

TRADING UPDATE

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Tritax Big Box REIT plc
17 January 2019

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TRITAX BIG BOX REIT PLC

(the "Company")

TRADING UPDATE

The Board of Tritax Big Box REIT plc (ticker: BBOX) is pleased to provide the following trading update ahead of the publication of the Company's results for the year ended 31 December 2018, which are expected to be published on or around 6 March 2019.

HIGH QUALITY PORTFOLIO

- 54 Big Box assets and 114 acres of prime London distribution development land owned (the "**Portfolio**") independently valued at £3.42 billion as at 31 December 2018 (30 June 2018: £2.90 billion) including all forward funded development commitments
 - Like-for-like valuation uplift of 4.7% during the 12 month period to 31 December 2018 (2.6% during the six month period to 31 December 2018)
 - Weighted average purchase yield since inception of 5.5%¹, against a valuation yield of 4.4% as at 31 December 2018
 - 86% of Portfolio assets acquired off-market since inception
 - Weighted average unexpired lease term across the Portfolio as at 31 December 2018 of 14.4 years^{1,2}
- Portfolio 100% let or pre-let to 39 institutional quality tenants with contracted annual rental income of £161.1 million as at 31 December 2018¹
 - All leases provide for upward only rent reviews, of which 45% are RPI/CPI-linked, 37% are open market, 11% are fixed and 7% are hybrid³
 - As at 31 December 2018, the Company's largest tenant exposure was to Amazon, representing 13.6% of the Company's total contracted rental income (30 June 2018: 4.1%)

INVESTMENT ACTIVITY

- Eight new Big Box investments acquired in 2018 (including seven pre-let forward funded developments), with an aggregate purchase price commitment of £641.5 million⁴
 - Weighted average purchase yield of the eight investments of 5.1%
 - Valuation uplift of 7.5% across the eight investments as at 31 December 2018 compared to the aggregate purchase price commitment⁵
 - Weighted average unexpired lease term across the eight investments as at 31 December 2018 of 18.9 years²
- Planning permission secured for Phase 1 of the Company's prime London distribution development site at Littlebrook, Dartford, comprising the proposed development of a 450,000 sq. ft. logistics facility
 - The Company is targeting a yield on cost on Phase 1 of in excess of 6.5%
 - The 114 acre Littlebrook site represents one of London's largest big box logistics parks and is in a core South East "Last Mile" location on the edge of London and inside the M25 orbital motorway
- Seven pre-let forward funded developments, totalling 6.6 million sq. ft., under construction as at 31 December 2018

ASSET MANAGEMENT ACTIVITY

- Completion of a new 15 year lease at the Company's distribution centre at Barlborough Links, Chesterfield, following the successful negotiation of a lease surrender with the previous tenant, reflecting an increase in annual rent of 25.4% from the previous passing level
- Completion of a 10 year lease extension with Kellogg's at the Company's distribution centre at Trafford Park, Manchester, reflecting an increase in annual rent of 20.0% from the previous passing level
- 2.0% average annual like-for-like growth in passing rent following the settlement of 10 rent reviews in 2018, representing 19.2% of the Company's total contracted annual rental income at 31 December 2018

FINANCING ACTIVITY

- US private placement of £400 million senior unsecured fixed rate loan notes agreed in December 2018, with a weighted average

coupon of 2.91% and a weighted average maturity of 9.8 years. The funds will be drawn on 28 February 2019

- Maturity date of £350 million unsecured revolving credit facility (with an uncommitted £200 million accordion option) extended by one year to December 2023
- £1.46 billion of committed debt financing in place, of which £834 million was drawn as at 31 December 2018 (27% LTV) and £386 million is allocated against existing forward funded commitments
- Weighted average term to maturity of debt facilities of 8.7 years as at 31 December 2018 (8.9 years as at 31 December 2017)
- Weighted average running cost of debt of 2.63%, primarily comprising fixed rate debt (2.38% as at 31 December 2017)
- Successful significantly oversubscribed £155.6 million equity issue in April 2018

PROGRESSIVE DIVIDEND POLICY

- The Company is targeting an aggregate dividend of 6.7 pence per share for the year ended 31 December 2018, payable quarterly, of which 5.025 pence per share has been paid for the nine months ended 30 September 2018
- The Company intends to maintain its progressive dividend policy during 2019 and thereafter

Colin Godfrey, Partner of Tritax, said:

"We have maintained a patient and disciplined approach to capital deployment throughout the year, investing £641.5 million in eight off-market and attractively priced assets, including seven forward funded pre-let developments which are due for completion over the course of the next 18 months, each delivering effective income during the construction phase. These new assets will help maintain the modernity of our portfolio and have enhanced our WAULT which now stands at 14.4 years. The addition of these assets has further diversified our customer tenant base and increased our weighting to high calibre companies in the e-retail, manufacturing and electricals sectors. Three of these important new assets are pre-let to Amazon, now our largest tenant by rental income.

Planning consent for a 450,000 sq. ft. logistics facility was secured at our 114 acre development site at Dartford and we successfully repositioned two Value Add assets into Foundation assets through the negotiation and delivery of new long-term leases.

Despite the ongoing uncertainty around Brexit, logistics lettings in 2018 reached near record high levels and market rents continued to grow even though speculative supply has increased. This occupier demand has been underpinned by the continued growth in e-commerce and occupiers seeking improved supply chain efficiency through the application of larger, flexible and automated logistics property solutions. Investment demand has also remained high, as evidenced by further yield compression during 2018. The outlook for our Company remains positive and we expect UK logistics to remain a robust property investment sector during 2019."

Notes

- 1) Excludes development site at Littlebrook, Dartford
- 2) To the earlier of lease expiry or break option
- 3) Based on contracted annual rental income as at 31 December 2018
- 4) Based on target commitments of £141.5 million in relation to the Company's forward funded development at Integra 61, near Durham and £120.3 million in relation to the Company's forward funded development at Link 66, Darlington
- 5) Excludes property purchase costs
- 6) Excludes £250 million short-term facility entered into in October 2018
- 7) Based on gross debt, excluding commitment fees
- 8) The target dividend is a target only and not a forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's actual or expected future results

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 213800L6X88MIYPVR714

NOTES:

Tritax Big Box REIT plc is the only listed vehicle dedicated to investing in very large logistics warehouse assets ("**Big Boxes**") in the UK and is committed to delivering attractive and sustainable returns for shareholders. Investing in and actively managing existing built investments, land suitable for Big Box development and pre-let forward funded developments, the Company focuses on well-located, modern "Big Box" logistics assets, typically greater than 500,000 sq ft (measured by floor area, c. 69% of the Company's existing logistics facilities including forward funded developments are in excess of 500,000 sq ft), let to institutional-grade tenants on long-term leases (typically at least 12 years in length) with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity in this sub-sector of the UK logistics market owing to

strong tenant demand and limited supply of Big Boxes.

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

Further information on Tritax Big Box REIT is available at www.tritaxbigbox.co.uk

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