TRITAX EUROBOX

Half-year results for the six months ended 31 March 2023

18 May 2023

Delivering continued income growth, cost efficiencies and increasing dividend cover

Half-year 2023 key figures

Financial performance

Six months to:	31 March 2023	31 March 2022	Change
Rental income	€32.6m	€27.6m	*18.1%*
Adjusted earnings per share (EPS)[1]	2.70 cents	1.82 cents	*48.4%*
Basic IFRS EPS[1]	(27.20) cents	13.35 cents	*(303.7)%*
Dividend per share	2.50 cents	2.50 cents	-
Total Return	(22.1)%	12.4%	*(34.5) pts*

	31 March 2023	30 September 2022	Change
Portfolio value[2]	€1,596.7m	€1,765.6m	*(9.6)%*
EPRA net tangible assets ("NTA") per share	€1.05	€1.38	*(23.9)%*
IFRS NAV per share	€1.02	€1.32	*(22.7)%*
Loan to value (LTV) ratio[3]	44.9%	35.2%	*9.7 pts*
Annualised rental income[4]	€78.6m	€74.3m	*5.8%*

Operational performance	31 March 2023 *H1 23*	31 March 2022 *H1 22*	30 September 2022 *FY22*
Like-for-like rental growth[5]	5.8%	(1.5)%	4.0%
Rent collection	100%	100%	100%
Weighted average unexpired lease term[6]	7.9 years	8.5 years	8.0 years
EPRA vacancy rate	5.4%	2.2%	0.3%
Adjusted EPRA cost ratio[7]	25.6%	30.9%	29.5%
Average cost of debt	1.2%	1.1%	1.5%
Like-for-like estimated rental value ("ERV") growth[8]	3.4%	5.4%	8.2%

Chairman's commentary

Robert Orr, Chairman of Tritax EuroBox plc, commented:

"We outlined in December our priorities of improving operational performance by delivering income growth, lowering costs and increasing dividend cover. As these results demonstrate, we are making excellent progress against these priorities. Our asset management and development activities are delivering and this, together with the ongoing benefit of inflation-linked leases and additional reductions in our cost ratio, means we expect to improve our performance further in the second half of the financial year and beyond.

"As we anticipated, the value of our assets declined significantly during the period in response to the more uncertain macroeconomic environment and rapid increase in interest rates. However, we remain confident that the quality of our portfolio, strength of our customer base and our ability to maintain a robust balance sheet, will allow the company to navigate these more challenging market conditions. We will continue to review our portfolio to ensure we are capitalising on its potential, through the active management of our assets and selective strategic asset disposals. The occupational market continues to be characterised by attractive demand and supply dynamics, reinforcing our belief in the long-term structural drivers and compelling market opportunities in the logistics sector."

TRITAX EUROBOX

Half-year 2023 overview

Rising rental income and cost efficiencies supporting earnings growth and dividend cover

- Rental income up 18.1% to €32.6m, reflecting full period of prior year acquisitions, asset management and development activity, and like-for-like[5] rental growth of 5.8%.
- Adjusted EPRA cost ratio[6] of 25.6% (H1 2022: 30.9%), benefiting from higher income and lower management fee. On track to meet target range of 20-25%.
- Adjusted EPS of 2.70 cents, up 48.4%, comprising 1.32 cents in the first quarter and 1.38 cents in the second quarter.
- Dividend per share of 2.50 cents was 108% covered by Adjusted EPS for the half year, meaning the dividend has now been covered for three consecutive quarters.

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

- Portfolio value of €1,596.7m (30 September 2022: €1,765.6m), with like-for-like reduction of 14.7%, primarily due to significant outward yield shift across the sector, partly offset by ERV growth and asset management activity.
- Against a good operational performance, the decline in valuation resulted in a negative Total Return of 22.1% (30 September 2022: 6.0%) and NTA declined to €1.05 (30 September 2022: €1.38).
- Portfolio NIY of 4.5% (30 September 2022: 3.8%) and equivalent yield of 4.8% (30 September 2022: 3.9%).
- Portfolio reversion of 15.3% or €12.0m, reflecting a like-for-like H1 increase in portfolio ERV of 3.4%.
- 97% of leases subject to rental increases, with 82.5% of those leases linked to inflation.
- Increase in EPRA vacancy rate to 5.4% (30 September 2022: 0.3%). This reflected the completion of two buildings in the period in Dormagen and Rosersberg, both of which were speculative forward fundings, benefitting from rental guarantees ranging from 12 to 18 months after practical completion.
- Post period end, a new letting at the speculative forward funding in Dormagen has reduced the EPRA vacancy rate to 2.0%

Asset management, indexation and development adding €4.3m to annualised rental income

- Completed the development of one pre-let funding of 112,018 sqm in Roosendaal and two speculative forward fundings in Dormagen and Rosersberg totalling 49,615 sqm.
- Completed Barcelona extension in November 2022, adding €2.3m to annual contracted rent.
- In Strykow, agreed an 8,841 sqm extension for Arvato and re-gears on all their existing lease to new 11-year terms.
- Post period-end, a new 10-year lease has been agreed with a leading global logistics operator on the recently completed 36,434 sqm building in Dormagen. A rent of €2.97m per annum has been agreed; this is c.18% above rental guarantee – representing an additional €0.5m of annualised rental income.
- Full carbon and climate analysis undertaken of the portfolio with resulting updated and upgraded ESG targets.
- Ongoing integration of ESG objectives into operational business leading to progress with solar projects on the two largest assets in Germany in collaboration with customers. Our solar programme is a key component of our decarbonisation activities.

Robust balance sheet with low cost of debt

- 100% of debt with fixed rates or caps, with a maximum average cost of debt of 1.46% for FY23.
- 4 years weighted maturity, with earliest refinancing in Q4 2025.
- €171m of undrawn debt facilities as at period end.
- Covenant headroom with LTV of 44.9% and interest cover of 4.4x, versus covenants of 65% and 1.5x.

Notes

1 See note 7 to the condensed interim financial statements for reconciliation.

2 Valuation under IFRS (excluding rental guarantees).

3 As per KPI definition.

4 Including rental guarantee and licence fee.

5 Including extension on existing buildings.

6 Weighted average unexpired lease to break is 7.9 years and weighted average unexpired lease to term is 9.6 years.

7 Including licence fee income and rental guarantees.

8 Like-for-like ERV growth for six months, for H1 23 and H1 22.

Presentation for analysts and investors

A Company presentation for analysts and investors will take place via a live webcast at 09.00am (GMT) today. To view the live webcast, please register via this link:

Tritax EuroBox plc – Half-year results 2023

Analysts and investors will also be able to listen to the event via a moderated conference call using the following details:

Phone number: +44 (0) 33 0551 0200

Participant access: quote *'Tritax'*

The presentation will also be accessible on-demand later in the day from the Company website:

tritaxeurobox.co.uk/investors/results-and-presentations/.

Further information

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Notes:

Further information on the Company is available at: tritaxeurobox.co.uk

The Company's LEI is: 213800HK59N7H979QU33.

Chairman's statement

From an operational perspective this was a good six months for the Company as we focused on the priorities set out in our FY22 results. These included driving income from the existing portfolio, lowering costs and delivering a fully covered dividend. We have made clear progress against each of these priorities as is presented in detail in the Manager's report.

As expected, the Company has not been immune to the effects of rapidly rising interest rates and the consequent impact this has had on asset values across the sector. During the period we experienced a significant reduction in the portfolio valuation, primarily reflecting the changes in the macroeconomic environment. This was in marked contrast to conditions in the occupational market, with good demand and constrained supply continuing to support our asset management activities and rental growth during the period.

Despite the more challenging economic conditions, the portfolio has continued to demonstrate its resilience. Our rent collection remains at 100% and we have high occupancy, an excellent roster of customers and long leases that deliver annual increases in rents through indexation.

Driving income from the portfolio

Our rigorous focus on capturing income growth is demonstrated by the building extensions, development projects and asset management initiatives that have been successfully completed during the period.

Highlights include completing the major extension project for our customer Mango in Barcelona and three forward funded developments, including two speculative schemes, totalling 270,716 sqm. Our three other ongoing development projects, comprising 112,147 sqm, remain on track for completion in the second half of the financial year.

A key asset management success during the period was the agreement of a building extension, at an attractive yield on cost of 7.2%, and lease re-gear with our customer Arvato to facilitate the continued expansion of their operations at Strykow in Poland.

Post period end, we completed a new 10-year lease to a leading global logistics operator, on the 36,434 sqm speculative forward funded development at Dormagen. The agreement was signed five weeks following practical completion of the building in March 2023, at a rent 17.8% ahead of the underwritten rental guarantee and 6.1% ahead of the ERV. The lease is subject to 100% annual CPI indexation and incorporates green clauses designed to promote sustainable practices.

During the period, asset management, development activity and indexation have secured €4.3 million of additional annualised rental income. On a like-for-like[5] basis, the portfolio has generated rental growth of 5.8% (H1 22: (1.5%)) over the past six months, representing 10.4% uplift over 12 months, primarily derived from the inflation-linked structure of the leases and asset management activities in the portfolio.

Financial performance

The portfolio was independently valued at €1,596.7 million at the period end. This represented a like-for-like valuation reduction of 14.7% reflecting the current challenging macroeconomic conditions that have impacted the entire sector. This resulted in NTA per share of €1.05, down 23.9%.

Our dividend policy is to pay out a minimum of 85% of Adjusted Earnings each year, with a target of paying 90-100%. In line with this, we declared two quarterly dividends totalling 2.50 cents per share for the period. The dividend was 108.0% covered by Adjusted EPS and, as discussed in the Manager's Report, we expect the FY23 dividend to be fully covered.

The Company remains well financed and benefits from a low cost of debt due to the fixed or capped rates on all its borrowings. We have commenced some specific asset disposals to lower LTV and selectively fund higher returning opportunities from within the existing portfolio.

ESG Performance

In 2020, for the period 2020-23, we set a range of targets for our ESG performance. One of our key priorities for 2022 was to establish a clear baseline from which to launch our new ESG targets that reflect our ambition for the ESG performance of the Company. Now in place, these targets encompass the full range of factors we are considering; most notably an enhanced commitment to achieve net zero carbon across all aspects of our business by 2040, rather than our previously stated 2050 target.

Our targets will help drive further improvement for the benefit of all our stakeholders, while helping us to keep pace with the evolving regulatory and market environment, ensuring our approach is evidence and data led, and that we measure and disclose our impact. They will be reviewed annually against our KPIs and updated as required (see the Manager's Report for further details).

Since the end of the period, we have held the first meeting of our ESG Board Committee, which comprises the full Board, with representatives from the Manager in attendance. This is chaired by the Board ESG Champion, Eva-Lotta Sjöstedt, and will give us a dedicated forum for overseeing our progress.

From a governance perspective, we reviewed the Board and Committee composition and announced Sarah Whitney's appointment as Senior Independent Director (SID) with effect from 6 December 2022. She has taken on the role from Keith Mansfield, who made a significant contribution as SID and will continue to play an important part as a Non-Executive Director and Chair of the Audit & Risk Committee.

Furthermore, we renegotiated the terms of the Investment Management Agreement (IMA), which was approved by shareholders in a General Meeting in October 2022.

Outlook

We are confident of making further progress in the second half of the year in improving our operational performance, with a continued focus on driving income growth through asset management and development activity and benefiting from an expected further reduction in our cost base.

The weaker economic backdrop is likely to cause take-up levels to moderate from the exceptional levels recently experienced, but overall occupier demand remains robust and derived from a diverse range of business sectors. Supply continues to be limited and development pipelines constrained by the higher cost and lower availability of debt finance. Against this external context, we expect vacancy rates to remain low which will continue to support positive rental growth, albeit potentially at levels below the very high rates recently recorded.

The sharp increase in interest rates experienced over the second half of 2022 has led to a consequent adjustment of property yields and asset values. For those markets where significant declines in values have already been seen, investment volumes appear to be stabilising, with investors responding to the adjusted pricing levels and the strong underlying fundamentals of the logistics sector.

Looking beyond this financial year, prospects for the sector and the Company remain positive. As greater visibility emerges in terms of the uncertain macroeconomic backdrop, we believe the combination of strong underlying market fundamentals and positive structural drivers will continue to attract capital to the European logistics sector and support rental growth. We remain confident that our well positioned high-quality portfolio combined with our solid balance sheet will be able to generate continued growth in earnings and dividends and attractive returns for our shareholders over the long-term.

Manager's report

Delivering on our objectives

We set ourselves clear priorities for this financial year. These were focused on capturing the income growth opportunities from within the existing portfolio, by progressing our asset management and development programmes and improving the Company's operational efficiency. These actions were aimed at increasing earnings per share and reducing the cost ratio, resulting in a fully covered dividend for FY23. Over the last six months, we have made good progress in delivering these priorities.

During the period we increased annualised rental income by 5.8% or €4.3 million, primarily comprising €2.6 million through asset management initiatives and development projects and €1.7 million through the inflation-linkage within our leases. Like-for-like[5] rental growth was 5.8% over the past six months and 10.4% over the past 12 months. We expect these activities to deliver further income growth over the remainder of the financial year.

In addition, the Company's cost base has benefited more fully from the revised Investment Management Agreement, which substantially reduced the Management Fee effective from August 2022. As a result, the adjusted EPRA cost ratio reduced from 29.5% for FY22 to 25.6% for H1 2023. We estimate the fee will reduce by a further c.€1.1m in the second half, given its linkage with the portfolio valuation. This, together with further income growth, puts us on track to meet our full-year cost ratio target in the range of 20-25%.

The progress made in growing our rental income, lowering operational costs and the full contribution from prior year acquisitions resulted in the 48.4% increase in Adjusted earnings per share to 2.70 cents. The Company has declared dividends of 2.50 cents in respect of the period, resulting in dividend cover of 108.0%. This compares with dividend cover of 84.8% for FY22 and 100.9% for Q4 of FY22.

Another priority for this year was to maintain the strength of the Company's balance sheet. The Company benefits from a low cost of debt maintained through fixed and capped rates, no near-term re-financings and €171m of headroom in its facilities (€138m after taking account of all development and asset management commitments). The LTV at the period end was 44.9% or 46.0% including commitments. While this is in line with the Company's previously stated medium-term target of 45%, and is significantly below debt covenant thresholds, it is at the higher end of our preferred range at this point in the cycle.

We have therefore commenced some selective disposals, identified as part of our capital recycling approach, to maintain balance sheet strength and our investment grade rating. Where appropriate, this will also fund higher returning opportunities from within the existing portfolio.

Valuation change and market update

Market-driven outward yield shift impacting valuations

During the period, we appointed CBRE as our independent valuer, in place of JLL. CBRE is highly experienced in the European logistics sector through a network of local offices that are active in all our geographies and markets.

The challenging macroeconomic environment and sharply increasing interest rates witnessed in the second half of 2022 led to a rise in the cost of capital and caused many investors to pause or defer investment activity. The consequent steep fall in investment volumes and lack of pricing visibility contributed to the significant expansion of property yields across the European logistics sector in the second half of 2022 and into 2023. The Tritax EuroBox portfolio has not been immune to these trends.

The Company's property portfolio was valued at €1,596.7m as at 31 March 2023, compared to €1.765.6m at 30 September 2022. On a like-for-like basis the valuation declined by 14.7% during the period with the fall mitigated in part by asset management gains and rental growth.

The reduction in the valuation was driven by yield expansion across the portfolio with the net initial yield moving to 4.5%, up 70 bps over the past six months. This was partially offset by a 3.4% increase in the valuers' estimation of the market rental value of the portfolio, with the portfolio reversion increasing to 15.3% (€12m).

Long-term market drivers remain in place

The European logistics real estate market is subject to multi-year trends that drive occupational demand for space, in particular:

- the ongoing growth of e-commerce, with efficient fulfilment often requiring large and highly automated logistics facilities, close to major population centres and strong transport links;
- the need to optimise, reinforce and de-risk supply chains, to ensure their efficiency and resilience to external shocks, as exemplified by the pandemic and the Ukraine war; and
- the growing necessity for businesses to operate from sustainable buildings with the best ESG credentials that will remain fit for purpose for years to come, while supporting their own ESG objectives, reducing their energy costs and providing optimal workplaces for their people.

These trends mean the medium to long-term outlook for occupier demand and rental growth remains attractive.

Occupier demand is robust

Occupier demand remains healthy with 9.9m sqm leased across Europe in the last six months (Source: CBRE). While activity has slowed from the record levels of recent years, it remains consistent with longer-term trends (10-year average: 9.8m sqm). This demand is broadly based, as companies have taken the opportunity to address their supply chains and increase stock holdings as a buffer against future disruption. Third-party logistics companies have been particularly active, as their customers look to both outsource supply-chain management and utilise their flexibility to absorb additional buffer stock. Challenging economic conditions may slow occupier investment decisions in the near-term, but large logistics buildings typically fulfil a strategic role and occupiers make long-term commitments. Supply chain and ESG trends will therefore continue to drive demand for high-quality, well-located, energy-efficient buildings that can support occupier needs over the medium-term.

Supply remains low by historical standards

The exceptional demand resulting from the pandemic pushed vacancy rates to all-time lows. Vacancy has subsequently ticked up marginally to 3.0% at the period end (quarter ended 31 December 2022: 2.6%; Source: CBRE) but remains very low compared to historic levels, with little suitable stock available in many sub-markets across Europe. Developers have responded to the previous record demand by bringing forward speculative developments, which will be completed over the coming months. However, higher interest rates and reduced debt availability have resulted in a very difficult environment to start new projects and we expect the delivery of new space to decline towards the end of this year, helping to support market fundamentals.

Rents expected to show further growth

The demand-supply imbalance and low level of vacant space continue to generate rental growth across many of our markets. We expect continued but more moderate rental growth for the remainder of 2023, reflecting the potential for the current economic environment to delay occupier decisions.

Strategy for value creation

Our strategy for value creation is founded on three guiding principles: a disciplined approach to capital allocation, maintaining a strong financial position and the integration of ESG into all aspects of our business activities.

Based on these principles and our long-term investment philosophy, we seek to construct and manage a portfolio with the following characteristics:

- an appropriate balance between stabilised, income-producing assets and exposure to opportunities that enable us to create value through asset management and development activities;

- a highly efficient portfolio, let on long leases to strong companies incorporating inbuilt, inflation-linked rent escalators with minimal vacancies and cost leakage;
- a portfolio diversified by:
  - geography, but with the objective of each country having the appropriate critical mass to enable economies of scale to be captured
  - building size, but with a focus on larger-scale warehouses where existing and potential supply is limited and that facilitate the capture of operational efficiencies
  - customer and business sector with a focus on large, multi-national organisations

In constructing the portfolio, we target logistics assets that:

- are well-located in established distribution hubs, within or near to densely populated areas, with good transport connections and sufficient labour, power supply and data connectivity;
- are in areas with limited supply that are likely to benefit from structural changes in occupational demand, helping to drive rental growth and capital values;
- are aligned with our ESG performance criteria, ensuring that the buildings meet the objectives of occupiers and investors.
- offer opportunities to grow income and create capital values through asset management and development activities;
- benefit from index-linked leases to financially strong occupiers;
- fulfil a key part of the occupier's logistics and distribution supply chain; and
- have flexible layouts making them suitable for a wide range of occupiers.

The above approach produces a portfolio that has both defensive qualities and inherent growth potential. This in turn supports the Company's objective of providing a predictable and growing dividend and attractive total returns for our shareholders over the long-term.

A proactive approach to asset management

A fundamental part of how we deliver our portfolio objectives is our proactive approach to asset management, focused on identifying and crystalising income growth and value creation opportunities from within the existing portfolio.

We undertake a rigorous bottom-up review of all our assets twice a year. This allows us to determine the value-maximising strategy for each property and to review expected total returns. In conjunction with this, we undertake a top-down review to ensure the portfolio is optimally positioned to benefit from the positive structural drivers that continue to impact the Continental European logistics sector.

This process informs our asset recycling strategy by highlighting those assets where, for example, we have completed our asset management plan and maximised the value creation potential of the asset. It also identifies markets where we expect performance to decline or where we have a sub-scale position and gaining sufficient scale in an appropriate timescale will be challenging. Such assets will be identified for disposal, allowing us to recycle the capital into value-creating opportunities or reduce balance sheet leverage.

Our commitment to this approach is demonstrated by the recruitment of an additional experienced asset manager, to allow us to take a more active role in the strategic asset management of the portfolio and further strengthen our relationships with our customers. This role will work closely with our locally based asset manager partners. We are also increasingly drawing on the specialist skills within the wider Tritax Group, such as supply-chain and power expertise, to help formulate our future asset management plans.

Portfolio composition

At the period end, the portfolio comprised 25 assets, diversified by building size and occupier, and situated across Belgium, Germany, Italy, the Netherlands, Poland, Spain and Sweden. The assets are large, with 68% of the portfolio in excess of 50,000 sqm (average size being 64,000 sqm), and modern, with 88% of the portfolio built in the last ten years.

To deliver an overall attractive level of return with an appropriate level of risk, our portfolio combines core, stabilised assets with a controlled exposure to development assets. At the period end, the portfolio split by asset type was as follows:

Asset type	Portfolio value (%)
Stabilised assets	92.1%
Development assets:	
- Pre-let forward funding	6.5%
- Speculative forward funding	1.4%
Total development assets	7.9%
Total	**100%**

The stabilised assets provide the portfolio's core income with this element making up the majority of exposure and reflecting the relatively low risk positioning of the Company. The core nature of this income is reflected in the quality of the customer roster, the long duration of the leases and the annual indexation structures contained within the majority of the leases.

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

At the period end, the portfolio weighted average unexpired lease term to expiry was 9.6 years (30 September 2022: 9.3 years) and the weighted average unexpired lease term to the first break was 7.9 years (30 September 2022: 8.0 years).

The EPRA vacancy at the period end was 5.4% (30 September 2022: 0.3%) following the completion of two speculative forward fundings in the period. Post period end, the letting at Dormagen reduced the pro forma EPRA vacancy rate to 2.0%.

A high-quality customer base

Across the portfolio, the Company has 36 customers, which are well diversified by sector. Many of the Company's customers are multi-billion Euro businesses, including some of the world's best-known companies, underpinning the security of the Company's income stream.

The table below shows the ten largest customers at the period end:

Customer	% of annualised rental income
Mango	12.9%
Amazon	8.2%
PUMA	7.4%
Lidl	7.2%
Wayfair	7.1%
Action Logistics	5.8%
Cummins	4.5%
B&S	3.9%
OVS	2.9%
Arvato	2.7%

Note: Income from developer licences and rental guarantees equates to 6.6% of annualised rental income. Following the post period end letting at Dormagen, this figure reduces to 3.4%.

Indexation drives annual rental growth

The indexation provisions in the majority of the Company's leases offer considerable inflation protection and regular uplifts in income, supporting the Company's aim of providing a predictable and growing dividend to shareholders. Rental uplifts are either linked to local inflation measures or fixed at an agreed rate, with the increases usually taking place annually.

The table below breaks down the portfolio rent reviews by type:

Rent review type	%
Uncapped indexation	54%
Capped/other indexation	26%
Fixed uplift	17%
None	3%
Total	100%

A portfolio with reversionary potential

At the end of each period, the Company's independent valuer provides an estimate of the market rental value of the portfolio (the portfolio ERV), which is the rent the portfolio should generate if all buildings were leased at current market levels.

At 31 March 2023, the portfolio's ERV was €90.5 million (30 September 2022: €80.9 million). As a result, the potential reversionary uplift from current rental levels increased to €12 million which continues to underpin our future income growth opportunities.

Strong ESG credentials

Our customers increasingly require the ESG performance of the buildings they occupy to be aligned with their own ESG commitments and targets. The ESG credentials of our buildings plays an important role in attracting and retaining high-quality occupiers to the portfolio and also allows our customers to meet the expectations of their stakeholders. We have a clear ESG strategy where working collaboratively with our customers to jointly deliver energy-saving initiatives and efficiencies is central to our approach.

The ESG performance of our buildings and attractiveness to our customers is increasingly a consideration for the future value and liquidity of our assets.

The Company holds a five Green Star rating and Sector Leader ranking from GRESB and EPRA Gold for its Sustainability Best Practices Recommendations submission.

Evolving our ESG strategy

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

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

These new targets encompass the full range of factors we are considering; most notable within these targets is an enhanced commitment to achieve net zero carbon across all aspects of our business by 2040, rather than our previously stated 2050 target. These targets will be reviewed annually against our KPIs and updated as required.

2023 ESG Targets & KPI's

Theme	2023 target	2023 KPIs
Sustainable buildings	▪ 100% of all asset due diligence uses Tritax ESG due diligence framework	➢ % utilisation of enhanced ESG due diligence framework
	▪ Produce and implement low-carbon baseline development specification on all new projects	➢ Production and % utilisation of low-carbon specification ➢ % circularity certified materials ➢ % projects undertaking a whole-life performance analysis
Climate and carbon	▪ Produce and disclose updated net zero carbon pathways - Scope 1 and scope 2 – 2025 - Scope 3 *(construction)* – 2030 - Scope 3 *(remainder of material emissions)* – 2040	➢ Annual review of pathway and emissions ➢ % carbon risk incorporation into each asset management plan ➢ 1.5°C Paris decarbonisation pathway alignment ➢ Science-Based Targets initiative (SBTi) alignment (or equivalent)
	▪ Integrate physical climate risk mitigation across asset lifecycle	➢ % climate risk incorporation into each asset management plan ➢ Portfolio TCFD alignment
Nature and wellbeing	▪ Year-on-year annual icrease in biodiversity for standing assets	➢ % increase in biodiversity against 2022 baseline
	▪ Year-on-year increased provision of wellbeing enhancements to developments and standing assets	➢ % increase in provision against 2022 baseline
Social value	▪ Publish community investment structure ▪ Further integrate ESG criteria into supply chain procurement processes – upstream and downstream	➢ Set-up and operation of community investment structure ➢ % utilisation of due diligence framework for suppliers
	▪ Continue support for key fund charity	➢ Level of financial and non-financial contributions

Capturing embedded income growth opportunities

Over the last two financial years, we have looked to selectively increase the Company's exposure to the higher returning opportunities available through value-creating asset management activity and development. We have made positive progress in both areas during the period.

Growing income through asset management activity

Significant asset management activities completed during the period included:

- the major extension at Barcelona in Spain has increased the Company's annualised rental income by €2.3 million and became income producing in November 2022.
- the agreement to construct a new extension for our customer Arvato at Strykow in Poland, together with an 11-year re-gear of their existing lease. The extension will be developed at a yield on cost of 7.2% increasing the annualised rental income by €0.5 million upon completion.
- the completion of a new 10-year lease to a leading global logistics operator at Dormagen in Germany at a rent 17.8% ahead of the underwritten rental guarantee, increasing the annualised rental income by an additional €0.5 million.

Progressing the development programme

We made good progress with the development programme, completing three forward-funded developments on time and on budget.

- Roosendaal, Netherlands: the second and third units of the forward funded development pre-let to Lidl completed in December 2022 and February 2023 respectively. These units generate annualised rental income of €3.40 million, replacing an existing rental guarantee of an equivalent amount.
- Rosersberg I, Sweden: in January 2023, we reached practical completion of the first of two speculative forward fundings. with the Company receiving €1.19 million per annum on 13,181 sqm of space, through a 12-month rental guarantee. We are in discussion with potential tenants at rents above the level of the rental guarantee.

- Dormagen, Germany: at the end of March 2023, we reached practical completion of this 36,434 sqm speculative forward funding and agreed a new 10-year lease with a leading global logistics operator in early May.

We are targeting a BREEAM Very Good or Excellent rating for Roosendaal, BREEAM Very Good for Rosersberg I and DGNB gold for Dormagen.

Our other developments continue to progress to plan:

- Settimo Torinese, Italy – speculative forward funding of 28,250 sqm, with practical completion due in May 2023 with an ERV of €1.3 million;
- Bonen, Germany – pre-let forward funding of 66,065 sqm, with practical completion set for June 2023 with a contracted rent of €4.1 million and ERV of €4.7 million; and
- Rosersberg II, Sweden – speculative forward funding of 17,832 sqm, due to reach practical completion in July 2023 with an ERV of €1.9 million.

The above speculative forward fundings benefit from 12-month rental guarantees, and there is a good level of potential interest in both buildings.

In September 2021, the Company announced the forward funding of a logistics asset in Oberhausen, Germany. Following receipt of the final permits, we acquired the land in January 2023. Verdion, one of our developer-partners, is expected to develop the 23,243 sqm two-unit building, which has the potential to produce annualised rental income of €1.7m when fully let. The intention is to commence construction of this speculative forward funding in the second half of the financial year, subject to supportive market conditions and appropriate returns.

The Company owns several land plots with potential for building extensions. These comprise:

- Wunstorf, Germany – the building has the capacity to be extended by 10,000 sqm, comprising two 5,000 sqm extensions. The discussions with our customer, Havi, are ongoing.
- Geiselwind, Germany - we are in discussions with Puma on a 42,000 sqm extension to their global logistics centre, together with an associated lease extension.

Enhancing ESG performance

During the period, we continued to progress initiatives to increase the number of assets able to generate renewable energy by the installation of roof-mounted solar panels. Working with our consultants, we have completed feasibility reports for three of our German assets and anticipate commencing installations at two sites during Q4 2023 and Q1 2024. The intention is to implement a rolling programme of feasibility studies and installations to maintain a phased programme. These initiatives are being progressed in collaboration with our customers who we engage with regularly on all ESG issues.

We are developing our approach to increasing, managing and measuring our social impact. This is being done in partnership with our asset managers and property managers.

Financial review

Rental income

Rental income for the period rose by 18.1% to €32.6 million (H1 2022: €27.6 million). The growth was primarily due to the full benefit of acquisitions in prior periods, the indexation inherent in the leases and the contribution from the Company's asset management activities, such as the Barcelona extension completed in November.

Over six months, the like-for-like annualised rental income was 5.8% higher at €78.6 million (30 September 2022: €74.3 million). Over a twelve month period, the like-for-like annualised rental income growth was 10.4%.

Operating and administrative costs

The Company's operating and administrative costs were €9.0 million (H1 2022: €8.5 million), which primarily comprised

- the Management Fee payable to the Manager of €3.4 million (see below) (H1 2022: €4.0 million);
- the Company's running costs, including accounting, tax and audit; and
- the Directors' fees.

The Management Fee benefited from the previously announced changes to the Investment Management Agreement (IMA), which shareholders approved on 25 October 2022, and resulted in significant savings for the Company in the period. The lower net asset value as at 31 March 2023 will reduce the Management fee by an estimated c.€1.1 million in the second half of the year.

Along with the increase in rental income, the lower cost base contributed to a 5.3 pts reduction in the adjusted EPRA cost ratio for the six months (inclusive of vacancy cost) to 25.6% (H1 2022: 30.9%). We expect the cost ratio to fall further in the second half, and to stabilise in a range between 20%-25%.

Financing costs

The total financing costs for the period was €4.3 million (H1 2022: €3.5 million), reflecting the average cost of debt of 1.2% (H1 2022: 1.1%), which is attractive given the higher interest rate environment. Given the Company's current level of fixed and capped-rate debt (see Debt financing section below), the maximum average run rate cost of debt for the second half of the year is expected to be 1.46%.

Net income

The loss before tax for the period was €241.3 million (H1 2022: €138.2 million profit), primarily due to the negative valuation movement of the investment properties (H1 2023: loss of €267.7 million; H1 2022: gain of €127.8 million). As explained in the market section, increasing interest rates in the second half of 2022 have led to a rise in the cost of capital, leading to a significant expansion of property yields across the European logistics sector.

The current income taxation charge for the year was 2.8% of the Company's net property income.

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 per share

The Basic EPS for the period was a loss of 27.20 cents (H1 2022: 13.35 cents), primarily driven by negative valuation movement during the period. EPRA EPS, which excludes the valuation movement and other adjustments, was 3.21 cents (H1 2022: 0.90 cents).

Adjusted Earnings for the period was €21.8 million (H1 2022: €14.7 million), resulting in Adjusted EPS of 2.70 cents (H1 2022: 1.82 cents). More information on the calculation of basic, EPRA and adjusted EPS can be found in note 7 to the condensed interim financial statements.

Dividends

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

Declared	Amount per share	In respect of	Paid/to be paid
9 February 2023	1.25 cents	1 October to 31 December 2022	14 March 2023
18 May 2023	1.25 cents	1 January to 31 March 2023	23 June 2023

The total dividend for the period was 2.50 cents per share or €20.2 million (H1 2022: 2.50 cents per share or €20.2 million) and was 108.0% covered by Adjusted Earnings (H1 2022: 72.6%). We expect the dividend for the full year to be fully covered by Adjusted Earnings.

Net assets

The IFRS NAV per share at the period end was €1.02 (30 September 2022: €1.32). EPRA NTA declined to €1.05 (30 September 2022: €1.38). Information on EPRA's net asset valuation metrics can be found in the EPRA Performance Measures section.

Debt financing

At the period end, the Company had total debt drawn of €779.0 million. This resulted in an LTV ratio of 44.9% (30 September 2022: 35.2%). Taking into account the Company's capital commitments on its development and asset management projects, the proforma LTV was 46.0% at 31 March 2023. While this is in line with the Company's previously stated medium-term target of 45%, and is well below the LTV covenant in the Company's debt facilities of 65%, we are taking action to reduce the LTV as described in the Manager's report. The Company has substantial headroom in its facilities, with €171 million of undrawn debt at 31 March 2023, or €138 million after accounting for capital commitments.

The Company's financing is well insulated from rising interest rates in the short to medium term, with no maturities before Q4 2025, 73.7% of its total debt capacity is fixed, and the floating element of debt benefiting from interest rates caps limiting the rise in Euribor to 0.65%. These interest rate caps mature in October 2023. Interest cover for the period was 4.4 times (H1 2022: 3.4 times), against a covenant level of 1.5 times.

During the period, Fitch Ratings Limited reaffirmed the Company's senior unsecured rating at BBB, with the outlook moving from stable to negative. The actions we are taking to reduce leverage seek to address this change in outlook and maintain our investment grade rating.

Post period end activity

In May, a new 10-year lease was agreed with a leading global logistics operator on the recently completed 36,434 sqm building in Dormagen. A rent of €2.97m per annum has been agreed which is 17.8% above rental guarantee and represents an additional €0.5m of annualised rental income.

Related party transactions

Transactions with related parties included the Management Fee paid to the Manager, the Directors' fees. More information can be found in note 17 to the condensed interim financial statements.

Alternative Investment Fund Manager (AIFM)

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

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 per share Dividends paid to shareholders and declared in relation to the period.	The dividend reflects our ability to deliver a growing income stream from our portfolio and is a key element of our Total Return. Our policy is to pay an attractive and progressive dividend, with the intention to pay out 90-100% of our Adjusted Earnings each year, with a minimum payout of 85% of Adjusted Earnings.	**2.50 cents per share for the six months ended 31 March 2023** (six months ended 31 March 2022: 2.50 cents per share)
2. Total Return ("TR") TR measures the change in the EPRA Net Tangible Assets (EPRA NTA) over the period plus dividends paid.	TR measures the ultimate outcome of our strategy, which is to create value for our shareholders through our portfolio and to deliver a secure and growing income stream. The Company's medium-term TR target set at IPO is 9% per annum by reference to the IPO issue price.	**(22.1)% for the six months ended 31 March 2023** (six months ended 31 March 2022: 12.4%)
3. Basic Net Asset Value Net asset value in IFRS GAAP.	Basic Net Asset Value measures the net value of the Company under IFRS.	**€822.4m** **€1.02 per share as at 31 March 2023** (€1,065.8 million or €1.32 per share as at 30 September 2022)
4. Adjusted earnings EPRA earnings, adjusted to include licence fees and rental guarantees receivable on forward funded development assets and for other earnings not supported by cash flows. See note 7 to the condensed interim financial statements.	Adjusted earnings is a performance measure used by the Board to assess our ability to generate cash earnings from our portfolio, which ultimately underpins our dividend payments.	**€21.80m** **2.70 cents per share for the six months ended 31 March 2023** (six months ended 31 March 2022: €14.69 million or 1.82 cents per 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 borrowings, with a medium-term target of 45% of gross asset value and a maximum limit of 50% (in each	**44.9% at 31 March 2023** (30 September 2022: 35.2%)

	case, calculated at the time of borrowing).	
6. Weighted average unexpired lease term ("WAULT") The average remaining number of years until the sooner of the lease expiry or the customer's break option 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 in Continental Europe.	**7.9 years at 31 March 2023, 9.6 years to term.** (30 September 2022: 8.0 years, 9.3 years to term)
7. Dividend cover Adjusted Earnings as a proportion of the dividend declared for the financial period.	The dividend cover helps to indicate how sustainable a dividend is. It measures the proportion of dividends which is supported by adjusted earnings. We expect the dividend to be fully covered for FY23.	**108.0% for the six months to 31 March 2023** (six months to 31 March 2022: 72.6%)
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.	**6.79 times for the six months to 31 March 2023** (six months to 31 March 2022: 7.58 times)
9. Like-for-like rental growth Like-for-like rental growth (including extensions) 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.	**5.8% or €4.3 million for the six months to 31 March 2023** (six months to 31 March 2022: (1.5)% or (€0.8)m)

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.	**€934.0m** **€1.16 per share as at 31 March 2023** (30 September 2022: €1,194.7 million or €1.48 per 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.	**€845.4m** **€1.05 per share as at 31 March 2023** (30 September 2022: €1,111.0 million or €1.38 per 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.	**€822.4m** **€1.02 per share as at 31 March 2023** (30 September 2022: €1,065.8 million or €1.32 per 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.	**€25.9m** **3.21 cents per share for the six months to 31 March 2023** (six months to 31 March 2022: €7.3 million or 0.90 cents per 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.	**4.3% as at 31 March 2023** (30 September 2022: 3.6%)
6. EPRA 'Topped-up' NIY This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	**4.4% as at 31 March 2023** (30 September 2022: 3.7%)

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.	**5.4% as at 31 March 2023** (30 September 2022: 0.3%)
8. EPRA Cost Ratio Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs. We expect the EPRA cost ratio to decrease over time, as the portfolio grows and the Company benefits from economies of scale.	**30.3%[1] for the six months to 31 March 2023** (six months to 31 March 2022: 33.7%[1]) **29.3%[2] for the six months to 31 March 2023** (six months to 31 March 2022: 32.8%[2])
9. Adjusted EPRA Cost Ratio EPRA Cost Ratio adjusted for non-operational items.	This ratio includes licence fee income and rental guarantees and excludes exceptional items of a capital nature.	**25.6% for the six months to 31 March 2023** 30.9% for the six months to 31 March 2022

[1] Inclusive of vacant property costs.

[2] Exclusive of vacant property costs.

Principal risks and uncertainties

The Audit & Risk Committee, which assists the Board with its responsibilities for managing risk, considers that the principal risks and uncertainties as presented in our 2022 Annual Report, were largely unchanged during the period. The explicit risk relating to Covid-19 pandemic has been removed from the key risks. Moreover, the Audit & Risk Committee considers that general macroeconomic uncertainty results in greater volatility on certain risks, namely the value of the portfolio, finance costs and customer default risk.

The Company's principal risks are summarised below:

Property risks

1. Customers may default.

2. The value of the property portfolio may experience adverse change.

3. Portfolio growth may slow.

4. Lack of diversification may amplify local risks.

5. Development activities may not be profitable.

Operational risks

6. The Company is reliant on the continuing services provided by the Manager.

7. Insurance at appropriate premiums may not be available.

Financial risks

8. Interest rates may fluctuate.

9. Debt funding at appropriate rates may not be available.

10. Debt covenants may be breached.

Taxation risks

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

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

Political risks

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

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

ESG risks

15. Physical and transition risks from ESG-related risks.

Cyber risks

16. The company's data may be exposed to cyber-attack.

Condensed Group Statement of Comprehensive Income for the six months ended 31 March 2023

	Note	**Six months ended 31 March 2023 (unaudited) €m**	Six months ended 31 March 2022 (unaudited) €m
Rental income	4	**32.55**	27.60
Service charge income	4	**5.60**	5.09
Other income	4	**0.37**	0.23
Gross property income	4	**38.52**	32.92
Direct property costs		**(6.88)**	(6.07)
Net property income		**31.64**	26.85
Fair value (loss)/gain on investment properties	9	**(267.70)**	127.82
Administrative and other expenses		**(8.96)**	(8.51)
Operating (loss)/profit		**(245.02)**	146.16
Finance income	5	**11.02**	-
Finance expense	5	**(6.57)**	(10.41)
Effect of foreign exchange differences		**(0.16)**	1.29
Changes in fair value of interest rate derivatives	13	**(0.56)**	1.12
(Loss)/profit before taxation		**(241.29)**	138.16
Taxation	6	**21.85**	(28.95)
(Loss)/profit for the period		**(219.44)**	109.21
Other comprehensive income			
Foreign currency translation differences- foreign operations		**(3.75)**	(1.49)
Total comprehensive (loss)/income for the year attributable to the Shareholders		**(223.19)**	**107.72**
Earnings Per Share (EPS) (expressed in cents per share)			
EPS – basic and diluted	7	**(27.20)**	13.35

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Condensed Consolidated Statement of Financial Position as at 31 March 2023

	Note	**31 March 2023 (unaudited) €m**	30 September 2022 (audited) €m
Non-current assets			
Investment properties	9	**1,596.66**	1,765.60
Derivative financial instruments	13	**3.87**	4.43
Trade and other receivables	10	**1.76**	1.17
Deferred tax assets		**0.85**	2.11
Total non-current assets		**1,603.14**	1,773.31
Current assets			
Trade and other receivables	10	**32.78**	31.43
Cash and cash equivalents		**62.17**	90.18
Total current assets		**94.95**	121.61
Total assets		**1,698.09**	1,894.92
Current liabilities			
Trade and other payables		**(48.61)**	(38.80)
Income tax liability		**(1.14)**	(0.60)
Total current liabilities		**(49.75)**	(39.40)
Non-current liabilities			
Trade and other payables		**(1.71)**	(1.29)
Loans and borrowings	11	**(770.33)**	(701.07)
Deferred tax liabilities		**(27.69)**	(51.74)
Other liabilities	12	**(23.91)**	(33.62)
Customer deposit		**(2.31)**	(2.05)
Total non-current liabilities		**(825.95)**	(789.77)
Total liabilities		**(875.70)**	(829.17)
Net assets		**822.39**	1,065.75
Equity			
Share capital	15	**8.07**	8.07
Share premium reserve		**597.58**	597.58
Translation reserve		**(9.99)**	(6.24)
Retained earnings		**226.73**	466.34
Total equity		**822.39**	1,065.75
Net Asset Value (NAV) per share (expressed in Euro per share)			
Basic NAV	16	**1.02**	1.32
EPRA NTA	16	**1.05**	1.38

Condensed Group Statement of Changes in Equity for the six months ended 31 March 2023

(Unaudited)	Note	Share capital €m	Share premium €m	Translation Reserve €m	Retained earnings €m	Total €m
At 1 October 2022		**8.07**	**597.58**	**(6.24)**	**466.34**	**1,065.75**
Net loss for the year		**–**	**–**	**–**	**(219.44)**	**(219.44)**
Other comprehensive income		**–**	**–**	**(3.75)**	**–**	**(3.75)**
Total comprehensive income		**–**	**–**	**(3.75)**	**(219.44)**	**(223.19)**
Contributions and distributions:						
Dividends paid	8	**–**	**–**	**–**	**(20.17)**	**(20.17)**
Total contributions and distributions		**–**	**–**	**–**	**(20.17)**	**(20.17)**
At 31 March 2023		**8.07**	**597.58**	**(9.99)**	**226.73**	**822.39**

(Audited)	Note	Share capital €m	Share premium €m	Translation Reserve €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	0.06	447.91	1053.50
Net profit for the year		–	–	–	58.77	58.77
Other comprehensive income		–	–	(6.30)	–	(6.30)
Total comprehensive income		–	–	(6.30)	58.77	52.47
Contributions and distributions:						
New share capital subscribed		–	0.14		–	0.14
Associated share issue costs		–	(0.02)	–	–	(0.02)
Dividends paid		–	–	–	(40.34)	(40.34)
Total contributions and distributions		–	0.12	–	(40.34)	(40.22)
At 30 September 2022		**8.07**	**597.58**	**(6.24)**	**466.34**	**1,065.75**

(Unaudited)	Note	Share capital €m	Share premium €m	Translation Reserve €m	Retained earnings €m	Total €m
At 1 October 2021		**8.07**	**597.46**	**0.06**	**447.91**	**1,053.50**
Net profit for the year		**–**	**–**	**–**	**109.21**	**109.21**
Other comprehensive income		**–**	**–**	**(1.49)**		**(1.49)**
Total comprehensive income		**–**	**–**	**(1.49)**	**109.21**	**107.72**
Contributions and distributions:						
New share capital subscribed		**–**	**0.14**	**–**	**–**	**0.14**
Associated share issue costs		**–**	**(0.02)**	**–**	**–**	**(0.02)**
Dividends paid	8	**–**	**–**	**–**	**(20.17)**	**(20.17)**
Total contributions and distributions		**–**	**0.12**	**–**	**(20.17)**	**(20.05)**
At 31 March 2022		**8.07**	**597.58**	**(1.43)**	**536.95**	**1,141.17**

Condensed Group Cash Flow Statement for the six months ended 31 March 2023

	Note	**Six months ended 31 March 2023 (unaudited) €m**	Six months ended 31 March 2022 (unaudited) €m
Cash flows from operating activities			
(Loss)/profit for the period		**(219.44)**	109.21
Changes in fair value of investment properties	9	**267.70**	(127.82)
Changes in fair value of derivatives	13	**0.56**	(1.12)
Tax expense	6	**(21.85)**	28.95
Net finance expense	5	**(4.45)**	10.41
Spreading of customer lease incentive	4	**(1.09)**	(1.62)
Amortisation of capital contribution and lease commission	4	**0.48**	0.19
(Increase)/decrease in trade and other receivables		**(3.15)**	(1.72)
Increase/(decrease) in trade and other payables		**8.26**	(6.24)
Increase/(decrease) in other liabilities		**0.42**	4.70
Cash generated from operations		**27.44**	14.94
Tax paid		**(0.40)**	(0.02)
Net cash flow generated by operating activities		**27.04**	14.92
Investing activities			
Purchase of investment properties	9	**(7.69)**	(234.50)
Improvements to investment properties and development expenditure	9	**(98.53)**	(59.72)
Rental guarantees and developer licence fees received		**5.94**	1.76
Net cash flow used in investing activities		**(100.28)**	(292.46)
Financing activities			
Net proceeds from issue of Ordinary Share capital		**-**	0.12
Loans received	11	**68.00**	197.62
Finance expense paid		**(2.28)**	(1.20)
Dividends paid to equity holders	8	**(20.17)**	(20.17)
Net cash flow generated from financing activities		**45.55**	176.37
Net movement in cash and cash equivalents for the period		**(27.69)**	(101.17)
Cash and cash equivalents at start of the period		**90.18**	329.73
Unrealised foreign exchange (losses)/gains		**(0.32)**	0.27
Cash and cash equivalents at end of the period		**62.17**	228.83

Notes to the Condensed Consolidated Financial Statements for the six months ended 31 March 2023

1. Basis of preparation

These condensed financial statements for the six months ended 31 March 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Services Authority, IAS 34 'Interim Financial Reporting', and with UK-adopted international accounting standards. These condensed financial statements are unaudited and do not constitute statutory accounts for the purposes of the Companies Act 2006. They were approved for issue on 17 May 2023.

The Group's business is not judged to be highly seasonal, therefore comparatives used for the six-month period ended 31 March 2023 Consolidated Income Statement are the six-month period ended 31 March 2022 Consolidated Income Statement. It is therefore not necessary to disclose the Consolidated Income Statement for the full year ended 30 September 2022 (available in the last annual report).

The comparative financial information presented herein for the period to 30 September 2022 for the Condensed Consolidated Statement of Financial Position or 31 March 2022 for other primary statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts for the period from 1 October 2021 to 30 September 2022 was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

1.1. Going concern

The Directors have prepared cash flow forecasts for the Group for a period of 12 months from the date of approval of the condensed interim financial statements. These forecasts include the Directors' assessment of plausible downside scenarios on the Group. 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. These forecasts have been further sensitised for the following scenarios:

1) The combined impact of four key tenants defaulting without replacement, combined with a twelve-month delay in letting properties under development.
2) Yield expansion resulting in further property valuation falls and the impact on debt covenants.
3) Worsening macroeconomic environment resulting in increasing debt costs.

The Group's cash balance at 31 March 2023 was €62.2million. It also had undrawn amounts under its unsecured revolving credit facility (the RCF) of a further €154.0 million at the date of approval of these financial statements. Of the Group's total facilities (the RCF, Green Bond and US private placement), €250 million will mature in October 2025, €500 million in June 2026, €100 million in January 2029, €50 million in January 2032 and €50 million in January 2034. The loans include financial covenants for loan-to-value ("LTV"), interest cover ratio ("ICR") and gearing. These covenants have been complied with throughout the period 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 valuation as at 31 March 2023 of €1,596.7million, the Group retained headroom against a covenant limit, reporting 44.9% 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 87% against the limit of 150%.

The ICR covenant is measured as the ratio of the Group's consolidated earnings before income and tax, subject to certain adjustments, to consolidated net finance costs in respect of any measurement period, by reference to accounting income. Based on the most recent reporting, the Group was not in breach of its covenant minimum reporting 4.44 times which leaves headroom above the 1.5 times minimum.

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

2. 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.

2.1 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. The Group accounts for an acquisition as a business combination where 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.

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 period, 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.

2.2 Estimates

Fair valuation of investment property

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

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards January 2022 ("the Red Book"). Factors reflected include current market conditions, annual rentals, lease lengths and location. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in note 9.

3 Summary of significant accounting policies

The accounting policies adopted in this report are consistent with those applied in the Group's consolidated financial statements for the year ended 30 September 2022 and are expected to be applied consistently during the year ending 30 September 2023.

3.1 Standards in issue and effective from 1 October 2022

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

3.2 New standards issued but not yet effective

There are new standards and amendments to standards and interpretations which have been issued that are effective in future accounting periods, and which the Group has decided not to adopt early. None of these are expected to have a material impact on the consolidated financial statements of the Group.

Certain new accounting standards and amendments are effective for annual periods beginning
after 1 January 2023, and have not been applied in preparing these Financial Statements:
– IFRS 17 Insurance contracts
– Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities
– Amendments to IAS 8, 'Accounting policies, Changes in Accounting Estimates and Errors',
definition of accounting estimates
– Amendments to IAS 1, 'Presentation of Financial Statements', disclosure of accounting policies
– Amendments to IAS 12 – Deferred taxes related to assets and liabilities arising from a single
Transaction
– Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information
The amendments that are not yet effective are not expected to have a material impact on the
Group in the current or future reporting periods and on the foreseeable future transactions.

4. Gross property income

	Six months ended 31 March 2023 (unaudited) €m	Six months ended 31 March 2022 (unaudited) €m
Rental income	**31.94**	26.47
Spreading of tenant incentives	**1.09**	1.32
Amortisation of capital contribution and lease commission	**(0.48)**	(0.19)
Gross rental income	**32.55**	27.60
Service charges income	**5.60**	5.09
Other income	**0.37**	0.23
Gross property income	**38.52**	32.92

The Group derives property income from the following countries:

Gross property income (unaudited)	**Belgium €m**	**Germany €m**	**Spain €m**	**Italy €m**	**Poland €m**	**The Netherlands €m**	**Sweden €m**	**Total €m**
Period ended 31 March 2023	**4.46**	**15.18**	**5.45**	**4.78**	**3.62**	**3.43**	**1.60**	**38.52**
Period ended 31 March 2022	3.63	14.13	5.33	4.28	3.09	1.46	1.00	32.92

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

(Unaudited)	**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**
31 March 2023	**74.63**	**68.94**	**64.95**	**62.42**	**57.80**	**300.72**	**629.46**
31 March 2022	59.74	66.47	60.74	57.63	54.59	322.32	621.49

The Group's investment properties are leased mainly to single customers, some of which have guarantees attached, under the terms of a commercial property lease. The majority have rent indexation that are linked to either RPI/CPI or fixed uplifts.

Two customers each represent more than 10% of rental income during the period (€5.16 million and €3.21 million). As at 31 March 2022 three customers represented more than 10% of passing rent (€5.08 million, €3.13 million and €2.89 million).

5. Finance income and expense

	Six months ended 31 March 2023 (unaudited) €m	Six months ended 31 March 2022 (unaudited) €m
Interest income on interest rate derivative	1.35	-
Fair value gain on remeasurement of put option	9.67	-
Total finance income	**11.02**	-
Interest payable on loans and bank borrowings	4.61	2.96
Commitment fees payable on bank borrowings	0.51	0.58
Fair value loss on remeasurement of put option	**-**	5.11
Bank fees	0.17	0.61
Amortisation of loan arrangement fees	1.28	1.15
Total finance expense	**6.57**	10.41

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €5.12 million (31 March 2022: €3.54 million), of which nil was capitalised in both periods. The total amortisation of loan arrangement fees for 31 March 2023 was €1.28 million (31 March 2022: €1.15 million), of which nil was capitalised into the loan in the period (31 March 2022: €2.40 million)

6. Taxation

Tax charge in the Group Statement of Comprehensive Income

	Six months ended 31 March 2023 (unaudited) €m	Six months ended 31 March 2022 (unaudited) €m
Current taxation:		
UK taxation	–	–
Overseas taxation	**(0.88)**	**(0.47)**
Deferred taxation:		
UK taxation	–	–
Overseas taxation	**22.73**	**(28.48)**
Total tax credit/(charge)	**21.85**	**(28.95)**

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 period, in accordance with its status as an Investment Trust Company ("ITC").

7. Earnings per share

Earnings per share ("EPS") amounts are calculated by dividing profit or loss for the period attributable to ordinary equity holders of the Group by the weighted average number of Ordinary Shares in issue during the period. As at 31 March 2023 there are no dilutive or potentially dilutive equity arrangement in existence.

The calculation of EPS is based on the following:

For the period ended 31 March 2023 (unaudited)	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares '000	Earnings per share Cent
Basic EPS	**(219.44)**	**806,804**	**(27.20)**
Adjustments to remove:			
Deferred tax charge (note 6)	**(22.73)**		
Changes in fair value of investment properties (note 9)	**267.70**		
Changes in fair value of interest rate derivatives (note 13)	**0.37**		
EPRA EPS	**25.90**	**806,804**	**3.21**
Adjustments to include/(exclude):			
Rental income recognised in respect of fixed uplifts	**(1.09)**		
Amortisation of capital contribution and lease commission	**0.48**		
Rental guarantee receipts excluded from property income-settled via cash	**5.94**		
Amortisation of loan arrangement fees	**1.28**		
Unrealised foreign exchange currency loss	**0.32**		
Gain on remeasurement of put option	**(10.10)**		
Interest from financial derivatives	**(0.93)**		
Adjusted EPS	**21.80**	**806,804**	**2.70**

For the period ended 31 March 2022 (unaudited)	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings per share Cent
Basic EPS	107.72	806,755	13.35
Adjustments to remove:			
Deferred tax charge (note 6)	28.48		
Changes in fair value of investment properties (note 9)	(127.82)		
Changes in fair value of interest rate derivatives (note 13)	(1.12)		
EPRA EPS	7.26	806,755	0.90
Adjustments to include/(exclude):			
Rental income recognised in respect of fixed uplifts	**(1.32)**		
Amortisation of capital contribution and lease commission	**0.19**		
Rental guarantee receipts excluded from property income-settled via cash	**2.45**		
Amortisation of loan arrangement fees	**1.15**		
Unrealised foreign exchange currency gain	**0.27**		
Loss on remeasurement of put option	**4.69**		
Adjusted EPS	**14.69**	**806,755**	**1.82**

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

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.

iv. Exclusion of exceptional items, considered as an expense under IFRS, which are capital in substance and nature and result in longer term value to the business.

v. Exclusion of the over hedged portion of interest income from financial derivatives, considered as income under IFRS, as financing activities are not part of the Group's operations.

8. Dividends paid

	Six months ended 31 March 2023 (unaudited) €m	Six months ended 31 March 2022 (unaudited) €m
Final dividend in respect of period ended 30 September 2022 at 1.25 cent per Ordinary Share (30 September 2021: 1.25 cent)	**10.08**	10.08
First interim dividend in respect of year ended 30 September 2023 at 1.25 cent per Ordinary Share (30 September 2022: 1.25 cent)	**10.09**	10.09
Total dividends paid	**20.17**	20.17
Total dividends paid per share for the period	2.50 cent	2.50 cent
Total dividends unpaid but declared per share for the period	1.25 cent	1.25 cent
Total dividends declared per share for the period	2.50 cent	2.50 cent

On 18 May 2023, the Directors of the Company declared a second interim dividend in respect of the year ended 30 September 2023 of 1.25 cent per Ordinary Share, which will be payable on or around 23 June 2023 to Shareholders on the register on 26 May 2023.

Out of €20.17 million dividends declared for the period, €7.10 million is designated as interest distribution.

9. Investment properties

The Group's investment property has been valued at fair value by CBRE, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuations have been prepared in accordance with the RICS Valuation – Global Standards January 2022 ("the Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13. In forming its opinion, CBRE makes a series

of assumptions, which are typically market related, such as yields and expected rental values and are based on the valuer's professional judgement and the current tenancy of the properties.

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

During the period, the Group acquired land at Oberhausen. The acquisition was finalised on 5 January 2023, shown in the table below under investment properties under construction.

(Unaudited)	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
As at 1 October 2022	**1,543.87**	**221.73**	**1,765.60**
Acquisition of properties[1]	**0.25**	**7.44**	**7.69**
Additions to investment properties	**0.96**	**97.57**	**98.53**
Transfer from investment properties to investment properties under construction	**–**	**–**	**–**
Transfer from investment properties under construction to investment properties	**168.47**	**(168.47)**	**–**
License fees and rental guarantees recognised	**(4.62)**	**(0.49)**	**(5.11)**
Fixed rental uplift and tenant lease incentives[2]	**1.74**	**–**	**1.74**
Amortisation on rental uplift and tenant lease incentives[2]	**(0.74)**	**–**	**(0.74)**
Change in fair value during the period[3]	**(234.85)**	**(32.85)**	**(267.70)**
Foreign exchange movement during the period	**(1.37)**	**(1.98)**	**(3.35)**
As at 31 March 2023	**1,473.71**	**122.95**	**1,596.66**

(Audited)	Investment properties completed €m	Investment properties under construction €m	Investment properties Total €m
As at 1 October 2021	**1,257.35**	**24.03**	**1,281.38**
Acquisition of properties[1]	**168.65**	**134.52**	**303.17**
Additions to investment properties	**1.41**	**143.38**	**144.79**
Transfer from investment properties to investment properties under construction	**(1.30)**	**1.30**	**-**
Transfer from investment properties under construction to investment properties	**70.71**	**(70.17)**	**-**
License fees and rental guarantees recognised	**(0.44)**	**(14.31)**	**(14.75)**
Fixed rental uplift and tenant lease incentives[2]	**5.66**	**–**	**5.66**
Amortisation on rental uplift and tenant lease incentives[2]	**(1.35)**	**–**	**(1.35)**
Change in fair value during the period[3]	**46.87**	**3.07**	**49.94**
Foreign exchange movement during the period	**(3.15)**	**(0.09)**	**(3.24)**
As at 30 September 2022	**1,543.87**	**221.73**	**1,765.60**

1 Included acquisition costs of €0.23 million (30 September 2022: €13.81 million).

2 This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent free periods, which requires the recognition of rental income on a straight line basis over the lease term. The amount as at 31 March 2023 was €12.29 million (30 September 2022: €10.94 million). The difference between this and cash receipts changes the carrying value of the property against which revaluations are measured (also see note 6).

3 Included in the fair value change in the period were unrealised gains of €12.92million (30 September 2022: €93.08 million) and unrealised losses of €280.62 million (30 September 2022: €43.14 million).

	31 March 2023 €m	30 September 2022 €m
Investment properties in Balance Sheet	**1,596.66**	1,765.60
Rental guarantee held in separate receivable	**6.95**	6.93
Total external valuation of investment properties	**1,603.61**	1,772.53

As at 31 March 2023, the Group had the following capital commitments in relation to its development assets totalling €32.6 million (30 September 2022: €123.7 million):

- Settimo Torinese €4.9 million
- Bönen €9.6 million
- Rosersberg II €11.4 million
- Strykow €6.7 million

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

Valuation and real estate risks

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, climate risks, competition and increase in operating costs.
Besides asset-specific characteristics, general market circumstances affect the value and income from investment properties such as the cost of regulatory requirements related to investment properties, interest rate levels and the availability of financing.

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

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

Fair value hierarchy

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

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

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

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

The following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques

Investment properties completed: income approach

The income method (or income approach) quantifies the net present value of future benefits associated with the ownership of the asset by totalling the current tenancy of the property, followed by the market rent on lease expiry, capitalised at an appropriate yield. The methodology is based on a direct capitalisation model where the lease-based income has been capitalised with an all-risk yield in perpetuity. The choice of this methodology represents the likely basis of analysis to be used by a potential purchaser for this type of property (income producing).

Investment properties under construction: residual approach

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

Unobservable input: estimated rental value ("ERV")

ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location. At 31 March 2023 the range was between €40.01 - €126.00 per square metre, per annum (30 September 2022: €44.00 - €94.00 per square metre, per annum). The weighted average ERV at 31 March 2023 was €58.30 per square metre, per annum (30 September 2022: €57.40 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 31 March 2023, the average yield was 4.7% and the range was between 3.6% and 6.7% (30 September 2022: average yield was 3.94% and the range was between 2.3% and 4.9%). Implicit in the yield is the valuer's consideration of climate risks.

Yield and ERV are not necessarily independent variables. It is possible a change in one assumption may result in an offsetting change to the other but equally the change in both assumptions may increase the impact on valuation.

Sensitivities of measurement of significant unobservable inputs

As set out within significant accounting estimates and judgements above, the Group's property portfolio valuation is open to estimation uncertainty and is inherently subjective in nature. At the balance sheet date, when the property portfolio was valued, the Group considered the range used below, in the sensitivity analysis, to be appropriate as at that date.

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

	-0.25%yield €m	+0.25% yield €m	-5% ERV €m	+5 % ERV €m
(Decrease)/increase in the fair value of investment properties as at 31 March 2023	**94.28**	**(84.87)**	**(58.14)**	**58.62**
(Decrease)/increase in the fair value of investment properties as at 30 September 2022	115.14	(102.22)	(45.74)	48.97

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

10. Trade and other receivables

Non-current trade and other receivables	**31 March 2023 (unaudited) €m**	30 September 2022 (audited) €m
Cash in public institutions	**1.76**	1.17

The cash in public institutions is a deposit of €1.76 million given by the tenant for the property in Barcelona, Spain.

Current trade and other receivables	**31 March 2023 (unaudited) €m**	30 September 2022 (audited) €m
Trade receivables	**1.40**	1.34
Prepayments, accrued income and other receivables	**19.37**	18.61
VAT receivable*	**12.01**	11.48
	32.78	31.43

* VAT receivable includes VAT on capital expenditure across the developments and a reclaim on the purchase of the property in Italy €1 million (30 September 2022: €1 million).

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.

11. Loans and borrowings

As at 31 March 2023, 73.7% (30 September 2022: 73.7%) of the Group's debt facility commitments are fixed term with 26.3% floating term (30 September 2022: 26.3%). The LTV across all drawn debt was 44.9% against a target of 45% (with a limit of 65% in the RCF). The Group has been in compliance with all of the financial covenants of the Group's bank facilities as applicable throughout the period.

The Group had available headroom of €171 million under its bank borrowings (30 September 2022: €239 million).

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

	31 March 2023 (unaudited) €m	30 September 2022 (audited) €m
Bank borrowings drawn in the year	**79.00**	11.00
Less: unamortised costs on borrowings	**(1.55)**	(1.89)
Non-current liabilities: borrowings	**77.45**	9.11

	31 March 2023 (unaudited) €m	30 September 2022 (audited) €m
0.95% Green Bonds 2026	**500.00**	500.00
1.216% USPP 2029	**100.00**	100.00
1.449% USPP 2032	**50.00**	50.00
1.590% USPP 2034	**50.00**	50.00
Less: unamortised costs on loan notes	**(7.12)**	(8.04)
Non-current liabilities: loans notes	**692.88**	691.96

Maturity of loans and borrowings	***30 September 2022 (audited)***		
	Drawn €m	**Undrawn €m**	**Total debt available €m**
Repayable between one and two years	–	–	–
Repayable between two and three years	–	–	–
Repayable between three and four years	511.00	239.00	750.00
Repayable between four and five years	–	–	–
Repayable in over five years	200.00	–	200.00
	711.00	239.00	950.00

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

	Book Value 31 March 2023 €m	**Fair Value 31 March 2023 €m**	Book Value 30 September 2022 €m	Fair Value 30 September 2022 €m
Bank borrowings: RCF	**79.00**	**79.00**	11.00	11.00
0.950% Green Bonds 2026	**500.00**	**419.90**	500.00	422.55
1.216% USPP 2029	**100.00**	**91.64**	100.00	91.81
1.449% USPP 2032	**50.00**	**44.47**	50.00	44.75
1.590% USPP 2034	**50.00**	**43.76**	50.00	44.14
Total borrowings and loan notes	**779.00**	**678.77**	711.00	614.25

The fair value of financial liabilities traded on active liquid markets, including the 0.95% Green Bonds 2026, 1.216% USPP 2029, 1.449% USPP 2032 and 1.590% USPP 2034, are determined with reference to the quoted market prices. The financial liabilities are considered to be Level 1 and Level 2 fair value measure. The fair value of the financial liabilities at Level 1 was €419.90 million (30 September 2022: €422.55 million) and Level 2 was €179.87 million (30 September 2022: €180.70).

12. Other liabilities

The Group's properties in Germany are held in subsidiaries in which the Group holds 94.9% or 89.9% of the shares. As part of the purchase agreements, the Group issued put options to the minority shareholders. The options are exercisable ten 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.

13. 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 period end the Group had notional value of interest rate caps of €250 million to act as a hedge against the €250 million revolving credit facility.

The weighted average capped rate, excluding any margin payable, for the Group as at the period end was 0.67%. There was no premium payable towards securing the interest rate caps in both periods.

	31 March 2023 (unaudited) €m	30 September 2022 (audited) €m
Interest rate derivatives valuation brought forward	**4.43**	0.05
Realised loss on derivative	**-**	(0.11)
Disposal of interest rate cap/Cap break receipt	**-**	(0.17)
Fair value movement	**(0.56)**	4.66
Non-current assets: interest rate derivatives carried forward	**3.87**	4.43

The interest rate derivatives are marked to market 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 period end date the total proportion of debt hedged via interest rate derivatives equated to 100% (30 September 2022: 100%).

Fair value hierarchy

The fair value of the Group's interest rate derivatives is recorded in the Group Statement of Financial Position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the period 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.

14. 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 approximates their fair value at the end of the period.

Risk management

The Group is exposed to market risk (including interest rate risk) and credit risk. The Board of Directors oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks that are summarised below.

Market risk

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

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis was performed to ascertain the impact on the Group Cash Flow Statement and net assets based on nominal borrowings at the period end. The RCF facility was drawn by €79 million at the period end, 31.6% of the total €250 million facility. The RCF benefits from interest rate caps, capping the level of Euribor 3 months to a maximum of 0.65%. With the hedging in place, any further movements in interest rates would have limited 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
31 March 2023 (unaudited)	**145.45**	**786.44**	**213.26**	**196.19**	**72.60**	**21.58**	**157.34**	**105.23**	**1,698.09**
30 September 2022 (audited)	170.02	878.41	238.06	227.39	63.82	24.81	181.79	111.70	1,894.92

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions.
Credit risk is mitigated by 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 €1.76 million (see note 10) 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 9). 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.

Currency risk

The Group's functional currency is the Euro as the Group operates in continental Europe. The Group keeps some cash in foreign currency to finance its working capital. The Group holds investment properties in Sweden, which transact business denominated in SEK. As such, there is currency exposure resulting from translating their performance and net assets into the functional currency, Euros, for each financial period and at each balance sheet date.

Development risk

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

Taxation risk

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

15. Share capital

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

Ordinary Shares	**31 March 2023 Number**	**31 March 2023 €m**	30 September 2022 Number	30 September 2022 €m
Issued and fully paid at 1 cent each				
Balance at beginning of period – €0.01 Ordinary Shares	**806,803,984**	**8.07**	806,693,378	8.07
Shares issued in the period	**-**	**-**	110,606	0.00
Balance at end of period	**806,803,984**	**8.07**	806,803,984	8.07

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

16. Net asset value (NAV) per share

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

	31 March 2023 (unaudited) €m	30 September 2022 (audited) €m
Net assets per Group Statement of Financial Position	**822.39**	1,065.75
Ordinary Shares:		
Issued share capital (number)	**806,803,984**	806,803,984
NAV per share (expressed in Euro per share)		
Basic NAV per share	**1.02**	**1.32**

	31 March 2023			30 September 2022		
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to shareholders	**822.39**	**822.39**	**822.39**	1,065.75	1,065.75	1,065.75
Mark-to-market adjustments of derivatives	**(3.87)**	**(3.87)**	-	(4.43)	(4.43)	-
Deferred tax adjustment	**26.84**	**26.84**	-	49.63	49.63	-
Transaction costs[1]	**88.63**	**-**	-	83.78	-	-
NAV	**933.99**	**845.36**	**822.39**	**1,194.73**	**1,110.95**	**1,065.75**
NAV per share	**1.16**	**1.05**	**1.02**	1.48	1.38	1.32

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

17. Transactions with related parties

For the period ended 31 March 2023, all Directors and some of the Partners of the Manager are considered key management personnel. The fee payable to the Manager for the period to 31 March 2023 was €3.41 million (31 March 2022: €3.95 million). An additional €0.06 million of the investment management fee was capitalised during the period (30 September 2022: €0.19 million).

The total amount outstanding at the period end relating to the Investment Management Agreement was €1.69 million (30 September 2022: €1.95 million).

The total amounts paid to Directors for their services for the period to 31 March 2023 was €0.2 million (31 March 2022: €0.1 million).

The Members of the Manager that are considered as key management personnel are Phil Redding, James Dunlop, Henry Franklin and Petrina Austin.

During the period the Directors received the following dividends: Robert Orr: €4,836 (31 March 2022: €1,350), Keith Mansfield: €7,250 (31 March 2022: €7,250), Taco De Groot: €1,050 (31 March 2022: €1,050), Eva-Lotta Sjöstedt: €173 (31 March 2022: €173) and Sarah Whitney: €1,218 (31 March 2022: €nil).

During the period the Members of the Manager received the following dividends: Phil Redding €3,300 (31 March 2022: €239), James Dunlop: €9,554 (31 March 2022: €7,206), Henry Franklin: €6,416 (31 March 2022: €4,850) and Petrina Austin €1,007(31 March 2022: €886).

18. Subsequent events

In May, a new 10-year lease was agreed with a leading global logistics operator on the recently completed 36,434 sqm building in Dormagen.

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