TRITAX EUROBOX

07 December 2021

Tritax EuroBox plc

(the "**Company**")

RESULTS FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2021

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 2021.

Financial performance

	30 September 2021	**30 September 2020**	**Increase/ (decrease)**
Portfolio value[1]	€1,281.4m	€837.9m	52.9%
IFRS NAV per share[2]	€1.31	€1.19	10.1%
EPRA Net Tangible Assets per share[2]	€1.35	€1.22	10.7%
Dividend per share	5.00 cents	4.40 cents	
Total Return[3]	14.3%	11.0%	
Profit before tax	€129.00m	€53.58m	
Basic Earnings Per Share (“EPS”)[4]	19.59 cents	10.60 cents	
Adjusted EPS[4]	4.61 cents	4.16 cents	
EPRA Cost Ratio	30.5%	31.3%	(0.8) pts
Loan to value (“LTV”) ratio	13.3%	41.1%	(27.8) pts

Financial highlights: continued strong performance and dividend growth

- Dividends declared in respect of the year of 5.0 cents per share, up 13.6% (2020: 4.40 cents), contributing to Total Return of 14.3% (2020: 11.0%)
- Raised gross proceeds of €480 million through two oversubscribed equity issues in March and September 2021
- Awarded a BBB- investment grade credit rating in March 2021, immediately reducing our cost of debt and opening up new sources of debt financing
- Issued a €500m senior unsecured green bond in June 2021, significantly lowering the cost of debt and diversifying our funding sources into the debt capital markets
- Portfolio independently valued at €1,282.6[7] million at the year end (30 September 2020: €839.3 million), a like-for-like increase of 11.9%
- 100% of rent due for the year collected, along with all rent deferred from 2019/20, resulting in full rent collection over the last two financial years

Operational highlights: successful implementation of our strategy

- Acquired prime logistics assets in Belgium, Germany (two assets) and Sweden, and forward funded the acquisition of a prime asset in Italy
- Continued to extract value from the portfolio, including:
    - Disposing of the asset at Lodz, Poland, for €65.5 million, 15% above valuation and delivering an IRR of 16.5%
    - Launching construction of the extension to the Barcelona asset let to Mango, and achieving practical completion of new building at the Bornem asset in Belgium
    - Signed a green lease with Samsung on the vacant units at Breda, the Netherlands, and let the vacant unit at Strykow, Poland
- Continued successful implementation of our environment, social and governance (ESG) strategy, including introducing ESG acquisition due diligence reports, implementing green leases and a range of initiatives to improve environmental performance, including progressing solar PV installations, resulting in an improved GRESB score of 82/100
- At the year end, the portfolio comprised:
    - 15 assets in prime locations, with an average size of 70,027 sqm
    - A strong, well-diversified base of 27 tenant partners, 76%[5] of our income is underpinned by multi-billion Euro turnover businesses

  - 100% of assets are income producing[6] and 95% of rental income is subject to an element of indexation each year
  - Weighted average unexpired lease term of 9.3 years (including rental guarantees) at 30 September 2021 (30 September 2020: 9.1 years)
- Numerous opportunities to drive income and capital growth into the future:
  - 145,068 sqm of land that can be developed
  - 30,938 sqm of floorspace subject to rental guarantees

Post year-end activity

- Continued to deploy proceeds of September 2021 equity raise, agreeing to acquire a recently built prime logistics asset for €32 million and agreeing to acquire land and fund the development of a €118 million prime asset, both in the Rhine-Ruhr region of Germany. Acquired a 48,000 sqm logistics asset close to Piacenza in Italy for €50m
- Issued the Company's first private placement of €200 million, further diversifying its sources of debt funding and extending the weighted average maturity of the debt facilities
- Completed a new green lease on the vacant unit in Nivelles, Belgium, on a nine-year lease to a leading Belgian supermarket operator at a rent 8% above the previous rental level

Robert Orr, Chairman of Tritax EuroBox plc, commented:
"This has been a significant year in the Company's development, as the business's growing maturity has helped us to build both scale and momentum. We are successfully implementing our strategy, acquiring prime assets in excellent locations, extracting value from the existing portfolio and continuing to advance our ESG agenda. This has helped us to deliver a strong financial performance and meaningful dividend growth. Our success this year has been underpinned by our ability to raise new equity and the issuance of our first green bond, which in turn reinforces our ESG strategy.

"Our market remains highly attractive, with strong occupier demand driven in particular by the accelerated growth of e-commerce, combined with limited supply of large, high-quality and sustainable space to rent in prime markets. We see attractive opportunities to add assets to the portfolio that have built-in value creation opportunities and remain confident of further growth in the coming year."

A Company presentation for analysts and investors will take place via a live webcast and audio only dial in at 1000 (GMT) on the day.

To view the live webcast, please register at:
https://www.investis-live.com/tritaxeurobox/61a0fe53e4767b1300c1a668/twhwk

The audio only dial in is available using the following details:
Phone number: +44 (0) 203 936 2999
Participant access code: 276462

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

Notes

1 Like-for-like increase of 11.9%.

2 Following the October 2019 update to EPRA's Best Practice Recommendations Guidelines and the, the Company has adopted EPRA net tangible assets (NTA) as its primary EPRA measure of net asset value and restated its September 2020 position in line with this change. See note 25 of the Financial Statements for reconciliation.

3 As per KPI definition

4 See note 12 to the financial statements for reconciliation

5 By rental income

6 Including licence fee income and rental guarantees

7 Including rental guarantees

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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

The last twelve months have seen the Company build significant momentum. The scale of the business has grown through our ability to access both equity and debt capital, which in turn is enabling us to invest for further growth. In line with the evolution of our strategy, as articulated in December 2020, new investment is increasingly focused on opportunities where we can create additional value, by acquiring assets earlier in their development cycle, applying the Manager's asset management skills and by developing unutilised land. We also continue to advance our ESG agenda, which informs everything we do across the business, from how we engage with our tenant partners, to our acquisition criteria, to the debt financing we have raised this year.

While the Covid-19 pandemic has been challenging for society, it has served to reinforce the importance of the logistics sector as a whole, and hence the real estate the Company owns, especially highlighting the critical nature of sustainable supply chains. In particular, it has accelerated the adoption of e-commerce and encouraged companies to shorten and simplify their supply chains. Occupier demand for assets has therefore continued to grow while occupational supply remains constrained, creating a supportive investment environment for long term asset owners such as us.

Successfully implementing our value creation strategy

We have continued to successfully implement each aspect of our strategy this year. During the period, we acquired four standing assets and agreed the forward funding of a further three. In doing so, we have added depth in existing countries and expanded into the key Nordics logistics market. These acquisitions included a number of value-add opportunities, in line with our investment strategy. The increasing scale of our portfolio, underpinned by a majority of secure long leases, allows us to be more opportunistic and take on a controlled level of these value-add and land projects, enabling us to effectively manage risk and protect earnings, while delivering strong total returns to investors.

All the assets acquired are in prime logistics locations in core Western European countries, which remain our primary focus for investment. Our unique developer relationships enable us to source assets at attractive pricing, while we continue to exercise rigorous investment discipline and will not consider secondary locations in exchange for perceived discounts.

The Manager has also made further progress in extracting the value embedded in the existing portfolio, with a range of leasing, development and expansion opportunities either completed or under way at the year end.

Financial performance, dividends and total returns

The Company delivered another strong financial performance, with the acquisitions in the year contributing to robust growth in rental income and profits.

We have declared four quarterly dividends of 1.25 cents each in respect of the year, giving a total dividend of 5.0 cents per share. This represents growth of 13.6% on the 4.40 cents per share paid in respect of the previous year.

The total dividend is 80.2% covered by Adjusted EPS, reflecting the increase in shares in issue as a result of the two equity raises (see below) and the time required to invest the proceeds in income-producing assets. We expect the dividend to be fully covered in the year to 30 September 2022, in line with our policy to pay out 90-100% of our adjusted EPS each year, with a minimum pay out of 85% assuming no major capital events.

The dividend is an important driver of our Total Return, along with the returns we create through active asset management and capital growth. The Total Return for the year was 14.3%, ahead of our target of 9% per annum and reflecting the growth in the dividend and the portfolio valuation.

Financing

This was a significant year for raising both the debt and equity capital we need for the next stage of our growth. This reflects the growing maturity of the business and the attractions of logistics real estate investments to investors and lenders. We also recycled capital for reinvestment through the sale of an asset in Poland and we continue to be rigorous and disciplined in appraising the portfolio, to identify further opportunities for capital recycling.

Having reached full deployment at the end of 2020, we were pleased to raise €230 million in March 2021 through a substantially oversubscribed equity issue. The acquisitions outlined above quickly deployed this capital and with the Manager having identified an attractive further pipeline of opportunities, we raised an additional €250 million through another oversubscribed equity issue in September 2021. In addition to underpinning our strategy, the equity raises have broadened the Company's share register and boosted the liquidity of the shares. With a market capitalisation of €1.06 billion (£911.56 million) at 30 September 2021, we were included in the FTSE 250 index with effect from 1 October 2021.

On 12 March 2021, the Company reached another key milestone with Fitch assigning a BBB- long term corporate credit rating. This marks the first Investment Grade rating of the Company. This has opened up new sources of debt financing and we were pleased to issue a debut €500 million green bond in June 2021. The issuance was significantly oversubscribed which led to a substantial reduction in our cost of debt. As set out in the Manager's Report, by the year end we had allocated all the proceeds of the green bond to refinance existing assets and fund acquisitions during the year.

Sustainability

A robust approach to ESG issues has never been more important. We have always had strong governance and this has been an underpin of the Group's success to date. We are also progressing our work on environmental and social matters, which we recognise as critical to all our stakeholders. Sustainability considerations are fully integrated into every aspect of our operations and the Manager's Report details how we have implemented our sustainability strategy this year. We continue to work closely with our tenant partners to enhance the sustainability performance of our assets and to support their ESG strategies through energy and carbon reduction measures. The Board received training on two occasions during the year, covering ESG investment and regulations.

Board and Governance

The Board has continued to provide robust oversight of the business during the year, and has been closely involved in discussions with the Manager about a number of topics, especially around the financing strategy and Company growth.

Post year end activity

We expect to deploy the proceeds of the September equity raise within three to four months and since the year end have acquired a further 3 assets, two in Germany and one in Italy, for combined consideration of €200 million.

We have also issued a €200 million private placement loan facility, the first for the Company. This further diversifies our sources of borrowing, while extending the average maturity of our debt and reducing its cost.

Outlook

The Company is strongly positioned as it enters the new financial year. The occupational market is increasingly favourable and we expect the trends of strong occupier demand, driven by e-commerce and the reinforcement of fragile supply chains, to continue in the long term. When considered alongside limited new supply of logistics space, we expect consistent, sustained rental growth in prime logistics markets. We are confident of being able to extract further value from the existing portfolio through, amongst other initiatives, capturing this rental growth through asset management and development activities.

We are well placed to continue delivering the Company's strategy through considered growth in accretive new investments which the Manager is able to continue to access. As has been demonstrated through this year our investor base is supportive of continued growth to further diversify the portfolio to provide a lower risk investment product, while also accessing a dynamic and strongly performing sector of the real estate market.

The Board is therefore confident that the Company is well placed to make further progress and deliver value for all its stakeholders in the year ahead.

Robert Orr

Chairman

6 December 2021

OUR MARKET

We operate in a highly attractive market. While each European country is different, there are several common themes:

• occupational demand in prime logistics markets is strong and growing, driven by powerful long-term trends;

• there is a highly constrained supply of assets that are available to occupy in the right locations, and a similarly constrained supply of land on which to build new buildings;

• this demand-supply imbalance is driving rental growth and improving lease terms; and

• the favourable dynamics of the occupational market are driving record levels of interest from investors.

Powerful long-term trends driving occupational demand

We have identified a number of powerful structural trends driving occupier demand, with three in particular which we expect to sustain this demand over the long-term:

• the rapid growth of e-commerce, which requires companies to have large and often highly automated logistics facilities, close to major population centres and strong transport links;

• the need to optimise, reinforce and de-risk supply chains, for example by consolidating into fewer, larger and more efficient buildings, which makes the supply chain more resilient and reduces costs; and

• the growing necessity for businesses to operate from sustainable properties, with lower environmental impacts and workspace that promotes employee wellbeing, and that will remain fit for purpose for years to come.

The continued growth of e-commerce

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 consolidating their physical store operations and creating a combined in-store and online “omnichannel” presence.

The pandemic has accelerated this trend by changing consumer behaviour, as many people shopped online for the first-time during lockdowns. Across Europe, 72% of people shopped online in 2020, up from 56% in 2013[1]. 2020 saw the biggest single year jump in online shopping penetration as measures taken to combat COVID forced individuals to reconsider how they transact.

The percentage of individuals shopping online varies significantly across Europe. Penetration rates in countries such as the Netherlands, Sweden and Germany are high and have grown further through COVID. Large, wealthy populations in these markets are driving strong demand for e-commerce. CBRE report online retailers see expansion in urban locations in these markets as a high priority. Elsewhere in Europe, markets such as Italy and Spain are seeing ecommerce penetration grow rapidly but from a much lower base. 54% of Italians and 66% of Spaniards shopped online in 2020, up from 32% and 43% respectively in 2013[1].

We expect many of these new users will continue to buy online, resulting in a step change in e-commerce activity. Research from RetailX shows that across Europe as a whole, nearly 80% of consumers expect to maintain or increase their level of online shopping when the world returns to normal.

A successful omnichannel model increasingly relies on large, flexible, modern, well-located logistics properties, enabling retailers 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.

Optimising supply chains

Even before Covid-19, many businesses faced persistent pressure on their supply chains. 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.

The impact of the pandemic and events such as the Suez Canal blockage and the recent spike in shipping costs have shown occupiers the vulnerability of their supply chains. Research suggests[3] occupiers are looking to minimise the risk of future disruption by increasing inventories, diversifying and/or re-shoring, and adding back-up storage space. They are also accelerating long-term plans to ensure facilities can cope with increased online business. Automation is an important part of this process which also improves resilience against Covid-19 and potential future pandemics, in part by reducing the reliance on close human interaction.

Occupying sustainable assets

Sustainability is increasingly central to our tenants’ corporate strategies, not only reflecting the potential cost savings of energy efficiency, but also by being responsible corporate citizens and demonstrating 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 for us, offering lower obsolescence, lower capital expenditure and greater long-term appeal to occupiers and investors. Importantly, this accords with our aim to continue to lower our carbon footprint, to align with the Paris Agreement to limit global warming.

<u>Real estate market fundamentals and investment markets</u>

Continued strong take-up

Occupier demand has been consistently strong for many years, driven by the structural demand drivers mentioned above, with take-up across Europe[4] averaging 22 million sqm per annum since Q3 2016. 12-months take-up to end of Q3 2021 totalled 25 million sqm; 24% above the corresponding figure in 2020. Net absorption (which is the change in occupied space during the period), has also been growing across Europe since 2010[2].

Supply remains constrained

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 these locations, there are ever fewer suitable vacant buildings and little land on which to build new ones. There are even fewer sites available that can accommodate the very largest logistics facilities and municipalities are often reluctant to zone land for the construction of these assets, particularly in areas with denser populations. Companies looking for large new logistics facilities have few choices.

Recent years have seen a pick-up in new supply delivered to the market in response to high levels of take up and improving market conditions. Developers are moving speculative schemes forward, but we expect to continue to see high levels of net absorption as demand remains robust. Urban permitting, land scarcity, rising land values and construction costs remain barriers to development in many core markets. This will add further pressure to an already constrained logistics market.

Vacancy at or near its lowest level since 2010

Logistics vacancy rates for Continental Europe are at or near their lowest since 2010. Vacancy rates in Belgium and Germany reached new lows of 0.5% and 2.2% respectively in Q3 2021. Available space in both markets is extremely tight with most of the buildings under construction or due to complete already pre-let. Current vacant space in the seven main European logistics markets is around 38% of the average five-year annual take-up[2].

Supply and demand dynamics provide attractive prospects for rental growth and improving lease terms.

Rental growth increasingly prevalent across Europe

Since 2017, the supply-demand imbalance in prime European logistics locations has contributed to rising rental levels. During the year to Q3 2021, prime headline rents grew by 9.1% in Belgium, 4.9% in Germany and 3.6% in Spain[2]. Headline prime rents in all seven core European markets are now higher than 2 years ago.

The Manager's focus on asset selection positions us well for future rental growth, with 14 out of the Group's 15 assets located in markets where vacancy rates are below 5%[6]. 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 at an average of five years and often contain occupier-friendly clauses, such as restricted indexation provisions, and tenant only extension options. 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 WAULT of 9.3 years at 30 September 2021.

Investment demand remains robust

The dynamics of the occupational market make the logistics subsector highly appealing to investors, who are attracted by the robust income streams and the potential for income and capital growth.

The investment market for logistics real estate assets is therefore competitive. Year-to-date through Q3 2021, investment volumes totalled €18.4 billion[5] , up 29% on the same period in 2020[2]. Spain and Italy have seen large year-on-year increases as investors look to capitalise on market fundamentals that while improving, have somewhat lagged more northern parts of Europe. Conversely, investment volumes in

Belgium remain relatively muted, despite a record low vacancy rate and robust rental growth. New entrants continue to seek investment opportunities, which remain very limited.

Strong investment demand contributed to further yield compression, with prime yields across Europe declining by 57 basis points since Q4 2020 to 3.75% at Q3 2021. The weight of capital looking to source attractive logistics investments in Spain and Italy has helped push yields in both countries down by around 60 basis points to 4.15% and 4.35% respectively. Core European logistics markets such as Germany, France, the Netherlands, and Belgium also saw yields compress further. Prime assets in these markets are currently trading at between 3.2% and 3.5%[2].

While we expect investment demand for logistics properties to remain strong, particularly in the core markets we are targeting, we also anticipate that investor attention will at some stage return to sectors such as offices and retail, as clarity increases about rental values and total return prospects in a post-Covid-19 environment.

[1] Source: Eurostat

[2] Source: CBRE

[3] Source: CBRE 2021 European Logistics Occupier Survey

[4] European data used in this report considers the following markets: Belgium, France, Germany, Italy, the Netherlands, Poland & Spain unless otherwise stated

[5] European market data used, covers the following markets: Germany, France, Poland, Czech Republic, Italy, the Netherlands, Spain, Belgium, Hungary, Romania & Slovakia

[6] Vacancy as per CBRE data, Q3 2021

OUR BUSINESS MODEL

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.

Our advantages

The Manager and the Board

The Manager and the Board together are responsible for devising, implementing and evolving our 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. The Manager's expertise and reputation make us an attractive partner for occupiers and for sellers looking to dispose of their assets.

The Manager's skills include strategy formulation and portfolio construction, sourcing and acquisition of assets; management, in conjunction with our retained asset managers, to unlock value from assets; development; implementation of hold/sell strategies; and disposal. Layered throughout these disciplines is market-leading in-house tax, legal and accounting knowledge.

Developer relationships

The relationships with our development and asset management partners Dietz, Logistics Capital Partners (LCP) and Verdion are key advantages for us. They give us 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, which also provide reliable and attractive investment opportunities.

How we create value

Source high-quality investments

The Manager uses its experience and relationships to acquire properties for us which are not being openly marketed, thereby reducing competition for them. We can also expand our portfolio by extending properties and building 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 assesses its fit with our investment criteria and with the existing portfolio, to ensure good diversification and avoid concentration of risk. All acquisitions are analysed for future performance prospects, based on a wide range of different metrics including location, building layout and design and current and future leasing characteristics.

Develop on a risk-controlled basis

We may invest in forward funded developments, which have either been pre-let to a tenant or benefit from a rent guarantee. This enables us to invest in well located, brand new, environmentally friendly buildings, substantially reducing any development risk.

We can also acquire land already zoned for logistics use, either as part of an asset acquisition or as a discrete parcel of land. This allows us to capture a greater share of the development profit.

Proactively and responsibly manage assets

The Manager works with our tenant partners to maximise the building's usefulness to their operations and to adapt it as their needs change. Close contact with tenants and other local stakeholders helps unlock value for the long term.

Sustainability

Sustainability is at the heart of this approach, helping to ensure we acquire and invest in sustainable assets, to future-proof our portfolio and ensure it generates long-term returns for shareholders, while protecting the environment and benefiting local communities, creating financial and non-financial value.

We carry out Sustainability Risk Assessments on acquisition of assets, giving us valuable information about the sustainability risks and opportunities. We then create Sustainability Action Plans (SAPs), which identify asset management and operational initiatives. We use these to engage our tenant partners and collaborate on sustainability projects. The SAPs are updated annually.

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. We also aim to provide decent workplaces for tenant's employees.

For society

Our assets are integral to the surrounding communities. They support local employment and generate tax revenues which support local and national government spending. Our assets also enable modern lifestyles, particularly in online shopping, allowing rapid, low cost delivery and wide consumer choice.

For the environment

Our approach to sustainability aims to transition our portfolio to net zero carbon, while enhancing biodiversity on our sites. This protects us from the extreme impacts of climate change and environmental damage.

For shareholders

We look to offer good investment returns through paying a progressive, secure and sustainable dividend and capital value growth. Our dividend and Total Return targets are set out on the Key Performance Indicators section.

For lenders

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

How we generate returns

A large proportion of our Total Return is generated from the rents which our tenant partners are contracted to pay to us under mostly multi-year lease contracts. We typically receive inflation-linked rental increases each year and capture market rental growth through asset management. Around two thirds of our rental payments are received monthly in advance, with the remainder being received quarterly in advance, meaning our highly visible revenue converts quickly into cash.

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 may come through asset management, our acquisition processes and development activities, as well as yield compression across the market.

MANAGERS REPORT

The Company's strategy is designed to create value at the point of asset acquisition and throughout the life cycle of an asset, through:

- careful asset selection, following our four-pillar investment philosophy;
- proactive asset management, to drive value from the existing portfolio;
- a robust focus on sustainability; and
- appropriate financing, including a progressive and active capital management programme.

The Company made good progress with all elements of its strategy during the year, as set out below.

Further strengthening the portfolio

We continue to construct a portfolio which is diversified by geography and tenant and that generates a high and secure level of inflation-linked income, as well as capital growth, which will in turn support and deliver the Total Returns and dividends we are targeting.

The Company's investment strategy tilts towards increased weighting in new investment in assets with value-add opportunities where we can maximise value creation, either by acquiring assets at an earlier stage in their development cycle (including buying land or forward funding developments), buying assets with vacancy so we can control the leasing, or developing unutilised land purchased with an asset. This approach will generate new Foundation assets for the portfolio, as well as including shorter-term projects where we can extract value and then sell. We will also continue to acquire Foundation and Growth Covenant assets, where we can source attractive opportunities.

We continued to add to the Company’s portfolio during the year, making the acquisitions set out below:

Nivelles, Belgium. In January 2021, the Company acquired a newly built 34,125 sqm logistics facility for €31.2 million, reflecting a net initial yield of 4.8%. The asset comprises two units, one of which is let to Medi-Market Group SA on a new nine-year lease, subject to annual indexation. The second, slightly smaller unit was vacant on acquisition and had a 12-month rental guarantee. We have recently signed a new lease on 16 November 2021 to a leading Belgian supermarket for 9 years, with a break option at six years at €793,553 rent per annum, reflecting €44.8 per sqm.

Geiselwind, Germany. In April 2021, the Company purchased a highly sustainable 70,353 sqm asset, located between Nuremburg and Frankfurt. The highly specified logistics building is the European distribution headquarters of Puma SE, the German based global sportswear manufacturer and retailer. It has been developed to be carbon neutral in its operations and exhibits a full range of ESG credentials. The property is leased until 2035 and benefits from indexation to 100% of the German CPI index, following a four-year indexation holiday from the start of the lease but recovering the full indexation uplift since the start of the lease at the end of the holiday. The 20-hectare site comes with extension potential for an additional 42,000 sqm of floorspace.

Lich, Germany. In June 2021, the Company completed the acquisition of a 94,429 sqm growth covenant asset, leased for 15 years to Wayfair GmbH. The asset is in a prime location north of Frankfurt. The lease is annually indexed to 100% of German CPI, following a three-year indexation holiday at the commencement of the lease. The high-specification construction also allows for the building to be subdivided into nine units.

The total consideration for the two assets in Germany was €290.9 million, excluding acquisition costs, reflecting a combined net initial yield of 3.9%. The rental income of the two assets is €11.38 million per annum. Both have been constructed to high sustainability standards (see the Implementing Our ESG Strategy section) and were developed by Dietz AG, one of the Company’s retained development partners. Dietz AG remains a minority shareholder in the assets.

Gothenburg, Sweden. On 16 June 2021, the Company announced its first investment in the Nordic region. The Port of Gothenburg is one of the most attractive logistics locations in the Nordics and has very low levels of logistics vacancy in the area. The asset comprises two purpose-built logistics facilities totalling 28,900 sqm. Importantly, the asset is held freehold which is unusual in the Port of Gothenburg, hence giving the Company unfettered control of the site in the future. The buildings are fully let to Agility AB, Nordicon AB and Vink Essåplast Group AB, generating a total annual rent of €1.79 million on leases with a WAULT of six years. All leases are annually indexed to 100% of Swedish CPI. NCAP has been appointed as asset manager for this asset. The acquisition price of €47 million reflects a net initial yield of 3.6% based on the income from the existing leases, with the opportunity to increase the yield to around 4.25% as the rental levels on the buildings are marked to market levels.

Turin, Italy. In August 2021, the Company announced the forward funding acquisition of a 28,249 sqm asset in Settimo Torinese near Turin, for a total consideration of €24.4 million. The property will be developed by LCP under a fixed-price development contract. LCP will provide a rental guarantee of €1.277 million from completion, based on 12 months’ estimated rental value. The Italian logistics market is currently characterised by record levels of occupational take up, particularly in the northern part of the country, as well as vacancy rates for logistics buildings of only 2.6%. As at 30 September 2021, the deal was signed but not yet completed. The acquisition closed on 25 November 2021.

Oberhausen, Germany. In September 2021, the Company announced the forward funding acquisition of a 23,346 sqm logistics asset, its eighth in the key German market. The fixed purchase price is €29.9m and the

Company will benefit from a 12-month rental guarantee from the developer, Verdion, of €1.313 million from completion of construction. The associated land purchase is conditional on receiving the building permit and access rights, which are both expected in the near term. As at 30 September 2021, the deal was signed but not yet completed.

Rosersberg, Sweden. In September 2021, the Company announced the forward funding acquisition of its second asset in Sweden. The 13,181 sqm facility is in a prime location north of Stockholm and is being developed by Verdion, which is expanding into the Nordic countries. The total cost is capped at €27.9 million and the Company will receive an income return equivalent to the net initial yield from completion of the land purchase (which is conditional on receiving the building permit), as well as a 12-month rental guarantee of €1.18 million from completion of construction. As at 30 September 2021, the deal was signed but not yet completed. The acquisition closed on 30 November 2021.

The Company continues to actively manage the portfolio and announced in February 2021 that it had agreed the sale of its asset in Lodz, Poland. This was one of the earlier asset purchases for the Company and having completed the forward funding pre-let development opportunity at the site in 2019, there were no imminent asset management opportunities remaining. The sale price of €65.5 million was 15% above the most recent valuation and delivered an attractive geared internal rate of return of 16.5% to shareholders. We will continue to actively review the portfolio for further opportunities to add value in this way.

Portfolio composition

As a result of these transactions, at the year end the portfolio comprised 15 assets, which were well diversified by building size and tenant, and situated in the core European countries of Belgium, Germany, Italy, the Netherlands, Poland, Spain and Sweden. These assets are key to our tenant partners' logistics and distribution supply chain needs, and are:

- modern, with 84% (by area) of the portfolio having been built in the last five years, helping to ensure that the buildings meet the latest operational and sustainability needs of occupiers;
- large, with nearly 55% of the portfolio (by income) being in excess of 50,000 sqm and an average size of 70,000 sqm;
- sustainable, with nearly 87% of the portfolio by floor area covered by Green Building Certifications and highly energy efficient, with 100% performing higher than their best practice benchmarks against their Energy Performance Certificates;
- income generating, with the portfolio having been constructed to deliver secure and growing income and around 76% of the Company's tenant partners being multi-billion Euro businesses, including some of the world's best-known companies; and
- secured on long leases, resulting in a WAULT at the year end of 9.3 years, well ahead of the Company's target minimum of five years. The unexpired lease terms at the year end ranged between 0.3 and 15.3 years. The portfolio is deliberately constructed with a range of lease expiries, with the longer leases offering security of income, and the shorter leases providing opportunities to add value through capturing market rental growth.

The portfolio also delivers inherent income growth, with some 95% of the Company's rent including an element of annual indexation. Rental uplifts are either fixed or indexed to local inflation, thus offering the regular compounding of income that supports the Company's dividend policy, as well as providing protection if European economies experience higher inflation. We also look for opportunities to capture market rental growth, which we expect to exceed indexation, through asset management initiatives.

Asset management: capturing embedded value

As the portfolio matures, we continue to unlock opportunities to add value. This requires us to maintain close relationships with the Company's tenant partners, so we understand their businesses and how we can support their growth plans through proactive asset management.

Leasing activity

In December 2020, we agreed a new green lease at the Company's property in Breda, the Netherlands, letting the two vacant units to a new high-quality tenant, Samsung SDS. The letting was secured before the expiry of the 12-month rental guarantee. The lease runs for three years from 15 December 2020 at an initial annual headline rent 6% above the rental guarantee. The rent is subject to annual uplifts reflecting 100% of the Dutch Consumer Price Index. The lease agreement contains green clauses to ensure the tenant's commitment to using the building in a sustainable way, including sharing data with us on energy and water consumption, waste management and recycling.

The Company also signed a new short-term lease at the vacant unit in Strykow, Poland, with the lease commencing in May 2021 for ten months. This forms part of the wider strategy on this building to extend the occupancy on the adjacent development land and secures cashflow while we consider the next steps.

Since the period end we have made progress on the letting of the vacant unit in Nivelles, Belgium, where a new lease to a Belgian supermarket operator was signed on 16 November 2021.

Expansion opportunities

In November 2019, the Company agreed an option to fund an extension to the Mango global distribution centre in Barcelona. Construction of the 93,931 sqm extension began in June 2021, following receipt of the necessary permissions. The Company is financing the construction at a highly attractive yield on cost of 8.8%, on an estimated capital commitment of €31.5 million. The extension will increase the facility's gross internal area to approximately 280,000 sqm, including mezzanine floors. Practical completion is targeted for September 2022, at which point the extension will be incorporated into the existing lease, which runs until December 2046.

The extension will be constructed to a BREEAM Very Good standard, in line with the Company's ESG standards. We are working with Mango to install solar panels, to optimise and reduce energy consumption within both the existing building and the extension. The Company will commission an updated EPC on completion.

Development opportunities

When the Company acquired the asset at Bornem, Belgium, it included zoned land with the potential to develop around 15,000 sqm of warehouse space, the Company started the development of the site in January 2021, in conjunction with our partner LCP, with practical completion achieved on 3 September 2021. The building will achieve a BREEAM In Use Certificate once it is in operation. The Company has been actively marketing the property and has received good levels of interest. The yield on cost is expected to be circa 9%.

The portfolio includes a number of other plots of land, including at the asset in Strykow, Wunstorf and Geiselwind.

Implementing our ESG strategy

The Company's ESG strategy encompasses owning healthy and sustainable buildings, improving the portfolio's energy and carbon performance, enhancing nature and wellbeing, and creating social value. We made further progress with this strategy throughout the year. Highlights included:

- the issuance of our first green bond (see the Financial Review);
- an improvement of 18 points in our GRESB score, demonstrating progress towards achieving our sustainability targets for 2023;
- engaging with our tenant partners throughout the year to understand their sustainability needs and making good progress with obtaining operational performance data (89% by floorspace) to help measure and manage their environmental impacts; and

- signing up to the World Green Building Council's Advancing Net Zero Carbon Commitment, which confirms our commitment to achieving net zero carbon by 2030.

Healthy and sustainable buildings

Our acquisition due diligence now explicitly integrates ESG considerations. This includes assessing risks such as changes to legislation, contaminated land or flooding, as well as opportunities to improve environmental performance or wellbeing for tenants' employees. We also consider the area surrounding the asset, including how well it is served by public transport, a 'walkability' score and the distance to green space or amenities. Other considerations include internal and external air quality, electric vehicle charging and cycle facilities. Opportunities for improvement are included in our asset management plans and sustainability action plans, which we create for every asset and deliver in conjunction with tenant partners.

All the Company's new developments will obtain Green Building Certifications and have strong sustainability credentials. We set ESG standards with our development partners, including a sustainable construction brief and a supplier code of conduct.

Specific achievements in the year included signing four green leases, including the new lease with Samsung at Breda (see Asset Management above) and with HAVI at Wunstorf, as well as lease regear on the asset Bornem, incentivised by investment in green initiatives for the tenant partners. Our long term ambition is to have all assets let on green leases. The assets acquired in the year have strong sustainability credentials. In particular:

- **Geiselwind, Germany.** The property is one of the most sustainable logistics buildings in Germany. It is CO2 neutral, built to LEED Gold standard, benefits from certified green energy procurement, has a roof mounted photovoltaic system generating up to 1.5 megawatts of electricity and has a 22,500 sqm green roof.
- **Lich, Germany**. The property has been built to high sustainability standards, certified to DGNB Gold standard, and benefits from a range of operational energy reduction measures. The roof has the capacity to support the installation of solar PV panels.
- **Nivelles, Belgium**. The asset has roof mounted PV panels and a power purchase agreement is in place with one of the tenants, Medi-Market. Additionally, the asset benefits from sustainability features including LED lights, energy efficient heating and rainwater recycling.
- **Turin, Italy.** The development targets a BREEAM Very Good rating and looks to benefit from roof mounted photovoltaic panels.
- **Oberhausen, Germany**. The asset will be constructed to a minimum of BREEAM Very Good and DGNB Gold certification, and will include a range of energy saving initiatives and staff wellbeing measures.
- **Rosersberg, Sweden**. As is standard in the Nordic markets, the ESG credentials of the development will be strong. The development is targeting a minimum BREEAM Very Good certification and will include energy saving and staff wellbeing measures.

Our ESG due diligence assessed the asset in Gothenburg as LEED Gold standard and we have begun the certification process to obtain this.

The acquisition of Geiselwind, Lich and Nivelles has increased the number of assets with green building certifications, and we have also obtained BREEAM In Use certifications at Rumst, Bornem, Hammersbach and Bochum.

Energy and carbon

We aim to achieve net zero carbon for our direct activities by 2030. During the year, we switched to renewable sources for landlord energy supplies, reducing our carbon emissions by 69%. The Company consumed 8,144 MWh of landlord procured electricity and gas (2020: 9,038 MWh) and generated carbon emissions totalling 1,256 tonnes (2020: 3,993 tonnes) (TCO2e). The switch to renewable energy supplies brought the Company's indirect emissions (Scope 2) to net zero carbon, and we continue to explore ways to bring our direct emissions (Scope 1) to net zero carbon.

We acquire assets for the portfolio with low carbon designs, such as Geiselwind, or which have opportunities to support energy efficiency and carbon reduction in operation, for example through investing in solar PV energy generation. As noted above, we are working with Mango at the asset in Barcelona to install solar PV and we are also discussing a solar PV project at Peine, Germany. Together, these schemes will generate 2.2 MW of electricity a year.

Prior to the sale of the asset in Lodz, Poland, we switched the facility to renewable energy supplies. This saved 2,773 tonnes of carbon in operations.

In support of our ambition to achieve net zero carbon, we have assessed the portfolio against the Paris Agreement, which sets out decarbonisation pathways to keep within global warming of 1.5°C by 2050.

We are working with our retained development partners on influencing their future construction methods to ensure ever improving ESG measures on their new developments which will feed into our portfolio.

Nature and wellbeing

We seek to improve biodiversity on the Company's land and support health and wellbeing for tenant partners and their employees. Doing so adds value and improves the experience of our buildings for our tenants, aiding their productivity and staff retention.

At the Company's asset at Wunstorf, Germany, we have installed electric vehicle charging points for both lorries and cars. We have also introduced beehives and meadows at Wunstorf and Rumst, to support the local habitat through plant pollination. At Bornem, we have fitted electric vehicle chargers and cycle parking.

At Breda, we completed a pre-assessment in preparation for obtaining a Fitwel certification. Fitwel is the world's leading certification system committed to building health.

Social value

We seek to create a positive social impact by supporting our local communities and our tenant partners' value chains. We created a Community Investment Fund in 2020, which supports our tenants' investment in their local communities. During the year, the fund invested approximately €22,000 to support projects around the Rumst and Lodz assets.

This year, we have also created a new partnership with The Mission to Seafarers, a global charity supporting those working in sea freight. Sea freight has an indirect link to virtually all of the operations of the Company's assets. During the Covid-19 pandemic, almost 400,000 seafarers were stranded at sea, unable to come into port due to lockdown restrictions. This has recently reduced to 150,000 but it remains a serious humanitarian crisis. This results in distress and potential health issues, and also has a significant economic impact by those affected not being able to take on new work. During the year we therefore made a €15,000 emergency relief donation to support seafarers most affected by the pandemic.

In addition to the emergency relief funding provided in 2021, we have created a three-year partnership with The Mission to Seafarers to benefit workers in the global logistics supply chain, and we aim to contribute €75,000 over the three-year partnership. In 2022, we are funding the Mission's operations in Myanmar, where there is a critical effort to vaccinate seafarers to enable them to continue their work. We have funded a bus that will be used to transport workers to be vaccinated.

An attractive pipeline

At the year end, we had identified a near-term investment pipeline of over €500 million of prime big box logistics assets in key locations in Continental Europe. These comprised:

- two German assets which were in exclusivity and the final stages of due diligence; as well as Piacenza, for total consideration of €200 million; and
- six further assets for an aggregate investment of c.€350 million, including zoned development land and forward funding developments.

Progress with acquiring the assets in the pipeline since the year end is discussed in the Post Year End Activity section below.

FINANCIAL REVIEW

Portfolio valuation

The portfolio was independently valued by JLL as at 30 September 2021, in accordance with the RICS Valuation – Global Standards. The portfolio's total value at the year end was €1,282.6 million (30 September 2020: €839.3 million). This reflected a like-for-like valuation increase of 11.9% during the year, driven primarily by yield compression, as well as other factors such as our ability to access properties at attractive pricing through our development partners, rental value growth, the ongoing indexation of income and the benefits of our asset management initiatives.

Financial results

Rental income

Gross rental income for the year was €43.9 million (2020: €36.0 million), up 21.9%. The growth was primarily the result of acquisitions during the year, as well as the benefit of rental indexation.

In the financial year ended 30 September 2020, the Group deferred €1.6 million of rent from a single tenant. The deferred rent was repaid in full, in line with the agreement made with the tenant, during the year to 30 September 2021. Under IFRS, rental income from each lease is smoothed over the term of the lease and hence there was no impact on reported IFRS revenue in this financial year. However, Adjusted Earnings in the year were increased by €1.6 million as a result.

During the year, the Group achieved 100% rent collection.

Costs

The Group's operating and administrative costs were €12.2 million (2020: €10.7 million), which primarily comprised:

- the Management Fee payable to the Manager of €5.5 million (2020: €4.1 million);
- a fee for running an Italian REIT ("SGR") with tax efficient features similar to the UK REIT regime;
- the Company's running costs, including accounting, tax and audit; and
- the Directors' fees.

The EPRA Cost Ratio (inclusive of vacancy cost) has decreased slightly to 30.5% (2020: 31.3%), whilst Adjusted EPRA Cost ratio was 28.5%. The Group expects its EPRA Cost Ratio to drop during next financial year. It is flagged as a key priority and will be addressed by the Group shortly.

Interest expense and commitment fees

The total cost of debt for the year was €7.1 million (2020: €7.7 million), with interest cover of 6.28 times (2020: 4.6 times). The interest expense benefited from lower average debt levels, following the equity raise in March 2021, and a reduction in the weighted average cost of debt in the year to 1.9% (2020: 2.3%). This reduction was driven by the following events:

On 12 March 2021, the Company announced that it was awarded an investment grade credit rating of BBB- from Fitch Ratings Limited. This resulted in a reduction of approximately 30 basis points in the cost of the existing Revolving Credit Facility.

As detailed further below, the Company issued its first green bond in June 2021, which has an annual fixed coupon of 0.95%. The full benefit of the reduction in the cost of debt will come through in the 2021/22 financial year.

The Group expects the average cost of debt to drop significantly in the next financial year, yielding the benefit of the new sources of debt.

Gain on revaluation

The fair value gain on the revaluation of the Group's investment properties was €106.5 million (2020: €38.6 million). The drivers of the valuation increase are discussed in the Valuation section above.

Profit on disposal

On 15 February 2021, the Group announced that it had agreed the sale of its asset in Lodz, Poland, for €65.5 million. This represented a premium of 15% above its book value at 30 September 2020 and resulted in a net profit on disposal (post fees and post capital gains taxes) of €4.3 million in the period (2020: €0.8 million).

Profit before tax

Profit before tax for the period was €129.0 million (2020: €53.6 million).

Taxation

The current income taxation charge for the period was 8.6% of the Company's net property income (2020: 1.2%). 82.4% of the tax charge relates to the disposal of the asset in Lodz, with the realised capital gain taxes being accounted for during the year.

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

As discussed under Equity Financing below, the Company's share issues in March and September 2021 increased its issued share capital by 91%, resulting in short-term EPS dilution in the second half of the year. The proceeds of the March equity raise were deployed by the year end and we expect the proceeds from the September raise to be fully deployed shortly.

Basic EPS for the year was 19.59 cents (2020: 10.60 cents). EPRA EPS, which primarily excludes the valuation movement, was 2.75 cents (2020: 3.26 cents).

The Board has adopted Adjusted EPS as a key performance indicator. This adjusts the income shown in the Group 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 the €1.6 million in rent received that was deferred from the previous financial year, as noted above.

Adjusted Earnings for the year were €24.7 million (2020: €17.6 million), resulting in Adjusted EPS of 4.61 cents (2020: 4.16 cents). More information about the calculation of basic, EPRA and adjusted EPS can be found in note 12 to the financial statements.

Dividends

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

Declared	**Amount per share**	**In respect of**	**Paid/to be paid**
10 February 2021	1.25 cents	1 October to 31 December 2020	12 March 2021
18 May 2021	1.25 cents	1 January to 31 March 2021	18 June 2021
9 August 2021	1.25 cents	1 April to 30 June 2021	10 September 2021
7 December 2021	1.25 cents	1 July to 30 September 2021	14 January 2022

The total dividend for the year was €30.8 million (2020: €18.6 million), or 5.0 cents per share, and was 80.2% covered by Adjusted Earnings (2020: 94.4%), reflecting the short-term dilution from the issuance of equity noted above.

Cash flow

The Group benefits from stable, growing and long-term cash flows. Cash from operations in the period was a net inflow of €30.3 million (2020: €32.3 million).

Net assets

The IFRS NAV per share at the year end was €1.31 (30 September 2020: €1.19). Information on EPRA's net asset valuation metrics can be found in the EPRA Performance Measures section.

Equity financing

During the year the Company issued equity on two occasions, raising €230 million and €250 million on 10 March 2021 and 22 September 2021 respectively. The respective issue prices were 103 pence (€1.19) and 115 pence (€1.31) and significant investor demand resulted in both raises being significantly oversubscribed. In total, 383,862,043 of new ordinary shares in the Company were issued in the year.

Debt financing

On 27 May 2021, the Company announced the pricing of €500 million senior unsecured green bonds maturing on 2 June 2026. The notes were significantly oversubscribed and are rated BBB- (Stable) by Fitch Ratings. The notes were issued on 2 June 2021 and were admitted to the Irish Stock Exchange's Official List and to trading on the Global Exchange Market of the Irish Stock Exchange.

The issue significantly reduced the Company's average cost of debt, with a coupon of 0.95% per annum. It represents the Company's first step in diversifying its funding sources into the debt capital markets and will support the Company in making a significant and positive contribution to improving the environmental impact of the logistics real estate and construction sectors, through best-in-class asset acquisitions and developments.

Since issuing the notes, the Group has allocated all the proceeds to refinancing a number of existing green assets in the portfolio as well as acquiring new green assets.

At the start of the year, the Company had 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. During the year, four of the five lenders agreed to a one-year extension of the facility. Following the issue of the green bond, the Company reduced the RCF to €250 million. The facility is unsecured, providing operational flexibility for the Company.

At the year end, the RCF was fully undrawn (30 September 2020: €344.0 million was drawn). Combining with the proceeds of the Bond, this resulted in an LTV ratio of 13.3% (30 September 2020: 41.1%). This compares with the medium-term target of 45% and the maximum permitted by the Company's investment policy of 50%.

Post year end activity

Since the end of the financial year, the Company is progressing well in the deployment of the proceeds of the September 2021 equity raise, agreeing the acquisitions of two further prime logistics assets in Germany, as well as Piacenza, for total consideration of €200 million.

On 1 December 2021, the Company issued its first private placement of €200 million, further diversifying its sources of debt funding and extending the weighted average maturity of the debt facilities. The notes have an average maturity term of 9 years and an average coupon of 1.37%.

Related party transactions

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

Under the Listing Rules, the forward funding acquisition in Italy discussed above was classed as a related party transaction. Shareholders approved the transaction at a general meeting of the Company on 27 August 2021.

The Group has identified an area of non-compliance in regards to its treatment of a related party under the Listing Rules in connection with certain of its acquisitions from Dietz AG (the "Geiselwind" and "Lich" acquisitions). The Company has voluntarily sought feedback from the FCA and is expecting feedback.

Since then, the Group addressed the issue on new acquisitions, by issuing a Circular for Shareholders vote on the "Settimo" acquisition and "Bornem" extension, as well as on the "Bonen" and "Gelsenkirchen" acquisitions.

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.

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	The dividend reflects our ability to deliver a growing income stream	**5.00 cents/share for the year ended 30 September 2021** (30

Dividends paid to shareholders and declared in relation to the period.	from our portfolio and is a key element of our Total Return. Our policy is to pay 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.	September 2020: 4.40 cents/share)
2. Total Return (TR) TR measures the change in the EPRA Net Tangible Assets (EPRA NTA) over the period plus dividends paid.	The Total Return 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 Total Return target set at IPO is 9% per annum by reference to the IPO issue price. The Company decided to change its primary metrics from EPRA NRV to EPRA NTA.	**14.3% for the year ended 30 September 2021** (30 September 2020: 11.0%[1]) [1] Comparative for 2020 has been prepared using EPRA NTA.
3. Basic Net Asset Value Net asset value in IFRS GAAP.	Basic Net Asset Value measures the net value of the Company under IFRS.	**€ 1,053.5m** **€1.31/share as at 30 September 2021** (€503.9m/ €1.19/share as at 30 September 2020)
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.	**€24.7m** **4.61 cents/share for the year ended 30 September 2021** (30 September 2020: €17.6m/4.16 cents/share)
5. Loan to value ratio ("LTV") The proportion of our gross asset value that is funded by net borrowings (excluding cash).	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	**13.3% at 30 September 2021** (30 September 2020: 41.1%[1])

	borrowings, with a medium-term target of 45% of gross asset value and a maximum limit of 50% (in each case, calculated at the time of borrowing). The definition of LTV has changed during the year, aligning reporting LTV and lenders LTV.	
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.	**9.3 years at 30 September 2021** (30 September 2020: 9.1 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. The level of cover this year is explained by the two large equity raises and the time to deploy the geared proceeds.	**80.2% for the year ended 30 September 2021** (30 September 2020: 94.4%)
8. Interest cover The ratio of net property income to the interest incurred in the period.	Interest cover is a measure of a company's ability to meet its interest payments	**6.28 times for the year ended 30 September 2021** (30 September 2020: 4.63 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 during the two full preceding periods.	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 mechanisms in each lease agreement. Like-for-like rental growth includes rental guarantees. Growth during the year was mainly driven by the Bornem extension which was completed in September 2021,as	**2.4%/€0.9m for the year ended 30 September 2021** (30 September 2020:0.5%/€0.2m)

	well as the letting in Strykow. Excluding these asset management initiatives, like-for-like rental growth was 0.80%.	

[1] Comparatives for 30 September 2020 was 39.9% using the previous LTV definition

EPRA PERFORMANCE MEASURES

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

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.	**€1,147.4m** **€1.42/share as at 30 September 2021** (30 September 2020: €550.5m/€1.30/share)
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.	**€1,086.5m** **€1.35/share as at 30 September 2021** (30 September 2020: €516.3m/€1.22/share)
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.	**€1,053.5m** **€1.31/share as at 30 September 2021** (30 September 2020: €503.9m/€1.19/share)

4. EPRA Earnings Earnings from operational activities.	A key measure of the Company’s underlying results and an indication of the extent to which current dividend payments are supported by earnings.	**€14.7m** **2.75 cents/share for the year ended 30 September 2021** (30 September 2020: €13.8m/3.26 cents/share)
5. EPRA Net Initial Yield (“NIY”) Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers’ costs.	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	**3.7% as at 30 September 2021** (30 September 2020: 4.4%)
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.	**3.8% as at 30 September 2021** (30 September 2020: 4.6%)
7. EPRA Vacancy Rate Estimated Market Rental Value (“ERV”) of vacant space divided by ERV of the whole portfolio.	A “pure” (%) measure of investment property space that is vacant, based on ERV, and including natural guarantees. During the year, all vacant space was covered by rental guarantees.	**3.3% for the year ended to 30 September 2021** (30 September 2020: 5.4%)
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.	**30.5%[1] for the 12 months to 30 September 2021** (30 September 2020: 31.3%[1]) **29.6%[2] for the 12 months to 30 September 2021** (2020: 31.0%[2])

[1] Inclusive of vacant property costs

[2] Exclusive of vacant property costs

[3] Adjusted EPRA Cost Ratio inclusive of vacant property costs for the 12 months to 30 September 2021 was 28.5% (2020: 27.8%).

[4] Adjusted EPRA Cost Ratio exclusive of vacant property costs for the 12 months to 30 September 2021 was 27.6% (2020: 27.6%).

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

At least 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 fully 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, all 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	Financial risks

1. The Covid-19 pandemic severely impacting the global economy and financial market may cause loss to the Company. **Property risks** 2. Tenants may default. 3. The value of the property portfolio may fluctuate. 4. Portfolio growth may slow. 5. Lack of diversification may amplify local risks. 6. Development activities may not be profitable. **Operational risks** 7. The Company is reliant on the continuing services provided by the Manager. 8. Insurance at appropriate premiums may not be available	9. Interest rates may fluctuate. 10. Debt funding at appropriate rates may not be available. 11. Debt covenants may be breached. **Taxation risks** 12. A change in the Company's investment trust status may cause loss. 13. Changes to local tax legislation in countries in which the Company is invested may cause loss. **Political risks** 14. General political and/or economic uncertainty may disrupt the Company's business. **ESG risks** 15. 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 severely impacting the global economy and financial market may cause loss to the Company		
Probability	**Impact**	**Mitigation**
Medium	**Low** The global economy and financial markets have been impacted by the Covid-19 pandemic. This has had an adverse effect on the magnitude and/or likelihood of several of the principal risks, with the following potential 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 both our asset managers and tenants whose staff could be at a health and safety risk through the continued operation of the warehouses. There is also an increased risk in cyber-crime due to remote working. • an overall reduction in revenue	Health and safety guidelines have been issued by the Manager of the Company, our asset managers and tenants to all employees to ensure they are in a safe working environment and that they are aware of all symptoms of the virus. All staff 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. Over the previous 12 months the Company has collected 100% of contracted rents. Property valuations continue to increase, as the European logistics market remains strong, in part aided by the focus on the sector as a result of COVID-19.

	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. • tenants requesting rent deferrals and therefore impacting the capacity of the Company to pay 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.	

PROPERTY RISKS

2. Tenants may default		
Probability	**Impact**	**Mitigation**
Low to Medium	**Low to 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 the Group has a restriction on the exposure to any one tenant of 25% of total rental income calculated at the time of investment, our Investment Policy requires us to deliver a high-

		quality, diversified Portfolio, hence it is not expected that this limit will be breached. The current highest tenant exposure is to Mango at 14% of rent.
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 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 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.	As at 30 September 2021, our property portfolio was 100% cash generating from leases, and rental guarantees, with long unexpired weighted average lease terms of 9.3 years and a strong tenant partner base. 95% of leases (by income) include indexation uplifts (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.
4. Portfolio growth may slow		
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 European logistics sector currently attracts a range of 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. Lack of diversification may amplify local risk		
Probability	**Impact**	**Mitigation**
Low	**Low** Our Investment Policy includes restrictions relating to the Group's exposure to individual assets or tenant partners and includes limited restrictions relating to our exposure to individual countries. Significant economic and/or political changes affecting a country the Group has invested in, or the Eurozone generally, could have an adverse impact on the income derived from investments within said country and, hence, on the valuation of those assets. This could lead to weaker overall portfolio performance, both in terms of revenue generation and value.	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 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, and restricts any single asset from comprising more than 25% of Gross Assets at the time of investment.
6. Development activities may not be profitable		
Probability	**Impact**	**Mitigation**
Low	**Low**	As at 30 September 2021, there are three forward funding developments in

	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.	the portfolio. Any risk of investment into these forward funded projects is low, as the developer takes on the 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. The Company is reliant on the continuing services provided by the Manager		
Probability	**Impact**	**Mitigation**
Low	**High** We continue to rely on the Manager's services and its reputation in the property market, as well as the performance and reputation of the asset managers appointed by the Manager (currently LCP, Dietz, Verdion and NCAP). 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 managers, where necessary. Termination of the Investment Management Agreement would severely affect the Company's ability to manage our operations and may have a negative impact on the Company's share price.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 24 months' written notice. The Management Engagement Committee monitors and regularly reviews the Manager's performance, as well as 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.

8. Insurance at appropriate premiums may not be available		
Probability	**Impact**	**Mitigation**
Medium	**High** The Company relies on the	The Manager uses an established broker in order secure insurance for the

	Manager's experience in sourcing insurance in order to ensure assets are covered to the adequate level. Through both the impacts of COVID-19 and the dynamics of the insurance market, it has become harder to secure insurance for the Company's assets at appropriate pricing levels. The rising cost of insurance may impact upon shareholder returns. In an extreme scenario, the Company may not be able to insure its assets at all which would create significant financial and operational risk.	Company's assets. The broker has relationships with a range of insurers which supports both the ability to source insurance, and the competitiveness of pricing. The most recent renewal was completed in October 2021 this cover is in place until October 2022. The Manager uses a block policy which covers all of the assets under its management, and therefore insures a significant scale of assets which assists in competitive pricing. If insurance was unobtainable for a particular asset, there may be opportunity for the Manager to obtain cover on a limited cover basis or potentially the Tenant may be able to procure the insurance cover, or alternatively a sale strategy could be explored in order to manage risk.

FINANCIAL RISKS

9. Interest rates may fluctuate		
Probability	**Impact**	**Mitigation**
Medium to High	**Low** Interest on our revolving credit ("RCF") facility 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. During 2021, the Company issued a Green Bond for €500m. Bond debt carry a fixed coupon which does not expose the Company to interest rate fluctuation.
10. Debt funding at appropriate rates may not be available		
Probability	**Impact**	**Mitigation**

Low	**Medium** Without sufficient debt funding, we 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.	The Company has in place long-term unsecured debt with five major financial institutions, and has recently issued €500m bond on the debt capital market. This demonstrates the capacity of the Manager to source adequate debt, and the appetite from lenders to lend to the Company. During the year, the Group obtained an Investment Grade credit rating which provides access to a wider range of financing options.

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

12. A change in the Company's investment trust status may cause loss		
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.
13. Changes to local tax legislation in countries in which the Company is invested may cause loss		
Probability	**Impact**	**Mitigation**
Medium	**Low** A change in local taxation status or 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	The Board relies on top-tier third-party providers to advise on any tax 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

	Company's profits and returns to Shareholders.	with international transfer pricing requirements.

POLITICAL RISKS

14. General political and/or economic uncertainty may disrupt the Company's business		
Probability	**Impact**	**Mitigation**
Low	**Low** Political and economic uncertainty can lead to weakened economic growth which can lead to reduced demand for logistics warehouse and/or have an impact on the Group's tenants.	The Group has currently Investment Properties in 7 different countries within the EU. This diversification reduces the risk of significant political and/or economic uncertainties materially impacting the Group.

ESG RISKS

15. 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 7 of its top risks in 2021. 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.	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.

	• The ability to be transparent and agile in managing the evolving governance risks, such as diversity and human capital management.	

EMERGING RISKS

As well as the Principal risks, the Directors have identified a number of emerging risks which are considered as part of the formal risk review. Emerging risks encompass those that are rapidly evolving, for which the probability or severity are not yet fully understood. As a result, any appropriate mitigations are also still evolving, however, these emerging risk are not considered to pose a material threat to the Company in the short term. These emerging risks are raised as part of the bi-annual risk assessment where the effects on the Group are considered. The emerging risks that could impact the Company's performance cover a range of subjects which include but are not restricted to climate change, sustainability and technological advancement. The Audit & Risk Committee has also considered emerging risks following Covid-19 such as changes in the regulatory environment or tax regimes as a result of the pandemic.

GOING CONCERN AND VIABILITY STATEMENT

The Group's cash balance as at 30 September 2021 was €329.7 million. It also had undrawn amounts under its debt facilities of a further €250.0 million. Of the Group's total facilities (both RCF and the Green Bond), €58.8 million matures in 2023, €191.2 million in 2025 and €500 million in 2026. The higher than usual cash balance as at the year end is a result of the Group's successful equity raise of €250 million in September 2021.

The Group currently has substantial headroom against its borrowing covenants, with an LTV of 13% as at 30 September 2021 against a borrowing covenant limit of 65%. The Group's borrowings are unsecured, providing it with a deeper pool of liquidity and with more flexibility over its arrangements.

The Group also benefits from a secure income stream from leases with long average unexpired terms, which are not overly reliant on any one 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 2024. There was no change to the period over which the Directors assess viability.

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

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 2024.

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, 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. Two 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 2024.

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2021

	Note	**Year ended 30 September 2021 €m**	Year ended 30 September 2020 €m
Rental income	6	**43.89**	36.00
Service charge income	6	**7.03**	6.42
Other income	6	**0.55**	0.46
Gross property income	6	**51.47**	42.88
Direct property costs	7	**(8.75)**	(7.40)
Net property income		**42.72**	35.48
Fair value gain on investment properties	14	**106.46**	38.57
Gain on disposal of investment property		**7.33**	0.83
Administrative and other expenses	8	**(12.22)**	(10.73)

Operating profit		**144.29**	64.15
Net finance expense	10	**(14.54)**	(10.57)
Effect of foreign exchange differences	8	**(0.70)**	0.03
Changes in fair value of interest rate derivatives	20	**(0.05)**	(0.03)
Profit before taxation		**129.00**	53.58
Taxation	11	**(24.23)**	(8.79)
Profit for the year		**104.77**	44.79
Other comprehensive income			
Foreign currency translation differences – foreign operations		**0.06**	-
Total comprehensive income for the year attributable to the Shareholders		**104.83**	44.79
Earnings Per Share (EPS) (expressed in cents per share)			
EPS - basic and diluted	12	**19.59**	10.60

GROUP STATEMENT OF FINANCIAL POSITION

For the year ended 30 September 2021

	Note	**30 September 2021 €m**	30 September 2020 €m
Non-current assets			
Investment properties	14	**1,281.38**	837.90
Derivative financial instruments	20	**0.05**	0.09
Trade and other receivables	15	**1.17**	1.17
Deferred tax assets	11	**0.24**	1.15
Total non-current assets		**1,282.84**	840.31
Current assets			
Trade and other receivables	15	**17.24**	14.72
Cash and cash equivalents	16	**329.73**	24.44
Total current assets		**346.97**	39.16
Total assets		**1,629.81**	879.47
Current liabilities			
Trade and other payables	17	**(21.92)**	(9.29)
Income tax liability		**(0.22)**	(0.34)
Total current liabilities		**(22.14)**	(9.63)
Non-current liabilities			
Trade and other payables	17	**(1.40)**	(1.46)

Loan notes and borrowings	18	**(492.17)**	(340.63)
Deferred tax liabilities	11	**(33.30)**	(13.64)
Other liabilities	19	**(25.19)**	(8.89)
Tenant deposit	23	**(2.11)**	(1.31)
Total non-current liabilities		**(554.17)**	(365.93)
Total liabilities		**(576.31)**	(375.56)
Net assets		**1,053.50**	503.91
Equity			
Share capital	24	**8.07**	4.23
Share premium reserve		**597.46**	131.24
Translation reserve		**0.06**	-
Retained earnings		**447.91**	368.44
Total equity		**1,053.50**	503.91
Net Asset Value (NAV) per share (expressed in Euro per share)			
Basic NAV	25	**1.31**	1.19
EPRA NTA (formerly EPRA NRV)[1]	25	**1.35**	1.22

1. The Group has decided to adopt EPRA NTA as its primary EPRA NAV measure, replacing the previously reported EPRA NRV.

The financial statements were approved by the Board of Directors on 6 December 2021 and signed on its behalf by:

Robert Orr, Chairman, Company registration number: 11367705

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2020		**4.23**	**131.24**	-	**368.44**	**503.91**
Net profit for the year		**-**	**-**	**-**	**104.77**	**104.77**
Other comprehensive income		**-**	**-**	**0.06**	**-**	**0.06**
Total comprehensive income		**-**	**-**	**0.06**	**104.77**	**104.83**
Contributions and distributions:						
New share capital subscribed	24	**3.84**	**476.14**	**-**	**-**	**479.98**
Associated share issue costs		**-**	**(9.92)**	**-**	**-**	**(9.92)**
Dividends paid	13	**-**	**-**	**-**	**(25.30)**	**(25.30)**
Total contributions and distributions		**3.84**	**466.22**	**-**	**(25.30)**	**444.76**
At 30 September 2021		**8.07**	**597.46**	**0.06**	**447.91**	**1,053.50**

	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

GROUP CASH FLOW STATEMENT

For the year ended 30 September 2021

	Note	**For the year ended 30 September 2021 €m**	For the year ended 30 September 2020 €m
Cash flows from operating activities			
Profit for the year		**104.77**	44.79
Gain on disposal of investment property		**(7.33)**	(0.83)
Changes in fair value of investment properties		**(106.46)**	(38.57)
Changes in fair value of interest rate derivatives		**0.05**	0.03
Tax expense		**24.23**	8.79
Net finance expense		**14.54**	10.57
Accretion of tenant lease incentive		**0.46**	(3.56)
Amortisation of capital contribution and lease commissions and decrement of rental guarantee		**(1.01)**	0.04
(Increase)/decrease in trade and other receivables		**(4.07)**	18.70
Increase/(decrease) in trade and other payables		**3.61**	(6.48)
Increase in other liabilities		**5.27**	-
Cash generated from operations		**34.06**	33.48
Tax paid		**(3.77)**	(1.20)
Net cash flow generated from operating activities		**30.29**	32.28
Investing activities			
Purchase of investment properties		**(366.47)**	(102.41)
Disposal of investment properties		**64.30**	-
Disposal of assets held-for-sale		-	2.33
Improvements to investment properties and development expenditure		**(17.83)**	(7.65)
Rental guarantee received		**2.81**	-
Net cash flow used in investing activities		**(317.19)**	(107.73)
Financing activities			
Net proceeds from issue of Ordinary Share capital		**470.06**	-

Loans received	18	**676.45**	120.26
Loans repaid	18	**(524.00)**	(12.50)
Finance expense paid		**(5.76)**	(7.61)
Dividends paid to equity holders	13	**(25.30)**	(18.18)
Net cash flow generated from financing activities		**591.45**	81.97
Net movement in cash and cash equivalents for the year		**304.55**	6.52
Cash and cash equivalents at start of the year		**24.44**	17.90
Unrealised foreign exchange gains		**0.74**	0.02
Cash and cash equivalents at end of the year		**329.73**	24.44

NOTES TO THE CONSOLIDATED ACCOUNTS

1. Corporate information

The consolidated financial statements of the Group for the year ended 30 September 2021 comprise the results of Tritax EuroBox plc ("the Company") and its subsidiaries (together "the Group") and were approved by the Board for issue on 6 December 2021. The Company is a public limited company incorporated and domiciled in England and Wales. The registered address of the Company is disclosed in the Company Information.

The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The financial information presented here does not constitute the company's statutory accounts for the periods ended 30 September 2021 or 2020 but is derived from those accounts. Statutory accounts for period ended 30 September 2020 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 consolidated financial statements have been prepared In accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ('Adopted IFRS') and the applicable legal requirements of the Companies Act 2006. In addition, the Group financial statements are required under the UK Disclosure and Transparency Rules 4.1.6, to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs as adopted by the EU"). The Group's financial statements have been prepared on a historical cost basis, as modified for the Group's investment properties and interest rate derivatives, which have been measured at fair value through the Group profit or loss.

The Group has chosen to adopt EPRA (European Public Real Estate Association – www.epra.com/finance/financial-reporting/guidelines) best practice guidelines for calculating key metrics such as net tangible assets (NTA) and earnings per share. The Group has decided to adopt EPRA NTA as its primary EPRA NAV measure, replacing the previously reported EPRA NRV. 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 27 tenants across over 15 properties in 7 European countries. The Group's largest tenant represents 14% of contracted rent at 30 September 2021 and the top 5 tenants together represent 52% 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. 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 they combined the default of two key tenants and the failure to let voids, with a significant increase in Euribor. The forecast shows 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's cash balance at 30 September 2021 was €329.73 million. It also had undrawn amounts under its unsecured revolving credit facility ("RCF") of a further €250.0 million at the date of approval of these financial statements. Of the Group's total facilities (both RCF and the Green Bond), €58.8 million matures in 2023, €191.2 million in 2025 and €500 million in 2026. The loan includes financial covenants for loan-to-value ("LTV"), interest cover ratio ("ICR") and gearing. These covenants have been complied with throughout the year and up to the date of approval of these financial statements.

The LTV covenant is measured quarterly based on the property valuation as used in the consolidated financial statements. Based on the most recent valuation the Group retained headroom against a covenant limit, reporting 13% 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 16% against the limit of 150%.

LTV and gearing covenants are measured using "Net Borrowings" which reduces the drawn debt by the Group's cash holdings at each measurement date.

The ICR covenant is measured as the ratio of the Group's consolidated earnings before income and tax, subject to certain adjustments, to consolidated net finance costs in respect of any measurement period, by reference to accounting income. Based on the most recent reporting the Group retained headroom against the covenant limit, reporting 359% against the limit of 150%.

As a result of the above considerations the Directors forecast that covenant compliance will continue for at least the next 12 months.

Consequently, the directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Business combinations

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Under the Definition of a Business (Amendments to IFRS 3 "Business Combinations"), to be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The optional 'concentration test' is also applied, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. Therefore, the Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

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

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.

Segment reporting

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.

3.2. Estimates

Fair valuation of investment property

The fair value of investment property is determined, by an independent property valuation expert, to be the estimated amount for which a property should exchange on the date of the valuation in an arm's-length transaction. Properties have been valued on an individual basis. The valuation expert uses recognised valuation techniques, applying the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation - Global Standards January 2020 ("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 2021.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. For acquisitions not considered business combinations, the cost of acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised. Non-controlling interests are accounted for in section 4.5.

For each of the subsidiaries within the Group with non-controlling interests (see note 4 of the Company financial statements), the Group has issued put options to the non-controlling interest. The Group has adopted the anticipated acquisition method under which the underlying interests of the non-controlling interest are presented in the Group Statement of Financial Position and the Group Statement of Comprehensive Income as if they are already acquired by the Group.

The day-to-day operations of Fondo Minerva Eurobox Italy, are managed by Savills IM, ("Savills") in accordance with the requirements of the Italian REIF regime. The Company has 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.

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 at the point of disposal 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. The Group does not apply hedge accounting and hence the gain or loss at each fair value remeasurement date is recognised in the profit or loss.

Amortised cost

The Group’s financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows which are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss disclosed in the Group profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

4.4.2. Financial liabilities

The Group classifies its financial liabilities as amortised cost.

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

Loans and borrowings

Loans and bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the year to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

Extensions of bank borrowings under accordion options in the original facility agreement are treated as changes in estimated cash flows under the original financial liability.

Other non-derivative financial liabilities
Non-derivative financial liabilities are recognised initially at the date that the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value less initial direct costs and subsequently measured at amortised cost. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

4.5. Put option liabilities
Liabilities for put options held by non-controlling interests are initially and subsequently recognised at the present value of the exercise price of the option. This is taken to be the non-controlling interest's proportionate share of the current fair value of investment property, the carrying amount of other net assets plus the present value of anticipated payments to be made by the Group under dividend guarantees to the non-controlling interest.

Changes in the carrying amount of the put liability are recognised within finance expenses in the Group Statement of Comprehensive Income.

4.6. Forward funded pre-let investments
The Group enters into forward funding development agreements for pre-let investments. The Group will enter into a forward funding agreement with a developer and simultaneously enter into an agreement for lease with a prospective 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 Section 1158 of the Corporation Tax Act 2010.

In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its capital gains. The Company is, however, liable to UK corporation tax on its income.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2009. The Company is also able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period referred to as the "streaming" regime. Under regulations made pursuant to the Finance Act 2009, the Company may designate as an "interest distribution" all or part of the amount it distributes to shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. If the Company designates any dividend it pays in this manner, it is able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

The Company's status as an approved investment trust does not impact the taxation of its subsidiaries or the Group's liability to tax in the other countries in which the Group operates.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the Consolidated Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Where corporation tax arises in subsidiaries, these amounts are charged to the Consolidated Statement of Comprehensive Income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet in the countries where the Group operates.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The 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.

Provision

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

4.12 Foreign currency translation

The presentation currency of the Company is Euro. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All entities in the Group, with the exception of Sweden, have Euro as the functional currency.

The assets and liabilities of Sweden are translated to the Group's presentational currency, Euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date that the fair value was determined. Gains and losses arising on exchange are included in the profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly to equity, and any exchange component of that gain and loss is also recognised directly to equity.

5. Standards in issue

5.1. Standards in issue and effective from 1 October 2020

Amendments to IFRS 3 "Business Combinations", definition of a business

The amendment provides a revised framework for evaluating a business, and introduces an optional "concentration test" and impacts the assessment and judgements used in determining whether future property transactions represent an asset acquisition or business combination. As a result of the amendment, all property transactions during the year were treated as asset acquisitions as substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets.

Amendments to References to the Conceptual Framework in IFRS Standards were endorsed by the European Commission for use in the European Union. The Amendments update some of the references and quotations in IFRS Standards and Interpretations so that they refer to the revised Conceptual Framework or specify the version of the Conceptual Framework to which they refer. There was no impact or changes in the accounting policies from the amendments.

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

5.2. New standards issued but not yet effective

Amendments to IAS 1 on Classification of Liabilities as Current or Non-Current are effective for the financial years commencing on or after 1 January 2023 and are to be applied retrospectively. It is not expected that the amendments may have an impact on the presentation and classification of liabilities in the Group Statement of Financial Position based on rights that are in existence at the end of the reporting period.

Definition of Accounting Estimates (Amendments to IAS 8) is effective for annual periods beginning on or after 1 January 2023 to help entities to distinguish between accounting policies and accounting estimates. The amendments are for changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. It is not expected that the amendments may have an impact on the consolidated financial statements of the Group.

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 consolidated financial statements of the Group**.**

6. Gross property income

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Rental income	**41.58**	32.48
Spreading of tenant incentives	**2.62**	3.56
Amortisation of capital contribution and lease commission	**(0.31)**	(0.04)
Gross rental income	**43.89**	36.00
Service charges recoverable	**7.03**	6.42
Other income	**0.55**	0.46
Gross property income	**51.47**	42.88

The Group derives property income from the following countries:

Gross property income (€m)	Belgium	Germany	Spain	Italy	Poland	The Netherlands	Sweden	Total
30 September 2021	**6.27**	**19.32**	**9.30**	**7.06**	**6.77**	**2.19**	**0.56**	**51.47**
30 September 2020	6.07	13.84	8.14	7.07	6.72	1.04	-	42.88

The undiscounted future minimum lease payments under non-cancellable operating leases receivable by the Group are as follows:

	Less than 1 year €m	Between 1 and 2 years €m	Between 2 and 3 years €m	Between 3 and 4 years €m	Between 4 and 5 years €m	More than 5 years €m	Total €m
30 September 2021	**50.43**	**51.25**	**47.63**	**44.58**	**40.91**	**290.29**	**525.09**
30 September 2020	37.73	36.91	36.99	34.36	31.29	186.91	364.19

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 two tenants representing more than 10% of rental income during the year (€8.79 million and €6.20 million) (2020: three tenants). As at 30 September 2021, four tenants represented more than 10% of passing rent (2020: three tenants).

7. Direct property costs

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Service charge expense	**7.41**	6.51
Other expenses	**1.34**	0.89
Total property expenses	**8.75**	7.40

8. Administrative and other expenses

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Investment management fees[1]	**7.88**	6.02
Directors' remuneration (note 9)	**0.24**	0.23
Auditor's fees:		
Fees payable for the audit of the Company's accounts	**0.49**	0.35
Fees payable for the review of the Company's interim accounts	**0.07**	0.04
Fees payable for the audit of the Company's subsidiaries	**0.12**	0.10
Total Auditor's fee	**0.68**	0.49
Corporate administration fees	**1.17**	0.97
Regulatory fees	**0.09**	0.09
Legal and professional fees	**1.27**	2.29
Marketing and promotional fees	**0.59**	0.49
Other administrative costs	**0.30**	0.15
Total administrative and other expenses	**12.22**	10.73

[1] Investment management fees include fees payable to Tritax Management LLP for €5.46 million (30 September 2020: €4.1 million (see note 26). The remaining €2.42 million (2020: €1.92 million) were paid to asset managers and property managers.

The effect of foreign exchange differences for the year ended 30 September 2021 consists of unrealised foreign exchange currency loss of €0.74 million and offset by realised foreign exchange currency gain of €0.04 million (2020: unrealised foreign exchange currency loss of €0.03 million and offset by realised foreign exchange currency gain of €0.05 million).

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, of which €0.07 million relates to fee payable to the auditors as non-audit services (2020: €nil). 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 2021 €m	Year ended 30 September 2020 €m
Directors' fees	**0.22**	0.20
Employer's National Insurance	**0.02**	0.03
Total Directors' remuneration	**0.24**	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 2021 €m	Year ended 30 September 2020 €m
Interest payable on loans and bank borrowings	**5.24**	5.82
Commitment fees payable on bank borrowings	**1.56**	1.84
Fair value movement on remeasurement of put option (note 19)	**4.93**	1.88
Bank fees	**0.32**	0.11
One-off cost of extinguishment of bank loans	**0.02**	-
Amortisation of loan arrangement fees	**2.47**	0.92
Total finance expense	**14.54**	10.57

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €6.81 million (30 September 2020: €7.66 million), of which €nil was capitalised in both periods, and amortisation of loan arrangement fees of €2.47 million (30 September 2020: €0.92 million) of which €8.92 million (30 September 2020: €0.74 million) of the loan agreement fees 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 2021 €m	Year ended 30 September 2020 €m
Current taxation:		
UK taxation	**-**	-
Overseas taxation-current year[1]	**3.58**	0.68
Overseas taxation-prior year adjustment	**0.11**	(0.27)
Deferred taxation:		
UK taxation	**-**	-
Overseas taxation	**20.54**	8.38
Total tax charge	**24.23**	8.79

[1] Includes the capital gains tax on disposal of investment properties for €3.05 million.

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the year in accordance with its status as an Investment Trust Company ("ITC").

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Group's future tax charge. This rate change was substantially enacted at year end, there was no material impact on the deferred tax based on this change.

b) Factors affecting the tax charge for the year

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

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Profit before taxation	**129.00**	53.58
Theoretical tax at UK corporation tax rate of 19% (30 September 2020: 19%)	**24.50**	10.18
Losses where no deferred taxes have been recognised	**1.92**	0.56
Impact of different tax rates on foreign jurisdictions	**0.14**	(0.22)
Expenses not deductible for tax purposes	**(1.47)**	0.09
Impact of UK interest distributions from the Investment Trust	**(0.97)**	(1.55)
Prior year adjustment to current tax	**0.11**	(0.27)
Total	**24.23**	8.79

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Deferred tax assets:		
Differences between tax and property revaluation	**0.01**	0.09
Tax losses carried forward	**0.23**	0.82
Other	**-**	0.24
Total	**0.24**	1.15

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Deferred tax liabilities:		
Differences between tax and property revaluation	**33.30**	13.57
Other	**-**	0.07
Total	**33.30**	13.64

The amount of unutilised tax losses and tax credits for which no deferred tax asset is recognised in the profit and loss account was €6.12 million.

12. Earnings per share

Earnings per share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of Ordinary Shares in issue during the year. As at 30 September 2021 and 2020, there are no dilutive or potentially dilutive equity arrangements in existence.

The calculation of EPS is based on the following:

For the year ended 30 September 2021	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings per share cent
Basic EPS	**104.83**	**535,145**	**19.59**
Adjustments to remove:			
Deferred tax charge and capital gains tax on disposal of investment properties (note 11)	**23.62**		
Changes in fair value of investment properties (note 14)	**(106.46)**		
Changes in fair value of interest rate derivatives (note 20)	**0.05**		
Gain on disposal of investment property	**(7.33)**		
EPRA EPS	**14.71**	**535,145**	**2.75**
Adjustments to (exclude)/ include:			
Rental income recognised in respect of fixed uplifts	**(2.31)**		
Rental income deferred[3]	**1.60**		
Amortisation of loan arrangement fees	**2.47**		
Unrealised foreign exchange currency loss	**0.68**		
Fair value movement on remeasurement of put option (note 10)	**4.32**		
Rental guarantee receipts excluded from property income-settled via cash[2]	**2.90**		
Rental guarantee receipts excluded from property income-settled via contracted liability settlement[2]	**0.28**		
Adjusted EPS	**24.65**	**535,145**	**4.61**

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		
Fair value movement 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

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 was received in full in 2021.

Adjusted Earnings is a performance measure used by the Board to assess the level of the Group's dividend payments. The metric mainly adjusts EPRA earnings for:

i. Exclusion of non-cash items credited or charged to the Group Statement of Comprehensive Income, such as fixed rental uplift adjustments and amortisation of loan arrangement fees;

ii. Inclusion of licence fees which relate to cash received from developers during development periods, in order to access the land; and

iii. Inclusion of rental guarantee adjustments which relate to acquired assets with properties which have had an income guarantee attached to them as part of the acquisition of the asset. The rental guarantee is released (through a cash movement or contracted liability settlement) as Adjusted Earnings over the period of the lease which it is intended to cover or lease break - however, this release does not go through rental income in the Group Statement of Comprehensive Income, and as such an adjustment is made to recognise the receipt.

13. Dividends paid

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Final dividend in respect of year ended 30 September 2020 at 1.10 cent per Ordinary Share (30 September 2019: 1.00 cent)	**4.65**	4.23
First interim dividend in respect of year ended 30 September 2021 at 1.25 cent per Ordinary Share (30 September 2020: 1.10 cent)	**5.28**	4.65
Second interim dividend in respect of year ended 30 September 2021 at 1.25 cent per Ordinary Share (30 September 2020: 1.10 cent)	**7.68**	4.65
Third interim dividend in respect of year ended 30 September 2021 at 1.25 cent per Ordinary Share (30 September 2020: 1.10 cent)	**7.69**	4.65
Total dividends paid	**25.30**	18.18
Total dividends paid for the year	**3.75 cent**	3.30 cent
Total dividends unpaid but declared for the year	**1.25 cent**	1.10 cent
Total dividends declared for the year	**5.00 cent**	4.40 cent

On 7 December 2021, the Directors of the Company declared a fourth interim dividend in respect of the period from 1 July 2021 to 30 September 2021 of 1.25 cent per Ordinary Share, which will be payable on or around 14 January 2022 to Shareholders on the register on 17 December 2021.

Out of €30.75 million (30 September 2020: €18.60 million) dividends declared for the year, €6.04 million (30 September 2020: €5.70 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 January 2020 ("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 valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board.

The total valuation fee incurred by the Group in the year amounts to €75,400 (period ended 30 September 2020: €67,600). 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**
Nivelles, Belgium§	29 January 2021
Geiselwind, Germany§	1 April 2021
Lich, Germany§	7 June 2021
Gothenburg, Sweden§	18 June 2021

§ Acquired based on share deal.

	Investment properties completed €m	**Investment properties under construction €m**	**Investment properties Total €m**
At 1 October 2020	**837.90**	**-**	**837.90**
Acquisition of properties[3]	**372.56**	**-**	**372.56**
Improvements to investment properties	**1.10**	**-**	**1.10**
Development expenditure	**-**	**19.81**	**19.81**
Transfer from investment properties to investment properties under construction	**(8.10)**	**8.10**	**-**
Transfer from investment properties under construction to investment properties	**10.19**	**(10.19)**	**-**
Licence fees and rental guarantees received	**(2.49)**	**-**	**(2.49)**
Fixed rental uplift and tenant lease incentives[1]	**3.82**	**-**	**3.82**
Amortisation of rental uplift and tenant lease incentives[1]	**(0.81)**	**-**	**(0.81)**
Disposal of properties	**(56.97)**	**-**	**(56.97)**
Change in fair value during the year[2]	**100.15**	**6.31**	**106.46**
As at 30 September 2021	**1,257.35**	**24.03**	**1,281.38**

	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	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)	-
Licence 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[2]	38.57	-	38.57
As at 30 September 2020	837.90	-	837.90

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 2021 was €7.67 million (30 September 2020: €6.23 million). The difference between this and cash receipts changes the carrying value of the property against which revaluations are measured (also see note 6).

2 Included in the fair value change in the year were unrealised gains of €107.34 million (30 September 2020 : €53.93 million) and unrealised losses of €0.88 million (30 September 2020 : €15.36 million).

3 This Includes acquisition costs of €3.69 million (30 September 2020 : €2.27 million).

	30 September 2021 €m	30 September 2020 €m
Investment properties in Balance Sheet	**1,281.38**	837.90
Rental guarantee held in separate receivable	**1.20**	1.41
Total external valuation of investment properties	**1,282.58**	839.31

As at 30 September 2021, the Group had the following outstanding capital commitments in relation to its forward funded pre-let development assets (30 September 2020: €44.0 million):

- Mango extension of €18.9 million; and
- Strykow of €13.5 million subject to pre-let conditions being met.

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 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 or equivalent
The residual approach or equivalent for properties under construction takes the expected valuation of the finished property using the income approach and deducts forecast costs to complete the development and an allowance for developer's profit.

Unobservable input: estimated rental value ("ERV")
ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location. At 30 September 2021, the range was between €40.73 - €88.01 per square metre, per annum.

Unobservable input: yield
Yield is dependent on the tenant, lease length and the other variables listed above for ERV. At 30 September 2021, the average yield was 3.88% and the range was between 3.33% - 7.00%.

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% yield €m	+0.25% yield €m	-5% in ERV €m	+5% in ERV €m
Increase/(decrease) in the fair value of investment properties as at 30 September 2021	**82.16**	**(72.68)**	**(27.57)**	**26.28**
Increase/(decrease) in the fair value of investment properties as at 30 September 2020	48.56	(43.41)	(20.03)	20.03

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 2021 €m**	30 September 2020 €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 2021 €m**	30 September 2020 €m
Trade receivables	**1.45**	2.52
Prepayments, accrued income and other receivables	**12.28**	5.92
Escrow cash	-	0.39
VAT receivable*	**3.51**	5.89
	17.24	14.72

** VAT receivable relates mainly due to VAT reclaim on the purchase of the property in Italy €2 million (30 September 2020: €4 million).*

The following table sets out the ageing of trade receivables as at 30 September 2021:

Past due but not impaired	**30 September 2021**	30 September 2020

	€m	€m
<30 days	**1.16**	1.69
30-60 days	**-**	0.18
60-90 days	**-**	-
90 days+	**0.29**	0.65
Total	**1.45**	2.52
Past due and impaired	-	-
Total	**1.45**	2.52

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 2021 €m	30 September 2020 €m
Cash and cash equivalents	**329.73**	24.44

All cash held under the Italian subsidiaries fund are subject to local dividend distribution rules which means that dividends can only be paid twice a year. The amount of cash held in Italy as at 30 September 2021 was €3.33 million (30 September 2020: €2.92 million).

17. Trade and other payables

Non-current trade and other payables	**30 September 2021 €m**	30 September 2020 €m
Other payables	**1.40**	1.46

Current trade and other payables	**30 September 2021 €m**	30 September 2020 €m
Trade and other payables	**3.31**	3.57
Bank loan interest payable	**1.78**	0.40
Deferred income	**1.73**	0.54
Accruals	**14.39**	4.44
VAT liability	**0.71**	0.34
	21.92	9.29

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

18. Loans notes and borrowings

This note provides information about the contractual terms of the Group’s interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group’s exposure to interest rate and foreign currency risk, see note 21.

	30 September 2021 €m	30 September 2020 €m
Bank borrowings	-	340.63
Loan notes	**492.17**	-
Non-current liabilities: loans and borrowings	**492.17**	340.63

The Group has a long-term Revolving Credit Facility ("RCF") (see table below). On 25 June 2021, the RCF was reduced from €425 million to €250 million. The loan has a margin of 1.2% to 1.9% above the higher of zero or Euribor, depending on the drawn level and the prevailing LTV ratio. On 15 July 2021, BNP Paribas, Bank of China, Bank of America and Banco de Sabadell have extended their RCF from October 2024 to October 2025.

	Facility €m	Maturity date
HSBC UK Bank	58.8	19 October 2023
BNP Paribas	58.8	19 October 2025
Bank of China	58.8	19 October 2025
Bank of America	58.9	19 October 2025
Banco de Sabadell	14.7	19 October 2025
Total RCF	**250.0**	

On 2 June 2021, the Company priced the €500 million of senior unsecured green bonds maturing on 2 June 2026. The notes have an interest of 0.95%. An amount equivalent to the net proceeds of each Green Finance Transaction ("GFT") will be used to acquire, finance or refinance, in whole or in part, new or existing Eligible Green Projects ("EGPs") that meet the Eligibility Criteria. The Group will publish an Annual Green Finance Report that will detail the allocation of net proceeds of Green Finance Transactions and associated impact metrics until the full allocation of net proceeds.

As at 30 September 2021, 67% (2020: nil) of the Group's debt facility commitments are fixed term with 33% floating term (2020: 100%). The weighted average term to maturity of the Group's debt as at the year-end is 4.4 years (30 September 2020: 3.8 years). The LTV across all drawn debt was 13% against a target of 45%.

The Group has been in compliance with all of the financial covenants of the Group's loans and borrowings facilities as applicable throughout the year covered by the financial statements.

Any associated fees in arranging the loan and borrowings that are unamortised as at the year end are offset against amounts drawn on the facilities as shown in the table below:

Bank borrowings drawn	30 September 2021 €m	30 September 2020 €m
Bank borrowings at the beginning of the year	**340.63**	231.95
Bank borrowings drawn in the year	**180.00**	121.00
Bank borrowings repaid in the year	**(524.00)**	(12.50)
Loan issue costs paid	**(0.63)**	(0.74)
Non-cash amortisation of loan issue costs	**2.01**	0.92
Reclass unamortised loan issue costs to prepayments	**1.99**	-

Non-current liabilities: borrowings	**-**	340.63

Loan notes	**30 September 2021 €m**	30 September 2020 €m
0.95% Green Bonds 2026	**500.00**	-
Less: unamortised costs on loan notes	**(8.29)**	-
Non-cash amortisation of loan issue costs	**0.46**	
Non-current liabilities: loan notes	**492.17**	-

A summary of the drawn and undrawn loans and bank borrowings in the year is shown below:

	30 September 2021		
	Drawn €m	**Undrawn €m**	**Total debt available €m**
Repayable between one and two years	**-**	**-**	**-**
Repayable between two and three years	**-**	**58.82**	**58.82**
Repayable between three and four years	**-**	**-**	**-**
Repayable between four and five years	**500.00**	**191.18**	**691.18**
Repayable in over five years	**-**	**-**	**-**
	500.00	**250.00**	**250.00**

	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

Set out below is a comparison by class of the carrying amounts and the fair value of the Group's financial instruments that are carried in the financial statements:

	Book value 30 September 2021 €m	**Fair value 30 September 2021 €m**	Book value 30 September 2020 €m	Fair value 30 September 2020 €m
Bank borrowings: RCF	**-**	**-**	344.00	344.00
Loan notes: 0.95% Green Bonds 2026	**500.00**	**506.60**	-	-
Loan notes and borrowings	**500.00**	**506.60**	344.00	344.00

The book value of the bank borrowings that are carried in the financial statements approximates their fair value at the end of the year because it is based on variable rate. The fair value of financial liabilities traded on active liquid markets are the 0.95% Green Bonds 2026. They are determined with reference to the quoted market prices. The financial liabilities are considered to be a Level 1 fair value measure. The fair value of the financial liabilities at Level 1 was €506.6 million (30 September 2020: €nil).

19. Other liabilities

	30 September 2021 €m	30 September 2020 €m
Balance at the beginning of the year	**8.89**	7.28
Addition	**11.98**	0.02
Repayments	**(0.61)**	(0.29)
Fair value movements on measurement of put option	**4.93**	1.88
Balance at the end of the year	**25.19**	8.89

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
Dietz Logistik 26. Grundbesitz GmbH	89.9	31 March 2031
Dietz Logistik 44. Grundbesitz GmbH	89.9	6 June 2031

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 €250 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 2020: 0.67%). There was no premium payable towards securing the interest rate caps both in the year and at 30 September 2020.

	30 September 2021 €m	30 September 2020 €m
Interest rate derivatives valuation brought forward	**0.09**	0.12
Fair value movement	**(0.04)**	(0.03)
Non-current assets: interest rate derivatives carried forward	**0.05**	0.09

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 0% (30 September 2020: 87%).

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, which are summarised below.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Group that are affected by market risk are principally the Group's cash balances and bank borrowings along with interest rate derivatives entered into to mitigate interest rate risk.

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis was performed to ascertain the impact on the Group Cash Flow Statement and net assets based on nominal borrowings at the year-end. Given that no RCF was drawn at the year-end, a 50 basis point decrease/increase in interest rates would have no impact on net assets.

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

Total assets	Belgium	Germany	Spain	Italy	Poland	UK	The Netherlands	Sweden	Total
30 September 2021	**142.09**	**681.46**	**200.52**	**147.43**	**61.22**	**295.92**	**62.25**	**48.78**	**1,629.81**
30 September 2020	93.01	303.63	169.12	141.52	117.39	4.37	50.43	-	879.47

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 cases holds bank guarantee letters.

Outstanding trade receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset less the collateral held.

Credit risk related to cash deposits

One of the credit risks of the Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks, which are committed lenders to the Group, with high credit ratings assigned by international credit-rating agencies.

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, on the amount drawn at the year end, based on contractual undiscounted payments, including interest charges:

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3-12 months €m	Between 1-2 years €m	Between 2-5 years €m	More than 5 years €m

30 September 2021							
Loans and borrowings	**492.17**	**527.46**	**1.45**	**4.35**	**5.80**	**515.86**	**-**
Trade and other payables*	**20.88**	**20.88**	**19.48**	**-**	**1.40**	**-**	**-**
Non-current liabilities	**25.19**	**25.19**	**-**	**-**	**-**	**-**	**25.19**
Tenant deposit	**2.11**	**2.11**	**-**	**-**	**-**	**-**	**2.11**
	540.35	**575.64**	**20.93**	**4.35**	**7.20**	**515.86**	**27.30**

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3-12 months €m	Between 1-2 years €m	Between 2-5 years €m	More than 5 years €m
30 September 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

** 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 Eurozone. The Group keeps some cash in foreign currency to finance its working capital.

As at 30 September 2021 the Group has a cash balance of GBP 57.49 million and PLN 5.86 million, equivalent to €66.90 million and €1.27 million respectively (30 September 2020: GBP 0.41 million and PLN 5.54 million, equivalent to €0.45 million and €1.22 million respectively). The Group also has a cash balance of SEK 11.94 million, equivalent to €1.18 million as at 30 September 2021 (30 September 2020: nil).

Development risk

Development risk is the exposure that the Group takes in projects where building is not yet completed. Construction risk is mitigated by the Group by entering into fixed price contracts with the developers. 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 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 LTV and interest cover ratio. The Group LTV at the year end was 13% (30 September 2020: 39.9%).

23. Tenant deposit

Non-current liabilities	**30 September 2021 €m**	30 September 2020 €m
Balance at the beginning of the year	**1.31**	1.17
Additions in the year	**0.80**	0.14
Balance at the end of the year	**2.11**	1.31

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 2021 Number	30 September 2021 €m	30 September 2020 Number	30 September 2020 €m
Issued and fully paid at 1 cent each				
Balance at beginning of year - €0.01 Ordinary Shares	**422,727,273**	**4.23**	422,727,273	4.23
Shares issued in the year	**383,966,105**	**3.84**	-	-
Balance at end of year	**806,693,378**	**8.07**	422,727,273	4.23

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

On 3 December 2020, the Manager has acquired in the market 94,777 Ordinary Shares at 103.82 pence per share on behalf of certain members of staff of the Manager. On 1 June 2021, the Group has also increased its share capital by 104,062 Ordinary Shares at 105.00 pence per share on behalf of certain members of staff of the Manager.

On 10 March 2021 and 22 September 2021, the Group increased its share capital by 192,633,688 Ordinary Shares for £1.03 each and 191,228,355 Ordinary Shares for £1.15 each respectively. As a result, the Group's issued share capital increased to 806,693,378 Ordinary Shares with voting rights.

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 2021 €m	30 September 2020 €m
Net assets per Group Statement of Financial Position	**1,053.50**	503.91
Ordinary Shares:		
Issued share capital (number)	**806,693,378**	422,727,273
NAV per share (expressed in Euro per share)		
Basic NAV per share	**1.31**	1.19

The Group elected to early adopt the three new measures of net asset value: EPRA Net Reinvestment Value ("NRV"), EPRA Net Tangible Assets ("NTA") and EPRA Net Disposal Value ("NDV") for the year ended 30 September 2020. Following a consultation of the various stakeholders of the business, and in order to align the reporting of the Group to its peers, the Group has decided to adopt the EPRA NTA and EPRA NTA per share metrics as its primary EPRA NAV metric measure, alongside Basic IFRS NAV, for the year ended 30 September 2021 onwards. Please refer to the Notes to the EPRA and Other Key Performance Indicators section for details of all EPRA NAV metrics."

	30 September 2021			30 September 2020		
	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to Shareholders	**1,053.50**	**1,053.50**	**1,053.50**	503.91	503.91	503.91
Mark-to-market adjustments of derivatives	**(0.05)**	**(0.05)**	**–**	(0.09)	(0.09)	–
Deferred tax adjustment	**33.06**	**33.06**	**–**	12.49	12.49	–
Transaction costs[1]	**60.84**	**-**	**–**	34.19	–	–
NAV	**1,147.35**	**1,086.51**	**1,053.50**	550.50	516.31	503.91
NAV per share in Euro	**1.42**	**1.35**	**1.31**	1.30	1.22	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.

26. Transactions with related parties

For the year ended 30 September 2021, all Directors and some of the Partners of the Manager are considered key management personnel. The terms and conditions of the Investment Management Agreement are described in the Management Engagement Committee Report. The fee payable to the Manager for the year ended 30 September 2021 was €5.46 million (2020: €4.13 million).

The total amount outstanding at the year end relating to the Investment Management Agreement was €1.51 million (2020: €1.10 million).

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report.

On 1 October 2020, there were three new Members of the Manager, namely Nick Preston, Frankie Whitehead and James Watson. On 1 February 2021, Alasdair Evans and Phil Redding were also appointed as new Members of the Manager. They are also Members of SG Commercial. Only Nick Preston and Phil Redding are considered as key management personnel. The other Members of the Manager who are considered as key management personnel are Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin and Bjorn Hobart, who are also Members of SG Commercial LLP.

During the year, the Directors received the following dividends: Robert Orr: €1,220 (2020: €860), Keith Mansfield: €14,065 (2020: €12,470), Taco De Groot: €1,638 (2020: € 1,075) and Eva-Lotta Sjostedt: €308 (2020: €127).

During the year, the Members of the Manager received the following dividends: Colin Godfrey: €9,136 (2020: €6,142), James Dunlop: €9,136 (2020: €6,142), Henry Franklin: €6,184 (2020: €4,137), Petrina Austin: €1,462 (2020: €981), Nick Preston: €4,908 (2020: €3,156) and Phil Redding: €38 (2020: €nil).

On 3 December 2020 and 1 June 2021, the Manager acquired in the market 94,777 Ordinary Shares at 103.82 pence per share and 104,062 Ordinary Shares at 105.00 pence per share respectively on behalf of certain members of staff of the Manager.

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 €141.50 million, on a lease which ends in 86.5 years. A peppercorn rent is paid and hence the associated lease liability and right-of-use asset are immaterial.

28. Subsequent events

On 22 October 2021, the Group announced the future acquisition of Gelsenkirchen for an agreed property price of €32 million, subject to shareholders approval.

On 15 November 2021, the Group announced the future acquisition of Bonen for an agreed property price of €117.9 million, subject to shareholders approval.

On 30 November 2021, the Group acquired Piacenza asset in Italy for the an agreed property price of €50.0 million and on 25 November 2021, the Group completed the acquisition of Settimo for €24.4 million.

On 30 November 2021, the Group completed the acquisition of an asset in Rosersberg for €27.9 million.

On 1 December 2021 the Group had secured €200 million private placement debt which is split into 3 tranches as below:

€100 million with 7 year maturity and a coupon of 1.216%, €50 million with 10 year maturity and a coupon of 1.449%, and €50 million with twelve years maturity and a coupon of 1.59%.

There were no other significant events occurring after the reporting period, but before the financial statements were authorised for issue.

Company Balance Sheet

Company Registration Number 11367705

	Note	**At 30 September 2021 €m**	At 30 September 2020 €m
Non-current assets			
Derivative financial instruments		**0.05**	0.09
Trade and other receivables	5	**634.93**	466.52
Investment in subsidiaries	4	**458.21**	316.32

Total non-current assets		**1,093.19**	782.93
Current assets			
Trade and other receivables	5	**13.55**	4.38
Cash held at bank	6	**291.56**	3.52
Total current assets		**305.11**	7.90
Total assets		**1,398.30**	790.83
Current liabilities			
Trade and other payables	7	**(6.18)**	(2.22)
Income tax liability		–	–
Total current liabilities		**(6.18)**	(2.22)
Non-current liabilities			
Loans and borrowings	8	**(492.17)**	(340.63)
Total non-current liabilities		**(492.17)**	(340.63)
Total liabilities		**(498.35)**	(342.85)
Total net assets		**899.95**	447.98
Equity			
Share capital	9	**8.07**	4.23
Share premium reserve		**597.46**	131.24
Retained earnings		**294.42**	312.51
Total equity		**899.95**	447.98

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 2021 amounted to €7.21 million (2020: €10.68 million).

The financial statements were approved by the Board of Directors on 6 December 2021 and signed on its behalf by:

Robert Orr
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2020		**4.23**	**131.24**	**312.51**	**447.98**
Net profit for the year		–	–	**7.21**	**7.21**
Total comprehensive income		**–**	**–**	**7.21**	**7.21**
Contributions and distributions:					
New Share capital subscribed		**3.84**	**476.14**	**–**	**479.98**
Associated share issue costs		**–**	**(9.92)**	**–**	**(9.92)**
Dividends paid	3	**–**	**–**	**(25.30)**	**(25.30)**
At 30 September 2021		**8.07**	**597.46**	**294.42**	**899.95**

	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

Notes to the Company Accounts

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Disclosure exemptions adopted

In preparing the financial statements the Company has taken advantage of all applicable disclosure exemptions conferred by FRS 101. Therefore the financial statements do not include:

- certain comparative information as otherwise required by 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 and financial liabilities

Please refer to sections 4.4.1 and 4.4.2 of the Summary of significant accounting policies of the Group accounts.

Investment in subsidiaries

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

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 2021 €m	30 September 2020 €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 2021.

3. Dividends paid

Please refer to note 13 of the Group accounts.

4. Investment in subsidiaries

	30 September 2021 €m	30 September 2020 €m
At the beginning of the year	**316.32**	240.84
Increase in investments via share purchase	**166.52**	76.69
Disposals in the year	**(23.43)**	-
Impairment in the year	**(1.20)**	(1.21)
At the end of the year	**458.21**	316.32

The Company has the following subsidiary undertakings as at 30 September 2021:

	Principal activity	Country of incorporation	Ownership %
Tritax Eurobox (Spain) Holdco, S.L.	Investment Holding Company	Spain	100%*
Tritax Eurobox Barcelona SLU	Property Investment	Spain	100%
Eurobox Italy Holdco Limited	Investment Holding Company	Jersey	100%*
Fondo Minerva Eurobox Italy**	Property Investment	Italy	100%
Tritax Eurobox (Belgium) Holdco NV	Investment Holding Company	Belgium	100%*
Panton Kortenberg Vastgoed NV	Property Investment	Belgium	100%
Rumst Logistics NV	Property Investment	Belgium	100%

Rumst Logistics II NV	Property Investment	Belgium	100%
Rumst Logistics III NV	Property Investment	Belgium	100%
Pakobo NV	Property Investment	Belgium	100%
LCP Nivelles DC NV	Property investment	Belgium	100%
Tritax EuroBox (Wunstorf) Holdco Limited	Investment Holding Company	United Kingdom	100%*
Tritax Eurobox (Germany) Holdco Limited (formerly known as Tritax Eurobox (Netherlands) Propco Limited)	Investment Holding Company	United Kingdom	100%*
Tritax EuroBox (Bochum) Propco GmbH	Property Investment	Germany	94.9%*
Tritax EuroBox (Peine) Propco GmbH	Property Investment	Germany	94.9%*
Dietz Logistik 33. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Bremen I) Propco GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Bremen II) Propco GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 26. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 44. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax Eurobox (Strykow) Propco sp. z o.o.	Property Investment	Poland	100%*
Tritax Eurobox (Breda) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax Eurobox (Oberhausen) Propco B.V.	Property Investment	The Netherlands	100%*
Tritax Eurobox (Gothenburg) Propco AB	Property Investment	Sweden	100%*
Tritax EuroBox (Sweden) Holdco Limited (formerly known as Tritax Eurobox (Netherlands) Holdco Ltd)	Investment Holding Company	United Kingdom	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: Calle Maria Auxiliadora, 5, Local 10, 29602, Marbella, Málaga, Spain

Jersey entities: 26 New Street, St Helier, Jersey JE2 3RA

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

Belgium entities: Brussels Capital Region at 1050 Brussels, Avenue Louise 209A

German entities: Darmstädter Straße 246, 64625 Bensheim, Germany and Eschersheimer Landstraße 14, 603 22 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 2021 €m	30 September 2020 €m
Amounts receivable from Group companies	**642.94**	470.14
Other receivables	**5.54**	0.76
	648.48	470.90

All amounts receivable from Group companies are documented under term loans with maturity exceeding three years, with an option to extend for a further five years. All borrowings are unsecured and are charged at 3% - 4%. Interest is generally payable quarterly and, therefore, is classified as current assets.

	30 September 2021 €m	30 September 2020 €m
Current assets	**13.55**	4.38
Non-current assets	**634.93**	466.52
	648.48	470.90

6. Cash held at bank

	30 September 2021 €m	30 September 2020 €m
Cash held at bank	**291.56**	3.52

7. Trade and other payables

	30 September 2021 €m	30 September 2020 €m
Trade and other payables	**5.75**	2.13
Accruals	**0.43**	0.09
	6.18	2.22

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 2021 €m**	30 September 2020 €m
Tritax EuroBox (Bochum) Propco GmbH	**0.98**	1.22
Tritax EuroBox (Peine) Propco GmbH	**2.64**	3.49
Dietz Logistik 33. Grundbesitz GmbH	**1.20**	1.83
Tritax Eurobox (Bremen I) Propco GmbH	**0.53**	0.64
Tritax Eurobox (Bremen II) Propco GmbH	**0.57**	0.69
Dietz Logistik 26. Grundbesitz GmbH	**1.48**	**–**
Dietz Logistik 44. Grundbesitz GmbH	**1.07**	**–**
	8.47	7.87

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

Amount owed from Group companies as at 30 September 2021	**Less than one year €m**	**More than one year €m**
Tritax EuroBox (Bochum) Propco GmbH	**0.04**	**24.42**
Tritax EuroBox (Peine) Propco GmbH	**–**	**64.74**
Dietz Logistik 33. Grundbesitz GmbH	**–**	**29.10**
Tritax Eurobox (Bremen I) Propco GmbH	**–**	**13.16**
Tritax Eurobox (Bremen II) Propco GmbH	**–**	**13.86**
Dietz Logistik 26. Grundbesitz GmbH	**–**	**91.53**
Dietz Logistik 44. Grundbesitz GmbH	**–**	**84.30**
	0.04	**321.11**

Amount owed from Group companies as at 30 September 2020	Less than one year €m	More than one year €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	–	13.16
Tritax Eurobox (Bremen II) Propco GmbH	–	14.86
	0.04	151.28

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 2021 €m	Year ended 30 September 2020 €m
Total comprehensive income (attributable to Shareholders)	**104.83**	44.79

Adjustments to remove:		
Changes in fair value of investment properties	**(106.46)**	(38.57)
Deferred tax adjustment	**23.62**	8.38
Changes in fair value of interest rate derivatives	**0.05**	0.03
Gain on disposal of investment property	**(7.33)**	(0.83)
Profits to calculate EPRA Earnings Per Share	**14.71**	13.80
Weighted average number of Ordinary Shares	535,144,885	422,727,273
EPRA Earnings Per Share - basic and diluted	**2.75 cents**	3.26 cents

2. EPRA NAV measures

The Group has elected to early adopt the three new measures of net asset value: EPRA Net Reinvestment Value ("NRV"), EPRA Net Tangible Assets ("NTA") and EPRA Net Disposal Value ("NDV") for the year ended 30 September 2020. The Group considers EPRA NTA to be the most relevant EPRA NAV measure for the Group, replacing our previously reported EPRA NRV and EPRA NRV per share metrics for the year ended 30 September 2021. We are now reporting EPRA NTA as our primary NAV measure alongside Basic NAV. The prior year comparative figures have also been recomputed in line with the new EPRA NTA. EPRA NTA 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. This excludes transaction costs (Real Estate Transfer Tax and purchaser's costs).

30 September 2021			**Current measures**		**Previously reported measures**
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	**EPRA NAV €m**	**EPRA NNNAV €m**
NAV attributable to Shareholders	**1,053.50**	**1,053.50**	**1,053.50**	**1,053.50**	**1,053.50**
Mark-to-market adjustments of derivatives	**(0.05)**	**(0.05)**	**–**	**2.42**	**–**
Deferred tax adjustment	**33.06**	**33.06**	**–**	**33.06**	**–**
Transaction costs[1]	**60.84**	**–**	**–**	**–**	**–**
NAV	**1,147.35**	**1,086.51**	**1,053.50**	**1,088.98**	**1,053.50**
NAV per share in Euro	**1.42**	**1.35**	**1.31**	**1.35**	**1.31**

[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 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.

3. EPRA Net Initial Yield ("NIY") and EPRA "Topped Up" NIY

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m

Investment property	**1,281.38**	837.90
Less: development properties	**(24.03)**	-
Completed property portfolio	**1,257.35**	837.90
Allowance for estimated purchasers' costs	**60.84**	34.19
Gross up completed property portfolio valuation (B)	**1,318.19**	872.09
Annualised cash passing rental income	**51.06**	39.24
Property outgoings	**(1.72)**	(0.98)
Annualised net rents (A)	**49.34**	38.26
Contractual increases for fixed uplifts	**0.56**	1.41
Topped up annualised net rents (C)	**49.90**	39.67
EPRA Net Initial Yield (A/B)	**3.74%**	4.39%
EPRA Topped Up Net Initial Yield (C/B)	**3.79%**	4.55%

4. EPRA vacancy rate

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Annualised estimated rental value of vacant premises	**1.78**	2.21
Portfolio estimated rental value[1]	**53.40**	40.65
EPRA vacancy rate	**3.33%**	5.43%

[1] Excludes land held for development.

All vacant space is currently covered by rental guarantees.

5. EPRA Cost Ratio and Adjusted EPRA Cost Ratio

	Year ended 30 September 2021 €m	Year ended 30 September 2020 €m
Property operating costs	**1.34**	0.89
Administration expenses	**12.22**	10.73
Net service charge costs	**0.38**	0.09
Other operating income	**(0.55)**	(0.46)
Total costs including vacant property costs (A)	**13.39**	11.25
Vacant property costs	**(0.38)**	(0.09)
Total costs excluding vacant property costs (B)	**13.01**	11.16
Gross rental income - per IFRS (C)	**43.89**	36.00
Total EPRA Cost Ratio (including vacant property costs) (A/C)	**30.51%**	31.25%
Total EPRA Cost Ratio (excluding vacant property costs) (B/C)	**29.64%**	31.00%
Gross rental income including rental guarantee (D)	**47.07**	36.00
Total EPRA Cost Ratio (including vacant property costs) (A/D)	**28.45%**	31.25%
Total EPRA Cost Ratio (excluding vacant property costs) (B/D)	**27.64%**	31.00%

There were no overheads nor operating expenses capitalised in the year in line with IFRS (2020: €nil).

6. Capital expenditure

	30 September 2021 €m	30 September 2020 €m
Acquisition[1]	**372.56**	105.86
Development[1]	**19.81**	6.22
Investment properties[1]:		
Incremental lettable space	**1.10**	1.43
Tenant incentives[2]	**3.01**	2.14
Other material non-allocated types of expenditure[3]	**(2.49)**	(3.90)
Total	**393.99**	111.75

[1] See note 14.

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

[3] Licence fees and rental guarantees.

The Group has no interest in joint ventures.

7. Total Return

	Year ended 30 September 2021 cents	Year ended 30 September 2020 cents
Opening EPRA NTA	**122.14**	113.96
Closing EPRA NTA[1]	**134.69**	122.14
Growth in EPRA NTA	**12.55**	8.18
Dividends paid	**4.85**	4.30
Total growth in EPRA NTA plus dividends paid	**17.40**	12.48
Total Return[1]	**14.25%**	10.95%

[1] Total Return for 30 September 2020 was 11.28% using the previous EPRA NRV at 130.23 cents.