly and cheaply deliver those orders and manage returns, while also having the ability to add capacity as they grow.

2. <u>Optimising supply chains to reduce costs</u>

Even before Covid-19, many businesses were facing persistent pressure on their supply chains, making the efficiencies and lower costs offered by large flexible logistics buildings highly appealing. The pandemic has only increased this pressure, with companies facing reduced sales, increased costs and potentially prolonged economic uncertainty.

As a result, occupiers are consolidating into fewer, larger and more modern distribution assets. This provides them with economies of scale and the opportunity to automate processes which would not be possible in smaller, disparate properties, helping them to improve their systems, reduce costs and have the flexibility to meet growing demand. Larger units also tend to be taller, allowing for mezzanine floors and more efficient automated racking and storage systems. Automation also improves resilience against Covid-19 and potential future pandemics, in part by reducing the reliance on close human interaction.

The pandemic profoundly disrupted many supply chains, particularly in the early stages, as the “just-in-time” supply model failed to cope as suppliers were forced to shut down. Companies therefore need to protect themselves from similar events in future, or from potential disruption resulting from trade wars or geopolitical tensions. Relocating manufacturing and assembly closer to Europe from Asia will allow more flexibility and control of shipping and distribution. Companies are also likely to hold more inventory, to protect themselves from future shocks. National governments are also pushing companies to hold more stock of key goods such as food and medical supplies, to improve resilience.

3. <u>Ensuring they occupy sustainable assets that will be fit for purpose for years to come</u>

Sustainability is increasingly central to our tenants' corporate strategies, reflecting the potential cost savings of energy efficiency, being responsible corporate citizens and the need to respond to growing consumer awareness of sustainability issues. By occupying assets built with state-of-the-art design and materials, and which incorporate low-carbon technologies and energy efficiency, they can minimise their environmental footprint and optimise their use of natural resources.

Sustainable assets are also more attractive investments, offering lower obsolescence, lower running costs and greater long-term appeal to occupiers and investors.

Asset location is key

The location of logistics assets is fundamental. In continental Europe, prime logistics locations are typically close to densely populated conurbations and have excellent transport links for wider distribution, a suitable labour supply and sufficient power to operate substantial automated systems.

In many European cities, large logistics units on the outskirts also provide an effective solution for last-mile delivery across the city, avoiding the need for smaller urban logistics closer to the centre, and reducing the transport mileage and associated environmental impacts.

Supply remains constrained

Given the characteristics described earlier, there are comparatively few sites which can accommodate very large logistics facilities. Municipalities are also often reluctant to zone for the largest properties, instead preferring to consent for smaller unit development. At the same time, the difficulty of acquiring suitable new land for logistics means many developers are exhausting their logistics land banks. The potential for increased manufacturing in Europe, as noted above, could also increase competition for land that could otherwise be used for logistics.

These factors, combined with a lack of speculative development over the last decade, mean that occupiers looking for major new logistics facilities have few choices. The consequence is that logistics vacancies in continental Europe are at, or near, all-time lows. Nine out of our twelve assets are located in markets where vacancy rate are below 5%.

Strong take-up and few completions

Take-up across Europe has been consistently strong since 2016, averaging 21 million sqm per annum. While the level of completions has increased as occupiers seek logistics buildings with the quality and standards to meet their operational needs, the supply of new space has not kept up with the level of demand.

Rental growth is evident

Strong occupier demand and constrained supply, combined with rising land prices, raw material and labour costs, mean there is pressure for rents to increase.

Approximately only 10% of total operational costs are accounted for by supply chain costs, and industry-standard metrics indicate that only 0.75% of total operational costs are logistics real estate occupancy (source: Savills). We therefore believe that occupiers can absorb higher rental costs, as the economies and efficiencies make higher rental levels sustainable in the longer term.

Improving lease terms

Another important effect now evident in some European markets is the potential to improve lease terms in favour of the property owner.

Leases in Europe have typically been relatively short – on average five years – and often contain occupier-friendly clauses, such as restricted indexation provisions. However, the dynamics described above mean that occupiers are increasingly keen to retain long-term control of their properties, particularly given their often substantial investment in fitting out and automation, and the ever greater importance of an efficient supply chain in the wake of Covid-19. They are therefore signing longer leases to secure their occupation and amortise these costs over a longer period. Longer leases also suit international companies who want to harmonise their lease obligations across geographies. The trend to longer leases is evidenced by our portfolio, which has a weighted average unexpired lease term (WAULT) of 9.1 years at 30 September 2020.

We are also increasingly able to negotiate better indexation clauses and more advantageous renewal options. These improvements in lease terms help to improve the value of the assets.

Investment demand is robust

The dynamics of the occupational market and the difficulties faced by other real estate sectors, in particular retail, have further increased investment demand, especially since the start of the pandemic. Competition is fierce for openly marketed opportunities, so effective sourcing requires us to acquire directly from sellers.

Strong investment demand has continued to compress yields, which have been falling over the last decade and have hardened further since our IPO. Even so, prime logistics assets continue to offer an attractive yield premium over the risk-free European bond yield.

OUR BUSINESS MODEL

Our business model supports the achievement of our purpose, through our focus on the most modern, best located and most sustainable logistics properties. These meet the needs of growing and ambitious companies, both now and in the future, and help us to create value for Shareholders, our tenant partners and our other stakeholders.

What we do

We acquire, lease and manage large logistics assets across strategic locations in core countries in continental Europe.

We aim to deliver consistent returns to Shareholders over the medium to long term, through investing in properties that deliver secure and rising rental income and capital growth.

How we create value

Source high-quality investments

The Manager uses its extensive logistics experience and network of relationships to acquire properties for us which are not being openly marketed, thereby reducing competition for such assets. The Manager's expertise and reputation make us an attractive partner for occupiers and for sellers looking to dispose of their assets. We are also able to expand our portfolio through extending and building properties on our existing sites, enabling us to invest at more advantageous rates than in the open market.

Buy and sell for value

Before acquiring an asset, the Manager carefully assesses its fit with our investment criteria. Every acquisition is considered alongside the existing portfolio, to ensure good diversification, and avoid concentration of risk.

We intend to hold assets for the long term. However, we regularly assess the potential upside in disposing of assets and recycling capital into new opportunities.

Develop on a risk-controlled basis

The Manager's relationships enable it to source and invest in forward funded developments for us, which have been pre-let to a specific tenant. Funding the construction of a property enables us to invest in brand new, environmentally friendly buildings leased to institutional grade tenants on long leases, substantially reducing any development risk.

The Manager can also acquire land for us which is zoned for logistics use, either as an integral part of an existing acquisition, or a discrete parcel of land. This allows us to capture a greater share of the development profit. The Manager will only acquire such land, already zoned for logistics use, from a developer who is incentivised to secure planning and a pre-let with a financially sound tenant, at which point the land will become a forward funded pre-let development.

Proactively and responsibly manage assets

The Manager works with our tenant partners to maximise the building's usefulness to their operations and to adapt the space as their needs change. These initiatives can allow us the opportunity to capture the rental growth which is prevalent across our markets. Sustainability is at the heart of this approach, helping us to future-proof our assets and ensure they generate long-term returns for Shareholders, while protecting the environment and looking to benefit local communities.

Our competitive advantage

The Manager and the Board together are responsible for devising, implementing and evolving the Company's strategy. The Manager's logistics sector specialism provides exceptional focus and understanding of the dynamics of the sector to enable this. It benefits from a deep pool of resource with many years of combined experience in the European logistics real estate market, providing shareholders with unrivalled execution capability. These skills include sourcing and acquisition of assets; management, (in conjunction with our retained asset managers) to unlock value from assets; development; portfolio construction and management; implementation of hold/sell strategies and disposal. Layered throughout these disciplines is market leading in-house tax, legal and accounting knowledge.

A key advantage is the relationship with development and asset management partners Dietz and Logistics Capital Market (LCP) which provides the Company with access to competitively priced, top flight investment opportunities in the key European logistics markets. As well as these relationships the Manager has a wide contact base of other investors, developers and occupiers in the market, also providing reliable attractive investment opportunities.

In summary, the breadth and depth of the Manager's experience, in all facets of the European real estate logistics market, provides a focussed and motivated platform to deliver market leading returns to shareholders.

The value we create

For our tenant partners

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

For society

Our assets are integral to the communities where they are located. They support employment in the local areas around our assets and they generate tax revenues which support government spending, both locally and nationally. Our assets also provide efficient logistics space which supports modern lifestyles, particularly in the online shopping market, allowing rapid delivery and consumer choice from occupiers of these buildings.

For the environment

We take the environmental impact of our assets very seriously. Our approach to sustainability aims to transition our portfolio to net zero carbon, while enhancing biodiversity on our sites.

For Shareholders

We look to pay a progressive, secure and sustainable dividend and generate capital growth.

A large proportion of our Total Return is generated from the rents which our tenants are contracted to pay to us under multi-year lease contracts. As at 30 September 2020 the weighted average length of these leases to expiry was 9.1 years, giving us excellent predictability of income to underpin the returns we deliver to investors. This income grows in two ways: As is usual in European markets, rents we receive increase automatically each year through a reference to a local inflation index. The second way is through growing market rent levels, which we capture through our asset management activities. As around two thirds of our rental payments are made monthly in advance, with the remainder being paid quarterly in advance, our predicted revenue converts quickly into cash. This regular cashflow, coupled with the financial strength of the tenants minimises the risk of bad debts. Assets we acquire typically have an occupier in place. This, coupled with the strong demand for our high-quality properties help us to quickly let any vacancy that arises. Lease renewals, new lettings and significant asset management initiatives allow us to capture market rental growth over and above the indexation inherent in the leases.

Our cost base enables us to convert a significant proportion of our rental income into profit. A number of our costs are partially or largely fixed, which will result in increasing profitability as the portfolio expands.

This growth in income is directly converted into capital growth. Additional capital growth can also be seen during the life of ownership of our assets. This may come from yield compression across the market, or through the benefits of our asset management activities and our acquisition processes.

For lenders

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

KEY PERFORMANCE INDICATORS

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

KPI and definition	Comments	Performance
1. Dividend Dividends paid to Shareholders and declared in relation to the period.	The dividend reflects our ability to deliver a growing income stream from our portfolio and is a key element of our Total Return. An attractive and progressive dividend, with the intent to pay out 90-100% of our Adjusted Earnings each year, with a minimum payout of 85% of Adjusted Earnings.	**4.40 cents/share for the year ended 30 September** 2020 (30 September 2019: 3.40 cents/share)
2. Total Return (TR) TR measures the change in the EPRA Net Reinstatement Value (EPRA NRV) over the period plus dividends paid.	TR measures the ultimate outcome of our strategy, which is to create value for our Shareholders through our portfolio and to deliver a secure and growing income stream. The Company's medium-term TR target set at IPO is 9% per annum by reference to the IPO issue price.	**11.3% for the year ended 30 September** 2020 (30 September 2019: 9.5%[1])
3. Basic Net Asset Value Net asset value in IFRS GAAP	Basic Net Asset Value measures the net value of the Company under IFRS.	**€503.91m** **€1.19/share as at 30 September** 2020 (€477.27m/€1.13/share as at 30 September 2019)
4. Adjusted earnings Post-tax adjusted EPS attributable to Shareholders, adjusted for other earnings not supported by cash flows. See note 12 of the Financial Statements.	Adjusted EPS reflects our ability to generate earnings from our portfolio, which ultimately underpins our dividend payments.	**€17.56m** **4.16 cents/share** **for the year ended 30 September** 2020 (30 September 2019: €10.79m/3.25 cents/share)
5. Loan to value ratio (LTV) The proportion of our gross asset value (including cash) that is funded by borrowings	The LTV measures the prudence of our financing strategy, balancing the additional returns and portfolio diversification that come with using debt against the need to successfully manage risk. The Company will maintain a conservative level of aggregate borrowings with a medium-term target of 45% of gross asset value	**39.9% at 30 September** 2020 (30 September 2019: 33.3%)

	and a maximum limit of 50% (in each case, calculated at the time of borrowing).	
6. Weighted average unexpired lease term (WAULT) The average unexpired lease term of the property portfolio weighted by annual passing rents.	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream. The Company seeks to maintain a WAULT of greater than five years across the portfolio in accordance with typical lease lengths prevalent in continental Europe.	**9.1 years at 30 September** 2020 (30 September 2019: 11.0 years)
7. Dividend cover Dividends paid and proposed to Shareholders in relation to the financial period.	The dividend cover helps indicate how sustainable a dividend is. It measures the proportion of dividends which is supported by adjusted earnings.	**94.4% for the year ended 30 September 2020** (30 September 2019: 85.3%)
8. Interest cover The ratio of net property income to the interest incurred in the period.	It is a measure of a company's ability to meet its interest payments.	**4.63 times for the year ended 30 September 2020** (30 September 2019: 6.0 times)
9. Like-for-like rental growth Like-for-like rental growth compares the growth of the rental income of the portfolio that has been consistently in operation and not under development at year end.	This measures the company's ability to grow its rental income over time. Rental growth will not be linear during the hold period, with different mechanism in each lease agreement. The 0.5% this year reflects the lower inflation background.	**0.5%/€0.18m for the year ended 30 September 2020** (30 September 2019:1%/€0.3m)

[1] Total Return for 30 September 2020 was 10.9% (30 September 2019: 3.4%) using the previous EPRA NAV at 122.72 cents and 114.54 cents respectively.

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. Following the October 2019 update to EPRA's Best Practice Recommendations Guidelines, the Group has early adopted these guidelines and has adopted EPRA NRV as its primary measure of net asset value and restates its September 2019 position in line with this change. A reconciliation of this change is provided within the Notes to the EPRA and Other Key Performance Indicators section.

Performance measures and definition	Comments	Performance
1. EPRA Net Reinstatement Value (EPRA NRV) Basic NAV adjusted for mark-to-market valuation of derivatives, deferred tax and transaction costs (real estate transfer tax and purchaser's costs).	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.	**€550.50m** **€1.30/share as at** 30 September 2020 (30 September 2019: €511.05m/€1.21/share[1])
2. EPRA Net Tangible Assets (EPRA NTA) Basic NAV adjusted to remove the fair values of financial instruments and deferred taxes. This excludes transaction costs.	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	**€516.31m** **€1.22/share as at** 30 September 2020 (30 September 2019: €481.74m/€1.14/share[1])
3. EPRA Net Disposal Value (EPRA NDV) Equivalent to IFRS NAV as this includes the fair values of financial instruments and deferred taxes.	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.	**€503.91m/** **€1.19/share as at** 30 September 2020 (30 September 2019: €477.27m/€1.13/share[1])
4. EPRA Earnings Earnings from operational activities.	A key measure of the Group's underlying results and an indication of the extent to which current dividend payments are supported by earnings.	**€13.80m** **3.26 cents/share for the year ended** 30 September 2020 (30 September 2019: €9.81m/2.96 cents/share)
5. EPRA Net Initial Yield (NIY) Annualised rental income based on the cash rents passing at the balance	This measure should make it easier for investors to judge for themselves how the	**4.4%** **as at** 30 September 2020 (30 September 2019: 4.5%)

sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	valuations of portfolios compare.	
6. EPRA 'Topped-up' NIY This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	**4.6%** **as at** 30 September 2020 (30 September 2019: 4.8%)
7. EPRA Vacancy Rate Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	The vacancy relates to part of the two latest acquisitions in Breda and Strykow. These buildings were acquired partly vacant with rental guarantee covering the vacant space.	**5.43%** **for the year ended to** 30 September 2020 (30 September 2019: 1.2%)
8. EPRA Cost Ratio Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs. We expect the EPRA cost ratio to continue to decrease over time, as the portfolio grows and the Company benefits from economies of scale.	**31.3%[2]** **for the year ended to** 30 September 2020 (30 September 2019: 34.5%[2]) **31.0%[3]** **for the year ended to** 30 September 2020 (30 September 2019: 33.9%[3])

[1]EPRA NAV for 30 September 2020 was €518.78m/€1.23/share (30 September 2019: €484.21m/€1.15/share). EPRA Triple Net Asset Value (NNNAV) for 30 September 2020 was €503.91m/€1.19/share (30 September 2019: €477.27m/€1.13/share).

[2]Inclusive of vacant property costs

[3]Exclusive of vacant property costs

MANAGER'S REPORT

Further diversifying the portfolio through high-quality acquisitions

During the year, we strengthened the Company's portfolio with the addition of two investments, at an aggregate cost of €103.6 million. We continued to exercise strong capital discipline, with these acquisitions having an average net initial yield of 5.4%. After the year end, the Company made a further acquisition in Belgium (see post year end activity below), resulting in full deployment of its equity and debt.

At the year end, the Company had invested €773.8 million to acquire a portfolio of 12 prime income-producing assets.

The assets acquired during the year were as follows:

- **Breda, Netherlands**: acquired for €50.3 million, at a net initial yield of 4.6%. The asset has a gross internal area of c.46,200 sqm and was purpose built in November 2019 to the latest logistics specifications, a rated BREEAM 'Very Good'. It is the Company's first acquisition in the Netherlands and is in a key location along the main east-west logistics corridor in Southern Netherlands, with excellent road, rail and port connectivity, and a robust labour market.
- **Strykow, Poland**: acquired for €53.3 million, at a net initial yield of 6.1%. The asset has a gross internal area of c.77,660 sqm and comprises two recently developed prime logistics properties and development land. It is in a core logistics location in central Poland, close to the Group's asset let to Castorama.

The Breda and Strykow assets were classified as value-add, reflecting the asset management opportunities they present through leasing vacant space and developing unused land.

When we acquire properties with vacant space for the Company, we aim to negotiate a rental guarantee to compensate for the lack of income on this space. This guarantee may be either cash or non-cash. Any rental guarantee is recognised within Adjusted Earnings. Both acquisitions during the year benefit from a rental guarantee.

A highly attractive portfolio

At the year end, the Company's portfolio was well diversified by building size and tenant, with assets situated in the core European countries of Belgium, Germany, Italy, the Netherlands, Poland and Spain. The portfolio has several attractive characteristics, which will help it to generate meaningful value for Shareholders and the Company's tenant partners. Our assets are in prime locations across core countries in continental Europe and are key to our tenant partners' logistics and distribution supply chain needs.

<u>Modern</u>

The assets are modern, with 86% (by income) of the portfolio having been built in the last four years. This helps to ensure that the buildings meet the latest operational and sustainability needs of occupiers.

<u>Large</u>

Significantly, the assets are large, with nearly 50% of the portfolio (by income) being in excess of 100,000 sqm and an average size of nearly 76,000 sqm. We believe this is the largest average size in our sector and is an important advantage for the Company, given that occupier demand for logistics space is concentrated on these very large units and on the smaller "last mile" facilities, with lower demand for mid-sized boxes.

<u>Sustainable</u>

89% of the portfolio by floor area is covered by Green Building Certifications or Energy Performance Certificates (EPCs) demonstrating their sustainability. The assets in the portfolio have LED lighting in place, with other energy efficiency measures to reduce the occupier operating costs; and support health and wellbeing, through features such as gyms, cycle facilities, recreation areas and increased daylighting, which supports occupiers staff productivity and retention.

Income generating

The portfolio has been constructed to deliver secure, long-term and growing income. Around 80% of the Company's 21 tenant partners are multi-billion Euro businesses, including some of the world's best-known companies. These businesses have strong balance sheets, helping them to navigate difficult economic circumstances, and they operate in a wide range of different industries.

The portfolio income is also secured on long leases. Nearly 90% of income is secured for five years or more, resulting in a weighted average unexpired lease term at the year end of 9.1 years, well ahead of the Company's target minimum of five years. The unexpired lease terms at the year end ranged up to 16.2 years.

Some 95% of the Company's rent includes an element of annual indexation, with rental uplifts being either fixed or indexed to local inflation, thus offering the regular compounding of income that supports the Company's dividend growth policy.

We also look for opportunities to capture market rental growth, which we expect to exceed indexation, through asset management initiatives.

Our buildings are key operating assets for tenants' businesses providing the goods and services that the underlying customers continue to require. Consistently strong rent collection figures from a high quality tenant base demonstrates that the logistics sector remains resilient and structural tailwinds have been accelerated by the impact of the Covid-19 pandemic.

Capturing embedded value

When sourcing acquisitions for the Company, we have always looked favourably on assets that have embedded value creation potential, for example through leasing activity or utilising unused or adjacent land. We work proactively with the Company's tenant partners to secure initiatives that drive rental income and capital values, supporting the Company's delivery of secure long-term income and an attractive total return.

Land sale

During the year, we completed the sale of a 16,400 sqm plot of non-core development land at Bornem, Belgium. This plot sat outside our core strategy, as it is better suited to smaller industrial unit development rather than large-scale logistics development.

The sale receipt reflected a 53% net increase on the latest valuation (gain of €0.83 million).

Leasing opportunities

In January 2020, the Company completed a lease on the vacant unit of 8,335 sqm at its property in Bochum, Germany. The new lease is for a five-year term from 1 February 2020, at a headline rent which is some 7% higher than the previous rental guarantee and the passing rent at the neighbouring units, now demonstrating both the rental growth evident in this market and the reversionary potential of the remainder of the building. The lease contains attractive indexation provisions, with full annual indexation reflecting 100% of the German Consumer Price Index. The lease also further diversifies the Company's tenant base, adding Recht Logistik GmbH, an established German logistics and transportation company based in Nord Rhein Westphalia. The Bochum asset is now fully let.

As noted earlier, the Company has vacant space at both assets acquired during the period in Breda and Strykow and sees further value creation potential from leasing these units, which are currently subject to rental guarantees. The assets at Bremen and Hammersbach in Germany also offer opportunities for lease regears in the medium term.

A key sustainability objective is to make use of lease agreements to ensure that we are further collaboratively working with our occupiers on sustainability goals, such as improving energy efficiency. Since May 2020, the Company has put in place a process to include green clauses in our leases to enable this cooperation.

Expansion opportunities

In November 2019, the Company agreed an option to fund an 88,000 sqm extension to its global distribution centre at Lliçà d'Amunt, Barcelona, let to Mango, one of the world's leading fashion retailers. The capital commitment is estimated at €30.5 million and will generate an attractive yield on cost. We expect construction to start no sooner than Summer 2021, once all necessary permissions have been obtained and in line with Mango's strategic objectives and development programme.

On practical completion, which is targeted for Q4 2022, the extension will be incorporated into the existing full repairing and insuring lease that started in December 2016 on a 30-year term. The unexpired lease term on completion of the extension will be approximately 14 years to the first tenant break option in 2036, with further break options in 2039 and 2042. The rent is subject to annual upward-only indexation.

The extension forms part of accommodating the continued growth of Mango's global e-commerce operations, which is expected to further increase post Covid-19, combining the in-store and online fulfilment functions, increasing this facility's gross internal area to over 274,000 sqm, including mezzanine floors. As part of the extension agreement, the Company and Mango will work together to optimise and reduce energy consumption within the existing building and the extension to improve the property's environmental performance. The Company will commission an updated EPC on completion of the extension, which will therefore demonstrate the future-proofing of this high-specification asset, as well as improving rental income and its capital value.

Development opportunities

Further asset management activity is expected across the portfolio, including agreeing to start construction on a number of zoned plots of unused land. These include the development land acquired with the asset at Strykow, Poland, where there is the potential to invest €15.0 million to fund the construction of a building with a gross internal area of approximately 22,400 sqm. The Company has entered into a conditional funding agreement with the vendor to develop this land.

In Belgium, the assets at Bornem and Rumst have over 60,000 sqm of zoned land with potential to develop approximately a further 28,000 sqm of warehouse space. The development plot at Bornem now has a building permit in place and ground works have begun post year end. In conjunction with LCP we are overseeing the development of the site and simultaneously actively marketing the property.

In total, the development initiatives identified within the portfolio could add up to €6.1 million of annual income over the medium term.

Our sustainable approach

As outlined in the Chairman's statement, sustainability is fundamental to the Company's ability to create long-term value for Shareholders and other stakeholders and to manage risk while doing so. During the year, we have defined and implemented a sustainability strategy that supports the Company's overall sustainability goal to create a positive environmental and socio-economic impact by 2030. In support of this, the Company has developed four key objectives. This strategy was approved by the Board and is summarised below, along with targets for the next three years.

Key Objectives	2020-23 targets
Own healthy and sustainable buildings Ensure and demonstrate the sustainability of our assets	• Ensure all assets align with environmental, social and governance (ESG) investment principles • Improve GRESB score to three Green Stars • Implement green leases on all new leases

	• Provide recommendation reports and sustainable operations guides to tenants
Energy and Carbon Net zero carbon emissions	• Ensure all assets have LED lighting and Building Management Systems in place • Install renewable energy generation projects • Ensure assets have climate resilience measures installed
Nature and wellbeing Enhance biodiversity on the Company's land	• Implement biodiversity, climate and wellbeing measures on each asset • Install electric vehicle charging and cycle facilities
Socio-economic impact Create a positive socio-economic impact through our investment	• Measure social value to demonstrate the impact of the Company's investment • Support local community causes, in conjunction with tenants • Support employment and skills initiatives for the assets with the highest levels of deprivation

The Company has developed this strategy by assessing its portfolio and targeting those areas where the maximum impact will be made on the most pressing issues. The strategy aligns with the UN Sustainable Development Goals targeting the following specific goals: Sustainable Cities and Communities, Climate Action, Life on Land and Decent Work and Economic Growth. The Company will disclose its results against the EPRA Sustainability Best Practice Indicators (SBPR) in its ESG Disclosure Report, expected by early 2021.

Embedding and assessing sustainability throughout our operations

We assess and embed sustainability processes throughout the life cycle of our assets, from construction and acquisition, through the ongoing management through to disposal.

We consider sustainability in accordance with our Investment Policy and we carry out Sustainability Risk Assessments on acquisition of assets. This provides us with valuable information about the sustainability risks and opportunities a new asset will present. We use this information to create Sustainability Action Plans (SAPs) for each asset which set out plans to improve its sustainability performance. These plans identify both asset management and operational initiatives. We use these to engage our tenant partners and collaborate on sustainability projects. The SAPs are updated annually to identify any new risks and opportunities.

This year, we have further enhanced the sustainability and ESG components in our investment decision-making. We are also providing ESG investment training for the Board and the Manager. Our newest Non-Executive Director, Eva-Lotta Sjostedt, brings a wealth of ESG experience to the Board, and has taken the position of 'Sustainability Champion' on the Board. Eva-Lotta conducts monthly catch-up meetings with the Manager's Head of Sustainability to ensure the Manager remains ESG focussed in all aspects of operations.

Key sustainability highlights during the year

Investor ESG Rating: GRESB score 64/100 (up from 53 in 2019)

Carbon emissions: 3,890 Tonnes of C02e (Scopes 1, 2 and 3 business travel)

Renewable energy generated on site: 2,259 MWh megawatt hours

Green revenues from onsite solar PV generation for tenants: €394,208

Wellbeing measures in place on portfolio: 9 assets with measures in place

90% of our portfolio by floor area, representing ten out of the twelve assets, benefit from Energy Performance Certificates or Green Building Certification.

Examples of progress towards achieving our Big Goals

1. *Healthy and sustainable buildings*

Our objective is to ensure all assets are healthy and sustainable. We target acquiring assets with Green Building Certification wherever possible and ESG is embedded in all investment and leasing activities.

- 40% of our portfolio by floor area, representing five assets, is covered by Green Building Certification. Two of these, Rome, Italy and Breda, Netherlands are certified to BREEAM Very Good. The other three assets are located in Germany, in Peine, Wunstorf, and Bremen, and are certified to DGNB Gold.
- 90% of our portfolio by floor area, representing ten out of the twelve assets, benefit from Energy Performance Certificates or Green Building Certification. These cover all assets apart from those in Belgium where there is no EPC rating scheme in place. EPCs in Europe vary depending on the country, most do not provide an EPC grade. We are assessing options to rate the two Belgian assets.

During the year, among other assets, we acquired a building in Breda in line with our ESG investment criteria. We have implemented a standard process for embedding green leases into any lease renewals or new lettings. We also joined the German Green Building Council (DGNB), to support the sustainability activities at the Company's five assets in Germany and to help engage with tenants, local municipalities and developers.

2. *Energy and carbon*

Our objective is to achieve net zero carbon emissions in our direct operations, including management of the buildings, refurbishment and construction, and also to support our tenants in achieving this in their operations in our buildings.

- At the year end, six assets had rooftop solar PV installed. These schemes generated 2,259 MWh of renewable energy during the year.
- Ten assets have LED lighting installed. During the year, LED lighting installation progressed at Rumst and Bornem, which increases coverage to twelve assets. We aim to work with the Company's tenant partners to increase the coverage of LED lighting and other energy efficiency measures, to support their operational efficiency and carbon reduction plans.
- The Company consumed 21,224 MWh of energy for the supply of landlord procured electricity and gas. The Company's carbon emissions totalled 3,890 tonnes of carbon (TCO2e) in the year. To support our ambition for the Company's activities to be net zero carbon, we are switching to renewable energy supplies in 2021. This will bring the Company's indirect emissions (Scope 2) to net zero carbon, and we are exploring ways to use renewable gas supplies to bring our direct emissions (Scope 1) to net zero carbon.
- We have calculated our Scope 3 business travel emissions, which totalled 20 tonnes of carbon this year. We recognise that this is likely to be much lower than in normal operating years due to travel restrictions caused by Covid-19.

3. *Nature and Wellbeing*

Our objective is to enhance nature and wellbeing on our assets for the benefit of our tenants and local communities. Covid-19 has highlighted the importance of wellbeing and community engagement.

- As at the year end, nine of the Company's assets benefit from the staff recreation and wellbeing facilities, meaning these assets are well suited to supporting the wellbeing of employees.

- Five assets in the portfolio currently have a range of nature and biodiversity measures on site. We are working with our tenant HAVI Logistics in Wunstorf, Germany, to install further measures, including natural vermin control and beehives that will enhance the local environment and contribute to the wellbeing of staff working on site. We aim to increase this by working closely with our tenants in the medium to long term.

4. ***Social Value***

The Company aims to create social value in the communities where its assets are located through its investment in European logistics. The assets are well-located close to population centres creating jobs, providing tax revenues and supporting the local economy. These jobs often provide skills training, improving the economic opportunities for the people employed.

- The Company has created a portfolio-wide Community Investment Fund that supports investments made into the local community by tenants. This adds value beyond just the investment value of the asset, enabling us to support local communities by working in partnership with tenants. A recent example includes supporting micro charities that help those most affected by the Covid-19 pandemic.

FINANCIAL REVIEW

Portfolio valuation

The portfolio was independently valued by JLL as at 30 September 2020, in accordance with the RICS Valuation – Global Standards. The portfolio's total value at the year end (including rental guarantees for new acquired properties) was €839.3 million (30 September 2019: €691.7 million). This reflected a like-for-like valuation increase of 5.4% during the year, driven mainly by yield compression, indexation on leases and asset management initiatives such as the Mango extension.

In the Company’s half year results, we stated that the valuer’s report as at 31 March 2020 noted material uncertainty relating to property valuations as a result of Covid-19. The valuer’s report as at 30 September 2020 did not contain a material uncertainty clause, reflecting greater understanding of Covid-19 and the reduced impact on the logistics asset class.

Financial results

Comparative period

The comparative period for this set of results is the 15 months from 1 July 2018 to 30 September 2019. This was the first period for the Company after its IPO and the income the Company earned was staggered over the period, as new assets were acquired. Given this, it is not meaningful to draw comparisons between items in the income statement. The commentary below therefore considers financial performance in the twelve months to 30 September 2020 on a standalone basis.

Rental income

Rental income for the year was €36.0 million (2019: €24.5 million). Under IFRS, rental income from each lease is smoothed over the term of the lease. As a result, there was no impact on reported revenue in the year from the deferral of €1.6 million of rent to 2021 by a single tenant. However, we have deducted this revenue from our calculation of Adjusted Earnings, to ensure the Company does not distribute earnings that it has not yet received in cash. This also means that Adjusted Earnings in the financial year ending 30 September 2021 will include an additional €1.6 million, subject to receiving the cash.

Costs

The Company's operating and administrative costs were €10.7 million (2019: €8.5 million), which primarily comprised:

- the Management Fee payable to the Manager of €4.1 million (2019: €3.3 million);
- a fee for running an SGR structure in Italy, which ensures the Italian property holding company is exempt from corporation and income tax;
- the Company’s running costs, including accounting, tax and audit;
- the Directors' fees; and
- non-recoverable VAT of €0.68 million.

The EPRA cost ratio (inclusive of vacancy cost) was 31.3% (2019: 34.5%). We expect the EPRA cost ratio to continue to decrease over time, as the portfolio grows and the Company benefits from economies of scale.

Interest expense and commitment fees

Total costs of debt for the year were €7.7 million (2019: €4.1 million), with interest cover of 4.6 times (2019: 6.0 times). The weighted average cost of debt was 2.3% (2019: 2.2%). As the Company grows in size, we aim to become Investment Grade and to further reduce our cost of debt. We believe this can be achieved as we approach €1.2 billion GAV.

Gain on revaluation

The fair value gain on the revaluation of the Company's investment properties was €38.6 million (2019: €17.9 million). This performance reflects the strong position of the portfolio, within a logistics subsector that has great tailwinds, both on the investment and on the leasing side. The valuation increase is mainly driven by yield compression, indexation on existing leases and general ERV growth.

Profit before tax

Profit before tax for the year was €53.6 million (2019: €26.3 million).

Taxation

The current income taxation charge for the year was 1.2% of the Company's net property income (2019: 4.2%). The charge for the year is low, due to conservative assumptions in the prior year and the utilisation of tax losses.

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

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

Earnings

Basic EPS for the year was 10.60 cents (2019: 6.25 cents). EPRA EPS, which primarily excludes the valuation movement, was 3.26 cents (2019: 2.96 cents).

Given the Company's income focus, the Board has adopted Adjusted EPS as a key performance indicator. This adjusts the income shown in the Company Statement of Comprehensive Income to reflect the underlying cash movements and/or earnings that do not go through the IFRS Comprehensive Income, including rental guarantees or licence fees and excluding the €1.6 million in rent deferred to the next financial year.

Adjusted Earnings for the year were €17.6 million (2019: €10.8 million), resulting in Adjusted EPS of 4.16 cents (2019: 3.25 cents). More information about the calculation of basic, EPRA and adjusted EPS can be found in note 12 to the financial statements.

Dividends

Since the start of the year, the Company has declared the following dividends:

Declared	**Amount per share**	**In respect of**	**Paid/to be paid**
14 February 2020	1.10 cents	1 October to 31 December 2019	27 March 2020
19 May 2020	1.10 cents	1 January to 31 March 2020	15 June 2020
4 August 2020	1.10 cents	1 April to 30 June 2020	7 September 2020
3 December 2020	1.10 cents	1 July to 30 September 2020	8 January 2021

The total dividend for the year was €18.6 million (2019: €12.7 million), or 4.40 cents per share. The total dividend was 94.4% covered by Adjusted Earnings (2019: 85.3%). The Group is structurally capable of distributing higher dividends, and would have done so without the €1.6 million deferral to next financial year. Going forward, the Group aims to gradually increase the dividend, starting with the quarter ending 31 December 2020, where the Group's expectation is to distribute 1.25 cents.

Cash flow

The Company benefits from stable, growing and long-term cash flows. Cash from operations in the period was a net inflow of €31.6 million (2019: net outflow of €2.9 million).

Net assets

EPRA's updated Best Practice Recommendations Guidelines were issued in October 2019. The Guidelines became effective for financial years beginning on 1 January 2020 and while they are therefore not applicable to the year under review, we have chosen to adopt the changes early to ensure we report with the highest level of transparency, and in line with best practice.

The Guidelines include three replacement net asset valuation metrics, namely EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). We have adopted EPRA NRV as our primary metric, as it includes RETT and purchaser's costs. A reconciliation of all three metrics has been provided in note 15 to the financial statements.

EPRA NRV per share at 30 September 2020 was €1.30 (30 September 2019: €1.21). The basic NAV per share at the year end was €1.19 (30 September 2019: €1.13).

Debt financing

The Company has a €425 million Revolving Credit Facility (RCF) provided by a group of five lenders – HSBC, BNP Paribas, Bank of America Merrill Lynch, Bank of China and Banco de Sabadell. In October 2020, three of the five lenders agreed to a one-year extension of the facility. As a result, €100 million of debt matures in 2023, €100 million in 2024, with the remaining €225 million now maturing in 2025. The facility is unsecured, providing operational flexibility for the Company.

At the year end, the Company had drawn €344.0 million against the RCF (30 September 2019: €235.5 million). This resulted in an LTV ratio of 39.9% (30 September 2019: 33.3%). This compares with the medium-term target of 45% and the maximum permitted by the Company's investment policy of 50%.

The Company is in a robust financial position. At the year end, it had financial headroom comprising €24.4 million of cash and €81.0 million undrawn against the RCF. The Company also has relatively limited future cash commitments. These comprise its operating expenses, which are more than covered by rent receipts, and a potential payment of €13.6 million in relation to the development in Strykow, Poland, which is contingent on certain pre-let conditions being met. No funding for the extension to the Barcelona property is due before May 2021.

The Company's primary debt covenants relate to LTV, interest cover and gearing. The definitions of LTV and interest cover in the debt agreement differ from those we report elsewhere (cash is not included). At the year end, using the debt agreement definitions, the Company had:

- an LTV of 41%, versus a maximum of 65%;
- interest cover of 3.2 times, versus a minimum of 1.5 times; and
- a gearing ratio of 68%, compared with a maximum of 150%.

The Company's hedging strategy includes using interest rate caps to benefit from current low interest rates, while minimising the effect of a significant rise in underlying interest rates. The Company therefore holds three interest rate caps which hedge €300 million of its borrowing, resulting in 87% of drawn debt being subject to an interest cap, with a total weighted average interest cap of 0.67%.

Post year end activity

In October 2020, the Company extended part of its RCF (refer to the Debt financing section).

On 2 December 2020, the Company announced the acquisition of its 13th asset, a newly built 35,460 sqm logistics facility comprising two units. The asset is located in Nivelles, in the attractive logistics market south of

Brussels, Belgium. This acquisition is expected to further grow our earnings in the next financial year. This acquisition takes the Company's pro forma loan to value ratio to 42%.

EPRA rating

We look to ensure that the Company maintains high-quality and transparent communications with its Shareholders and other stakeholders. We were therefore pleased that during the year, the Company received a Gold rating from EPRA for the quality of its reporting.

Related party transactions

Transactions with related parties in the period included the Management Fee paid to the Manager, the Directors' fees. More information can be found in note 26 to the financial statements.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

We aim to operate in a low-risk environment, focusing on the continental European logistics real estate sector to deliver an attractive capital return and secure income for Shareholders. The Board recognises that effective risk management is key to 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 and mitigate (rather than eliminate) the significant risks we face. The process can, therefore, only provide reasonable, and not absolute, assurance. As an investment company, we outsource key services to the Manager, the Administrator and other service providers, and rely on their systems and controls. The Manager has established its own Risk Committee which ensures consistency and transfer of best practice in reporting, monitoring and controlling risk.

At least three times a year, the Board undertakes a formal risk review, with the assistance of the Audit Committee, to assess the effectiveness of our risk management and internal control systems. During these reviews, the Board has not identified or been advised of any failings or weaknesses which it has determined to be material.

Risk appetite

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

Our risk appetite is low, and in particular, we do not undertake any speculative development. We have high-quality tenant partners, with a portfolio of modern buildings and one of the longest unexpired lease terms in the sector, coupled with an average term to maturity on our debt of four years, most of which is 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 below 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.

Covid-19 risks 1. The Covid-19 pandemic could severely impact the global economy and financial markets, with consequences for the Company's commercial and financial situation. **Property risks** 2. Default of one or more tenant partners. 3. The performance and valuation of the property portfolio. 4. Our ability to grow the portfolio may be affected by the availability of suitable assets at acceptable prices. 5. Concentration of risk, in particular, exposure to country risk.	6. Development activities are likely to involve a higher degree of risk than investment in standing investments. **Operational risks** 7. We rely on the continuance of the Manager. **Financial risks** 8. Our use of floating rate debt will expose the Group to underlying interest rate movements. 9. A lack of debt funding at appropriate rates may restrict our ability to grow. 10. We must be able to operate within our debt covenants.	**Taxation risks** 11. Maintenance of Investment Trust status. 12. Changes to local tax legislation in countries in which the Company has investments. **Political risks** 13. The UK leaving the EU could have an ongoing negative effect on the performance of the Company, due to political and/or economic uncertainty. **ESG risks** 14. ESG risks and inability to capitalise on the opportunities could lead to loss of competitive advantage, higher vacancies and higher operating costs for the Company and its tenants.

COVID-19 RISKS

1. The Covid-19 pandemic could severely impact the global economy and financial market, with consequences for the Company's commercial and financial situation		
Probability	**Impact**	**Mitigation**
High	**Medium** The global economy and financial markets are currently being severely impacted by the Covid-19 pandemic. This is likely to have an adverse effect on the magnitude and/or likelihood of several of the principal	Health and safety guidelines have been issued by the Manager, our asset managers and tenant partners to all employees, to ensure they are in a safe working environment and that they are aware of all relevant symptoms of the virus. The Manager

	risks and may have the following consequences: – a potential impact on the short-term operations of the business due to staff working remotely or potential absences because of the virus. This includes the operation of the Company, the Manager, our asset managers and tenant partners, whose staff could be at a health and safety risk. There is also an increased risk in cyber-crime due to remote working; – an overall reduction in revenue due to the default of one or more of our tenant partners, which could affect our ability to pay dividends to Shareholders and/or lead to a breach in our banking covenants; – tenant partners requesting rent deferrals and therefore impacting the Company's capacity to pay its target dividend in the current period; – an adverse change in our property valuations, which may lead to a decrease in our Net Asset Value and affect our ability to meet our target returns. The significant volatility in equity markets could cause a decrease in the share price, potentially causing a breach in banking covenants, which may force us to sell assets to repay loan commitments.	conducted checks to confirm they were able to work from home remotely, to safeguard the undisrupted continued operation of the business and training has been undertaken by all employees to make them aware of the potential increased risk in cyber-crime. The Company has sufficient liquid assets to endure the impact of Covid-19 for the foreseeable future. There were no unexpected arrears from tenants as at 30 September 2020 and the Company is well within its banking covenant limits. We expect property valuations to remain stable, albeit with the uncertainty as to how Covid-19 will impact investment volumes and yields. The logistics sector has been deemed "system critical" across most European countries and has few restrictions, which has allowed it to be robust and withstand the impact of the pandemic. The material uncertainty clause is no longer applicable to valuations in the logistics sector. The long-term impact of Covid-19 is difficult to estimate at this stage but remains a focus for the Manager and the Company.

PROPERTY RISKS

2. One or more of the tenant partners may default		
Probability	**Impact**	**Mitigation**

Low to Medium	**Medium** The default of one or more of our tenant partners would reduce revenue from the relevant asset(s). There may be a continuing reduction in revenues until we find a suitable replacement tenant, which may affect our ability to pay dividends to Shareholders and/or lead to a breach in our banking covenants.	We select assets with strong property fundamentals (location close to population centres, access to infrastructure and energy supply), which should be attractive to other tenants if the current tenant partner fails. In addition, while we focus on tenant partners with strong financial covenants, we also negotiate various guarantees or deposits, to enable us to cover income while looking for a new tenant. While there is no restriction on the Group's exposure to any one tenant partner, our Investment Policy requires us to deliver a high-quality, diversified portfolio.
3. The valuation of the property portfolio may fluctuate		
Probability	**Impact**	**Mitigation**
Low to Medium	**Medium** Property valuation is inherently subjective and uncertain, and the appraised value of our properties may not accurately reflect the current or future value of the Group's assets. In particular, the valuer has issued the 31 March 2020 valuation based on a RICS material uncertainty clause, due to the effect of Covid-19. In addition, our due diligence may not identify all risks and liabilities in respect of a property acquired, leading to, among other things, an adverse change in the future valuation of that asset. An adverse change in our property valuation may lead to a decrease in our Net Asset Value and affect our ability to meet our target returns. In	As at 30 September 2020, our property portfolio was 100% cash generating from leases, and rental guarantees, with long unexpired weighted average lease terms of 9.1 years and a strong tenant partner base. 95% of leases (by income) include rent indexation (with different features in each country). Combined with the fact that we focus on the best locations, where land supply is tight, and undertake significant due diligence using the services of relevant third parties, we believe these factors reduce the risk of significant adverse property valuation movements.

	an extreme scenario, it could also lead to a breach of our banking covenants, which may force us to sell assets to repay loan commitments.	
4. The growth of the portfolio may be affected by the availability of suitable assets at acceptable prices		
Probability	**Impact**	**Mitigation**
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. In addition, the Big Box sector currently attracts a lot of new investors. This results in acquisition yields that are currently at record lows. This may restrict our ability to secure suitable logistics real estate assets in targeted countries in continental Europe, in order to grow our portfolio while maintaining our target returns.	Our business model is based on undertaking predominantly off-market transactions, sourced through the Manager's network of contacts across Europe, and through our partnership with local development companies. The Manager has also developed strong relationships with a number of vendors and tenants in the industry. Our reliability, experience and speed of execution gives us an edge over many other potential investors. In addition, the increase in the capital value of our portfolio as a result of both the market dynamics and our asset management initiatives, is expected to have a positive impact on returns for Shareholders.
5. Concentration of risk, in particular, exposure to country risk		
Probability	**Impact**	**Mitigation**
Low	**Low** Our Investment Policy does not include restrictions relating to the Group's exposure to individual assets or tenant partners and includes only limited restrictions relating to our exposure to individual	Our Investment Policy requires us to deliver a high-quality, diversified portfolio of assets. While we adopt a "bottom up" approach in the selection of real estate investments, we also consider the impact on the concentration of risk within our

	countries. Significant economic and/or political changes affecting a country that the Group has invested in, or the Eurozone, generally, could have an adverse impact on the income derived from investments within that 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.	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, Czech Republic, Portugal and Slovakia.
6. Development activities are likely to involve a higher degree of risk than investment in standing investments		
Probability	**Impact**	**Mitigation**
Low	**Low** 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. If any of the risks associated with our developments materialised, this could reduce the value of these assets and our portfolio.	None of our investments are a forward funded development asset as at 30 September 2020, although there are potential commitments to forward fund projects in the future. Any risk of investment into forward funded projects is minimal, as the developer takes on a significant amount of construction risk and the risk of cost overruns. Funds for forward funded developments remain with us and are only released to the developer on a controlled basis, subject to milestones as assessed by our independent project monitoring surveyors.

OPERATIONAL RISK

7. Reliance on the continuance of the Manager		
Probability	**Impact**	**Mitigation**
Low	**High** We continue to rely on the Manager's services and its	Unless there is a default, either party may terminate the Investment Management Agreement by giving

	reputation in the property market, as well as the performance and reputation of the asset managers appointed by the Manager (currently LCP and Dietz). As a result, the Group's performance will, to a large extent, depend on the Manager's abilities to source adequate assets, and to actively manage these assets, relying on the local knowledge of the asset manager, where necessary. Termination of the Investment Management Agreement would severely affect our ability to manage our operations and may have a negative impact on the Company's share price.	not less than 24 months' written notice, which may not be served before 9 July 2021. The Management Engagement Committee monitors and will regularly review the Manager's performance, including the performance of the key third-party service providers to the Group. In addition, the Board meets regularly with the Manager to ensure it maintains a positive working relationship.

FINANCIAL RISKS

8. Interest rates may fluctuate		
Probability	**Impact**	**Mitigation**
Low to Medium	**Medium** Interest on our RCF is payable based on a margin over Euribor. Any adverse movement in Euribor could affect our profitability and ability to pay dividends to Shareholders.	The Company has entered into interest rate derivatives to hedge our direct exposure to movements in Euribor. These derivatives cap our exposure to the level to which Euribor can rise and have terms coterminous with the loans. We aim to minimise the level of unhedged debt whilst also considering the average level of draw down on the RCF.
9. Debt funding at appropriate rates may not be available		
Probability	**Impact**	**Mitigation**
Low	**Medium** Without sufficient debt funding, we	Last financial year, we secured long-term unsecured debt with five major financial institutions. This

	may be unable to pursue suitable investment opportunities in line with our investment objectives. This may impair our ability to reach our targeted returns and our ability to grow.	demonstrates the capacity of the Manager to source adequate debt, and the appetite from lenders. As the Group grows, we anticipate that it will reach a size that enables an investment-grade debt rating. This would facilitate significant additional debt opportunities.
10. Debt covenants may be breached		
Probability	**Impact**	**Mitigation**
Low to Medium	**Medium** If we were unable to operate within our debt covenants, this could lead to a default and our debt funding being recalled. This may result in us selling assets to repay loan commitments.	We continually monitor our debt covenant compliance and perform stress tests. We have significant headroom before there is a risk of a breach and our covenants have a soft breach feature, which enables the Manager to act and remedy in case of breach.

TAXATION RISKS

11. Maintenance of Investment Trust status		
Probability	**Impact**	**Mitigation**
Low to Medium	**Medium** If the Company fails to maintain approval as an Investment Trust, its income and gains will be subject to UK corporation tax and it will be unable to designate dividends as interest distributions.	The Board is ultimately responsible for ensuring we adhere to the UK Investment Trust regime and we monitor strict adherence to the relevant regulations. We have also engaged top-tier third-party tax advisers to help monitor our compliance requirements.
12. Changes to local tax legislation in countries in which the Company has investments		
Probability	**Impact**	**Mitigation**
Medium	**Low** A change in local taxation status or	The Board relies on top-tier third-party providers to advise on any tax

	tax legislation in any of the countries we invest in may lead to increased taxation of the Group and have a negative impact on the Company's profits and returns to Shareholders.	changes in every country in which we invest. In addition, the Group has been structured on a conservative basis, with reasonable internal debt ratios, in line with international transfer pricing requirements.

POLITICAL RISKS

13. The UK leaving the EU could have an ongoing negative effect on the performance of the Company, due to political and/or economic uncertainty		
Probability	**Impact**	**Mitigation**
Low to Medium	**Low to Medium** The UK departed from the EU with effect from 31 January 2020 and the current transition phase will end on 31 December 2020. Economic volatility is not a new risk for the Company; however, until the terms of any potential new deal between the UK and the EU become clearer, the exact outcome on the business remains difficult to predict. Any new deal or the failure of the UK to agree a new deal at all may have the following consequences: – we expect to lose our AIFMD passporting rights, which will affect our ability to raise further equity from investors in certain EU member states; – the Company may no longer be able to benefit from EU taxation directives which may increase the amount of tax payable by the Group on returns from underlying investments and reduce the amounts available to distribute to investors accordingly; – there may be significant volatility in equity markets, which could have	Notwithstanding the potential loss of AIFMD passporting rights, we believe that investors in key jurisdictions would continue to be able to participate in equity fundraisings and we would seek legal advice at the time with a view to facilitating this. The Company was established in 2018, after the UK had voted to leave the EU. Since incorporation, therefore, the Company and its advisers have been aware of the potential tax consequences associated with the UK leaving the EU and they have taken those risks into account when considering potential investments. They have also structured investments to minimise, so far as possible, any additional tax costs which may result from the Company no longer being able to benefit from EU taxation directives. In particular, the Company should be able to benefit from double tax treaties which the UK has in place with the countries across Europe in which the Company invests. We saw

	an impact on our share price; and – the economy in Europe may be impacted or demand for European property may decrease, hence leading to potentially lower valuations.	limited to no impact on the Company's share price on the exit date itself, but it remains to be seen how the market will react to the outcome of the trade deal negotiations and the end of the transition phase on 31 December 2020.

ESG RISKS

14. ESG risks and inability to capitalise on the opportunities could lead to loss of competitive advantage, higher vacancies and higher operating costs for the Company and its tenants		
Probability	Impact	Mitigation
High	**Medium** The World Economic Forum (WEF) listed ESG risks as 4 out of 5 of its top risks in 2020. There are several ESG risks potentially impacting the Company. Climate change and biodiversity loss are the principle environmental risks affecting the Company's long term ability to operate in its markets; the ability for our tenants to source and retain the right labour skills and mitigating modern slavery in our supply chains, are the key social risks; and the ability to be transparent and agile in managing the evolving governance risks, such as diversity and human capital management.	The Company's sustainability strategy addresses all the key risks for the Company in its operations. It provides guidance to the Board and Manager to reduce ESG risks to create value for all its stakeholders, including investing in more ESG focussed assets, delivering lower operating costs for tenants and more secure returns for investors. We ensure the assets we invest in are well located for labour supply and the Company is developing initiatives to support local employment opportunities. The Board of Directors and the Manager have undertaken ESG training to ensure they have the right awareness and skills to manage ESG risks and opportunities.

GOING CONCERN AND VIABILITY STATEMENT

The Group's cash balance as at 30 September 2020 was €24.4 million. It also had undrawn amounts under its debt facilities of a further €81.0 million. Of the Group's total facilities, €100 million matures in 2023, €100 million in 2024 and €225 million in 2025[1].

The Group currently has substantial headroom against its borrowing covenants, with an LTV of 41% as at 30 September 2020 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 signature of the latest acquisition of Nivelles will lead to a lower undrawn amount of approximately €50 million with a new borrowing LTV of 43%.

The Group also benefits from a secure income stream from leases with long average unexpired terms, which are not overly reliant on any one tenant. This diversification mitigates the risk of tenant 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 three-year period to December 2023. There was no change to the period over which the Directors assess viability.

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 three-year period to December 2023.

The sensitivities performed were designed to be severe but plausible and to take full account of the availability of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks to the forecast cash flows. In the modelling, the Group also considered the likely future capital expenditures, including the Nivelles acquisition as well as the extensions on our Spanish and Polish assets. The key risks considered, separately and in combination, include:

1. an increase in Euribor;

2. a decrease in the value of the portfolio; and

3. Three key tenants default and are not replaced.

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 three-year period of their assessment to December 2023.

[1] As at October 2020

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2020

	Note	**Year ended 30 September 2020 €m**	Period from 1 July 2018 to 30 September 2019 €m
Rental income	6	**36.00**	24.49
Service charge income	6	**6.42**	3.32
Other income	6	**0.46**	0.37
Gross property income	6	**42.88**	28.18
Direct property costs	7	**(7.40)**	(3.70)
Net property income		**35.48**	24.48
Fair value gain on investment properties	14	**38.57**	17.85
Gain on disposal of investment property		**0.83**	-
Administrative and other expenses	8	**(10.73)**	(8.45)
Operating profit		**64.15**	33.88
Net finance expense	10	**(10.57)**	(5.03)
Effect of foreign exchange differences		**0.03**	(0.16)
Changes in fair value of interest rate derivatives	20	**(0.03)**	(2.35)
Profit before taxation		**53.58**	26.34
Taxation	11	**(8.79)**	(5.62)
Profit for the year		**44.79**	20.72
Total comprehensive income for the year attributable to the Shareholders		**44.79**	20.72
Earnings Per Share (EPS) (expressed in cents per share)			
EPS - basic and diluted	12	**10.60**	6.25

GROUP STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	**30 September 2020 €m**	30 September 2019 €m
Non-current assets			
Investment properties	14	**837.90**	687.58
Derivative financial instruments	20	**0.09**	0.12
Trade and other receivables	15	**1.17**	1.17
Deferred tax assets	11	**1.15**	0.59
Total non-current assets		**840.31**	689.46
Current assets			
Assets held-for-sale	14	**-**	1.52
Trade and other receivables	15	**14.72**	31.75
Cash and cash equivalents	16	**24.44**	17.90
Total current assets		**39.16**	51.17
Total assets		**879.47**	740.63
Current liabilities			
Trade and other payables	17	**(9.29)**	(16.72)
Income tax liability		**(0.34)**	(1.06)
Total current liabilities		**(9.63)**	(17.78)
Non-current liabilities			
Trade and other payables	17	**(1.46)**	-
Loans and borrowings	18	**(340.63)**	(231.95)
Deferred tax liabilities	11	**(13.64)**	(5.18)
Other liabilities	19	**(8.89)**	(7.28)
Tenant deposit	23	**(1.31)**	(1.17)
Total non-current liabilities		**(365.93)**	(245.58)
Total liabilities		**(375.56)**	(263.36)
Net assets		**503.91**	477.27
Equity			
Share capital	24	**4.23**	4.23
Share premium reserve		**131.24**	131.21
Retained earnings		**368.44**	341.83
Total equity		**503.91**	477.27
Net Asset Value (NAV) per share (expressed in Euro per share)			

Basic NAV	25	**1.19**	1.13
EPRA NRV (formerly EPRA NAV)[1]	25	**1.30**	1.21

1. Note the prior period has been recomputed in line with the latest EPRA guidance over Net Asset Value measures.

The financial statements were approved by the Board of Directors on 2 December 2020 and signed on its behalf by:

Robert Orr
Chairman

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2019		**4.23**	**131.21**	**341.83**	**477.27**
Net profit for the year		**-**	**-**	**44.79**	**44.79**
Total comprehensive income		**-**	**-**	**44.79**	**44.79**
Contributions and distributions:					
Associated share issue costs		**-**	**0.03**	**-**	**0.03**
Dividends paid	13	**-**	**-**	**(18.18)**	**(18.18)**
Total contributions and distributions		**-**	**0.03**	**(18.18)**	**(18.15)**
At 30 September 2020		**4.23**	**131.24**	**368.44**	**503.91**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 July 2018		0.06	-	-	0.06
Net profit for the period		-	-	20.72	20.72
Total comprehensive income		-	-	20.72	20.72
Contributions and distributions:					
New share capital subscribed	24	4.23	470.10	-	474.33
Associated share issue costs		-	(9.35)	-	(9.35)
Share premium cancelled by special resolution	24	-	(329.54)	329.54	-
Cancellation of preference shares	24	(0.06)	-	-	(0.06)
Dividends paid	13	-	-	(8.43)	(8.43)
Total contributions and distributions		4.17	131.21	321.11	456.49

At 30 September 2019		**4.23**	**131.21**	**341.83**	**477.27**

GROUP CASH FLOW STATEMENT

For the year ended 30 September 2020

	Note	**For the year ended 30 September 2020 €m**	Period from 1 July 2018 to 30 September 2019 €m
Cash flows from operating activities			
Profit for the year/period		**44.79**	20.72
Gain on disposal of investment property		**(0.83)**	-
Changes in fair value of investment properties		**(38.57)**	(17.85)
Changes in fair value of interest rate derivatives		**0.03**	2.35
Tax expense		**8.79**	5.62
Net finance expense		**10.57**	5.03
Accretion of tenant lease incentive	6	**(3.56)**	(3.65)
Amortisation of tenant lease incentives and lease commissions	6	**0.04**	0.02
Decrease/(increase) in trade and other receivables		**18.70**	(32.50)
(Decrease)/increase in trade and other payables		**(6.48)**	17.37
Cash generated from/(used in) operations		**33.48**	(2.89)
Tax paid		**(1.20)**	(0.53)
Net cash flow generated from/(used in) operating activities		**32.28**	(3.42)
Investing activities			
Purchase of investment properties		**(102.41)**	(645.57)
Disposal of assets held-for-sale		**2.33**	-
Improvements to investment properties and development expenditure		**(7.65)**	(14.76)
Net cash flow used in investing activities		**(107.73)**	(660.33)
Financing activities			
Proceeds from issue of Ordinary Share capital		**-**	474.33
Cost of share issues		**-**	(9.35)
Loans received	18	**121.00**	321.00
Loans repaid	18	**(12.50)**	(85.50)
Loan arrangement fees paid	18	**(0.74)**	(4.03)
Loan interest paid		**(7.61)**	(4.01)
Interest rate cap premium paid	20	**-**	(2.47)
Dividends paid to equity holders	13	**(18.18)**	(8.43)
Net cash flow generated from financing activities		**81.97**	681.54
Net movement in cash and cash equivalents for the year/period		**6.52**	17.79

Cash and cash equivalents at start of the year/period		**17.90**	-
Unrealised foreign exchange gains		**0.02**	0.11
Cash and cash equivalents at end of the year/period		**24.44**	17.90

NOTES TO THE CONSOLIDATED ACCOUNTS

1. Corporate information

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 financial information presented here does not constitute the company's statutory accounts for the periods ended 30 September 2020 or 2019 but is derived from those accounts. Statutory accounts for period ended 30 September 2019 have been delivered to the registrar of companies, and those for the year ended 30 September 2020 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

2. Basis of preparation

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 reinstatement value (NRV) and earnings per share. The Group has elected to early adopt the three new EPRA NAV measures as introduced in October 2019. These are disclosed in notes 12 and 25.

2.1. Going concern

The Directors have prepared cash flow forecasts for the Group for a period of at least 12 months from the date of approval of the consolidated financial statements. These forecasts include the Directors' assessment of the impact of Covid-19 on the Group, and plausible downside scenarios.

The Group's property portfolio is let to 21 tenants across over 12 properties in 6 European countries. The Group's largest tenant represents 19% of contracted rent at 30 September 2020 and the top 5 tenants together represent 60% of contracted rent.

As at the date of approval of the consolidated financial statements, the Group has not experienced a significant increase in rent arrears compared to the equivalent period last year. As a result of Covid-19, a number of the Group's tenants have requested deferral or a re-profiling of rent payments. Such requests have been considered on a case by case basis and based on the merits of such request and the circumstances of the tenant. However, as at the date of approval of the financial statements, the Group has not experienced a significant increase in rent arrears compared to the equivalent period last year.

The Directors have considered the risk that further tenants either request deferrals or become insolvent and hence no rent is paid. The Directors have assessed each tenant's risk based on experience, knowledge of the tenant and discussions to date on rent deferrals. Following this assessment the Directors have modelled a severe but plausible downside scenario, where 33% of rental income is unpaid for a 12 months' duration, which forecasts that the Group will continue to have sufficient cash resources to meet its liabilities as they fall due, and will continue to meet its debt covenants, which are set out in further detail below.

The Group has an unsecured revolving credit facility, which does not require any repayment until 2023. 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 the 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 41% against the limit of 65%.

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 68% against the limit of 150%.

The ICR covenant is measured as the ratio of the Group's consolidated earnings before income and tax, subject to certain adjustments, to consolidated net finance costs in respect of any measurement period, by reference to accounting income. Based on the most recent reporting the Group retained headroom against the covenant limit, reporting 318% against the limit of 150%.

As a result of the above and considering the Nivelles acquisition, 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.

2.2 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 have Euro as the functional currency.

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.

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 IFRS 3, a business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. A business will usually consist of inputs, processes and outputs. Therefore, the Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax relating to pre-acquisition property valuation gains arises.

In the current and prior periods all acquisitions were accounted for as asset acquisitions as none of the acquisitions included the acquisition of an integrated set of activities.

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 July 2017 ("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 2020.

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. Any non-controlling interests are stated at the minority's proportion of the fair values of the assets and liabilities recognised.

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 the power 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.

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in 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.

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 the risks and rewards of ownership have been transferred and is measured initially at cost including transaction costs. 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 the development of a pre-let property under a funding agreement. All such contracts specify a fixed amount of consideration. The Group does not expose itself to any speculative development risk as the proposed building is pre-let to a tenant under an agreement for lease and the Group enters into a fixed price development agreement with the developer. Investment properties under construction are initially recognised at cost (including any associated costs), which reflect the Group's investment in the assets. 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, which include an appropriate developer's margin.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, 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 is recognised in the Group profit or loss in the year of retirement or disposal.

4.3. Assets held-for-sale

A non-current asset or disposal group is classified as held for sale if it is highly probable that its carrying amount will be recovered principally through a sale transaction instead of through continuing use. Such assets, or disposal groups are generally 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, being the estimated amount that the Group would receive or pay to terminate the agreement at the year-end date, taking into account current interest rate expectations of the Company and its counterparties. 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 includes cash in hand, deposits held at call with banks, 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:

Bank borrowings

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 ensure 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, 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 interests proportionate share of the current market 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 tenant willing to occupy the building once complete.

During the period between initial investment in a forward funded agreement and the rent commencement date under the lease, the Group usually receives licence fee income. Usually this is payable by the developer to the Group throughout this period and typically reflects the approximate level of rental income that is expected to be payable under the lease, as and when practical completion is reached. IAS 40.20 states that investment property should be recognised initially at cost, being the consideration paid to acquire the asset, therefore such licence fees are deducted from the cost of the investment and are shown as a receivable.

4.7. Dividends payable to Shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

4.8. Property income

4.8.1. Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in gross rental income in the Group profit or loss. The lease term is the non-cancellable period of the lease. Tenant break clauses are assumed to be exercised unless it is reasonably certain at inception of the lease that the break will not be exercised. Tenant lease incentives are recognised as a reduction 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 tenants to terminate leases or to compensate for dilapidations are recognised in the Group profit or loss when the right to receive them arises.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease; once practical completion has taken place and the formal lease is signed, rental income commences to be recognised in the Group profit or loss.

4.8.2. Service charges and other income
Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service charge and insurance premiums and other such receipts are included in the gross property income gross of the related costs, as the Directors consider that the Group acts as principal in this respect.

4.9. Finance income
Finance income is recognised as interest accrues on cash balances held by the Group. Interest charged to a tenant 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 sections 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 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.

5. Standards in issue

5.1. Standards in issue and effective from 1 October 2019

The following new accounting amendments have been applied in preparing these consolidated financial statements:

IFRS 16: Leases

The Directors have assessed the impact on the financial statements of this standard. As the Group does not hold any material operating or leasehold agreements as lessee, the impact of IFRS 16 is immaterial.

Amendment to IFRS 16 regarding Covid-19-related rent concessions was issued in May 2020, for annual reporting periods beginning on or after 1 June 2020 (earlier application is permitted). It permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors. The impact of this amendment is considered immaterial as the Group does not hold any material operating or leasehold agreements as lessee.

IFRIC 23: Uncertainty over income tax treatments

The Directors have considered the impact on the financial statements of this standard. There is no material impact to the Group as a result of the recognition and measurement requirements of IFRIC 23.

5.2. New standards issued but not yet effective

- Amendments to IFRS 3 “Business Combinations”, definition of a business
- Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, definition of material
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

They are not expected to impact 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.

There are other 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 condensed consolidated financial statements of the Group**.**

6. Gross property income

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Rental income	**32.48**	20.86
Spreading of tenant incentives	**3.56**	3.65
Amortisation of capital contribution and lease commission	**(0.04)**	(0.02)

Gross rental income	**36.00**	24.49
Service charges recoverable	**6.42**	3.32
Other income	**0.46**	0.37
Gross property income	**42.88**	28.18

The Group derives property income from the following countries:

Gross property income (€m)	Belgium	Germany	Spain	Italy	Poland	The Netherlands	Total
30 September 2020	**6.07**	**13.84**	**8.14**	**7.07**	**6.72**	**1.04**	**42.88**
30 September 2019	5.10	5.87	9.00	6.67	1.54	-	28.18

The 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 2020	**37.73**	**36.91**	**36.99**	**34.36**	**31.29**	**186.91**	**364.19**
30 September 2019	33.42	34.34	34.45	34.51	33.66	215.59	385.97

The Group's investment properties are leased mainly to single tenants, some of which have rental securities attached (bank or parent guarantees, cash deposit), under the terms of a commercial property lease. The majority have rent indexation that are linked to either RPI/CPI or fixed uplifts.

There are three tenants representing more than 10% of rental income during the year (€7.82 million, €6.19 million and €4.04 million) (2019: four tenants). As at 30 September 2020, three tenants represented more than 10% of passing rent (2019: three tenants).

7. Direct property costs

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Service charge expense	**6.51**	3.37
Other expenses	**0.89**	0.33
Total property expenses	**7.40**	3.70

8. Administrative and other expenses

	Year ended 30	Period from

	September 2020 €m	1 July 2018 to 30 September 2019 €m
Investment management fees[1]	**6.02**	4.64
Directors' remuneration (note 9)	**0.23**	0.23
Auditor's fees		
Fees payable for the audit of the Company's accounts	**0.35**	0.22
Fees payable for the review of the Company's interim accounts	**0.04**	0.14
Fees payable for the audit of the Company's subsidiaries	**0.10**	0.16
Total Auditor's fee	**0.49**	0.52
Corporate administration fees	**0.97**	0.97
Regulatory fees	**0.09**	0.10
Legal and professional fees	**2.29**	1.63
Marketing and promotional fees	**0.49**	0.23
Other administrative costs	**0.15**	0.13
Total administrative and other expenses	**10.73**	8.45

[1] Investment management fees include fees payable to Tritax Management LLP for €4.1 million (30 September 2019: €3.3 million (see note 26).

Fees relating to the share issuances have been treated as share issue expenses and offset against share premium. The transaction costs related to the loan and borrowings have been treated as part of the arrangement fees for issuing the debt. The fees in relation to the acquisition of assets have been capitalised into the cost of the respective assets.

9. Directors' remuneration

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Directors' fees	**0.20**	0.21
Employer's National Insurance	**0.03**	0.02
Total Directors' remuneration	**0.23**	0.23

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report.

Personnel
During the current and prior periods under review the Company did not have any personnel, besides the Directors of the Company. Furthermore, the Company does not have the intention to engage other personnel in future.

10. Finance expense

	Year ended 30 September 2020	Period from 1 July 2018 to 30

	€m	September 2019 €m
Interest payable on loans and bank borrowings	**5.82**	3.07
Commitment fees payable on bank borrowings	**1.84**	1.02
Loss on remeasurement of put option (note 19)	**1.88**	0.30
Bank fees	**0.11**	0.15
One-off cost of extinguishment of bank loans	**-**	0.01
Amortisation of loan arrangement fees	**0.92**	0.48
Total finance expense	**10.57**	5.03

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €7.66 million (30 September 2019: €4.09 million) of which nil was capitalised in both periods and amortisation of loan arrangement fees of €0.92 million (30 September 2019: €0.48 million) of which €0.74 million (30 September 2019: €4.03 million) was capitalised into the loan in the year (see note 18).

11. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Current taxation:		
UK taxation	**-**	-
Overseas taxation-current year	**0.68**	1.03
Overseas taxation-prior year adjustment	**(0.27)**	-
Deferred taxation:		
UK taxation	**-**	-
Overseas taxation	**8.38**	4.59
Total tax charge	**8.79**	5.62

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").

b) Factors affecting the tax charge for the year/period

The tax assessed for the year/period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Profit before taxation	**53.58**	26.34

Theoretical tax at UK corporation tax rate of 19% (30 September 2019: 19%)	**10.18**	5.00
Losses where no deferred taxes have been recognised	**0.56**	0.21
Impact of different tax rates on foreign jurisdictions	**(0.22)**	0.41
Expenses not deductible for tax purposes	**0.09**	-
Impact of UK interest distributions from the Investment Trust	**(1.55)**	-
Prior year adjustment to current tax	**(0.27)**	-
Total	**8.79**	5.62

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Deferred tax assets:		
Differences between tax and property revaluation	**0.09**	0.42
Tax losses carried forward	**0.82**	-
Other	**0.24**	0.17
Total	**1.15**	0.59

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Deferred tax liabilities:		
Differences between tax and property revaluation	**13.57**	4.99
Other	**0.07**	0.19
Total	**13.64**	5.18

All movements in deferred tax assets and liabilities have been recognised in profit and loss other than €0.52 million of tax losses acquired as part of a property acquisition.

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 2020 and 2019, there are no dilutive or potentially dilutive equity arrangement in existence.

The calculation of EPS is based on the following:

For the year ended 30 September 2020	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings per share Cent
Basic EPS	**44.79**	**422,727**	**10.60**
Adjustments to remove:			
Deferred tax charge (note 11)	**8.38**		
Changes in fair value of investment properties (note 14)	**(38.57)**		
Changes in fair value of interest rate derivatives (note 20)	**0.03**		
Gain on disposal of investment property	**(0.83)**		
EPRA EPS	**13.80**	**422,727**	**3.26**
Adjustments to include/(exclude):			
Licence fee receivable on forward funded developments	**0.50**		
Rental income recognised in respect of fixed uplifts	**(1.92)**		
Rental income deferred[3]	**(1.60)**		
Amortisation of loan arrangement fees	**0.92**		
Unrealised foreign exchange currency loss	**0.02**		
Loss on remeasurement of put option (note 10)	**1.88**		
Rental guarantee receipts excluded from property income-settled via cash[2]	**2.24**		
Rental guarantee receipts excluded from property income-settled via contracted liability settlement[2]	**1.72**		
Adjusted EPS	**17.56**	**422,727**	**4.16**

For the period ended 30 September 2019	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings per share Cent
Basic EPS	20.72	331,599	6.25
Adjustments to remove:			
Deferred tax charge (note 11)	4.59		
Changes in fair value of investment properties (note 14)	(17.85)		
Changes in fair value of interest rate derivatives (note 20)	2.35		
EPRA EPS	9.81	331,599	2.96
Adjustments to include/(exclude):			
Licence fee receivable on forward funded developments	0.87		
Rental income recognised in respect of fixed uplifts	(3.63)		
Amortisation of loan arrangement fees	0.48		
Unrealised foreign exchange currency loss	0.11		
Loss on remeasurement of put option (note 10)	0.30		

Rental guarantee receipts excluded from property income-settled via cash[2]	2.85		
Adjusted EPS	10.79	331,599	3.25

1 Based on the weighted average number of Ordinary Shares in issue throughout the period.

2 This is offset against the cost of investment properties.

3 Covid-19 rent deferral that is expected to be received during next financial year.

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 relates to cash received from developers during development periods, in order to access the land; and

iii. Inclusion of rental guarantee adjustments 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.

13. Dividends paid

	Year ended 30 September 2020 €m	Period from 1 July 2018 to 30 September 2019 €m
Final dividend in respect of period ended 30 September 2019 at 1.0 cent per Ordinary Share (30 June 2018: nil)	**4.23**	-
First interim dividend in respect of year ended 30 September 2020 at 1.10 cent per Ordinary Share (30 September 2019: 0.4 cent)	**4.65**	1.20
Second interim dividend in respect of year ended 30 September 2020 at 1.10 cent per Ordinary Share (30 September 2019: 1.0 cent)	**4.65**	3.00
Third interim dividend in respect of year ended 30 September 2020 at 1.10 cent per Ordinary Share (30 September 2019: 1.0 cent)	**4.65**	4.23
Total dividends paid	**18.18**	8.43
Total dividends paid for the year/period	**3.30 cent**	2.40 cent
Total dividends unpaid but declared for the year/period	**1.10 cent**	1.00 cent
Total dividends declared for the year/period	**4.40 cent**	3.40 cent

On 3 December 2020, the Directors of the Company declared a fourth interim dividend in respect of the period from 1 July 2020 to 30 September 2020 of 1.10 cent per Ordinary Share, which will be payable on or around 8 January 2021 to Shareholders on the register on 11 December 2020.

Out of €18.60 million (30 September 2019: €12.66 million) dividends declared for the year, €5.70 million (30 September 2019: €1.70 million) is designated as interest distribution.

14. Investment properties

The Group's investment property has been valued at fair value by Jones Lang LaSalle Limited ("JLL"), an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuations have been prepared in accordance with the RICS Valuation - Global Standards July 2017 ("the Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13. In forming its opinion, JLL makes a series of assumptions, which are typically market related, such as net initial yields and expected rental values and are based on the Valuer's professional judgement and the current tenancy of the properties.

The outbreak of the Novel Coronavirus (Covid-19), declared by the World Health Organization as a "Global Pandemic" in March 2020 has impacted global financial markets and global economy. It is difficult to predict the impact Covid-19 might have on the real estate market in the future, therefore, we will continue to monitor the performance of the portfolio closely through ongoing discussions with the Company's external valuers and pay a particular regard to comparable market evidence over the coming months. Despite the onset of Covid-19 in Q1 2020, the demand from the investment market for logistics assets has remained robust. The Company's external valuers decided that the valuations as at 30 September 2020 should not include a material uncertainty clause as had been included in the Group's 31 March 2020 Interim results.

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

Total valuation fee incurred by the Group in the year amounts to €67,600 (period ended 30 September 2019: €130,400). The fee is not contingent on the valuation of the properties.

Other than Tritax EuroBox plc, the external valuer provides valuation and research - related services to the Tritax Group, as well as to other funds Tritax Group manages. The Directors ensure full independence of the valuer.

All acquisitions during the current and prior period have been treated as asset purchases rather than business combinations (see note 3.1).

During the year, the following investment properties were acquired:

Location	Date acquired
Breda, the Netherlands	23 December 2019
Strykow Lodz, Poland	3 February 2020

	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
At 1 October 2019	**665.75**	**21.83**	**687.58**
Acquisition of properties[4]	**105.86**	**-**	**105.86**
Improvements to investment properties	**1.43**	**-**	**1.43**
Development expenditure	**-**	**6.22**	**6.22**
Transfer from investment properties under construction to completed	**28.05**	**(28.05)**	**-**
License fees and rental guarantees received	**(3.90)**	**-**	**(3.90)**
Fixed rental uplift and tenant lease incentives[1]	**2.57**	**-**	**2.57**
Amortisation of rental uplift and tenant lease incentives[1]	**(0.43)**	**-**	**(0.43)**
Change in fair value during the year[3]	**38.57**	**-**	**38.57**
As at 30 September 2020	**837.90**	**-**	**837.90**

	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
At incorporation	-	-	-
Acquisition of properties	649.00	5.22	654.22
Improvements to investment properties	0.72	-	0.72
License fees and rental guarantees received	(2.59)	(1.37)	(3.96)
Development expenditure	-	16.28	16.28
Fixed rental uplift and tenant lease incentives[1]	4.24	-	4.24
Amortisation of rental uplift and tenant lease incentives[1]	(0.25)	-	(0.25)
Transfer to assets held-for-sale[2]	(1.52)	-	(1.52)
Change in fair value during the period[3]	16.15	1.70	17.85
As at 30 September 2019	**665.75**	**21.83**	**687.58**

1 This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent-free periods, which requires the recognition of rental income on a straight-line basis over the lease term. The amount as at 30 September 2020 was €6.23 million (30 September 2019: €3.87 million). The difference between this and cash receipts change the carrying value of the property against which revaluations are measured (also see note 6).

2 The carrying value of assets held-for-sale at the Balance Sheet date was €nil (2019: €1.52 million).

3 Included in the fair value change in the year was unrealised gains of €53.93 million (30 September 2019 : €45.53 million) and unrealised losses of €15.36 million (30 September 2019 : €27.68 million).

4 Included acquisition costs of €2.27 million.

	30 September 2020 €m	30 September 2019 €m
Investment properties in Balance Sheet	**837.90**	687.58
Assets held-for-sale	**-**	1.52
Rental guarantee held in separate receivable	**1.41**	2.57
Total external valuation of investment properties	**839.31**	**691.67**

As at 30 September 2020, the Group had the following potential capital commitments in relation to its forward funded pre-let development assets (30 September 2019: €5.99 million):

- Strykow of €13.5 million subject to pre-let conditions being met
- Mango extension €30.5 million subject to permit

These costs are not provided for in the Statement of Financial Position. Capital commitments represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin.

Valuation risk

There is risk to the fair value of real estate assets that are part of the portfolio of the Group, comprising variation in the yields that the market attributes to the real estate investments and the market income that may be earned.

Real estate investments can be impacted adversely by external factors such as the general economic climate, supply and demand dynamics in the market, 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 tenants, it is expected to lower the risk profile of the portfolio.

As of the date of this Annual Report, the only investments of the Group that have been identified consist of the current portfolio as specified in the management report. While the Group is negotiating to acquire further properties, there is no guarantee that these properties will form part of the portfolio of the Group.

With respect to new investments, management will be targeting specific investment categories based on the Group's investment objective and restrictions. Because such investments may be made over a substantial period of time, the Group faces the risk of interest rate fluctuations in case of leveraging these investments and adverse changes in the real estate markets.

Fair value hierarchy
The Group considers that all of its investment properties and investment properties under construction fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

The valuations have been prepared on the basis of Market Value (MV), which is defined in the RICS Valuation Standards, as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

MV as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The following 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.

Investment properties under construction: residual approach
The residual approach 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")
The rent per square metre at which space could be let in the market conditions prevailing at the date of valuation at 30 September 2020 (range: €32.10-€84.97 per square metre, per annum).

ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location.

Unobservable input: net initial yield
The net initial yield is defined as the initial net income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase (average: 4.57%* or range: 3.91%-6.25%). Net initial yield is dependent on the tenant, lease length and the other variables listed above for ERV.

Net initial 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.

As a result the following sensitivity analysis has been prepared for investment properties:

	-0.25% net initial yield €m	+0.25% net initial yield €m	-5% in ERV €m	+5% in ERV €m
(Decrease)/increase in the fair value of investment properties as at 30 September 2020	**48.56**	**(43.41)**	**(20.03)**	**20.03**
(Decrease)/increase in the fair value of investment properties as at 30 September 2019**	37.79	(34.20)	(10.51)	13.15

* Including rental guarantee

** The sensitivity analysis has been prepared excluding investment properties under construction.

The JLL valuation includes deductions for transaction costs that would be incurred by a hypothetical purchaser at the valuation date. These costs include Real Estate Transfer Tax (RETT) equivalent to stamp duty except for properties in Italy and Belgium. In the former, this is due to Italy being an Investment Management Company (SGR) and in the latter, the local valuation practice is to exclude such costs given the prevalence of corporate rather than asset transactions in these markets.

15. Trade and other receivables

Non-current trade and other receivables	**30 September 2020 €m**	30 September 2019 €m
Cash in public institutions	**1.17**	1.17

The cash in public institutions is a deposit of €1.17 million given by the tenant for the property in Barcelona, Spain.

Current trade and other receivables	**30 September 2020 €m**	30 September 2019 €m
Trade receivables	**2.52**	1.97
Prepayments, accrued income and other receivables	**5.92**	7.39
Escrow cash	**0.39**	6.79
VAT receivable*	**5.89**	15.60
	14.72	31.75

** VAT receivable relates mainly to VAT reclaim due on the purchase of the property in Italy €4 million (30 September 2019: €12 million).*

The following table sets out the ageing of trade receivables as at 30 September 2020:

Past due but not impaired	**30 September 2020 €m**	30 September 2019 €m
<30 days	**1.69**	1.35
30-60 days	**0.18**	0.37
60-90 days	**-**	0.18
90 days+	**0.65**	0.07
Total	**2.52**	1.97
Past due and impaired	**-**	-

Total	**2.52**	1.97

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Both the expected credit loss provision and the incurred loss provision in the current and prior period are immaterial.

No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

16. Cash and cash equivalents

	30 September 2020 €m	30 September 2019 €m
Cash and cash equivalents to agree with cash flow	**24.44**	17.90

All cash held under the Italian subsidiaries fund are subject to local dividend distribution rules which mean that dividends can only be paid twice a year. The amount of cash held in Italy as at 30 September 2020 was: €2.92 million (30 September 2019: €2.16 million).

17. Trade and other payables

Non-current trade and other payables	**30 September 2020 €m**	30 September 2019 €m
Other payables	**1.46**	-

Current trade and other payables	**30 September 2020 €m**	30 September 2019 €m
Trade and other payables	**3.57**	6.47
Bank loan interest payable	**0.40**	0.24
Deferred income	**0.54**	0.34
Accruals	**4.44**	9.00
VAT liability	**0.34**	0.67
	9.29	16.72

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

18. Loans and borrowings

The Group has a long-term, Revolving Credit Facility ("RCF") of €425 million (see table below). The loan has a margin of 1.55% to 2.2% above the higher of zero or Euribor, depending on the drawn level and the prevailing LTV (loan-to-value) ratio. The weighted average term to maturity of the Group's debt as at the year-end is 3.8 years (30 September 2019: 4.0 years). €325 million of the RCF has been extended to October 2024 during the year.

	Facility €m	**Maturity date**
HSBC UK Bank	100.0	19 October 2023
BNP Paribas[1]	100.0	19 October 2024
Bank of China[1]	100.0	19 October 2024
Bank of America	100.0	19 October 2024
Banco de Sabadell[1]	25.0	19 October 2024
Total RCF	**425.0**	

1 Extended to 19 October 2025 in October 2020

As at 30 September 2020, all of the Group's debt facility commitments are floating rate. The LTV across all drawn debt was 41% against a target of 45% (with a limit of 65% in the RCF). The Group has been in compliance with all of the financial covenants of the Group's bank 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:

	30 September 2020 €m	30 September 2019 €m
Bank borrowings at the beginning of the year/period	**231.95**	-
Bank borrowings drawn in the year/period	**121.00**	321.00
Bank borrowings repaid in the year/period	**(12.50)**	(85.50)
Loan issue costs paid	**(0.74)**	(4.03)
Non-cash amortisation of loan issue costs	**0.92**	0.48
Non-current liabilities: loan and borrowings	**340.63**	231.95

	30 September 2020		
	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	**80.94**	**19.06**	**100.00**
Repayable between four and five years	**263.06**	**61.94**	**325.00**
Repayable in over five years	**-**	**-**	**-**
	344.00	**81.00**	**425.00**

	30 September 2019		
	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	-	-	-
Repayable between four and five years	235.50	189.50	425.00
Repayable in over five years	-	-	-
	235.50	189.50	425.00

19. Other liabilities

	30 September 2020 €m	30 September 2019 €m
Balance at the beginning of the year	**7.28**	-
Addition	**0.02**	7.03
Repayments	**(0.29)**	(0.05)
Loss on measurement of put option	**1.88**	0.30
Balance at the end of the year	**8.89**	7.28

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 shareholder at the then market value. Prior to the option date the Group has guaranteed a fixed dividend to the minority shareholder. If this is not met by the subsidiary, then the Company is required to settle this obligation.

The options are exercisable as follows:

Companies	Ownership %	Date of maturity of option
Tritax EuroBox (Bochum) Propco GmbH	94.9	5 April 2029
Tritax EuroBox (Peine) Propco GmbH	94.9	28 March 2029
Dietz Logistik 33. Grundbesitz GmbH	89.9	12 November 2029
Tritax Eurobox (Bremen I) Propco GmbH	89.9	22 February 2030
Tritax Eurobox (Bremen II) Propco GmbH	89.9	22 February 2030

20. Derivative financial instruments

To mitigate the interest rate risk that arises as a result of entering into variable rate loans, a number of interest rate caps have been taken out in respect of the Group's variable rate debt to cap the rate to which three month Euribor can rise. Each cap runs coterminous to the initial term of the respective loans. The caps expire in October 2023.

As at the current and prior period ends, the Group had notional value of interest rate caps of €300 million to act as a hedge against the €425 million revolving credit facility (see note 18).

The weighted average capped rate, excluding any margin payable, for the Group as at the year-end was 0.67% (30 September 2019: 0.67%). The total premium payable in the year towards securing the interest rate caps was €nil (30 September 2019: €2.47 million).

	30 September 2020 €m	30 September 2019 €m
Interest rate derivatives valuation brought forward	**0.12**	-
Interest rate cap premium paid	**-**	2.47
Fair value movement	**(0.03)**	(2.35)
Non-current assets: interest rate derivatives carried forward	**0.09**	0.12

The interest rate derivatives are marked to market based on the valuation by the relevant counterparty banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark to market values of the derivatives are taken to the Group profit or loss.

As at the year-end date the total proportion of debt hedged via interest rate derivatives equated to 87% (30 September 2019:127%).

Fair value hierarchy
The fair value of the Group's interest rate derivatives is recorded in the Group Statement of Financial Position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year end. This valuation technique falls within Level 2 of the fair value hierarchy, as defined by IFRS 13. The valuation was provided by the counterparty to the derivatives. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

21. Financial risk management

Financial instruments
The Group's principal financial assets and liabilities are those that arise directly from its operations: trade and other receivables, trade and other payables and cash held at bank. The Group's other principal financial assets and liabilities are bank borrowings and interest rate derivatives, the main purpose of which is to finance the acquisition and development of the Group's investment property portfolio and hedge against the risk of interest rates rising. The book value of the Group's financial instruments that are carried in the financial statements approximates their fair value at the end of the year.

Risk management
The Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk. The Board of Directors oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks that 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 performed to ascertain the impact on the Group Cash Flow Statement and net assets which shows that a 50 basis point decrease/increase in interest rates would result in an increase of €nil or a decrease of €0.07 million to net assets, based on the nominal borrowings at the year-end.

The Group currently operates in seven countries. The current distribution of total assets is as follows:

Total assets	Belgium	Germany	Spain	Italy	Poland	UK	The Netherlands	Total
30 September 2020	**93.01**	**303.63**	**169.12**	**141.52**	**117.39**	**4.37**	**50.43**	**879.47**

30 September 2019	91.50	273.65	163.03	146.64	63.47	2.34	-	740.63

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 tenants being required to pay rentals in advance under their lease obligations. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement or acquiring a let property. The Group holds collateral by way of bank deposits totalling €1.17 million (see note 15), and in certain case holds bank guarantee letters.

Covid-19 increased the tenant credit risk of the Group, with some tenants asking for rent deferrals with a view to help their financial position. However, as at 30 September 2020, all deferrals have been repaid as agreed with one single deferral outstanding agreed to be received during 2021 for €1.6 million.

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, who are committed lenders to the Group, with high credit ratings assigned by international credit-rating agencies.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and, going forward, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements (see note 14). It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, as the majority of the Group's assets are property investments and are therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management ensuring it has appropriate levels of cash and available drawings to meet liabilities as they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including interest charges:

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3-12 months €m	1-2 years €m	Between 2-5 years €m	More than 5 years €m
30 September 2020							
Loans and borrowings	**340.63**	**374.69**	**1.70**	**5.11**	**6.81**	**361.07**	**-**
Trade and other payables*	**9.87**	**9.87**	**8.41**	**-**	**1.46**	**-**	**-**
Non-current liabilities	**8.89**	**8.89**	**-**	**-**	**-**	**-**	**8.89**
Tenant deposit	**1.31**	**1.31**	**-**	**-**	**-**	**-**	**1.31**
	360.70	**394.76**	**10.11**	**5.11**	**8.27**	**361.07**	**10.20**

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3-12 months €m	1-2 years €m	Between 2-5 years €m	More than 5 years €m
30 September 2019							
Loans and borrowings	231.95	256.23	1.30	3.89	5.18	245.86	-

Trade and other payables*	15.71	15.71	15.71	-	-	-	-
Non-current liabilities	7.28	7.28	-	-	-	-	7.28
Tenant deposit	1.17	1.17	-	-	-	-	1.17
	256.11	280.39	17.01	3.89	5.18	245.86	8.45

** Excludes VAT and deferred income as these are not financial liabilities.*

Foreign currency risk
The Group is Euro denominated. The Group operates internationally, mainly in the Euro zone. The Group keeps some cash in foreign currency to finance its working capital.

As at 30 September 2020 the Group has a cash balance of GBP 0.41 million and PLN 5.54 million, equivalent to €0.45 million and €1.22 million respectively (30 September 2019:GBP 0.54 million and PLN 6.49 million, equivalent to €0.61 million and €1.48 million respectively).

Development risk
Development risk is the exposure that Group takes in projects where building is not yet completed. Construction risk is mitigated by the Group by entering into fixed price contracts with the developers. Letting risk is usually alleviated by entering into pre-let agreements with tenants or rental guarantees with the developers or vendors.

Taxation risk
Tax laws in these countries may change in the future, representing an increase in tax risk to the Company.

22. Capital management

The primary objective of the Group's capital management is to ensure that it remains a going concern.

The Board, with the assistance of the Investment Manager, monitors and reviews the Group's capital so as to promote the long-term success of the business, facilitate expansion and to maintain sustainable returns for Shareholders. The Group considers proceeds from share issuances, bank borrowings and retained earnings as capital. The Group's policy on borrowings is as set out below:

The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds.

The Directors intend that the Group will maintain a conservative level of aggregate borrowings with a medium-term target of 45% of the Group's gross assets (with a limit of 50%).

The Group has complied with all covenants on its borrowings up to the date of this report. The targets mentioned above sit comfortably within the Group's covenant levels, which include loan to value ("LTV") and interest cover ratio. The Group LTV at the year end was 39.9% (30 September 2019: 33.3%).

23. Tenant deposit

Non-current liabilities	**30 September 2020 €m**	30 September 2019 €m
Balance at the beginning of the year	**1.17**	1.17
Additions in the year	**0.14**	-
Balance at the end of the year	**1.31**	1.17

The main balance relates to a cash deposit given by the tenant for the property in Barcelona, Spain.

24. Share capital

The share capital relates to amounts subscribed for share capital at its nominal value:

	30 September 2020 Number	**30 September 2020 €m**	30 September 2019 Number	30 September 2019 €m
Issued and fully paid at 1 cent each				

Balance at beginning of year/period - €0.01 Ordinary Shares	**422,727,273**	**4.23**	1	-
Shares issued in the year/period	**-**	**-**	422,727,272	4.23
Balance at end of year/period	**422,727,273**	**4.23**	422,727,273	4.23

The Group has one class of Ordinary Shares which carry no right to fixed income.

The 1 cent shares listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 9 July 2018 were issued for €1.13 (or £1.00). Following a Special Resolution of Tritax EuroBox plc, an application was made to the High Court to cancel the share premium, which was granted on 25 September 2018. This resulted in the full balance being transferred into distributable reserves.

On 7 May 2019, the Group's Ordinary Shares were listed on the premium segment of the Main Market of the London Stock Exchange from the Specialist Fund Segment.

On 29 May 2019, the Group increased its share capital by another 122,727,273 Ordinary Shares for €1.10 or £0.97 each. As a result, the Group's issued share capital increased to 422,727,273 Ordinary Shares with voting rights.

	30 September 2020 Number	**30 September 2020 €m**	30 September 2019 Number	30 September 2019 €m
Issued and fully paid at €1 each				
Balance at beginning of year/period - €1.00 Preference Shares	**-**	**-**	57,100	0.06
Shares cancelled in the year/period	**-**	**-**	(57,100)	(0.06)
Balance at end of year/period	**-**	**-**	-	-

On 26 September 2018, the Group cancelled 57,100 redeemable preference shares with a nominal value of €57,100. The preference shares did not carry any rights to a dividend.

25. Net asset value (NAV) per share

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

	30 September 2020 €m	30 September 2019 €m
Net assets per Group Statement of Financial Position	**503.91**	477.27
Ordinary Shares:		
Issued share capital (number)	**422,727,273**	422,727,273
NAV per share (expressed in Euro per share)		
Basic NAV per share	**1.19**	1.13

In October 2019, EPRA introduced three new measures of net asset value: EPRA Net Reinvestment Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). These are applicable for accounting periods starting on or after 1 January 2020, but the Group has elected to early adopt these new measures for the year ended 30 September 2020. The Group considers EPRA NRV to be the most relevant EPRA NAV measure for the Group, replacing our previously reported EPRA NAV and EPRA NAV per share metrics. We are now reporting EPRA NRV as our primary NAV measure alongside Basic NAV. The prior year comparative figures have also been recomputed in line with the new EPRA methodology. Also refer to Notes to the EPRA and Other Key Performance Indicators section for the bridge between the new and the previous set of EPRA NAVs metrics.

	30 September 2020			30 September 2019		
	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to shareholders	**503.91**	**503.91**	**503.91**	477.27	477.27	477.27
Mark-to-market adjustments of derivatives	**(0.09)**	**(0.09)**	**–**	(0.12)	(0.12)	–
Deferred tax adjustment	**12.49**	**12.49**	**–**	4.59	4.59	–
Transaction costs[1]	**34.19**	**–**	**–**	29.31	–	–
NAV	**550.50**	**516.31**	**503.91**	511.05	481.74	477.27
NAV per share in Euro	**1.30**	**1.22**	**1.19**	1.21	1.14	1.13

[1]EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

26. Transactions with related parties

For the year ended 30 September 2020, all Directors and 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 2020 was €4.13 million (2019: €3.28 million).

The total amount outstanding at the year end relating to the Investment Management Agreement was €1.10 million (2019: €1.06 million).

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report. No fees were paid to SG Commercial LLP ("SG Commercial") for the year to 30 September 2020 (2019: €0.67 million) in respect of agency services for the year; this represents a total of 0% (2019: 14.70%) of agency fees paid by the Group during the year. There were no fees outstanding as at the year end and 30 September 2019. The six Members of the Manager, namely Mark Shaw, Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin and Bjorn Hobart, are also Members of SG Commercial.

During the year, the Directors received the following dividends: Robert Orr: €860 (2019:€480), Keith Mansfield: €12,470 (2019: €4,560), Taco De Groot: €1,075 (2019: €600) and Eva-Lotta Sjostedt: €127 (2019: €nil).

During the year the six Members of the Manager received the following dividends: Colin Godfrey: €6,142 (2019: €3,011), Mark Shaw: €6,148 (2019: €3,011), James Dunlop: €6,142 (2019: €3,011), Henry Franklin: €4,137 (2019: €2,008), Petrina Austin: €981 (2019: €480) and Bjorn Hobart: €981 (2019: €480). Nick Preston, the Fund Manager received €3,156 during the year (2019: €1,306).

On 5 February 2020 the Manager has acquired in the market 116,416 Ordinary Shares at 90.2 pence per share on behalf of certain members of staff of the Manager. On 17 June 2020 the Manager also acquired in the market 99,129 Ordinary Shares at 92.4 pence per share on behalf of certain members of staff of the Manager.

On 1 October 2020, there were three new Members of the Manager, namely Nick Preston, Frankie Whitehead and James Watson. They are also Members of SG Commercial.

27. Leases

As lessor

Details of the Group's leases from tenants of its investment property are found in note 6.

As lessee

The Group holds one investment property, with a carrying amount of €133.5 million, on a lease which ends in 87.5 years. A peppercorn rent is paid and hence the associated lease liability and right-of-use asset are immaterial.

28. Subsequent events

In October 2020, the loans from BNP Paribas, Bank of China and Banco de Sabadell for a total of €225 million have been extended for another year to October 2025 (see note 18).

On 2 December 2020, the Group announced that it signed the acquisition of a building located in Nivelles, Belgium for a total purchase price of €31.2 million. The transaction is expected to close in December 2020.

Company Balance Sheet

Company Registration Number 11367705

	Note	**At 30 September 2020 €m**	At 30 September 2019 €m
Non-current assets			
Derivative financial instruments		**0.09**	0.12
Trade and other receivables	5	**466.52**	447.92
Investment in subsidiaries	4	**316.32**	240.84
Total non-current assets		**782.93**	688.88
Current assets			
Trade and other receivables	5	**4.38**	2.83
Cash held at bank	6	**3.52**	2.05
Total current assets		**7.90**	4.88
Total assets		**790.83**	693.76
Current liabilities			
Trade and other payables	7	**(2.22)**	(6.36)
Income tax liability		–	–
Total current liabilities		**(2.22)**	(6.36)
Non-current liabilities			
Loans and borrowings	8	**(340.63)**	(231.95)
Total non-current liabilities		**(340.63)**	(231.95)
Total liabilities		**(342.85)**	(238.31)
Total net assets		**447.98**	455.45
Equity			
Share capital	9	**4.23**	4.23
Share premium reserve		**131.24**	131.21
Retained earnings		**312.51**	320.01
Total equity		**447.98**	455.45

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 profit attributable to the Parent Company for the year ended 30 September 2020 amounted to €10.68 million (2019: a loss of €1.10 million).

The financial statements were approved by the Board of Directors on 2 December 2020 and signed on its behalf by:

Robert Orr
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2019		**4.23**	**131.21**	**320.01**	**455.45**
Net profit for the year		–	–	**10.68**	**10.68**
Total comprehensive income		**–**	**–**	**10.68**	**10.68**
Contributions and distributions:					
Associated share issue costs		**–**	**0.03**	**–**	**0.03**
Dividends paid	3	**–**	**–**	**(18.18)**	**(18.18)**
At 30 September 2020		**4.23**	**131.24**	**312.51**	**447.98**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 July 2018		0.06	–	–	0.06
Net loss for the period		–	–	(1.10)	(1.10)
Total comprehensive loss		–	–	(1.10)	(1.10)
Contributions and distributions:					
New share capital subscribed	9	4.23	470.10	–	474.33
Associated share issue costs		–	(9.35)	–	(9.35)
Share premium cancelled by special resolution		–	(329.54)	329.54	–
Cancellation of preference shares	9	(0.06)	–	–	(0.06)
Dividends paid	3	–	–	(8.43)	(8.43)
Total contributions and distributions		4.17	131.21	321.11	456.49
At 30 September 2019		**4.23**	**131.21**	**320.01**	**455.45**

Notes to the Company Accounts

1. Accounting policies

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 EU endorsed 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

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:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the Group profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers such as 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 and contractual cash flows 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 being recognised within cost of sales 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.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Investment in subsidiaries

The investment in subsidiary companies is included in the Company's Balance Sheet at cost less provision for impairment.

Financial liabilities

The Company classifies its financial liabilities as amortised cost.

The Company's accounting policy for each type of financial liability is as follows:

Bank borrowings

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 ensure that any interest expense over the year to repayment is at a constant rate on the balance of the liability carried in the Company Balance Sheet. 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.

Other non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially at the date that the Company 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 Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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 2020 €m	30 September 2019 €m
UK corporate tax	**-**	-

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the year.

The UK corporation tax rate for the financial year is 19%. Accordingly, this rate has been applied in the measurement of the Company's tax liability at 30 September 2020.

3.Dividends paid

Please refer to note 13 of the Group accounts.

4.Investment in subsidiaries

	30 September 2020 €m	30 September 2019 €m
At the beginning of the year/period	**240.84**	-
Increase in investments via share purchase	**76.69**	240.84
Impairment in the year	**(1.21)**	-
At the end of the year/period	**316.32**	240.84

The Company has the following subsidiary undertakings as at 30 September 2020:

	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%
Tritax EuroBox (Wunstorf) Holdco Limited	Property Investment	United Kingdom	100%*
Tritax EuroBox (Bochum) Propco GmbH (previously known as Dietz Logistik 25. Grundbesitz GmbH)	Property Investment	Germany	94.9%*
Tritax EuroBox (Peine) Propco GmbH (previously known as Dietz Logistik 38. Grundbesitz GmbH)	Property Investment	Germany	94.9%*
Dietz Logistik 33. Grundbesitz GmbH	Property Investment	Germany	89.9%*

Tritax Eurobox (Bremen I) Propco GmbH (previously known as CLI Real Estate I GmbH)	Property Investment	Germany	89.9%*
Tritax Eurobox (Bremen II) Propco GmbH (previously known as Dietz Logistik 47. Grundbesitz GmbH)	Property Investment	Germany	89.9%*
Tritax Eurobox (Poland) Propco sp. z o.o (previously known as Nestral sp. z o.o.)	Property Investment	Poland	100%*
Central Logistics Investment sp. z o.o	Property Investment	Poland	100%*
Tritax Eurobox (Netherlands) Propco Limited	Property Investment	United Kingdom	100%*
Tritax Eurobox (Breda) PropCo B.V.	Property Investment	The Netherlands	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 registered addresses for the subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

Spain entities: Avenida de Felipe II, 17, 1ºC, 28009, Madrid, Spain Jersey entities: 13-14 Esplanade, St Helier, Jersey, JE1 1EE

Italy entities: Savills Investment Management SGR S.p.A., Fondo Minerva, Via San Paolo 7, 20121 Milano, Italy

Belgium entities: Louizalaan 331-333, 1050 Brussels, Belgium

German entities: Darmstädter Straße 246, 64625 Bensheim, Germany and Westendstraße 28, 60325 Frankfurt am Main

Poland entities: Warsaw, ul. Piękna 18, 05-077 Warsaw, Poland

The Netherlands entities: Hoogoorddreef 15, 1101BA Amsterdam, the Netherlands

United Kingdom entities: 6 Duke Street St James's, London, SW1Y 6BN, United Kingdom

5.Trade and other receivables

	30 September 2020 €m	30 September 2019 €m
Amounts receivable from Group companies	**470.14**	450.60
Other receivables	**0.76**	0.15
	470.90	450.75

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 4% (with the exception of Poland at 2.69%). Interest is generally payable quarterly and, therefore, is classified as current assets.

	30 September 2020 €m	30 September 2019 €m
Current assets	**4.38**	2.83
Non-current assets	**466.52**	447.92
	470.90	450.75

6.Cash held at bank

	30 September 2020 €m	30 September 2019 €m
Cash held at bank	**3.52**	2.05

7.Trade and other payables

	30 September 2020 €m	30 September 2019 €m
Trade and other payables	**2.13**	2.98
Accruals	**0.09**	3.38
	2.22	6.36

8.Loans and borrowings

All external borrowings of the Group are held by the Company. Please refer to note 18 of the Group accounts for further details.

9. Share capital

Please refer to note 24 of the Group accounts.

10. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other wholly owned members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

Below are the amounts received by the companies which are not wholly owned:

Income received from Group companies	30 September 2020 €m	30 September 2019 €m
Tritax EuroBox (Bochum) Propco GmbH	**1.22**	0.88
Tritax EuroBox (Peine) Propco GmbH	**3.49**	2.08
Dietz Logistik 33. Grundbesitz GmbH	**1.83**	0.37
Tritax Eurobox (Bremen I) Propco GmbH (previously known as CLI Real Estate I GmbH)	**0.64**	–
Tritax Eurobox (Bremen II) Propco GmbH (previously known as Dietz Logistik 47. Grundbesitz GmbH)	**0.69**	–
	7.87	3.33

Below are the amounts owed by the companies which are not wholly owned:

Amount owed from/(to) Group companies as at 30 September 2020	Less than one year	More than one year

	€m	€m
Tritax EuroBox (Bochum) Propco GmbH	**0.04**	**24.42**
Tritax EuroBox (Peine) Propco GmbH	**–**	**67.74**
Dietz Logistik 33. Grundbesitz GmbH	**–**	**31.10**
Tritax Eurobox (Bremen I) Propco GmbH (previously known as CLI Real Estate I GmbH)	**–**	**13.16**
Tritax Eurobox (Bremen II) Propco GmbH (previously known as Dietz Logistik 47. Grundbesitz GmbH)	**–**	**14.86**
	0.04	**151.28**

Amount owed from Group companies as at 30 September 2019	Less than one year €m	More than one year €m
Tritax EuroBox (Bochum) Propco GmbH	–	24.46
Tritax EuroBox (Peine) Propco GmbH	–	67.75
Dietz Logistik 33. Grundbesitz GmbH	0.38	31.10
Tritax Eurobox (Bremen I) Propco GmbH (previously known as CLI Real Estate I GmbH)	–	28.02
Tritax Eurobox (Bremen II) Propco GmbH (previously known as Dietz Logistik 47. Grundbesitz GmbH)	–	–
	0.38	151.33

For all other related party transactions please refer to note 26 of the Group accounts.

11.Directors' remuneration

Please refer to note 9 of the Group accounts.

12.Subsequent events

Please refer to note 28 of the Group accounts.

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

1. EPRA earnings per share

	Year ended 30 September 2020 €m	Period ended 30 September 2019 €m
Total comprehensive income (attributable to Shareholders)	**44.79**	20.72
Adjustments to remove:		
Changes in fair value of investment properties	**(38.57)**	(17.85)
Deferred tax adjustment	**8.38**	4.59
Changes in fair value of interest rate derivatives	**0.03**	2.35
Gain on disposal of investment property	**(0.83)**	-
Profits to calculate EPRA Earnings per share	**13.80**	9.81
Weighted average number of Ordinary Shares	422,727,273	331,599,364
EPRA earnings per share - basic and diluted	**3.26 cents**	**2.96 cents**

2. EPRA NAV measures

In October 2019, EPRA issued new best practice recommendations (BPR) for financial guidelines on its definitions of NAV measures: EPRA net tangible assets (NTA), EPRA net reinvestment value (NRV) and EPRA net disposal value (NDV). The Group has adopted these new guidelines and applies them in the 2020 Annual Report. The group considered EPRA net reinvestment value (NRV) to be the most relevant NAV measure for the Group, replacing our previously reported EPRA NAV and EPRA NAV per share metrics. We are now reporting EPRA NRV as our primary NAV measure alongside Basic NAV. EPRA NRV is calculated as net assets per the Consolidated Statement of Financial Position excluding cumulative fair value adjustments for debt-related derivatives and deferred tax adjustment, and including transaction costs (Real Estate Transfer Tax and purchaser's costs).

30 September 2020	Current measures			Previously reported measures	
	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m	EPRA NAV €m	EPRA NNNAV €m
NAV attributable to shareholders	**503.91**	**503.91**	**503.91**	**503.91**	**503.91**
Mark-to-market adjustments of derivatives	**(0.09)**	**(0.09)**	**–**	**2.38**	**–**
Deferred tax adjustment	**12.49**	**12.49**	**–**	**12.49**	**–**
Transaction costs[1]	**34.19**	**–**	**–**	**–**	**–**
NAV	**550.50**	**516.31**	**503.91**	**518.78**	**503.91**
NAV per share in Euro	**1.30**	**1.22**	**1.19**	**1.23**	**1.19**

[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.

30 September 2019	Current measures	Previously reported measures

	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m	EPRA NAV €m	EPRA NNNAV €m
NAV attributable to shareholders	477.27	477.27	477.27	477.27	477.27
Mark-to-market adjustments of derivatives	(0.12)	(0.12)	–	2.35	–
Deferred tax adjustment	4.59	4.59	–	4.59	–
Transaction costs[1]	29.31	–	–	–	–
NAV	**511.05**	**481.74**	**477.27**	**484.21**	**477.27**
NAV per share in Euro	**1.21**	**1.14**	**1.13**	**1.15**	**1.13**

[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 2020 €m	Period ended 30 September 2019 €m
Investment property	**837.90**	687.58
Less: development properties	**-**	(21.83)
Completed property portfolio	**837.90**	665.75
Allowance for estimated purchasers' costs	**34.19**	29.31
Gross up completed property portfolio valuation (B)	**872.09**	695.06
Annualised cash passing rental income	**39.24**	31.58
Less: contracted rental income in respect of development properties	**-**	-
Property outgoings	**(0.98)**	(0.30)
Annualised net rents (A)	**38.26**	31.28
Contractual increases for fixed uplifts	**1.41**	1.84
Topped up annualised net rents (C)	**39.67**	33.12
EPRA Net Initial Yield (A/B)	**4.39%**	4.50%
EPRA Topped Up Net Initial Yield (C/B)	**4.55%**	4.77%

4. EPRA vacancy rate

	Year ended 30 September 2020 €m	Period ended 30 September 2019 €m
Annualised estimated rental value of vacant premises	**2.21**	0.41
Portfolio estimated rental value[1]	**40.65**	33.43
EPRA vacancy rate	**5.43%**	1.22%

1 Excludes land held for development.

5. EPRA cost ratio

	Year ended 30 September 2020 €m	Period ended 30 September 2019 €m
Property operating costs	**0.89**	0.33
Administration expenses	**10.73**	8.45
Net service charge costs	**0.09**	0.05
Other operating income	**(0.46)**	(0.37)
Total costs including vacant property costs (A)	**11.25**	8.46
Vacant property costs	**(0.09)**	(0.16)
Total costs excluding vacant property costs (B)	**11.16**	8.30
Gross rental income - per IFRS (C)	**36.00**	24.49
Total EPRA cost ratio (including vacant property costs) (A/C)	**31.25%**	34.54%
Total EPRA cost ratio (excluding vacant property costs) (B/C)	**31.00%**	33.89%

There were no overheads nor operating expenses capitalised in the year in line with IFRS (2019: €nil).

6. Capital expenditure

	30 September 2020 €m	30 September 2019 €m
Acquisition[1]	**105.86**	654.22
Development[1]	**6.22**	16.28
Investment properties[1]:		
Incremental lettable space	**1.43**	0.72
Tenant incentives[2]	**2.14**	3.99
Other material non-allocated types of expenditure[3]	**(3.90)**	(3.96)
Total	**111.75**	671.25

[1] See note 14.

[2] Fixed rental uplift and tenant lease incentives after adjusting for amortisation on rental uplift and tenant lease incentives.

[3] License fees and rental guarantees.

The Group has no interest in joint ventures.

7. Total Return

	Year ended 30 September 2020 cents	Period ended 30 September 2019 cents
Opening EPRA NRV	**120.89**	113.11
Closing EPRA NRV[1]	**130.23**	120.89
Growth in EPRA NRV	**9.34**	7.78
Dividends Paid	**4.30**	2.40
Total growth in EPRA NRV plus dividends paid	**13.64**	10.18
Total Return[1]	**11.28%**	9.00%

1 Total Return for 30 September 2020 was 10.90% (30 September 2019: 3.39%) using the previous EPRA NAV at 122.72 cents and 114.54 cents respectively.