

Press Release

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28 September 2016

Tritax Big Box Placing, Open Offer and Offer for Subscription



The Board of Directors (the "**Directors**") of Tritax Big Box REIT plc (ticker: BBOX) announces a Placing, Open Offer and Offer for Subscription of new ordinary shares of the Company (the "**New Shares**") at a price of 132 pence per New Share (the "**Issue Price**") (the "**Issue**")

Any capitalised terms used but not otherwise defined in this announcement have the meaning set out in the prospectus and/or the circular to be published by the Company in connection with the Issue.

The Company expects to use the net proceeds of the Issue to acquire further investments. In this regard, Tritax Management LLP (the "**Manager**") is engaged in detailed discussions with the owners of a number of attractive investment assets that meet the Company's investment criteria and are available for potential acquisition in the near term (as set out in more detail below). The Directors consider that such investment opportunities are likely to be value accretive to investors over the medium term. Accordingly, the Company is seeking to raise a target amount of £150 million¹ (before expenses) via the Issue that will provide the Company with funds to capitalise on these opportunities. The Company plans to deploy the net proceeds of the Issue within three months of Admission.

Issue Highlights

- The Issue, which is not underwritten, comprises the Placing, Open Offer and Offer for Subscription, in aggregate equalling up to 113,636,364 New Shares at the Issue Price of 132 pence per New Share (based on the target size of £150 million).
- The Issue Price represents a discount of 7.1 per cent. to the closing price of 143.6 pence per Existing Ordinary Share as at the close of business on 27 September 2016, net of the second interim dividend of 1.55 pence per Ordinary Share described below and a premium of 4.9 per cent. to the unaudited EPRA Net Asset Value per Existing Ordinary Share (128.91 pence as at 30 June 2016), net of the first interim dividend of 3.1 pence per Ordinary Share paid on 25 August 2016.
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- The New Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, save in respect of the second interim dividend of 1.55 pence per Ordinary Share declared today for the three month period to 30 September 2016.
- Under the Open Offer, up to an aggregate amount of 76,364,364 New Shares will be made available to Qualifying Shareholders at the Issue Price, *pro rata* to their holdings of Existing Ordinary Shares, on the basis of:
 - 1 New Ordinary Share(s) for every 11 Existing Ordinary Shares held on the Record Date.
- The balance of New Shares to be made available under the Issue together with New Shares not taken up pursuant to the Open Offer will be made available for subscription under the Excess Application Facility, the Placing and the Offer for Subscription.
- The Placing and Offer for Subscription are subject to scaling back at the discretion of the Directors. The Open Offer is not subject to scaling back in favour of the Placing or the Offer for Subscription.
- The Issue, which is not underwritten, is conditional, amongst other things, upon the passing of the Resolutions at the General Meeting, Admission of the New Shares occurring no later than 8.00 a.m. on 18 October 2016 (or such later time and/or date as the Company and Jefferies may agree) and the Placing Agreement not being terminated and becoming unconditional in accordance with its terms. If these conditions are not met, the Issue will not proceed and an announcement to that effect will be made via a Regulatory Information Service.
- Application will be made for the New Shares to be admitted to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities.

Benefits of the Issue

The Directors believe that the Issue will have the following principal benefits for Shareholders:

- the net proceeds of the Issue will be used to make further investments in accordance with the Company's investment criteria, diversifying the Company's Portfolio in terms of both tenant exposure and geographical location and capitalising on the Company's leading position in the UK Big Box logistics market;
- all the assets targeted to be acquired are expected to be value accretive for Shareholders over the medium term;
- an increase in the size of the Company should improve liquidity and enhance the marketability of the Company's Ordinary Shares, resulting in a broader investor base over the longer term; and
- an increase in the size of the Company will spread its fixed operating expenses over a larger capital base, which should reduce ongoing expenses per Share.

Pipeline of potential investments

The Manager has access to a pipeline of potential investments and is engaged in discussions with the owners of a number of attractive assets that meet the Company's investment criteria and are available for potential acquisition in the near term (although the Company has not entered into any definitive agreements with respect to any of them). Among these, the Manager is currently in advanced negotiations in relation to three assets, brief details of which are set out below. Each of these assets is under offer and in exclusivity. All three assets are occupied by high quality tenants none of which are tenants of the Company's existing Portfolio.

	Asset One	Asset Two	Asset Three
Location	Midlands	Midlands	South East
Expected Consideration	c. £80 million	c. £35 million	c. £60 million
Size	c. 800,000 sq.	c. 500,000 sq.	c. 350,000 sq.
Unexpired Lease	20 years	5 years	9 years
On / Off Market	Off Market	Off Market	Off Market

There can be no certainty that the Company will complete any of these acquisitions, or that the Company will complete any of the transactions in its investment pipeline. It is however possible that contracts may be exchanged on one or more of the three assets listed above in the coming weeks, and this may occur before, or shortly after, Admission. If the Company proceeds to acquire these assets, it would look to finance each of them using the proceeds of the Issue. In respect of Asset Two it is possible that part of the consideration will be satisfied by the issue of new Ordinary Shares. The Directors consider that these investment opportunities are likely to be value-accretive to investors over the medium term.

Competitive Advantages

The Directors believe that the Company has a number of competitive advantages including:

- **Unique portfolio:** the Company is the only listed vehicle giving pure exposure to the Big Box asset class in the UK with a Portfolio of 31 Big Box assets that are income producing and let or pre-let to institutional-grade tenants;
- **Tenant quality:** the Company's Portfolio is let or pre-let to some of the most well-known companies in the UK including Amazon, B&Q, Kellogg's, L'Oréal, Marks & Spencer, Rolls-Royce Motor Cars, Sainsbury's and Tesco. 43 per cent. of the Company's tenants are FTSE 100 companies, 23 per cent. are FTSE 250 companies and 16 per cent. are other listed public limited companies;
- **Long leases:** the Company's Portfolio benefits from a weighted average unexpired lease term ("**WAULT**") of 16.3 years as at 30 June 2016. 56 per cent. of the Company's rent roll does not expire for more than 15 years and is well positioned to offer strong and reliable income growth through upward only rent reviews, which are either fixed, linked to RPI/CPI or reviewed to open market typically every five years;
- **Access to investment opportunities:** the Manager has access to attractively priced investment opportunities through long-established industry contacts and extensive knowledge of the sector; 77 per cent. (by value) of the Company's Portfolio has been acquired off-market, helping to avoid the potential of a competitive acquisition process for assets and thereby potentially enhancing capital appreciation;
- **Access to financing:** the Company has £641.5 million of committed debt financing in place of which £583.4 million is currently drawn (representing a loan to value ratio of 36 per cent.) with a weighted average term to maturity of 5.3 years, increasing to 6.8 years with extension options. The current blended margin payable on £570 million of the Company's committed debt facilities is 1.43 per cent. above three month LIBOR². The weighted average all-in capped cost of debt is 2.82 per cent. using interest rate caps and swaps which co-terminate with each facility;
- **Favourable demand/supply dynamic:** the imbalance of occupational supply and demand remains favourable for landlords, pointing to the potential for further rental growth;

- **Asset management:** the Company is progressing a number of opportunities to create capital value enhancement through re-gearing of leases, maximising rent reviews and capturing expansion plans to support tenant operations;
- **Fully covered, progressive dividend policy:** the Company's dividend policy is underpinned by a growing rental stream with inflation protection, a low cost base and all leases providing for upward only rent reviews, positioning the Company to capture market rental growth;
- **Low cost management fee arrangements:** management fees are based on Basic NAV excluding uncommitted cash balances and reduce as Basic NAV grows. Furthermore, 25 per cent. of total fees (net of any applicable tax) are payable in Ordinary Shares, helping to align the interests of the Manager with Shareholders. There are no additional performance, acquisition, exit or property management fees payable by the Company;
- **Low total expense ratio:** the Company's total expense ratio for 2015 was approximately 1.1 per cent. The Company's total expense ratio for the six months ended 30 June 2016 was consistent with this level; and
- **Development benefit with minimised development risk:** the Company does not undertake speculative development and will only fund a development which is pre-let.

Dividends

The Company has today declared a second interim dividend of 1.55 pence per Ordinary Share for the three month period to 30 September 2016 to Shareholders on the register on 14 October 2016. The dividend is expected to be paid on or around 27 October 2016.

The Directors have adopted a progressive dividend policy for 2016 with a target dividend of 6.2 pence per Ordinary Share for the year ending 31 December 2016³, representing a 3.3 per cent. increase in the total dividend of 6.0 pence per Ordinary Share declared for 2015, in excess of the rate of RPI inflation over the period from IPO to 31 December 2015 and representing a dividend yield of 4.7 per cent. on the Issue Price of 132 pence. Dividends are expected to be fully covered by Adjusted Earnings from the Company's Portfolio.

The Company intends to move to quarterly dividend payments with effect from the financial year commencing 1 January 2017.

Notes

¹ The Directors have the ability to increase the size of the Issue to up to £250 million.

² £570 million includes all loans except the £72 million, 13-year, interest only, term loan facility agreed with Canada Life in August 2016 with a fixed rate payable of 2.64%.

³ This 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 expected or actual future results. Potential investors should not place any reliance on these targets and any investment decision should be made exclusively on the basis of the Prospectus.

Prospectus and Circular

Further details of the Issue and Admission will be set out in the Prospectus, which, together with a Circular, are expected to be available today on the Company's website at www.tritaxbigbox.co.uk and can be inspected at the offices of Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW.

Copies of the Prospectus and the Circular will be submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM.

The Circular convening the General Meeting at which the Directors are seeking authority to disapply pre-emption rights and issue and allot the New Ordinary Shares in respect of the Issue will be posted to Shareholders today.

Indicative Timetable

The Open Offer

Record Date for entitlements under the Open Offer	5.00 p.m. on 26 September 2016
Open Offer Application Forms despatched to Qualifying Non-CREST Shareholders	28 September 2016
Ex-entitlement date for the Open Offer	28 September 2016
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	29 September 2016
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 7 October 2016
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 10 October 2016
Latest time and date for splitting of Open Offer Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 11 October 2016
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 13 October 2016

The Placing and Offer for Subscription

Placing and Offer for Subscription opens	28 September 2016
Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription	11.00 a.m. on 13 October 2016
Latest time and date for receipt of placing commitments under the Placing	3.00 p.m. on 13 October 2016

Other key dates

Announcement of the results of the Issue	14 October 2016
General Meeting	10.00 a.m. on 17 October 2016
Admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities	8.00 a.m. on 18 October 2016
Crediting of CREST stock accounts	18 October 2016

Share certificates despatched (where appropriate) week commencing 24 October 2016 (or as soon as possible thereafter)

The dates and times specified in this announcement are subject to change without further notice. All references to times in this announcement are to London time unless otherwise stated. In particular, the Board may, with the prior approval of the Manager and the Joint Financial Advisers, bring forward or postpone the closing time and date for the Issue. In the event that such date is changed, the Company will notify investors who have applied for New Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.

Dealing codes

Ticker	BBOX
ISIN for the Ordinary Shares	GB00BG49KP99
SEDOL for the Ordinary Shares	BG49KP9
ISIN for the Open Offer Entitlements of Ordinary Shares	GB00BZ143177
SEDOL for the Open Offer Entitlements of Ordinary Shares	BZ143177
ISIN for the Excess CREST Open Offer Entitlements of Ordinary Shares	GB00BZ143284
SEDOL for the Excess CREST Open Offer Entitlements of Ordinary Shares	BZ143284

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NOTES:

Tritax Big Box REIT plc is the only listed vehicle to give pure exposure to the "Big Box" logistics asset class in the UK and is committed to delivering attractive and sustainable returns for shareholders. Investing in and managing both standing and pre-let forward funded development assets, the Company focuses on well-located, modern "Big Box" logistics assets, typically greater than 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 stock supply.

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 listing 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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In member states of the European Economic Area ("EEA"), this announcement is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU,

to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State).

This announcement does not contain or constitute an offer for sale of, or the solicitation of an offer or an invitation to buy or subscribe for, New Shares to any person in the United States, Australia, Canada, South Africa, New Zealand or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**"). In addition, the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to or for the account or benefit of US persons absent registration or an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws and in circumstances that will not require registration of the Company under the Investment Company Act. There will be no public offer of the New Shares in the United States.

The offer and sale of New Shares has not been and will not be registered under the applicable securities laws of any state, province or territory of Australia, Canada, South Africa, New Zealand or Japan. Subject to certain exceptions, the New Shares may not be offered or sold in Australia, Canada, South Africa, New Zealand or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa, New Zealand or Japan.

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The comparability of the information on the Company's performance to date to its future performance is by its nature limited for a variety of reasons. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Manager which may be different in many respects from those that prevail at present or in the future, with the result that the performance of investment portfolios originated now may be significantly different from those originated in the past. Neither the past performance of the Company nor the Manager is a reliable indicator of,

and cannot be relied upon as a guide to, the future performance of the Company or the Manager. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Issue and prospective investors should note that the value of New Shares can decrease as well as increase.

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This announcement does not constitute a recommendation concerning the proposed Issue. The price and value of securities and any income from them can go down as well as up and investors may not get back the full amount invested on disposal of the securities. Past performance is not a guide to future performance. Before purchasing any New Shares, persons viewing this announcement should ensure that they fully understand and accept the risks that will be set out in the Prospectus, when published. Information in this announcement or any of the documents relating to the proposed Issue cannot be relied upon as a guide to future performance. The Issue timetable may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Issue will occur and you should not base your financial decisions on the Company's intentions in relation to the Issue or the information contained in this announcement. The contents of this announcement are not to be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.