Tritax Symmetry (Hinckley) Limited

HINCKLEY NATIONAL
RAIL FREIGHT INTERCHANGE

The Hinckley National Rail Freight Interchange Development Consent Order

Project reference TR050007

Funding Statement

Document reference: 4.2

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December 2022

Planning Act 2008

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 Regulation 5(2)(h)

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Contents

Section	Page
1. Purpose of document	4
2. Guidance	4
3. Description of the scheme	5
4. Applicant	6
5. Land Acquisition	8
6. Estimated costs relating to compulsory purchase	9
7. Sources of funding for the development	10
8. Blight	10
Appendix 1 Tritax Big Box REIT Plc Accounts June 2022	12

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1. PURPOSE OF DOCUMENT

1.1 This Funding Statement has been prepared to accompany an application made by Tritax Symmetry (Hinckley) Limited (“TSH”) to the Secretary of State pursuant to section 37 of the Planning Act 2008 (“the 2008 Act”) for a Development Consent Order (“DCO”) to authorise The Hinckley National Rail Freight Interchange (“HNRFI”).

1.2 The DCO would authorise the compulsory acquisition of interests and rights in, on or over land. Regulation 5(2)(h) of the *Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009* requires the application to be accompanied by a statement to confirm how the implementation of these powers is proposed to be funded.

1.3 This Statement has been prepared to meet the requirements of Regulation 5(2)(h) and should be read alongside the other application documents including the Statement of Reasons (document reference 4.1) which sets out the case for use of compulsory acquisition powers.

2. GUIDANCE

2.1 The guidance set out in the document titled ‘*Guidance related to procedures for the compulsory acquisition of land*’ issued by the then titled Department of Communities and Local Government in September 2013 has been taken into account in the preparation of this document.

2.2 In terms of funding statements, the guidance states:

> *‘17. Any application for a consent order authorising compulsory acquisition must be accompanied by a statement explaining how it will be funded. This statement should provide as much information as possible about the resource implications of both acquiring the land and implementing the project for which the land is required. It may be that the project is not intended to be independently financially viable, or that the details cannot be finalised until there is certainty about the assembly of the necessary land. In such instances, the applicant should provide an indication of how any potential shortfalls are intended to be met. This should include the degree to which other bodies (public or private sector) have agreed to make financial contributions or to underwrite the scheme, and on what basis such contributions or underwriting is to be made.*
>
> *18. The timing of the availability of the funding is also likely to be a relevant factor. Regulation 3(2) of the Infrastructure Planning (Miscellaneous Prescribed Provisions) Regulations 2010 allows for five years within which any notice to treat must be served, beginning on the date on which the order granting development consent is made, though the Secretary of State does have the discretion to make a different provision in an order granting development consent. Applicants should be able to demonstrate that adequate funding is likely to be available to enable the compulsory acquisition within the statutory period following the order being made, and that the resource implications of a possible acquisition resulting from a blight notice have been taken account of.’*

2.3 This statement therefore details how any compulsory acquisition will be funded and the ways in which HNRFI may be funded.

3. DESCRIPTION OF THE SCHEME

3.1 In summary, HNRFI comprises:

Development on the Main HNRFI Site

a. The demolition of Woodhouse Farm, Hobbs Hayes Farm, Freeholt Lodge and the existing bridge over the Leicester to Hinckley railway on Burbage Common Road;

b. new rail infrastructure including points off the existing Leicester to Hinckley railway providing access to a series of parallel sidings at the HNRFI, in which trains would be unloaded, marshalled and loaded;

c. an intermodal freight terminal or 'railport' capable of accommodating up to 16 trains up to 775m in length per day, with hard-surfaced areas for container storage and HGV parking and cranes for the loading and unloading of shipping containers from trains and lorries;

d. up to 850,000 square metres (gross internal area or GIA) of warehousing and ancillary buildings with a total footprint of up to 650,000 square metres and up to 200,000 square metres of mezzanine floorspace, including the potential for some buildings to be directly rail connected if required by occupiers. These buildings might incorporate ancillary data centres to support the requirements of HNRFI occupiers and operators. They will also incorporate roof-mounted photovoltaic arrays with a generation capacity of up to 42.4 megawatts (MW), providing direct electricity supply to the building or exporting power to battery storage in the energy centre;

e. an energy centre incorporating an electricity substation connected to the local electricity distribution network, battery storage (adjacent to each unit and at the energy centre) and a gas-fired combined heat and power plant (designed to be ready for 100% hydrogen in the grid gas supply) with an electrical generation capacity of up to 5 megawatts (MW). Total electricity generation capacity at the Main HNRFI Site is therefore 47.4 MW;

f. a lorry park with welfare facilities for drivers and HGV fuelling facilities;

g. a site hub building providing office, meeting space and marketing suite for use in connection with the management of the HNRFI and ancillary car parking;

h. terrain remodelling, hard and soft landscape works, watercourse diversion, amenity water features and planting;

i. noise attenuation measures, including acoustic barriers up to six metres in height;

j. habitat creation and enhancement, and the provision of publicly accessible amenity open space at the south-western extremity of the HNRFI near Burbage Wood and to the south of the proposed A47 Link Road between the railway and the B4668/A47 Leicester Road;

k. pedestrian, equestrian and cycle access routes and infrastructure, including a new dedicated route for pedestrians, cyclists and horse riders from a point south of Elmesthorpe to Burbage Common;

l. utility compounds, plant and service infrastructure;

m. security and safety provisions inside the HNRFI including gatehouses, fencing and lighting;

n. drainage works including surface water retention ponds, underground attenuation tanks and swales;

Highway works

a. works to M69 Junction 2 comprising the reconfiguration of the existing roundabout and its approach and exit lanes, the addition of a southbound slip road for traffic joining the M69 motorway and the addition of a northbound slip road for traffic leaving the M69 motorway at Junction 2.

b. a new road ('the A47 Link Road') from the modified M69 Junction 2 to the B4668 / A47 Leicester Road with a new bridge over the railway, providing vehicular access to the proposed HNRFI from the strategic highway network. The A47 Link Road will be intended for adoption as a public highway.

c. modifications to several junctions and amendments to Traffic Regulation Orders on the local road network in response to the different traffic flow pattern resulting partly from the trips generated by the HNRFI development and principally from the change in movements as a result of the M69 Junction 2 upgrade;

d. works affecting existing pedestrian level crossings on the Leicester to Hinckley railway at Thorney Fields Farm north-west of Sapcote, at Elmesthorpe and at Outwoods between Burbage and Hinckley. In addition, pedestrian level crossings serving footpaths that connect Burbage Common Road to Earl Shilton and Barwell are proposed for closure with the associated footpaths being diverted;

e. off-site (outside the Order Limits) railway infrastructure including signals and signage.

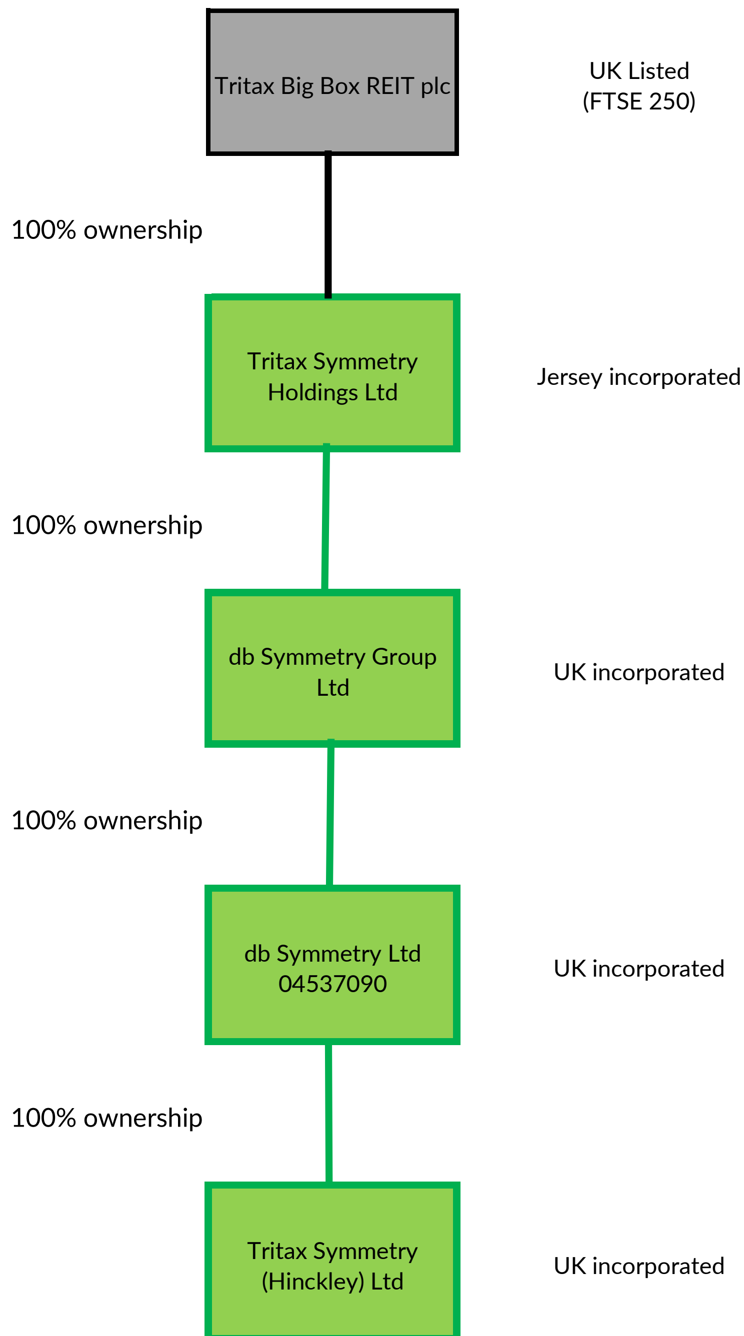
3.2 A more detailed description of HNRFI can be found in Chapter 3 of the Environmental Statement submitted with the application (document reference 6.1.3) and Schedule 1 of the draft DCO (document reference 3.1).

4. APPLICANT

4.1 The applicant is Tritax Symmetry (Hinckley) Limited (Company Registration Number 10885167) ("TSH"). TSH is a special purpose vehicle set up for the HNFRI.

4.2 TSH is part of the Tritax Big Box Group ("the Group"), a FTSE 250 business and the UK's largest listed specialist investor in logistics assets. The ultimate parent of TSH is Tritax Big Box REIT Plc. A condensed group structure diagram is included below;

Tritax Symmetry (Hinckley) Ltd condensed SPV to parent structure



4.3 The Group's purpose is to be the leading Real Estate Investment Trust ("REIT") focused on high quality UK logistics real estate assets and to deliver sustainable, long-term income and value growth for shareholders. Through its development arm, Tritax Symmetry, the model is to secure land for logistics development, develop new logistics assets and subsequently hold onto and manage the developed assets over the long term. The Group owns the UK's largest portfolio of logistics investment assets and the largest logistics-focused development land platform, with a portfolio value of £6.03bn as at 30 June 2022. The Group is funded via a

combination of debt financing, equity, asset sales and development income. Further details are as set out in paragraphs 4.4 - 4.8 below.

4.4 Debt financing – the Group has a diversified range of borrowings, with undrawn debt commitments of £550m as at 31 December 21. All drawn debt is hedged via either interest rate derivatives or fixed-rate loan agreements. The borrowings available to the Group are as follows:

4.4.1 £550m unsecured bank finance across two revolving credit facilities.

4.4.2 £900m unsecured Public Bonds and Private Loan Notes.

4.4.3 £250m unsecured Green Bonds.

4.4.4 £212.9m secured debt across three separate facilities.

4.5 Raising additional equity – in September 2021, the Group issued 147,058,823 new Ordinary Shares at 204 pence per share, raising gross proceeds of £300m. The raise was three times oversubscribed, demonstrating the ability to raise funds via equity where needed.

4.6 Sale of portfolio assets – where we have maximised their value in the Group's ownership or where they no longer fit the portfolio.

4.7 Development management income – received where we manage the delivery of an asset for a third-party funder in return for a fee and / or profit share.

4.8 Funds available to the Group as at 31 December 2021 totalled £621.1m, comprising £71.1m cash and £550m undrawn commitments under senior debt facilities.

5. LAND ACQUISITION

5.1 As set out further in the Statement of Reasons (document reference 4.1) and as is evident from the Land Plans (document series 2.20) and the Book of Reference (document reference 4.3), the majority of the land affected by the proposed development is owned or controlled by TSH. TSH has sought to progress voluntary agreements to acquire land wherever possible and negotiations with landowners are continuing.

5.2 Powers of compulsory acquisition are being sought over that land in respect of any third party rights which may be inconsistent with the authorised development.

5.3 Land which is either unregistered or in respect of which TSH has not yet concluded voluntary agreements is proposed to be subject to compulsory acquisition.

5.4 TSH also requires some powers of temporary possession to carry out parts of the authorised development such as in respect of the closure of public rights of way and level crossings, and construction compounds for temporary working sites.

5.5 Further detail on the extent of powers sought by TSH in the DCO is contained in the Statement of Reasons.

5.6 The draft DCO submitted with the application therefore includes powers for the TSH to compulsorily :

- acquire land;
- create new rights over land;
- acquire/interfere/suspend/extinguish existing rights; and
- obtain temporary possession/use of land.

6. ESTIMATED COSTS RELATING TO COMPULSORY PURCHASE

6.1 The total estimated cost of acquiring the interests described in paragraph 5 are estimated to be in the region of £2,200,000.00. This estimate is based on TSH's experience in coming to voluntary arrangements with landowners, knowledge of market values in the region, and already accepted offers on some of the land interests for the development.

6.2 In the event of it being necessary to utilise compulsory purchase powers then the compensation payable will be funded by TSH. In addition the remainder of the land acquisition and any claims for blight that may be submitted will also be funded by TSH.

6.3 TSH has included an article in its draft DCO (Article 38) which ensures that no compulsory acquisition can be pursued until appropriate security for the liability to pay compensation in respect of that acquisition has been provided. This provides additional protection in respect of interests being acquired and has become relatively commonplace in DCOs.

6.4 The article states:

'Guarantees in respect of payment of compensation

38—(1) The undertaker must not exercise the powers conferred by the provisions referred to in paragraph (2) in relation to any land unless it has first put in place a guarantee or alternative form of security approved by the relevant planning authority in respect of the liabilities of the undertaker to pay compensation under this Order in respect of the exercise of the relevant power in relation to that land

(2) The provisions are—

(a) article 23 (compulsory acquisition of land);

(b) article 24 (compulsory acquisition of land - incorporation of the mineral code);

(c) article 25 (compulsory acquisition of rights);

(d) article 28 (private rights);

(e) article 29 (rights under or over streets);

(f) article 32 (temporary use of land for carrying out authorised development);

(g) article 33 (temporary use of land for maintaining authorised development); and

(h) article 34 (statutory undertakers).

(3) A guarantee or alternative form of security given in respect of any liability of the undertaker to pay compensation under this Order must be treated as enforceable against the guarantor or person providing the alternative form of security by any person to whom such compensation is payable and must be in such a form as to be capable of enforcement by such a person.

(4) Nothing in this article requires a guarantee or alternative form of security to be in place for more than 15 years after the date on which the relevant power is exercised.

(5) An approval required under paragraph (1) must not be unreasonably withheld or delayed.

7. SOURCES OF FUNDING FOR DEVELOPMENT

7.1 The current cost estimate for the development of HNRFI is approximately £755m.

7.2 The shareholders of TSH intend to fund the development through using the resources of the Group, as referred to in paragraph 4 above.

8. BLIGHT

8.1 Blight is a term used to describe a scenario where property values or economic activity in an area reduce as a result of expected or potential future development. Blight notices may be served by those with a relevant interest in the land affected on the entity responsible for the planned development. No blight notices have currently been served in respect of HNRFI. In the event any claims for blight arise the cost of meeting any valid claim will be met by TSH.

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Appendix 1

Tritax Big Box REIT Plc Accounts June 2022

TRITAX BIG BOX REIT PLC

Results for the six months ended 30 June 2022

Record letting activity – continued growth – strategically well positioned

Tritax Big Box REIT plc (the Group) reports its results for the six months to 30 June 2022 (H1 2022 or the Period).

	30 June 2022	30 June 2021	Change
Operating profit[1]	£88.8m	£84.1m	+5.6%
Adjusted earnings per share[2]	3.73p	4.03p	-7.4%
Adjusted earnings per share (ex. additional development management income)[3]	3.73p	3.69p	+1.1%
IFRS earnings per share	24.55p	21.96p	+11.8%
Dividend per share	3.35p	3.20p	+4.7%
Dividend pay-out ratio (ex. additional development management income)[3]	90%	87%	
Total Accounting Return	10.7%	12.5%	-1.8 pts
EPRA cost ratio (including vacancy cost)	15.2%	14.1%	+1.1 pts
	30 June 2022	**31 Dec 2021**	
Contracted annual rent roll	£216.1m	£195.6m	+10.5%
EPRA Net Tangible Assets per share	242.88p	222.60p	+9.1%
IFRS net asset value per share	239.23p	218.26p	+9.6%
Portfolio value[4]	£6.03bn	£5.48bn	+10.0%
Loan to value (LTV)	23.7%	23.5%	+0.2 pts

Strategic delivery supporting continued growth

- 5.6% operating profit growth from strategic delivery of development completions, asset management and LFL rental growth.
- Adjusted EPS of 3.73p (H1 2021: 4.03p) reflecting reduced development management (DMA) income partially offset by development completions and rental growth.
  - Excluding additional DMA income in prior period, Adjusted EPS increased 1.1% to 3.73p[3], with development completions and rental growth offsetting 8.7% increase in average share count following 2021 equity raise.
- 10.5% growth in contracted annual rent primarily through development letting activity supporting future accretive earnings growth.
- 4.7% dividend growth to 3.35p, representing 90% pay-out ratio when adjusting for additional DMA income[3].
- Total Accounting Return of 10.7% (H1 2021: 12.5%) driven by continued execution of strategy.
- EPRA cost ratio of 15.2% expected to return to previous levels as Current Development Pipeline becomes income generating.
- Strong balance sheet with low LTV, no near-term refinancing requirements and 100% of drawn debt benefiting from either fixed or capped interest rates with an average cost of debt of 2.52%.

Market supported by positive and enduring structural drivers resulting in record occupier demand

- Record market take-up of 22.6 million sq ft in H1 2022, up 9.5% on H1 2021, as occupiers continue to enhance their supply chains.
- Supply of logistics space remains highly constrained; 1.2% vacancy rate resulting in rapid leasing of buildings and rental growth.
- H1 2022 investment volumes remained healthy at £4.2 billion (H1 2021: £5.2 billion) supported by structural drivers in logistics real estate.

Record development lettings with £17.8 million of contracted annual rent secured

- During H1 2022 we made significant development progress, delivering:
  - 2.4 million sq ft of development lettings, increasing contracted annual rent by £17.8 million or 9.1%.
  - 2.2 million sq ft of construction starts, formed of:
    - 1.6 million sq ft of developments pre-let or let during construction, adding £11.1 million to contracted annual rent;
    - 0.6 million sq ft of developments on a speculative basis, with the potential when let to add £6.1 million to contracted annual rent, 45% of which is under offer.
  - Planning consent secured for a further 0.6 million sq ft of development, across two sites.
- Current Development Pipeline of buildings under construction (includes 2021 starts) totals 3.4 million sq ft of which 1.8 million sq ft (53%) has been pre-let or let during construction; a further 15% is under offer.
- On-track to deliver increased target of 3-4 million sq ft of development starts with strong ESG credentials in FY 2022:
  - Maintaining 6-8% yield on cost target range;
  - New buildings delivered to high ESG standards with EPC ratings of A and minimum BREEAM "Very Good";
  - Expected positive earnings impact from mid-2023, in line with completions, with full effects felt in FY 2024.

Exceptional quality and efficiency of portfolio underpins value and income security

- Portfolio value up 10.0% to £6.03 billion (31 December 2021: £5.48 billion), reflecting development gains, active asset management activity and strong underlying market conditions, including a LFL valuation surplus of 7.0% (net of capex).
- The portfolio's high-quality, long-term and resilient income is reflected in:
  - WAULT of 12.8 years as at 30 June 2022 (31 December 2021: 13.0 years);
  - 0% vacancy (H1 2021: 0%). 100% rent collected;
  - Highly efficient portfolio with minimal cost leakage and low capital expenditure requirements;

- Focused on modern, sustainable high-quality buildings critical to the supply chains of well capitalised blue-chip customers.

Creating value through active management of portfolio and customer engagement

- £2.7 million added to passing rent from rent reviews and lease renewal, achieving an 8.4% increase across 16.3% of the portfolio.
- Like-for-like ERV growth of 5.8% in the period, with 14.7% portfolio rental reversion at the period end. EPRA like-for-like rental growth of 3.3% over the period.
- One lease extension and one lease renewal completed, adding 15 years and 10 years respectively to create significant value.
- Enhancing ESG performance through supporting our customers fulfil their Net Zero Carbon ambitions.

Aubrey Adams, Chairman of Tritax Big Box REIT plc, commented:

"We have delivered another strong first half, with good operational and financial performance and excellent progress within our accelerated development programme, which continues to gather momentum. Long-term structural drivers, and existing favourable market dynamics, are generating strong occupier interest in both our standing investment portfolio and in the new space we are creating through our development activity. By successfully implementing our strategy we have secured record lettings on 2.4 million sq ft of new space so far this year, adding £17.8 million to our contracted annual rent roll and supporting future earnings growth in 2023 and 2024."

"We continue to see strong occupier demand for space although inflation and geopolitical issues have made the economic environment more uncertain. We benefit from a combination of high-quality investment assets which provide the business with a strong base of secure, long-term income, and attractive rental growth potential driven by a favourable structural supply/demand imbalance in our market. Our dynamic and profitable development programme is a capital efficient growth engine for our business that is delivering now and for the long-term. The Group has a strong balance sheet and high levels of liquidity, giving us the resources to implement our strategy and respond quickly to changing market conditions. Consequently, we are well positioned to continue delivering attractive and resilient performance over the longer term."

Presentation for analysts and investors

A Company presentation for analysts and investors will take place via a live webcast at 9.30am (BST) today and can be viewed at: https://stream.brrmedia.co.uk/broadcast/62bd6c2ec0d3e61cd0c965ac

To join the presentation via conference call:

UK: +44 (0) 33 0551 0200

UK (toll free): 0808 109 0700

US: +1 212 999 6659

Password: Tritax

The presentation will also be accessible on-demand later in the day on the Company website:
https://www.tritaxbigbox.co.uk/investors/results-and-presentations/

Notes

1. Operating profit before changes in fair value and other adjustments.
2. See Note 6 to the financial statements for reconciliation.
3. The anticipated run rate for development management income is £3.0 - 5.0 million per annum over the medium term. Adjusted EPS becomes 3.73p when excluding development management income above this anticipated run rate ('additional' development management income). £2.6 million of development management income is included in the 3.73p Adjusted earnings per share in H1 2022 (H1 2021 £8.9 million included in 4.03p Adjusted earnings per share).
4. The Portfolio Value includes the Group's investment assets and development assets, land assets held at cost, the Group's share of joint venture assets and other property assets.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 213800L6X88MIYPVR714

NOTES:
Tritax Big Box REIT plc (Tritax Big Box or the Company) is the largest listed investor in high-quality logistics warehouse assets and controls the largest logistics-focused land platform in the UK. Tritax Big Box is committed to delivering attractive and sustainable returns for shareholders by investing in and actively managing existing built investments and land suitable for logistics development. The Company focuses on well-located, modern logistics assets, typically let to institutional-grade tenants on long-term leases with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity provided by the imbalance between strong occupational demand and constrained supply of modern logistics real estate in the UK.

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

The Company's LEI is: 213800L6X88MIYPVR714

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

CHAIRMAN'S STATEMENT

This was another very positive period for the Group, as we continued to expand the scope of our profitable development activities and delivered further growth in recurring earnings, dividends and net asset value. In an increasingly uncertain economic and geopolitical environment, the exceptional quality of our portfolio and customer base, together with our strong financial position, are standing us in good stead and will continue to do so.

Strong operational performance supporting acceleration in future earnings growth

We are successfully deploying the proceeds of our September 2021 equity raise into accelerated development activity. The deployment is progressing in line with our expectations and we are quickly letting this space with 2.4 million sq ft let so far this year and adding £17.8 million of new rent to our annual contracted rent roll. This positive development momentum underpins future income growth as these assets are built and expected to become income producing from mid-2023 and 2024, supporting further EPS and dividend progression.

Our financial performance is in line with our expectations and in part reflects the effects of the 2021 equity raise. Operating profit before changes in fair value and other adjustments was £88.8 million (H1 2021: £84.1 million) as we continued to increase our net rental income. The change in our Adjusted EPS figure reflected a combination of a reduction in DMA income from the elevated levels received in the prior period, and the increase in the number of shares following our equity raise, in part offset by increased rental income from development completions and rent reviews. As a consequence, Adjusted EPS fell by 7.4% to 3.73 pence (H1 2021: 4.03 pence) and excluding exceptional DMA income, Adjusted EPS increased 1.1% to 3.73 pence (H1 2021: 3.69 pence). The portfolio delivered a fair value gain of £390.5 million, resulting in a 9.1% increase in EPRA Net Tangible Assets to 242.88 pence per share (31 December 2021: 222.60 pence), reflecting the overall high-quality of our assets and the successful implementation of our strategy.

Our dividend policy is to provide an attractive and progressive level of dividend for shareholders, aiming to achieve an overall pay-out ratio greater than 90% of Adjusted earnings. The distribution methodology is for each of the first three quarterly dividends to represent 25% of the previous full year dividend. We use the fourth-quarter dividend to determine the level of any progression. In line with that, we have declared two interim dividends of 1.675 pence each, to give a total for the period of 3.35 pence, up 4.7% on H1 2021. Along with the growth in EPRA NTA, this resulted in an attractive Total Accounting Return of 10.7%.

Strong occupational market supported by enduring structural drivers

Year to date, the occupational market has been very strong with record demand from a wide range of occupiers leading to historically low vacancy rates and driving attractive levels of rental growth. Occupational demand is supported by long term structural drivers, some of which have been accelerated by the pandemic, such as the transformation of retail due to demographic and technological change, the drive to enhance sustainable performance, and the need to increase supply chain efficiency. Looking forward, the extent of this demand gives us confidence in both the ongoing strength of the occupational market and our ability to support our customers by producing solutions which enhance efficiency and supply chain resilience.

Investment demand remained high in the first quarter of the year, with pricing for high-quality investments supported by the significant weight of money looking to be deployed into the sector. Sentiment shifted through the second quarter as the deteriorating economic environment caused reduced investment activity. Our high-quality investment portfolio is focused on prime assets, let on long leases to resilient customers and with strong ESG credentials; we therefore expect our relative performance to remain attractive in the face of a potentially more uncertain investment market.

A consistent strategy designed for all market conditions

Our strategy aims to deliver sustainable and attractive returns to shareholders through a focus on high-quality logistics assets. Supporting our strategy is a considered approach to risk and a long-term view on performance through the economic cycle. By strategically focusing on modern, high quality logistics assets in key locations let to financially resilient customers on long-dated leases, we reinforce the reliable income generating characteristics of our investment portfolio. We complement this strong foundation with our internal growth opportunities through an active approach to asset management, identifying and realising opportunities to further enhance income and value, and creating new high-quality and sustainable assets through our development pipeline.

The investment portfolio, which comprises more than 90% of our gross asset value, has been carefully constructed for quality and resilience and underpins our income generation. We believe our portfolio is the one of the best among our listed European peers, making us confident that we will continue to receive stable and growing income that supports our dividends. Our active asset management programme continues to drive income and capital values, including the settling of rent reviews and negotiating lease extensions.

We are also focused on continuing to enhance our ESG performance through our proactive approach. This has included engaging with customers to understand their ESG objectives and identifying opportunities to support their needs while, in parallel, also enhancing the quality of our assets by embedding initiatives that will enable us to meet our own ESG targets. We provide more details on our ESG activity during the Period in the Managers Report.

Our development programme provides the opportunity to more than double the scale of our business in the long term, continually improve the quality of our investment portfolio, and deliver ongoing attractive income and capital growth. We are on track to meet our increased target of 3-4 million sq ft of construction starts in 2022, with 2.2 million sq ft of construction already commenced in the period. While we are confident in the prospects for our development programme, we remain highly attuned to risk. The strength of occupational demand means we are typically either securing pre-lets or letting our speculative buildings during the construction process, noting that we only commence speculative development where there is clear occupational demand for the space that we are creating. In total, we have 3.4 million sq ft within our Current Development Pipeline, with the potential to add £27.6 million to annual rent, of which £12.7 million of rent has already been contracted. In addition, a further 0.6 million sq ft, representing approximately £5.1 million per annum of rent has exchanged in our Near-term Development Pipeline, where construction has not yet commenced.

With 88% of our land portfolio being held under long-term options, we have a capital-light model and the flexibility to increase or decrease the rate of development according to market conditions.

Enhancements to the Investment Management Agreement

Following consultation with and the approval of shareholders, a new Investment Management Agreement (IMA) between the Company and Tritax Management (the Manager) became effective on 4 May 2022, with a new fee scale effective from 1 July 2022. The key changes include a reduction in the overall investment management fee payable, which is expected to have a beneficial effect on the Company’s EPRA cost ratio, and an extension to the term of the agreement. The extension, along with an expansion of key person principles, provides additional security to the Company in terms of its main service provider as well as supporting the recruitment and retention of key personnel in the Manager. See the Manager’s Report for further details.

Outlook supported by long-term structural drivers, strategic positioning and strong balance sheet

We have made a very good start to the year with excellent progress across all aspects of our business. We remain confident in our future performance supported by positive and enduring structural drivers in the occupier market, the quality and flexibility of our portfolio and our strong balance sheet.

While noting the increasingly uncertain economic outlook, we continue to see strong occupier demand from a more diverse range of customers which is driving rents and supporting our ability to mitigate the effects of higher inflation.

Our strategy is designed to deliver both growth and resilience which we believe will continue to provide attractive relative performance. Our investment portfolio, formed of mission critical buildings let on long-leases to customers who are well positioned to weather economic challenges, provides a solid foundation to our income generation and our development pipeline, the vast majority of which is held under long-dated capital efficient options, is highly flexible allowing us to respond rapidly to changes in demand to capture opportunities and minimise risk. Favourable long-term market dynamics, our procurement capabilities and capital-light land portfolio allow us to mitigate much of the impact of inflationary pressures on development yields and margins.

These attributes, combined with low levels of leverage, no near term refinancing requirements, and debt facilities which are 100% fixed or hedged, underpin confidence in our ability to execute our strategy and continue to deliver attractive returns for shareholders over the longer term.

MANAGER'S REPORT

Market review

Long-term structural drivers enhance the attractions of the sector

Three long-term drivers continue to underpin occupier demand for logistics real estate in the UK. Our strategy is aligned to these drivers, which are:

1. The growth of e-commerce

Consumer demand for flexibility in how they shop as well as faster and more convenient ways to buy has led to a rise in e-commerce in recent years, which was accelerated by physical store closures during the Covid-19 lockdowns. Online penetration remains comfortably above pre-pandemic levels; online sales accounted for 27% of total retail sales in H1 2022, up from 19% in 2019[1]. Growing penetration of the internet and the use of smartphones is expected to see online retail sales continue to grow over the medium term.

To fulfil this demand, companies have developed extensive and often increasingly complex supply chains. Logistics real estate plays a fundamental role, from highly automated large-scale fulfilment centres to small urban or last journey warehouses. Online retail supply chains also require more warehouse space than traditional high street models. Research suggests every £1 billion of additional online sales typically generates demand for new logistics property of anywhere between 0.8 million sq ft and 1.4 million sq ft[2].

2. The need to increase productivity, reduce costs and boost resilience

Current economic conditions, with high inflation and pressure on consumer finances, have intensified the need for companies to win market share, grow revenue and protect margins. Optimising supply chains with a focus on resilience, efficiency, and where appropriate speed, is an important part of this process. One outcome of this is that some occupiers are choosing to consolidate older disparate units into larger distribution centres, which offer economies of scale and the ability to optimise staffing and stock levels. They are also deploying automation and technology to stock, retrieve and process products in volume. These systems are typically found in large, modern logistics buildings.

Events such as Covid-19, Brexit and the war in Ukraine have also highlighted the risks to long supply chains. Customers are responding by increasing their inventory onshore and / or reviewing every aspect of their supply chain from manufacturing and transportation to storage. This has increased demand for high-quality logistics space closer to the end consumer.

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[1] ONS
[2] Knight Frank and UKWA

3. The drive to enhance sustainability performance

Most organisations are now striving to be more sustainable. This can reduce their environmental impact, cut energy costs, and increase employee engagement, which is important in a highly competitive labour market. Modern large-scale logistics assets feature enhanced insulation, LED lighting and large roof spaces capable of accommodating solar PV. These buildings are also more likely to meet future regulations, such as the minimum rating of B for Energy Performance Certificates (EPC). In addition, larger, modern buildings lend themselves to better facilities for staff welfare, such as gyms, canteens, and offices. Modern sites also have more scope for green space, which can be used to support biodiversity and outdoor amenities.

Record demand and historically low availability driving rental growth

Occupational demand remains at record levels

In the last two calendar years, take up of industrial and logistics space has exceeded 42 million sq ft annually, well ahead of the longer-term rate of 26 million sq ft[3]. Demand reached a new first half high in H1 2022, with take up of 22.6 million sq ft[3] (H1 2021: 20.6 million sq ft).

Demand for space has been very diverse, with omni-channel retailers and the manufacturing sector becoming increasingly prominent. Third-party logistics providers (3PLs) have also remained very active. The diversity of occupier demand is reflected in enquiries in our own development pipeline where omni-channel retailers, manufacturing, automotive, and other companies comprise nearly two-thirds of enquiries.

Demand remains strong for all size bands. 80 deals completed in H1 2022 with 10 of those being for buildings over 500k sq ft (full year 2021: 18)[3]. 28% of all deals (by number) have been for built-to-suit projects. While tight market conditions are clearly a factor, we also believe companies are increasingly committing to such schemes as they evolve from meeting their immediate pandemic-related needs to a more strategic build out of their future networks.

While the current macro-economic environment may affect some occupiers' leasing decisions, well-capitalised corporates such as those that typically occupy our buildings continue to invest. Solving their supply chain challenges is critical to them as evidenced by space under offer at the end of Q2 2022 which totalled 19.4m sq ft[3] (Q2 2021: 15.6m sq ft). At the same time, some market leaders have already made significant investments in their warehouse networks and are therefore relatively very well positioned to mitigate near term headwinds and win further market share.

We believe the combination of our investment portfolio and development business make us well placed to react to and take advantage of the fast-evolving macroeconomic and corporate backdrop. Our development activities give us near real-time visibility into market conditions and our large land portfolio, held under option agreements, provides us with flexibility and optionality.

Availability at historically low levels

Ready to occupy space remains at historically low levels, having ended the period at 1.2%[3] (Q4 2021: 1.6%).

Strong demand, low vacancy and rental tension have encouraged developers to bring projects forward on a speculative basis. While the level of new development is above historic averages, buildings across all size bands are being rapidly absorbed, often before construction is complete.

In our view, construction of large logistics buildings will continue to be driven primarily by occupier-led built-to-suit opportunities. As occupiers undertake strategic supply chain reviews, new large, built-to-suit buildings will be attractive solutions for them. These assets meet occupiers' technical requirements and are also capable of handling modern

[3] CBRE

automation equipment, meeting increasingly stringent environmental standards and providing an attractive work environment.

Barriers to new development are however increasing. Land prices have risen significantly in the last 18 months, build cost inflation has slowed but costs are still well above 2020 levels, and debt financing is less available and more expensive than six months ago. The planning system remains slow and extensive infrastructure works can be required before a building is constructed. Control of a significant land portfolio, largely through capital efficient option agreements, with the benefit of planning consents and which is capable of near-term development is, therefore, particularly attractive in the current market.

Robust rental growth

Strong demand and limited available space have pushed rents higher across all regions of the UK in H1 2022. Since the start of the pandemic, prime rents have reached new highs across all UK regions.

Rental growth is expected to continue, with the IPF UK Consensus Forecasts (May 2022) projecting average annual industrial rental value growth of 4.0% from 2022 to 2026, up from 3.5% in November 2021.

Macro-economic backdrop slows investment activity

After a very strong Q1 2022 investment activity across all real estate types slowed in Q2 2022, as the wider capital markets reacted to the deteriorating economic outlook and interest rate environment. Total UK logistics investment volumes of £4.2 billion in the half were down 19% on H1 2021[4].

Prime distribution warehouse yields ended H1 2022 at 3.50%[3]. Looking to the second half, underlying real estate markets will not be immune to the wider movements in global capital markets, as evidenced by the decline in investor activity through the latter part of H1. In our view, the supportive structural tailwinds and tight occupier market will remain attractive to investors over the medium term. We continue to closely monitor interest rates and wider capital market conditions and believe our business is well placed to mitigate near-term challenges and take advantage of any emerging opportunities.

Strategy

Our strategy has three interlinked and reinforcing components which aim to deliver sustainable income and capital growth. The strategy aligns the Group to the market drivers described above, ensuring it meets its wider responsibilities and carefully manages risk, and aims to deliver attractive performance through the economic cycle.

The three elements of the strategy are:

1) High-quality assets attracting world-leading customers – delivering high-quality, resilient and growing income.

2) Direct and active management – protecting, adding and realising value.

3) Insight driven development and innovation – creating value and capturing occupier demand.

Overall, the value created from this strategy is designed to feed through to an attractive and sustainable level of earnings growth for the Group which in turn underpins dividend progression.

ESG is intrinsic to each of these elements. The Group's key ESG themes are:

- Sustainable buildings – ensuring that all acquisitions and standing investments align with our ESG objectives;
- Net zero carbon – achieving our commitments;

[4] Property data

- Nature and wellbeing – enhancing biodiversity and wellbeing across the portfolio; and
- Social value – creating value and positive impact for people and communities.

Information on how we implemented the strategy during the period is set out in the following sections.

1) High-quality assets attracting world-leading customers

The high-quality of our assets and customer base has always been fundamental to our strategy. Through our relentless focus on quality, we have assembled what we believe to be one of the best logistics portfolios of any quoted logistics real estate business in Europe. The quality of the portfolio is reflected in its long leases with embedded income growth, high-quality customers, desirable locations, and attractive and modern buildings in a range of sizes and format with strong ESG credentials.

The portfolio is designed to generate attractive, stable and long-term income through the economic cycle. The security of our income was recently reflected in 100% rent collection during the pandemic and never having had a void on lease expiry. This transparent, reliable and efficient rental income supports our earnings and in turn underpins our predictable dividend payments to shareholders.

Attractive portfolio composition

Our portfolio comprises the Investment Portfolio, which is made up assets which either have a lease or agreement for lease in place, and the Development Portfolio, which generates new assets for us through pre-let and speculative developments (see *insight driven development and innovation* below).

At the period end, the total portfolio was valued at £6.03 billion (31 December 2021: £5.48 billion), an increase of 10.0%. The Investment Portfolio was valued at £5.50 billion (31 December 2021: £5.03 billion) and comprised 70 assets (31 December 2021: 62 assets), as eight new agreements for lease were entered into in the period. In total, the Investment Portfolio had a Gross Lettable Area of 36.2 million sq ft.

Investment portfolio: 91.2% of GAV	Development portfolio: 8.8% of GAV
Foundation 69.2% Value Add 22.0%	Developments and land: 8.8%

The Investment Portfolio is formed of Foundation and Value Add assets, representing 69.2% and 22.0% respectively of the whole portfolio. Foundation assets are intended to provide long-term and resilient income through the economic cycle. They are typically let on long leases to customers who exhibit excellent covenant strength and are commonly new or modern buildings in prime locations. Value Add assets offer additional scope to grow income and capital values, as they present opportunities to create additional value through active asset management or have customers with the potential to grow and improve in covenant quality. The mix of Foundation and Value Add assets is intended to deliver attractive and resilient total returns.

Secure and resilient customer base underpinning income generation

The Group has a diversified base of 47 customers. 65% of our customers are part of groups classed as some of the biggest and most important in the world, being listed on the DAX 30, FTSE 250, FTSE 100 and the S&P 500. As part of constant due diligence on our customers, we support internal analysis with third party reporting on covenant strength from Income Analytics.

The buildings we let to our customers are often critical to their operations, which they invest heavily in technology and automation to form the backbone of their UK supply chains. The importance of our buildings to our customers supply chains further increases the income resilience of our portfolio.

The portfolio maintained its 0% vacancy rate during the period (H1 2021: 0%).

The table below lists the Group's top ten customers:

Customer	% of contracted annual rent	Customer	% of contracted annual rent
Amazon	14.8%	B&Q	4.1%
Morrisons	5.5%	The Co-Operative Group	3.9%
Tesco	4.8%	Ocado	3.5%
Iron Mountain	4.6%	Marks & Spencer	3.5%
Howdens	4.1%	Argos	3.3%

Long duration, full repairing and insuring leases result in minimal capex requirements and enhance income security

At the period end, the weighted average unexpired lease term (WAULT) of the Investment Portfolio was 12.8 years (31 December 2021: 13.0 years). The Foundation assets had a WAULT of 15.0 years (31 December 2021: 15.1 years).

Of total rents, 37% are generated by leases with 15 or more years to run. Around 18% of total rent comes from leases expiring within five years of the period end, which provide near-term active asset management opportunities and an opportunity to capture the growing reversion within the portfolio.

Apart from one asset, all our properties are single-let. Our leases are full repairing and insuring (FRI) (equivalent to Triple Net Leases in the United States). Under these leases, our customers are responsible for property maintenance obligations and dilapidations, which means that we have minimal maintenance capex requirements, as demonstrated by gross to net rental income leakage of just 0.01% in the period.

Leases provide protection from inflation and an effective floor on levels of rental growth

All our leases provide for upward-only rent reviews, with the portfolio balancing the certainty offered by fixed and inflation-linked leases with the ability to capture market growth from open market and hybrid reviews. The composition of rent review types is presented below:

Rent review type	% of rent roll at 30 June 2022
RPI/CPI linked	52.5%
Open market	30.9%
Fixed	8.8%
Hybrid (Higher of inflation / open market)	7.8%

18.4% of our rents are reviewed annually and 81.6% are reviewed on a five-yearly basis. The timing of rent reviews across the portfolio is balanced, with 35% of the portfolio subject to rent reviews in 2022, across a blend of open market, fixed and inflation-linked review types. Progress with rent reviews in the period is discussed in the active management section below.

Approximately 55% of the rent roll has either a fixed or minimum increase at rent review. Across the Investment Portfolio, this creates an effective minimum level of annualised rental growth of 1.7% across this element of our portfolio. Our inflation linked reviews typically have cap and collar arrangements which have an average range of 1.5% to 3.4% respectively. While this provides certainty on the minimum level of rental increase within the portfolio, we aim to achieve higher rental growth through a combination of higher real inflation rates, significant open market

rental growth and the active approach to asset management that seeks opportunities for additional rental income. A recent example of such an opportunity is at our asset in Nursling, near Southampton, let to Tesco where we achieved a 23.1% rental increase on lease renewal (see below).

Increasing estimated rental values provide future opportunities for rental growth

At each valuation date, the valuer independently assesses the Investment Portfolio's estimated rental value (ERV), which is the amount of rent that the properties would be expected to secure if an open market letting were to occur at the valuation date. At 30 June 2022, the ERV was £247.8 million, £31.7 million (14.7%) above the contracted rent for the portfolio and reflecting a 5.8% like-for-like increase on the ERV of £217.1 million at 31 December 2021. We have opportunities to capture this reversionary potential through regular open market rent reviews, lease expiries, new leases or lease regears.

Due to the balance between open market and inflation linked rent reviews, and the growing rental reversion within the investment portfolio, we remain positive on our ability to continue to deliver attractive, long-term income growth.

A balanced range of asset sizes

Through our existing assets in the investment portfolio, and from new buildings we are constructing through our development activity, we are increasing our exposure to a range of building sizes. While the investment portfolio is weighted towards larger buildings, our development pipeline provides a high degree of flexibility in terms of size, enabling us to match our customers' size requirements from urban / last mile, potentially on shorter leases and creating a pipeline of future asset management opportunities, through to the largest "mega-boxes" on longer dated leases. With the successful implementation of our strategy, our overall portfolio will gradually evolve to reflect this broader mix of building sizes and providing an attractive blend of lease profiles.

2) Direct and active management

Understanding and supporting customers

Being close to our customers is central to the Group's business model. Understanding their businesses maximises our ability to identify and pursue opportunities to support their logistics needs in a world where supply chains have become increasingly complex and logistics operations have become more important. During the period, we undertook further supply chain research on selected customers. This gives us detailed insights into a customer's entire logistics network, the role our assets play within it and their future business needs, so we can have meaningful conversations about supporting them through our development pipeline and active asset management capabilities. This work also informs our decisions on whether to hold, sell or buy investments and helps us work collaboratively in partnership with customers to deliver ESG objectives.

We conduct ongoing covenant analysis of our customers' businesses, combining publicly available information and third-party information with our own insights to understand their respective risk profiles. Following the Russian invasion of Ukraine, we have enhanced our monitoring of the sanctions lists as part of these reviews. This work has not identified any areas of concern.

Realising value and recycling capital through disposals

We constantly review and evaluate the Group's portfolio, to identify assets where:

1) We have completed our active asset management plans and maximised value;

2) The asset's investment characteristics no longer fit within the portfolio profile; or

3) The asset's relative future performance may be below others in the portfolio or where there may be more risk attached to future performance.

When considering asset disposals, we take account of criteria such as age, location and ESG credentials, conditions in the investment market, and near-term opportunities to re-invest in income-producing acquisitions and developments to maintain earnings and dividend progression. With an acceleration in development activity in 2022, we expect these new development assets to become income producing from mid-2023 and will sequence our asset disposals from the investment portfolio to minimise the overall impact to earnings. We therefore expect that any divestments will be undertaken towards the latter part of this financial year and into the early part of 2023.

Growing and lengthening income

During the period, we agreed rent reviews and a lease renewal that delivered a £2.7 million uplift in annual contracted passing rent and significant capital value growth. We also agreed two further lease extensions, including our asset in Nursling, near Southampton which, following lease expiry in January 2021, we agreed a new ten-year term with a five-year tenant break option and five-yearly open market rent reviews. The new rent delivered a 23% uplift from the previous level.

Lease extensions are currently under negotiation with three customers whose leases expire in 2023 and 2024. Other lease proposals currently with customers include the potential insertion of new mezzanine floors and ESG initiatives (see below).

As noted above, 35% of the rent roll is due for review in 2022. During the period, we settled rent reviews on 8 properties, across 15% of the rent roll. The reviews achieved a 7.2% increase on the previous passing rent, resulting in a cumulative £2.1 million of additional rent. When coupled with the one lease renewal settled in the period, passing rent has increased by 8.4%, or £2.7 million, from our asset management initiatives. The table below shows a breakdown of these reviews by type:

	Number	% of Contracted rent	Growth in passing rent
Index linked	4	8.2%	5.6%
Open market / hybrid	3	4.3%	12.6%
Fixed	1	2.5%	3.0%
Total	**8**	**15.0%**	**7.2%**

Enhancing ESG through integration, engagement & active management

We continue to integrate ESG considerations into all aspects of our operations. As a result, we are on track to meet or exceed the ESG targets we have set for 2023, as detailed in our 2021 Annual Report.

Enhancing sustainability through active asset management is a key part of our interactions with customers. Through these initiatives, the Group can increase income and capital values, prolong the life of an asset, increasing its marketability and reduce obsolescence risk. Customers can reduce their operating costs and contribute towards their ESG targets, such as net zero.

Availability of power is a key consideration for our customers, particularly those who require high levels of automation or who will want substantial electric vehicle charging capacity. Our new Head of Strategic Power is working with our in-house active asset management and ESG specialists on a power resilience review. Among other things, this will take account of customers' current consumption versus power availability, and the potential for future automation and EV charging installation. This will identify assets at risk of power restrictions and feed into the specifications for new buildings being developed. As part of this work, we continue to engage with customers to increase our collection of their consumption data.

We are moving forward with a number of schemes to add solar PV energy generation, including at the Avonmouth asset let to Accolade Wines, where we have submitted a planning application and undertaken a structural survey. In total, the projects under consideration have the potential to generate 40,525 MWh of renewable energy, saving 9,682 tonnes of carbon a year.

Our target is to improve all Energy Performance Certificates to at least a C grade by the end of 2023 and at least B by the end of 2026. At the period end, 95% of the portfolio was grade C or above (31 December 2021: 95%). Three assets representing 5% of the portfolio are rated D and we continue to target these for solar PV installation, which will improve their EPCs and achieve our 2023 target. In addition, we are developing a specification of other items that can be retrofitted to improve an asset's ESG credentials, including its EPC rating where necessary. These range from solar walls and roofs to LED lighting and rainwater harvesting. Overall, we believe the total capital cost to meet the EPC B target is low at £4.2 million, with many of the schemes potentially generating returns enhancing income streams, such as solar PV.

We continue to progress our plans to implement green leases where possible, by incorporating best practice green lease clauses in each new lease or lease variation. When negotiating new leases, we are also looking to include ESG incentives.

Climate-related risks are a key consideration for us. We have begun work on creating a roadmap for the transition to net-zero carbon, including an analysis of each of our current assets to provide the data required to develop our plans. This will then feed into our active asset management and development planning, to ensure we are effectively managing associated risks and that we are aligned with the Government's decarbonisation targets to 2050. During the period, we also updated our property inspection checklist to incorporate climate-related items such as the potential for flooding or wind damage.

Other ESG activities in the period included:

- Reviewing how we provide EV charging and liaising with customers on future plans for powering their fleet;
- Sending out an ESG survey to customers, to understand the scope for collaborating on reducing emissions and achieving net zero goals;
- Assessing current biodiversity levels on our sites, to provide a baseline for improvement, and engaging in regular discussions with customers on biodiversity; and
- Engaging with local councils to ascertain the opportunity for collaborating on training programmes, to help our customers with recruitment.

3) Insight driven development and innovation

We control the UK's largest land portfolio for logistics development, capable of delivering approximately 36.8 million sq ft of logistics space and more than doubling the size of our business. Most of the land portfolio is held through long-term option agreements, providing capital efficiency and flexibility to align the pace and scale of development activity to market demand.

The development portfolio provides an ongoing pipeline of high-quality investments for our core investment portfolio and is a key driver to enhancing returns, targeting an attractive yield on cost of 6-8% through an appropriate combination of pre-let and speculative developments. The development portfolio is diversified by geography and the range of unit sizes that can be constructed, maximising the scope of customer solutions we can offer and the quantum of development we can undertake. Our in-house team has a long track record of successful delivery, both in terms of obtaining planning consents and delivering new buildings.

The land portfolio has taken over 10 years to assemble, with its scale, diversity and strategically important locations being very difficult to replicate. This forms an effective barrier to entry and provides us with an important competitive advantage in the marketplace. Our consented land portfolio allows us to quickly scale up our development activity in response to occupier demand and provides us with an edge over our competitors who maybe be constrained by uncertain planning timescales. We actively manage the status of the land portfolio, to ensure that land we utilise for

development (following the receipt of a detailed planning consent) is replenished by new sites where infrastructure and servicing works are ongoing or by schemes being advanced through the planning process.

Our commitment to sustainable development encompasses our standards for construction, which include achieving a minimum of BREEAM Very Good, an EPC A grade and net zero carbon to the point of practical completion. We continue to look for ways to improve our performance and reduce embodied carbon in our new buildings. As part of this, we have enhanced our collection and verification of data around carbon performance in our developments, to give us a clear baseline to work from.

Significant development activity in the period

We continued to make good progress with our development programme during the period.

- During H1 2022 we made significant development progress, delivering:
  - 2.4 million sq ft of development lettings, increasing contracted annual rent by £17.8 million or 9.1%.
  - 2.2 million sq ft of construction starts, formed of:
    - 1.6 million sq ft of developments pre-let or let in construction, adding £11.1 million to contracted annual rent.
    - 0.6 million sq ft of developments on a speculative basis, with the potential when let to add £6.1 million to contracted annual rent, 45% of which is under offer.
  - Planning consent secured for a further 0.6 million sq ft of development, across two sites.
- Current Development Pipeline of buildings under construction totals 3.4 million sq ft of which 1.8m sq ft (53%) has been pre-let or let during construction, a further 15% is under offer.
- On-track to deliver increased target of 3-4 million sq ft of development starts in FY 2022:
  - Maintaining 6-8% yield on cost target range.
  - Delivery expected to have positive earnings impact through FY 2023 and FY 2024.
- Near-term Development Pipeline has the potential to deliver 8.9 million sq ft of which 7% has been pre-let.
- The Future Development Pipeline of 1,291 acres is capable of potentially accommodating a further 26.3m sq ft of development.

When negotiating new leases, we are increasingly looking to incorporate hybrid rent reviews. These allow for rental increases that are the higher of index-linked or open market, providing the opportunity to maximise our future income growth. If this is not possible, we currently favour open market rent reviews, but the approach remains under constant review subject to the merits of each type of review relative to the characteristics being exhibited in the economy from time to time, whilst ensuring a balance across the portfolio.

A carefully considered and low-risk approach to development

While we believe development provides an attractive way to significantly enhance our returns, we carefully manage the associated risks it generates. Our Investment Policy limits land and development exposure to 15% of GAV, including a maximum exposure to speculative development of 5% of GAV. At the period end, land and development exposure was 8.8% of GAV and speculative exposure based on aggregated costs was 1.7%.

Below we outline how we manage the risks associated with speculative development and how we are mitigating current high levels of cost inflation within the construction industry:

a) The role of speculative development

We adopt a low-risk approach to development, primarily favouring pre-let development. However, we will consider speculative development where we have visibility on specific occupational demand.

Speculative development provides a range of benefits, including:

- Meeting the needs of customers with more immediate occupational requirements through a geographically diverse range of product;
- Opening up new sites, establishing them in the marketplace with prospective customers and agents; and
- Supporting the capture of larger pre-let opportunities.

We only undertake speculative development in locations where the supply of competing buildings is low, occupational demand is high and where we have identified at least one occupier with a requirement in that location for the size of building we intend to construct. In general, we will only speculatively develop buildings below 400,000 sq ft in size, with our average size to date in the 100,000 to 170,000 sq ft range.

Our approach is considered and analytical, and we will often be engaged in negotiations with a prospective customer at the time of entering the construction contract for a speculative build. Our speculative development performance track record has been strong. In H1 2022, all our speculative lettings have been achieved ahead of practical completion and at rental levels in excess of appraisals generating strong returns.

b) Reducing the impact of well-flagged cost inflation

We are taking steps to mitigate as far as possible the impact of increasing build costs. Prior to commencing construction, we enter into fixed-price agreements with contractors, protecting us from construction cost movements during the typical 12 month construction phase of a building. We have excellent relationships with key suppliers and the scale of our development programme means we have greater buying-power than most other developers in the logistics sector. These factors help us to secure beneficial pricing and can mean we gain priority in reserving essential building materials, which keeps cost increases and potential project delays to a minimum. In some instances, we pre-order items such as steel and cladding, to increase certainty on costs and delivery to programme.

We are also building in "day one" rent review mechanisms with occupiers where possible, so we can capture rental growth between the agreement for lease being signed ahead of construction and completion of construction. This allows us to capture any market rental growth seen during the construction phase.

As a result, we remain confident in our guidance of delivering an attractive 6-8% yield on cost on our overall development programme, with nearer-term projects likely to be delivered towards the lower end of this range.

c) Careful selection and monitoring of contractors

All significant main building contracts are placed with a panel of contractors experienced in logistics warehousing construction, which have robust balance sheets, and which are not over-stretched on other projects. We closely monitor and evaluate the financial strength of our contractors. Through controlling the UK's largest logistics property focused land portfolio, we are an important customer to this specialist construction sub-sector and as such we enjoy both purchasing power and prioritisation of resources and materials ensuring any construction delays were kept to a minimum.

During the period, we undertook a review of the supply chains associated with our development programme which identified many of our materials were being sourced from overseas. Working with our key contractors we have revised the locations from where materials and products used in our developments are sourced, such that now most come from within the UK. This helps lessen exchange rate risks, has improved quality and reliability over delivery and supports delivering buildings on time.

The Development Portfolio

The Group owns or is in the process of exercising options over land capable of supporting up to 4.5 million sq ft directly and controls land capable of supporting up to 32.3 million sq ft through long-term option agreements.

We categorise our development portfolio based on the timing of opportunities related to the planning process:

1) Current Development Pipeline– assets that are under construction which are either pre-let, let during construction or speculatively constructed and have received planning consent. These sites will be owned by the Group.

2) Near-term Development Pipeline– sites with planning consent either received or submitted and which we aim to begin construction in the next three years. These will comprise a combination of sites owned by the Group and those held under option pending planning consent.

3) Future Development Pipeline – longer-term land opportunities, which are principally held under option.

While the primary intention is to create income-producing assets to grow and modernise the Investment Portfolio, we will occasionally develop an asset for freehold sale, where working with a customer on this basis will enhance our ability to gain planning, open up a site and accelerate our profit capture.

1) Current Development Pipeline

At 30 June 2022, as detailed in the table below, the Group had the following assets in the Current Development Pipeline. The total estimated cost to complete is £191.5 million. Of the Current Development Pipeline, 53%, representing £12.7 million pa has been pre-let or let under construction. In general, the rental levels we are achieving across the speculative development portfolio are more than the levels at which we appraised at the start of the construction process. All of these sites are owned by the Group.

	Estimated costs to completion					
	Total	**Period**			**Total sq ft**	**Contractual rent / ERV**
	£m	H2 2022 £m	H1 2023 £m	H2 2023 £m	m	£m
Aston Clinton, Units 5-6	**19.1**	18.4	0.7	-	0.3	2.6
Middlewich 1A, Units 11-12	**0.7**	0.1	-	0.6	0.2	1.4
Bicester Phase 1 Plot C	**4.3**	3.7	0.4	0.2	0.3	2.3
Biggleswade Phase 2 Units 2-4	**16.2**	15.2	0.3	0.7	0.4	4.1
As per new reporting[1]:						
Current Speculative Development	**56.0**	48.4	7.6	-	0.6	6.1
Current Let / Pre-Let Development	**95.2**	77.6	17.0	0.6	1.6	11.1
Total	**191.5**	**163.4**	**26.0**	**2.1**	**3.4**	**27.6**

[1] To avoid disclosure of commercially sensitive information, going forwards we will disclose our Current Development Pipeline in an aggregated form, splitting out speculative and pre-let or let during construction. To allow for comparisons, we have continued to disclose details on buildings in construction at the time of our FY 2021 results.

2) Near-term Development Pipeline

The Group's Near-term Development Pipeline largely comprises land on which we have either received planning consent or submitted planning applications, excluding assets which are under construction and are therefore included in the Current Development Pipeline. Sites in the Near-term Development Pipeline are likely to start development within the next three years. They will comprise a combination of sites owned by the Group and those held under option pending planning consent.

At the period end, the Near-term Development Pipeline consisted of land capable of accommodating 8.9 million sq ft capable of delivering £63.4 million of annual rent. Of this, 4.6 million sq ft relates to land with planning consent and 1.8 million sq ft to sites where we have submitted a planning application.

As at 30 June 2022, the Group was awaiting decisions on planning applications for new space totalling 4.4 million sq ft.

The table below presents the Near-term Development Pipeline at the period end. This pipeline is dynamic and movements in the figures will be driven by construction starting (which will move space to the Current Development Pipeline), or changes in our view on likely timing starts resulting in potential movements between the two categories below:

	Total sq ft	Current book value £m	Estimated cost to completion £m	ERV £m	Estimated gross yield on cost %
Near-term starts in H2 2022	1.2m	13.2	136.4	9.3	6-8%
Near-term starts within the following 12-24 months	7.7m	37.4	788.4	54.1	6-8%
	8.9m	**50.6**	**924.8**	**63.4**	**6-8%**

3) Future Development Pipeline

The Future Development Pipeline contains sites where construction starts are expected to occur beyond three years. This pipeline has sites at various stages of the planning process, with multiple sites being currently promoted through local plans. We have continued to successfully refresh the pipeline, as we have drawn down land to utilise in our development programme. At 30 June 2022, the Future Development Pipeline comprised 1,291 acres with the potential to support up to 26.3 million sq ft of logistics development (31 December 2021: 1,370 acres and 28.5 million sq ft).

The Future Development Pipeline is predominantly controlled under longer-term option agreements. Most option agreements contain an extension clause, allowing the option expiry date to be extended where necessary.

Development Management Agreements (DMAs)

Under a DMA, the Group typically manages the development of an asset for a third-party funder, in return for a fee and/or profit share. The Group will not own the asset once construction has commenced and DMAs are therefore not included within the Group's asset portfolio. DMAs can provide the Group with an attractive but variable source of additional income for shareholders, with no capital funding requirements.

Income from DMAs can vary over time. The treatment and impact of DMA income is discussed in the Financial Review.

FINANCIAL REVIEW

The Group delivered another good financial performance, with further growth in net rental income, earnings (when, as previously guided, adjusting for the reduction in the variable excess Development Management Agreement (DMA) income) and EPRA net tangible assets per share.

The total dividend for the period was 3.35 pence per share (H1 2021: 3.20 pence), representing growth of 4.7%. This contributed to a Total Accounting Return of 10.7% (H1 2021: 12.5%), with the portfolio valuation continuing to benefit from yield compression and income growth generated from active asset management and our development programme.

The Group's balance sheet remains strong, with an LTV at the period end of 23.7% (31 December 2021: 23.5%) and the Group continues to benefit from significant liquidity, leaving us well placed to invest in the development

programme and to appraise further acquisition opportunities. We are rigorously focused on financial discipline and careful allocation of the Group's capital.

Presentation of financial information

The financial information is prepared under IFRS. The Group's subsidiaries are consolidated at 100% and its interests in joint ventures are equity accounted for.

The Board continues to see Adjusted EPS[5] as the most relevant measure when assessing dividend distributions. Adjusted EPS[5] is based on EPRA's Best Practices Recommendations and excludes items considered to be exceptional, not in the ordinary course of business or not supported by cash flows, and includes the developer's licence fees that the Group receives on forward funded developments.

Financial results

Net rental income

Net rental income for the period increased by 16.1% to £101.5 million (H1 2021: £87.4 million). The growth was primarily the result of development completions in the second half of 2021 and uplifts from rent reviews, as well as a full period of the Avonmouth asset acquired in April 2021.

At the period end, the contracted annual rent roll was £216.1 million across 70 assets (31 December 2021: £195.6 million across 62 assets). This includes £17.8 million from new development lettings in the period.

The passing rent at the period end was £198.3 million, we therefore have £17.8 million of new rent attached to our Current and Near-term Development Pipeline which is not yet featuring in our net rental income and will support future earnings growth.

Administrative and other expenses

Administrative and other expenses, which includes all the operational costs of running the Group, totalled £15.3 million for the six months (H1 2021: £12.2 million). Growth in the average NAV across the corresponding periods resulted in the Investment Management fee for the six month period increasing by £2.9 million to £12.6 million.

The Group's operating cost base remains low and transparent. The EPRA Cost Ratio (including and excluding vacancy cost) for the period was temporarily higher at 15.2% (H1 2021: 14.1%). As previously mentioned, the higher administrative costs in the period are yet to be offset from the £17.8 million of contracted rental income attached to our Current Development Pipeline, resulting in a temporary increase in our cost ratio. When including the net rental income referenced above, we would expect the EPRA cost ratio to return to previous levels.

[5] Excluding exceptional development income

Investment Management Agreement

During the period, certain key changes to the Investment Management Agreement (IMA) were approved by shareholders. These include a reduction in the overall investment management fee payable, which is expected to have a beneficial effect on the Company's EPRA cost ratio, and an extension to the term of the IMA. The term extension, along with an expansion of key person principles, provides additional security to the Company in terms of its main service provider as well as supporting the recruitment and retention of key personnel in the Manager.

The new investment fee scale is as follows with effect from 1 July 2022:

EPRA NTA Value	Relevant Percentage
Up to and including £2 billion	0.7 per cent
Above £2 billion and up to and including £3 billion	0.6 per cent
Above £3 billion and up to and including £3.5 billion	0.5 per cent
Above £3.5 billion	0.4 per cent

Details of the main amendments to the IMA are set out in the AGM Notice, which is available on the Group's website.

Operating profit

Operating profit before changes in fair value and other adjustments was £88.8 million (H1 2021: £84.1 million).

As noted in the discussion of the Group's development programme, the Group earns DMA income from managing developments for third parties. This other operating income is more variable than property rental income, and it is included within Adjusted earnings as it is supported by cash flows. The Group recognised £2.6 million of other operating income from these agreements in the period (H1 2021: £8.9 million). Reflecting the DMA income on a like-for-like basis, operating profit before changes in fair value and other adjustments has increased by £11.0 million, or 14.1%.

The amount of DMA income recognised in H1 2022 is more typical of the level we would expect, whereas DMA income in the prior period was in excess of the anticipated run-rate. Given this, we have highlighted the impact of DMA income on earnings within the *profit and earnings* section below.

Share-based payment charge and contingent consideration

The acquisition of DB Symmetry (rebranded to Tritax Symmetry) resulted in senior members of the Symmetry team becoming B and C shareholders. Under IFRS, the structure of this transaction has led to the B and C shareholders' value being split between:

i) contingent consideration, which is determined by certain provisions under the shareholder agreement between Tritax Symmetry HoldCo and the Tritax Symmetry Management Shareholders; and

ii) a share-based payment charge, which is the compensation the B and C shareholders will receive as a result of their economic right to a share of the future performance of Tritax Symmetry Development Assets.

During H1 2022, £4.5 million (H1 2021: £1.5 million) was charged to the Group Statement of Comprehensive Income in respect of share-based payment charges.

Financing costs

Net financing costs for the six months were £18.4 million (H1 2021: £20.0 million), excluding the improvement in the fair value of interest rate derivatives of £7.4 million (H1 2021: £0.8 million improvement). The average cost of debt at the period end, based on total commitments, was higher at 2.52% (H1 2021: 2.18%), noting the increase in Sonia over the period (c. +100bps from Dec-21 through to June-22), payable on our variable rate debt. The movement in net financing costs therefore primarily reflects an increase in interest expense capitalised due to a greater level of development activity being undertaken of £1.3 million (H1 2021 £nil). The average debt drawn throughout the period was relatively unchanged compared to the same period last year.

Tax

The Group has continued to comply with its obligations as a UK REIT and is exempt from corporation tax on its property rental business.

No tax charge arose in the period. In H1 2021, the Group incurred a tax charge of £2.3 million on income received on DMA contracts and received an exceptional tax credit of £3.9 million relating to appropriation tax on the Tritax Symmetry acquisition, resulting in a net tax credit of £1.6 million in that period.

Profit and earnings

Profit before tax was significantly influenced by the movement in property valuations (see below) and was £458.7 million for the first half (H1 2021: £376.0 million). The calculation of earnings per share (EPS) in the period was also affected by the issue of 147.1 million new ordinary shares in September 2021, which increased the Company's weighted average number of shares in issue by 8.7% between the two periods. Despite this increase in ordinary shares, we saw an improvement in basic EPS of 24.55 pence (H1 2021: 21.96 pence). Due to the reduction in DMA income as noted above, basic EPRA EPS was lower in the period at 3.32 pence (H1 2021: 3.61 pence).

Adjusted EPS for the period was 3.73 pence (H1 2021: 4.03 pence). The calculation of Adjusted EPS can be found in note 6. When removing DMA income in excess of the anticipated run-rate (of which there was none for H1 2022), which we see as our KPI most aligned to recurring earnings, Adjusted EPS grew 1.1% to 3.73 pence (H1 2021: 3.69 pence).

Dividends

Our dividend policy is described in the Chairman's statement. In line with this policy, the Board has declared the following interim dividends in respect of the period:

Declared	Amount per share	In respect of three months to	Paid/to be paid
4 May 2022	1.675p	31 March 2022	1 June 2022
29 July 2022	1.675p	30 June 2022	25 August 2022

The total dividend for the period was therefore 3.35 pence per share, an increase of 4.7% on the 3.20 pence paid in respect of H1 2021. The pay-out ratio for the first half was 90% of Adjusted EPS[6].

Portfolio valuation

CBRE independently values the Group's assets that are leased, pre-leased or are under construction. These assets are recognised in the Group Statement of Financial Position at fair value. Colliers independently values all optioned land and owned land. Land options and any other property assets are recognised at cost, less amortisation or impairment charges under IFRS.

[6] Excluding exceptional development income

The share of joint ventures relates to 50% interests in two sites at Middlewich and Northampton, relating to land and land options. These two sites are equity accounted for and appear as a single line item in the Statement of Comprehensive Income and Statement of Financial Position.

The total portfolio value at 30 June 2022 was £6.03 billion, including the Group's share of joint ventures:

	30 June 2022 £m	31 December 2021 £m
Investment properties	5,847.1	5,249.1
Other property assets	3.1	4.0
Land options (at cost)	150.7	201.5
Share of joint ventures	27.1	25.6
Remaining forward funded development commitments	-	-
Portfolio value	**6,028.0**	**5,480.2**

The gain recognised on revaluation of the Group's Investment properties was £390.5 million (H1 2021: £314.3 million). This portfolio valuation surplus was therefore 7.0% across the Group's investment and development assets, net of capital expenditure. The main drivers of this increase include:

- the continued strength of the market with an unchanged True Equivalent Yield across the portfolio of 4.1% (Dec 21: 4.1%), driven by:
    - the contribution from capitalising the passing rental growth achieved across the investment portfolio; and
    - further like-for-like ERV growth of 5.8%
- strong performance across the Group's assets under construction.

Capital expenditure

In line with our increased target for 2022 of 3-4 million sq ft of construction starts, we set guidance for capital expenditure into development of £350-400 million in 2022. In H1 2022, capital expenditure into development was £145.7 million. We expect this level to accelerate in H2 2022 and therefore we are on-track to meet our full year guidance.

Embedded value within land options

Under IFRS, land options are recognised at cost and subject to impairment review. As at 30 June 2022, the Group's investment in land options totalled £150.7 million (31 December 2021: £201.5 million). The resultant reduction relates to elements of land holding drawn down and owned on a freehold basis, some of which now has construction activity ongoing from the Current Development Pipeline.

As the land under option approaches the point of receiving planning consent, any associated risk should reduce and the fair value should increase. When calculating its EPRA NTA, the Group therefore makes a fair value mark-to-market adjustment for land options. At the period end, the fair value of land options was £60.5 million greater (31 December 2021: £66.0 million greater) than costs expended to date.

Net assets

The EPRA NTA per share at 30 June 2022 was 242.88 pence (31 December 2021: 222.60 pence), up 9.1%. The primary driver of this increase was the growth in value of the property portfolio, as described above.

The Total Accounting Return for the period, which is the growth in EPRA NTA plus dividends paid, was 10.7% (H1 2021: 12.5%).

Debt capital

At 30 June 2022, the Group had the following borrowings:

Lender	Maturity	Loan commitment £m	Amount drawn at 30 June 2022 £m
Loan notes			
2.625% Bonds 2026	Dec 2026	250.0	249.5
2.86% Loan notes 2028	Feb 2028	250.0	250.0
2.98% Loan notes 2030	Feb 2030	150.0	150.0
3.125% Bonds 2031	Dec 2031	250.0	247.7
1.5% Green Bonds 2033	Nov 2033	250.0	246.6
Bank borrowings			
RCF (syndicate of seven banks)	Dec 2024	350.0	50.0
RCF (syndicate of six banks)	Jun 2026	200.0	57.0
Helaba	Jul 2028	50.9	50.9
PGIM Real Estate Finance	Mar 2027	90.0	90.0
Canada Life	Apr 2029	72.0	72.0
Total		**1,912.9**	**1,463.7**

During the period, the Group extended the facility with Helaba by three years to a July 2028 maturity. In addition, JP Morgan replaced HSBC in the Group's RCF syndicates and aligned the maturities of their respective holdings with the maturity of the remainder of the facilities. The full commitments under our RCF's now mature in December 2024 and June 2026 respectively.

Interest rates and hedging

Of the Group's debt commitments, 69% is at fixed interest rates. For its variable rate debt, the Group's hedging strategy is to use interest rate caps which run coterminous with the respective loan. These allow the Group to benefit from current low interest rates, while minimising the effect of a significant increase in interest rates in the future.

Combined with the fixed rate debt, the Group's derivative instruments hedged 100% of its drawn debt as at the period end. The cost of borrowing at 30 June 2022, based on total commitments was 2.52% (31 December 2021: 2.26%).

Debt maturity

At 30 June 2022, the Group's debt had an average maturity of 6.2 years (31 December 2021: 6.5 years), with the next maturity requiring refinancing due in approximately 2.5 years and the farthest maturity falling due in more in 11 years.

Loan to value (LTV)

The Group has a conservative leverage policy, with a medium-term LTV target of 30-35%. At the period end, the LTV was 23.7% (31 December 2021: 23.5%), reflecting the increase in debt drawn during the period to finance development activity, offset by the higher valuation of the Group's assets.

Net debt and operating cash flow

Net debt at the period end was £1,428.9 million, comprising £1,463.7 million of gross debt less £34.8 million of cash (31 December 2021: £1,356.3 million gross debt, £71.1 million cash).

Net operating cash flow plus licence fees received was £86.1 million for the period (H1 2021: £98.5 million).

Going concern

We continue to have a healthy liquidity position, with strong levels of rent collection, a favourable debt maturity profile and substantial headroom against our financial covenants.

The Directors have reviewed our current and projected financial position over a five-year period, making reasonable assumptions about our future trading performance. Various forms of sensitivity analysis have been performed, in particular regarding the financial performance of our customers and expectations over lease renewals. As at 30 June 2022, our property values would have to fall by approximately 50% before our loan covenants are breached at the corporate level.

At the period end, we had an aggregate of £443 million of undrawn commitments under our senior debt facilities and £34 million of cash, of which £191.5 million (see note 18) was committed under various development contracts. Our loan to value ratio stood at 23.7%, with the debt portfolio having an average maturity term of approximately 6.2 years.

As at the date of approval of this report, we had substantial headroom within our financial loan covenants. Our financial covenants have been complied with for all loans throughout the year and up to the date of approval of these financial statements. As a result, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, which is considered to be to 4 August 2023.

Credit rating

The Group has a Baa1 long-term credit rating and positive outlook from Moody's Investor Services, which was unchanged during the period.

Alternative Investment Fund Manager (AIFM)

The Manager is authorised and regulated by the Financial Conduct Authority as a full-scope AIFM. The Manager is therefore authorised to provide services to the Group and the Group benefits from the rigorous reporting and ongoing compliance applicable to AIFMs in the UK.

As part of this regulatory process, Langham Hall UK Depositary LLP (Langham Hall) is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. In performing its function, Langham Hall conducts a quarterly review during which it monitors and verifies all new acquisitions, share issues, loan facilities and other key events, together with shareholder distributions, the quarterly management accounts, bank reconciliations and the Company's general controls and processes. Langham Hall provides a written report of its findings to the Company and to the Manager, and to date it has not identified any issues. The Company therefore benefits from a continuous real-time audit check on its processes and controls.

KEY PERFORMANCE INDICATORS

Our objective is to deliver attractive, low-risk returns to Shareholders, by executing the Group's Investment Policy and operational strategy. Set out below are the key performance indicators we use to track our progress. For a more detailed explanation of performance, please refer to the Manager's Report.

KPI	Relevance to strategy	Performance
1. Total accounting return (TAR)	TAR calculates the change in the EPRA net tangible assets (EPRA NTA) over the period plus dividends paid. It measures the ultimate outcome of our strategy, which is to deliver value to our shareholders through our portfolio and to deliver a secure and growing income stream.	10.7% for the period to 30 June 2022 (H1 2021: 12.5%, FY 2021: 30.5%)
2. Dividend	The dividend reflects our ability to deliver a low-risk but growing income stream from our portfolio and is a key element of our TAR.	3.35p per share for the period to 30 June 2022 (H1 2021: 3.20p, FY 2021: 6.70p)
3. EPRA NTA per share[1]	The EPRA NTA reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.	242.88p at 30 June 2022 (30 June 2021: 194.22p, 31 December 2021: 222.60p).
4. Loan to value ratio (LTV)	The LTV measures the prudence of our financing strategy, balancing the potential amplification of returns and portfolio diversification that come with using debt against the need to successfully manage risk.	23.7% at 30 June 2022 (30 June 2021: 30.3%, 31 December 2021: 23.5%).
5. Adjusted earnings per share	The Adjusted EPS reflects our ability to generate earnings from our portfolio, which ultimately underpins our dividend payments.	3.73p per share for the period to 30 June 2022 (HY 2021: 4.03p, FY 2021: 8.23p) Excluding exceptional development management income, Adjusted EPS was 3.73p (HY 2021: 3.69p, FY 2021: 7.38p) See note 6.
6. Weighted average unexpired lease term (WAULT)	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.	12.8 years at 30 June 2022 (30 June 2021: 13.4 years, 31 December 2021: 13.0 years).
7. Global Real Estate Sustainability Benchmark (GRESB) score	The GRESB score reflects the sustainability of our assets and how well we are managing ESG risks and opportunities. Sustainable assets protect us against climate change and help our customers to operate efficiently.	81/100, 4 Green Star rating for 2021. (2020: 72/100, 3 Green Star rating).

[1] EPRA NTA is calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We use these alternative metrics as they provide a transparent and consistent basis to enable comparison between European property companies.

EPRA PERFORMANCE INDICATORS

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 all EPRA performance indicators, please see Notes to the EPRA and other key performance indicators.

Measure and Definition	Purpose	Performance
1. EPRA Earnings (Diluted) See note 6	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	£62.0m / 3.32p per share (HY 2021: £61.6m / 3.58p per share, FY 2021: £131.2m / 7.47p per share).
2. EPRA Net Tangible Assets See note 16	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	£4,539.1m / 242.88p per share as at 30 June 2022 (30 June 2021: £3,340.3m / 194.22p per share, 31 December 2021: £4,157.7m / 222.60p per share).
3. EPRA Net Reinstatement Value (NRV)	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	£4,953.0m / 265.03p per share as at 30 June 2022 (30 June 2021: £3,679.1m / 213.93p per share, 31 December 2021: £4,535.7m / 242.84p per share).
4. EPRA Net Disposal Value (NDV)	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.	£4,640.5m / 248.31p per share as at 30 June 2022 (30 June 2021: £3,245.5m / 188.71p per share, 31 December 2021: £4,095.5m / 219.27p per share).
5 EPRA Net Initial Yield (NIY)	This measure should make it easier for investors to judge for themselves how the valuations of two portfolios compare.	3.36% as at 30 June 2022 (30 June 2021: 4.06%, 31 December 2021: 3.56%).
6 EPRA 'Topped-Up' NIY	This measure should make it easier for investors to judge for themselves how the valuations of two portfolios compare.	3.60% as at 30 June 2022 (30 June 2021: 4.17%, 31 December 2021: 3.75%).
7. EPRA Vacancy	A "pure" (%) measure of investment property space that is vacant, based on ERV.	0% as at 30 June 2022 (30 June 2021: 0%, 31 December 2021: 0%).
8. EPRA Cost Ratio	A key measure to enable meaningful measurement of the changes in a company's operating costs.	15.2% (HY 2021: 14.1%, FY 2021: 13.9%). Both the 2022 and 2021 ratios are the same, inclusive or exclusive of vacancy costs.

PRINCIPAL RISKS AND UNCERTAINTIES

The Audit & Risk Committee, which assists the Board with its responsibilities for managing risk, considers that whilst some risks may have increased and some risks reduced in the period, all principal risks and uncertainties presented on pages 59-64 of our 2021 Annual Report, dated 2 March 2022, remained valid during the period and we believe will continue to remain valid for the remainder of the year. This is with the exception of risk 9 within the 2021 Annual Report, Disruptive Brexit, which has been removed as a principal risk in the period as it was at least partially mitigated by the trade agreement between the UK and EU and subsequently no material impacts on the Group have arisen. Implications of the Brexit event itself are now being managed within other relevant risks. We are also conscious of the current level of inflation and impact this is having on the UK economy, we do not see this as a separate risk in isolation, but something which is embedded within multiple other risks noted below. The principal risks are summarised below.

Property risks

- The default of one or more of our customers would reduce revenue and may affect our ability to pay dividends or meet our debt servicing covenants, while reducing our net asset value and increasing our LTV.
- An adverse change in the performance of our property portfolio may lead to lower returns to Shareholders or a breach of our banking covenants.
- Our ability to grow the Portfolio may be affected by competition for investment properties in the logistics property sector.
- Our property performance will depend on the performance of the UK retail sector and online retail.
- Development activities may involve more risk than is associated with standing assets. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default and general financing risk.

Financial risks

- Without sufficient debt funding, or funding available at appropriate rates, we may be unable to pursue suitable investment opportunities in line with our investment objectives.

Corporate risk

- As an externally managed company, we rely on the Manager's services and its reputation in the property market.

Taxation risk

- We are a UK REIT and have a tax-efficient corporate structure, with advantageous consequences for UK Shareholders. Any change to our tax status or in UK tax legislation could affect our ability to achieve our investment objectives and provide favourable returns to Shareholders.

Other risks

- A severe downturn in the economy could impact a number of the Groups tenants, contractors, and service providers, which could mean a loss of rent income and disruption to operations.
- There is a risk of physical damage to the property portfolio as a result environmental related factors such as flood risk and rising temperatures. Less energy efficient buildings might not perform as well as those with the highest ESG credentials. ESG requirements are likely to increase over time as could the cost of meeting ESG

requirements. The costs of carbon pricing could increase, increasing the future construction costs associated with our development pipeline.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Services Authority, IAS 34 'Interim Financial Reporting',

- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Shareholder information is as disclosed on the Tritax Big Box REIT plc website.

For and on behalf of the Board

Aubrey Adams OBE (Chairman)

3 August 2022

INDEPENDENT REVIEW REPORT TO TRITAX BIG BOX REIT PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Condensed Group Statement of Comprehensive Income, the Condensed Group Statement of Financial Position, the Condensed Group Statement of Changes in Equity, the Condensed Group Cash Flow Statement and related notes.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants
London, United Kingdom
3 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Gross rental income		**101.5**	87.6	184.7
Service charge income		**2.6**	2.4	5.1
Service charge expense		**(2.6)**	(2.6)	(5.2)
Net rental income		**101.5**	87.4	184.6
Gross operating income		**8.3**	12.2	24.7
Other operating costs		**(5.7)**	(3.3)	(5.8)
Other operating income		**2.6**	8.9	18.9
Administrative and other expenses		**(15.3)**	(12.2)	(25.5)
Operating profit before changes in fair value and other adjustments[1]		**88.8**	84.1	178.0
Changes in fair value of investment properties	8	**390.5**	314.3	840.9
Gain on disposal of investment properties		**–**	–	2.0
Share of profit/(loss) from joint ventures		**–**	–	0.1
Impairment of intangible and other property assets		**(0.3)**	(0.2)	(2.9)
Share-based payment charge	14	**(4.5)**	(1.5)	(5.5)
Changes in fair value of contingent consideration payable	14	**(4.8)**	(1.5)	(4.2)
Operating profit		**469.7**	395.2	1,008.5
Finance expense	4	**(18.4)**	(20.0)	(40.1)
Changes in fair value of interest rate derivatives	10	**7.4**	0.8	2.8
Profit before taxation		**458.7**	376.0	971.1
Taxation	5	**–**	1.6	1.5
Profit and total comprehensive income		**458.7**	377.6	972.6
Earnings per share – basic	6	**24.55p**	21.96p	55.39p
Earnings per share – diluted[2]	6	**24.55p**	21.91p	55.31p

[1] Operating profit before changes in fair value of investment properties and contingent consideration, gain on disposal of investment properties, share of loss from joint ventures, impairment of intangible and other property assets and share-based payment charges.

[2] There is no dilution in the period to 30 June 2022

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	**Six months ended 30 June 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Non-current assets				
Intangible assets		**1.6**	1.9	1.7
Investment property	8	**5,847.1**	4,632.9	5,249.1
Investment in land options	9	**150.7**	195.3	201.5
Investment in joint ventures		**27.1**	28.8	25.6
Other property assets		**3.1**	6.2	4.0
Trade and other receivables	11	**2.0**	2.0	2.0
Interest rate derivatives	10	**12.4**	0.4	1.8
Total non-current assets		**6,044.0**	4,867.5	5,485.7
Current assets				
Rent and other receivables	11	**28.9**	22.8	37.1
Cash at bank	12	**34.8**	30.3	71.1
Total current assets		**63.7**	53.1	108.2
Total assets		**6,107.7**	4,920.6	5,593.9
Current liabilities				
Deferred rental income		**(34.9)**	(33.9)	(38.6)
Trade and other payables		**(92.5)**	(112.1)	(85.9)
Tax liabilities		**(4.3)**	(4.2)	(4.3)
Total current liabilities		**(131.7)**	(150.2)	(128.8)
Non-current liabilities				
Trade and other payables		**(2.0)**	(2.0)	(2.0)
Interest rate derivatives	10	**-**	(0.7)	-
Bank borrowings	13	**(314.2)**	(352.9)	(207.6)
Loan notes	13	**(1,138.4)**	(1,137.0)	(1,137.6)
Amounts due to B and C shareholders	14	**(50.7)**	(34.7)	(41.4)
Total non-current liabilities		**(1,505.3)**	(1,527.3)	(1,388.6)
Total liabilities		**(1,637.0)**	(1,677.5)	(1,517.4)
Total net assets		**4,470.7**	3,243.1	4,076.5
Equity				
Share capital	15	**18.7**	17.2	18.7
Share premium reserve	15	**764.3**	467.7	762.0
Capital reduction reserve	15	**897.7**	1,021.9	964.5
Retained earnings	15	**2,790.0**	1,736.3	2,331.3
Total equity		**4,470.7**	3,243.1	4,076.5
Net asset value per share – basic	16	**239.23p**	188.57p	218.26p
Net asset value per share – diluted	16	**239.23p**	188.57p	218.18p
EPRA net tangible asset per share – basic	16	**242.88p**	194.22p	222.60p
EPRA net tangible asset per share – diluted	16	**242.88p**	194.22p	222.52p

These financial statements were approved by the Board of Directors on 3 August 2022 and signed on its behalf by:

Aubrey Adams OBE (Chairman)

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

Six months ended 30 June 2022 (unaudited)	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
At 1 January 2022		**18.7**	**762.0**	**964.5**	**2,331.3**	**4,076.5**
Profit and total comprehensive income		**–**	**–**	**–**	**458.7**	**458.7**
		18.7	**762.0**	**964.5**	**2,790.0**	**4,535.2**
Contributions and distributions						
Shares issued in relation to management contract		**–**	**2.3**	**–**	**–**	**2.3**
Share-based payments		**–**	**–**	**–**	**2.6**	**2.6**
Transfer of share-based payments to liabilities to reflect settlement		**–**	**–**	**–**	**(2.6)**	**(2.6)**
Dividends paid	7	**–**	**–**	**(66.8)**	**–**	**(66.8)**
At 30 June 2022		**18.7**	**764.3**	**897.7**	**2,790.0**	**4,470.7**

Six months ended 30 June 2021 (unaudited)	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
At 1 January 2021		17.2	466.5	1,078.9	1,358.7	2,921.3
Profit and total comprehensive income		–	–	–	377.6	377.6
		17.2	466.5	1,078.9	1,736.3	3,298.9
Contributions and distributions						
Shares issued in relation to equity consideration		–	1.2	–	–	1.2
Share-based payments		–	–	–	1.3	1.3
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(1.3)	(1.3)
Dividends paid	7	–	–	(57.0)	–	(57.0)
At 30 June 2021		17.2	467.7	1,021.9	1,736.3	3,243.1

Year ended 31 December 2021 (audited)	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2021		17.2	466.5	1,078.9	1,358.7	2,921.3
Profit and total comprehensive income		–	–	–	972.6	972.6
		17.2	466.5	1,078.9	2,331.3	3,893.9
Contributions and distributions						
Shares issued in relation to equity issue		1.4	298.5	–	–	299.9
Share issue costs		–	(5.8)	–	–	(5.8)
Shares issued in relation to management contract		0.1	2.8	–	–	2.9
Share-based payments		–	–	–	2.7	2.7
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(2.7)	(2.7)
Dividends paid	7	–	–	(114.4)	–	(114.4)
At 31 December 2021		18.7	762.0	964.5	2,331.3	4,076.5

CONDENSED GROUP CASH FLOW STATEMENT

For the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Cash flows from operating activities				
Profits for the period (attributable to the shareholders)		**458.7**	377.6	972.6
Add: tax charge		**-**	(1.6)	(1.5)
Add: changes in fair value of contingent consideration payable		**4.8**	1.5	4.2
Add: finance expense		**18.4**	20.0	40.1
Add: changes in fair value of interest rate derivatives		**(7.4)**	(0.8)	(2.8)
Add: share-based payment charges		**4.5**	1.5	5.5
Add: impairment of intangible and other property assets		**0.2**	0.2	2.9
Add: amortisation of other property assets		**0.9**	3.2	5.4
Add: share of loss from joint ventures		**–**	–	(0.1)
Less: changes in fair value of investment properties		**(390.5)**	(314.3)	(840.9)
Less: gain on disposal of investment properties		**–**	–	(2.0)
Accretion of tenant lease incentive		**(5.2)**	(3.5)	(7.2)
(Increase)/decrease in rent and other receivables		**8.0**	2.3	(12.0)
(Decrease)/increase in deferred income		**(3.7)**	(3.0)	1.7
Increase/(decrease) in trade and other payables		**(2.6)**	11.4	26.2
Cash generated from operations		**86.1**	94.5	192.1
Taxation paid		**–**	4.0	4.0
Net cash flow generated from operating activities		**86.1**	98.5	196.1
Investing activities				
Additions to investment properties		**(136.1)**	(191.6)	(279.0)
Additions to land options		**(6.4)**	(5.1)	(7.6)
Additions to joint ventures		**(1.9)**	(0.3)	(0.7)
Net proceeds from disposal of investment properties		**–**	–	132.3
Licence fees received		**–**	–	2.5
Interest received		**–**	–	0.1
Dividends received from joint ventures		**0.4**	–	2.2
Net cash flow used in investing activities		**(144.0)**	(197.0)	(150.2)
Financing activities				
Proceeds from issue of Ordinary Share Capital		**2.3**	1.3	302.8
Cost of share issues		**–**	–	(5.8)
Bank borrowings drawn		**133.0**	174.5	245.5
Bank and other borrowings repaid		**(26.0)**	(28.5)	(245.5)
Loan arrangement fees paid		**(0.5)**	(0.6)	(0.7)
Bank interest paid		**(17.5)**	(18.8)	(37.5)
Interest rate cap premium paid		**(3.2)**	–	–
Dividends paid to equity holders		**(66.5)**	(56.9)	(114.3)
Net cash flow generated from financing activities		**21.6**	71.0	144.5
Net increase/(decrease) in cash and cash equivalents for the period		**(36.3)**	(27.5)	13.3
Cash and cash equivalents at start of period	12	**70.9**	57.6	57.6
Cash and cash equivalents at end of period	12	**34.6**	30.1	70.9

NOTES TO THE CONSOLIDATED ACCOUNTS

1. Basis of preparation

These condensed consolidated interim financial statements for the 6 months to 30 June 2022 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Services Authority, IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. They do not include all of the information required for full annual financial statements and should be read in conjunction with the 2021 Annual Report and Accounts, which were prepared in accordance with UK-adopted International Accounting Standards (IFRS).

The condensed consolidated financial statements for the six months ended 30 June 2022 have been reviewed by the Company's Auditor, BDO LLP, in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and were approved for issue on 3 August 2022. The condensed consolidated financial statements are unaudited and do not constitute statutory accounts for the purposes of the Companies Act 2006.

The comparative financial information presented herein for the year to 31 December 2021 does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's Annual Report and accounts for the year to 31 December 2021 have been delivered to the Registrar of Companies. The Group's independent auditor's report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

1.1. Going concern

The Board has paid attention to the appropriateness of the going concern basis in preparing these financial statements. Any going concern assessment considers the Group's financial position, cash flows and liquidity, including its continued access to its debt facilities and its headroom under financial loan covenants.

The Directors have considered the cash flow forecasts for the Group for a period of at least twelve months from the date of approval of these condensed consolidated financial statements. These forecasts include the Directors' assessment of plausible downside scenarios. The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about its future trading performance. Various forms of sensitivity analysis have been performed having a particular regard to the financial performance of its Customers, taking into account any discussions held with the Customer surrounding their rental obligations. The analysis also included sensitising the impact of portfolio valuation movements through market volatility, rent collection and customer default. These scenarios all paid regard to the current economic environment.

The Group has a strong track record around rent collection, particularly during Covid-19 when 100% of rent was collected. The Group has no history of bad debts and there have been no agreements to grant rent free periods or rent holidays across the whole portfolio as a result of customer credit issues. The Directors have also considered the arrears position in light of IFRS 9, expected credit loss model, see Note 11 for further details.

As at 30 June 2022, the Group had an aggregate £443 million of undrawn commitments under its senior debt facilities, of which £191.5 million was committed under various development contracts.

At 30 June 2022 the Group's loan to value ratio stood at 23.7%, with the debt portfolio having an average maturity term of approximately 6.2 years. As at the date of approval of this report, the Group has substantial headroom within its financial loan covenants. As at 30 June 2022 property values would have to fall by approximately 50% before loan covenants are breached.

The Group's financial covenants have been complied with for all loans throughout the period and up to the date of approval of these financial statements.

The Directors are therefore satisfied that the Group is in a position to continue in operation for at least twelve months from the date of approval of these condensed consolidated financial statements and consider it appropriate to adopt the going concern basis of accounting in preparing them. There is no material uncertainty relating to going concern.

2. Significant accounting judgements, estimates and assumptions

The condensed consolidated financial statements have been prepared on the basis of the accounting policies, significant judgements, estimates and key assumptions as set out in the notes to the Group's annual financial statements for the year ended 31 December 2021. No changes have been made to the Group's accounting policies as a result of the amendments and interpretations which became effective in the period as they do not have a material impact on the Group. Full details can be found in the Group's annual financial statements for the year ended 31 December 2021, apart from the below:

2.1 Judgements

Other operating income

Other operating income is receivable from development management agreements in place with third parties. Development management income is recognised in the accounting period in which the services are rendered and a significant reversal is not expected in future periods.

Judgement is exercised in identifying performance obligations including achieving a pre-let, managing the building of an asset and arranging for lease completion. Certain performance obligations are recognised at a point in time and others are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services. A judgement is formed over the level of other operating income to be recognised in any accounting period, which also takes into account any associated costs attached to the development management agreements.

2.2 Estimates

Fair valuation of Investment property

The market value of Investment property is determined by an independent property valuation expert (see note 8) 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 and the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 ("the Red Book"). Factors reflected comprise current market conditions including net initial yield applied, annual rentals, lease lengths and location. The net initial yield, being the most significant estimate, is subject to changes depending on the market conditions which are assessed on a periodic basis. The significant methods and assumptions used by the valuers in estimating the fair value of Investment property, together with the sensitivity analysis on the most subjective inputs, are set out in note 8.

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 31 December 2021 and are expected to be applied consistently during the year ending 31 December 2022.

3.1 New standard issued and effective from 1 January 2022

The following standard and amendment to existing standards has been applied in preparing the condensed financial statements.

IFRS Phase 2 amendments for interest rate benchmark (IBOR) reform provide a practical expedient to account for changes in the basis for determining contractual cash flows of financial assets and financial liabilities as a result of IBOR reform. Under the practical expedient, entities will account for these changes by updating the effective interest rate without the recognition of an immediate gain or loss. This practical expedient applies only to such a change and only to the extent that it is necessary as a direct consequence of interest rate benchmark reform, and the new basis is economically equivalent to the previous basis.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

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

3.2. New standards issued but not yet effective

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

There are no other standards that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on the foreseeable future transactions.

4. Finance expense

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Interest payable on bank borrowings	**3.0**	2.9	6.1
Interest payable on loan notes	**14.8**	14.8	29.8
Commitment fees payable on bank borrowings	**1.0**	1.0	2.0
Swap interest payable	**0.1**	0.2	0.4
Borrowing costs capitalised against development properties	**(1.3)**	-	(0.7)
Amortisation of loan arrangement fees	**0.8**	1.1	2.5
	18.4	20.0	40.1

5. Taxation

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
UK corporation tax charge	**–**	(2.3)	(2.4)
Appropriation tax refund	**–**	3.9	3.9
Tax credit/(charge)	**–**	1.6	1.5

The UK corporation tax rate for the financial year is 19%. Accordingly, this rate has been applied in the measurement of the Group's tax liability at 30 June 2022.

Non-taxable items include income and gains that are derived from the property rental business and are therefore exempt from UK corporation tax in accordance with Part 12 of CTA 2010.

REIT exempt income includes property rental income that is exempt from UK corporation tax in accordance with Part 12 of CTA 2010.

The Group received an exceptional tax credit of £3.9 million in the year ended 31 December 2021 for deferred tax that was over-provided from the acquisition of Tritax Symmetry following the submission of tax computations for 2019.

6. Earnings per share

Earnings per share (EPS) are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are dilutive instruments outstanding, basic and diluted earnings per share are shown below.

In relation to the dilutive shares to be issued in respect of the B and C Shares, the Directors have indicated a current intention to settle these 100% in cash. The calculation of basic and diluted earnings per share is based on the following:

For the six months ended 30 June 2022 (unaudited)	**Net profit attributable to Ordinary Shareholders £m**	**Weighted average number of Ordinary Shares[1] '000**	**Earnings per share pence**
Basic EPS and diluted EPS[2]	**458.7**	**1,868,446**	**24.55**
Adjustments to remove:			
Changes in fair value of Investment property	**(390.5)**		
Changes in fair value of interest rate derivatives	**(7.4)**		
Amortisation of other property assets	**0.9**		
Impairment of intangible contract	**0.3**		
EPRA EPS and EPRA diluted EPS[2]	**62.0**	**1,868,446**	**3.32**
Adjustments to include:			
Fixed rental uplift adjustments	**(2.3)**		

Share-based payments charges	**4.5**		
Changes in fair value of contingent consideration payable	**4.8**		
Amortisation of loan arrangement fees and intangibles (see note 4)	**0.7**		
Adjusted EPS and Adjusted diluted EPS[2]	**69.7**	**1,868,446**	**3.73**

1. Based on the weighted average number of Ordinary Shares in issue throughout the period.
2. Based on the weighted average number of Ordinary Shares in issue throughout the period, plus potentially issuable dilutive shares (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C Shareholders that could potentially be settled as equity. The share-based payments charges are not dilutive at period end.

For the six months ended 30 June 2021 (unaudited)	**Net profit attributable to Ordinary Shareholders £m**	**Weighted average number of Ordinary Shares[1] '000**	**Earnings per share pence**
Basic EPS	377.6	1,719,585	21.96
Adjustment for dilutive shares:			
Changes in fair value of contingent consideration payable	(0.4)		
Dilutive shares in respect of B and C Shareholders		2,029	
Diluted EPS[2]	377.2	1,721,614	21.91
Adjustments to remove:			
Changes in fair value of contingent consideration payable	0.4		
Changes in fair value of Investment property	(314.3)		
Changes in fair value of interest rate derivatives	(0.8)		
Amortisation of other property assets	3.2		
Impairment of intangible contract	0.2		
Deferred tax credit	(3.9)		
EPRA EPS	62.0	1,719,585	3.61
Add back: Changes in fair value of contingent consideration payable	(0.4)	2,029	
EPRA diluted EPS[2]	61.6	1,721,614	3.58
Adjustments to include:			
Changes in fair value of contingent consideration payable	0.4		
Licence fee receivable on Forward Funded Developments	6.1		
Fixed rental uplift adjustments	(2.5)		
Share-based payments charges	1.5		
Changes in fair value of contingent consideration payable	1.5		
Amortisation of loan arrangement fees and intangibles (see note 4)	0.8		
Adjusted EPS	69.4	1,719,585	4.03
Add back: Changes in fair value of contingent consideration payable	(0.4)	2,029	
Adjusted diluted EPS[2]	69.0	1,721,614	4.01

1. Based on the weighted average number of Ordinary Shares in issue throughout the period.
2. Based on the weighted average number of Ordinary Shares in issue throughout the period, plus potentially issuable dilutive shares (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C Shareholders that could potentially be settled as equity. The share-based payments charges are dilutive at period end.

For the year ended 31 December 2021	**Net profit attributable to Ordinary Shareholders £m**	**Weighted average number of Ordinary Shares[1] '000**	**Earnings per share pence**
Basic EPS	972.6	1,755,927	55.39
Add: Shares to be issued on outstanding investment manager's fees		668	

Add back: Dilutive share based payment charge	1.7		
Add back: Fair value movement in contingent consideration	4.2	8,017	
Add back: Dilutive shares in respect of B and C shareholders		4,462	
Diluted EPS[2]	978.5	1,769,074	55.31
Adjustments to remove:			
Dilutive share based payment charge	(1.7)		
Changes in fair value of contingent consideration payable	(4.2)		
Changes in fair value of investment property	(840.9)		
Changes in fair value of interest rate derivatives	(2.8)		
Gain on disposal of investment properties	(2.0)		
Amortisation of other property assets	5.4		
Refund of corporation tax	(3.9)		
Share of profit from joint ventures	(0.1)		
Impairment of intangible contract and other property assets	2.9		
EPRA EPS	131.2	1,755,927	7.47
Add: Shares to be issued on outstanding investment manager's fees[4]		668	
EPRA diluted EPS	131.2	1,756,595	7.47
Adjustments to include:			
Licence fee receivable on Forward Funded Developments	7.3		
Fixed rental uplift adjustments	(6.2)		
Share-based payments charges	5.5		
Changes in fair value of contingent consideration payable	4.2		
Amortisation of loan arrangement fees and intangibles (see note 4)	2.5		
Adjusted EPS	144.5	1,755,927	8.23
Add back: Shares to be issued on outstanding investment manager's fees[4]		668	
Adjusted diluted EPS	144.5	1,756,595	8.22

1. Based on the weighted average number of Ordinary Shares in issue throughout the year.
2. Based on the weighted average number of Ordinary Shares in issue throughout the year, plus potentially issuable dilutive shares (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C shareholders that could potentially be settled as equity. The share-based payments charges are dilutive to basic EPS only at year end.
4. Relates to dilutive effect of shares to be issued on outstanding investment manager's fees.

Adjusted earnings is a performance measure used by the Board to assess the Group's financial performance and dividend payments. The metric adjusts EPRA earnings by other 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. Licence fees received during the period are added to EPRA earnings on the basis noted below as the Board sees these cash flows as supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

The adjustment for licence fees receivable is calculated by reference to the proportion of the total period of completed construction during the period, multiplied by the total licence fee receivable on a given forward funded asset. Licence fees will convert into rental income once practical completion has occurred and therefore rental income will flow into EPRA and Adjusted earnings from this point.

Fixed rental uplift adjustments relate to adjustments to net rental income on leases with fixed or minimum uplifts embedded within their review profiles. The total minimum income recognised over the lease term is recognised on a straight-line basis and therefore not supported by cash flows during the early term of the lease, but this reverses towards the end of the lease.

Share-based payment charges relate to the B and C Shareholders. Whilst impacting on earnings, this value is considered capital in nature from the perspective it relates to an equity holding in Tritax Symmetry Holdings Limited. It is therefore removed from Adjusted earnings.

7. Dividends paid

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Fourth interim dividend in respect of year ended 31 December 2020 at 1.7125 pence per Ordinary Share	**–**	29.5	29.5
First interim dividend in respect of year ended 31 December 2021 at 1.6000 pence per Ordinary Share	**–**	27.5	27.5
Second interim dividend in respect of year ended 31 December 2021 at 1.6000 pence per Ordinary Share	**–**	–	27.5
Third interim dividend in respect of year ended 31 December 2021 at 1.6000 pence per Ordinary Share	**–**	–	29.9
Fourth interim dividend for the year ended 31 December 2021 at 1.9000 pence per Ordinary Share	**35.5**	–	–
First interim dividend for the year ended 31 December 2022 at 1.6750 pence per Ordinary Share	**31.3**	–	–
Total dividends paid	**66.8**	57.0	114.4
Total dividends paid in respect of the period/year	**1.675p**	1.60p	4.80p
Total dividends unpaid but declared in respect of the period/year	**1.675p**	1.60p	1.90p
Total dividends declared – per share	**3.35p**	3.20p	6.70p

On 28 July 2022, the Company announced the declaration of the second interim dividend in respect of the year ended 31 December 2022 of 1.6750 pence per share payable on 25 August 2022. In relation to the total dividends declared for the period of 3.35 pence, 3.35 pence is a property income distribution (PID).

8. Investment property

In accordance with IAS 40: Investment property, the Investment property has been independently valued at fair value by CBRE Limited ("CBRE") and Colliers International Valuation UK LLP ("Colliers"), both accredited independent valuers with recognised and relevant professional qualifications and with recent experience in the locations and categories of the investment properties being valued. CBRE value all properties with leases or agreements for lease attached or assets that are under construction.

Colliers value all land holdings either owned or held under option. The valuations have been prepared in accordance with the RICS Valuation – Global Standards November 2021 ("the Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13.

The Valuer in forming its opinion make a series of assumptions, which are typically market related, such as net initial yields and expected rental values and are based on the Valuer's professional judgement. The Valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently. There has been no changes to the assumptions made in the period as a result of Covid-19 or other factors.

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

(unaudited)	Investment Property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2022	**4,208.7**	**812.5**	**227.9**	**5,249.1**
Property additions[1]	**4.4**	**–**	**197.9**	**202.3**
Fixed rental uplift and tenant lease incentives[2]	**5.1**	**0.1**	**–**	**5.2**
Transfer of completed property to Investment property	**16.5**	**–**	**(16.5)**	**–**
Change in fair value during the period	**274.9**	**16.4**	**99.2**	**390.5**
As at 30 June 2022	**4,509.6**	**829.0**	**508.5**	**5,847.1**

(unaudited)	Investment Property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2021	2,885.3	696.1	472.1	4,053.5
Property additions[1]	91.1	–	170.5	261.6
Fixed rental uplift and tenant lease incentives[2]	3.0	0.5	–	3.5
Transfer of Investment property to Investment property under construction	(33.2)	–	33.2	–
Transfer of completed property to Investment property	135.2	–	(135.2)	–
Change in fair value during the period	210.2	37.0	67.1	314.3
As at 30 June 2021	3,291.6	733.6	607.7	4,632.9

	Investment property freehold £m	**Investment property long leasehold £m**	**Investment property under construction £m**	**Total £m**
As at 1 January 2021	2,885.3	696.1	472.1	4,053.5
Property additions[1]	89.6	–	260.0	349.6
Property disposed in the year	–	–	(2.1)	(2.1)
Fixed rental uplift and tenant lease incentives[2]	6.5	0.7	–	7.2
Transfer of completed property to investment property	681.1	–	(681.1)	–
Change in fair value during the year	546.2	115.7	179.0	840.9
As at 31 December 2021	4,208.7	812.5	227.9	5,249.1

1. Licence fees deducted from the cost of Investment property under construction totaled £Nil in the period (31 December 2021: £1.2 million).
2. Included within the carrying value of Investment property is £ 64.7 million (31 December 2021: £59.5 million) in respect of accrued contracted rental uplift income. 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 difference between this and cash receipts change the carrying value of the property against which revaluations are measured.

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Investment property at fair value per Group Statement of Financial Position	**5,847.1**	4,632.9	5,249.1
Capital commitments	**–**	24.3	9.2
Total Investment property valuation*	**5,847.1**	4,657.2	5,258.3

* Including costs to complete on forward funded development assets.

Capital commitments represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin. These commitments could also represent commitments made in respect of active asset management initiatives and development land. These costs are not provided for in the Group Statement of Financial Position (refer to note 18).

Licence fees that have been billed but not received from the developer in relation to the property are included within rent and other receivables. The valuation assumes the property to be income generating and therefore includes this receivable in the value.

Fees payable under the DMA totalling £0.6 million (31 December 2021: £1.0 million) have been capitalised in the period being directly attributable to the ongoing development projects.

Valuation risk

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

Real estate investments can be impacted adversely by external factors such as the general economic climate, supply and demand dynamics in the market, competition for buildings and environmental factors which could lead to an 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, the availability of financing and ESG scores.

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.

Fair value hierarchy

The Group considers that all of its investment properties 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:

The key unobservable inputs made in determining fair values are as follows:

Unobservable input: estimated rental value (ERV)

The rent per square foot at which space could be let in the market conditions prevailing at the date of valuation (range: £3.91 - £14.70 per annum, December 2021: £3.91 - £13.75 per annum and June 2021: £3.91 - £12.85 per annum).

Passing rents are dependent upon a number of variables in relation to the Group's property. These include: size, location, tenant covenant strength and terms of the lease.

Unobservable input: net initial yield

The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase (range: 2.66% – 6.31%, December 2021: 2.67%- 6.31% and June 2021: 3.25% - 6.59%).

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 judgements and is inherently subjective by nature.

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

	-0.25% net initial yield £m	+0.25% net initial yield £m	-5.0% in passing rent £m	+5.0% in passing rent £m
(Decrease)/increase in the fair value of investment properties as at 30 June 2022 (unaudited)	**410.8**	**(356.0)**	**(266.9)**	**266.9**
(Decrease)/increase in the fair value of investment properties as at 30 June 2021 (unaudited)	255.8	(227.6)	(206.7)	206.7
(Decrease)/increase in the fair value of investment properties as at 31 December 2021 (audited)	368.5	(321.3)	(251.1)	251.1

9. Investment in land options

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Opening balance	**201.5**	228.1	228.1
Costs capitalised in the period	**6.4**	5.1	15.0
Transferred to Investment property	**(57.2)**	(37.9)	(41.6)

Closing balance	**150.7**	195.3	201.5

10. Interest rate derivatives

To mitigate the interest rate risk that arises as a result of entering into variable rate loans, the Group has entered into a number of interest rate derivatives. The fair value of Group's interest rate derivatives is recorded in the Group Statement of Financial Position and is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year end. This valuation technique falls within Level 2 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the years, nor have there been any transfers between Level 2 and Level 3 during any of the years.

11. Trade and other receivables

Non-current trade and other receivables	**30 June 2022 (unaudited) £m**	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Cash in public institutions	**2.0**	2.0	2.0

The cash in public institutions is a deposit of £2.0 million (June 2021: £2.0 million and December 2021: £2.0 million) paid by certain tenants to the Company, as part of their lease agreements.

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Trade receivables	**13.8**	3.7	7.1
Prepayments, accrued income and other receivables	**7.8**	13.7	25.7
VAT	**7.4**	5.4	4.3
	29.0	22.8	37.1

The carrying value of trade and other receivables classified at amortised cost approximates fair value. Included within accrued income is other operating income recognised during the period which is receivable under development management agreements for £1.7 million (June 2021: £11.9 million and December 2021: £24.0 million).

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 three-year 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. The expected credit loss provision for June 2022 was £0.1 million (June 2021: £0.2 million and December 2021: £0.1 million). The incurred loss provision in the current and prior year are immaterial. No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

12. Cash held at bank

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Cash and cash equivalents to agree with cash flow	**34.6**	30.1	70.9
Restricted cash	**0.2**	0.2	0.2
	34.8	30.3	71.1

Restricted cash is cash where there is a legal restriction to specify its type of use, i.e. this may be where there is a joint arrangement with a tenant under an active asset management initiative.

13. Borrowings

The Group has a £200 million unsecured revolving credit facility (RCF) with a syndicate of relationship lenders comprising Banco Santander S.A. London Branch, Barclays Bank plc, BNP Paribas London Branch, J.P.Morgan Chase Bank N.A., London Branch (replaced HSBC Bank plc in April 2022), The Royal Bank of Scotland International Limited

London Branch and Wells Fargo Bank N.A. London Branch. In June 2022, the termination date in respect of £10 million of the £200 million RCF was extended from 14 June 2025 to 14 June 2026 so all £200 million terminates on 14 June 2026.

The Group also has a second RCF of £350 million which provides the Group with a significant level of operational flexibility. The syndicate for the £350 million unsecured RCF comprises Barclays Bank plc, BNP Paribas London Branch, Sumitomo Mitsui Banking Corporation, J.P.Morgan Chase Bank N.A., London Branch (replaced HSBC Bank plc in April 2022), The Royal Bank of Scotland plc, Santander UK plc and Wells Fargo Bank N.A. London Branch. In May 2022, the termination date in respect of £50 million of the £350 million RCF was extended from 10 December 2023 to 10 December 2024 so all £350 million terminates on 10 December 2024.

As at 30 June 2022, 31 December 2021 and 30 June 2021, 69% of the Group's debt facility commitments are fixed term, with 31% floating term. When including interest rate hedging the Group has fixed term or hedged facilities totaling 100% of drawn debt for 30 June 2022, December 2021 and June 2021 (see note 10).

As at 30 June 2022, the weighted average running cost of debt was 2.52% (December 2021: 2.26% and June 2021: 2.18%) and the Group's average capped cost of debt was 2.54% as at 30 June 2022 (December 2021: 2.50% and June 2021: 2.50%. As at 30 June 2022, the Group had undrawn debt commitments of £443.0 million (and 31 December 2021: £550.0 million and 30 June 2021: £404.0 million).

The Group has been in compliance with all of the financial covenants of the Group's bank facilities as applicable throughout the period covered by these financial statements.

A large part of the Group's borrowings are unsecured financing arrangements. A summary of the drawn and undrawn bank borrowings in the period is shown below:

Bank borrowings drawn

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
At the beginning of the period	**212.9**	212.9	212.9
Bank borrowings drawn in the period under existing facilities	**133.0**	174.5	245.5
Bank borrowings repaid in the period under existing facilities	**(26.0)**	(28.5)	(245.5)
Total bank borrowings drawn	**319.9**	358.9	212.9

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

Bank borrowings drawn

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Bank borrowings drawn: due in more than one year	**319.9**	358.9	212.9
Less: unamortised costs on bank borrowings	**(5.7)**	(6.0)	(5.3)
	314.2	352.9	207.6

Loan notes

Bonds	**30 June 2022 (unaudited) £m**	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
2.625% Bonds 2026	**249.5**	249.4	249.5
3.125% Bonds 2031	**247.7**	247.4	247.5
2.860% USPP 2028	**250.0**	250.0	250.0
2.980% USPP 2030	**150.0**	150.0	150.0
1.500% Green Bonds 2033	**246.6**	246.3	246.4
Less: unamortised costs on loan notes	**(5.4)**	(6.1)	(5.8)

	1,138.4	1,137.0	1,137.6

The weighted average term to maturity of the Group's debt as at the period end is 6.2 years (June 2021: 7.0 years and December 2021: 6.5 years).

Maturity of borrowings

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Repayable between one and two years	**–**	–	–
Repayable between two and five years	**446.5**	196.9	300.3
Repayable in over five years	**1,017.2**	1,305.1	1,056.0
	1,463.7	1,502.0	1,356.3

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

	Book value 30 June 2022 (unaudited) £m	**Fair value 30 June 2022 (unaudited) £m**	Book value 30 June 2021 (unaudited) £m	Fair value 30 June 2021 (unaudited) £m	Book value 31 December 2021 (audited) £m	Fair value 31 December 2021 (audited) £m
Financial assets						
Interest rate derivatives	**12.4**	**12.4**	0.4	0.4	1.8	1.8
Trade and other receivables[1]	**18.5**	**18.5**	3.7	3.7	31.3	31.3
Cash held at bank	**34.8**	**34.8**	30.3	30.3	71.1	71.1
Financial liabilities						
Interest rate derivatives	**–**	**–**	0.7	0.7	–	–
Trade and other payables[2]	**92.5**	**92.5**	112.1	112.1	85.9	85.9
Amounts due to B and C shareholders	**46.2**	**46.2**	34.7	34.7	41.4	41.4
Borrowings	**1,463.7**	**1,354.3**	1,502.0	1,579.7	1,356.3	1,405.3

1. Excludes certain VAT, prepayments and other debtors.

2. Excludes tax and VAT liabilities.

Interest rate derivatives and amounts due to B and C shareholders are the only financial instruments measured at fair value through profit and loss. All other financial assets and all financial liabilities are measured at amortised cost. All financial instruments were designated in their current categories upon initial recognition.

The Group has two fixed rate loans totalling £162 million, provided by PGIM (£90 million) and Canada Life (£72 million). The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 0.375% 2026 Gilt and Treasury 0.25% 2031 Gilt respectively, with an implied margin that is unchanged since the date of fixing. The loans are considered to be a Level 2 fair value measurement. For all other bank loans there is considered no other difference between fair value and carrying value.

The fair value of financial liabilities traded on active liquid markets, including the 2.625% Bonds 2026, 3.125% Bonds 2031, 1.5% Bonds 2033, 2.860% USPP 2028 and 2.980% USPP 2030, is determined with reference to the quoted market prices. These financial liabilities are considered to be a Level 1 fair value measure.

The fair value of the financial liabilities at Level 1 fair value measure were £1,041.3 million (Dec 2021: £1,187.3 million and June 2021: £1,214.3 million) and the financial liabilities at Level 2 fair value measure were £155.1 million (Dec 2021: £165.2 million and June 2021: £168.5 million).

The London Interbank Offered Rate (LIBOR) was phased out from the end of 2021 and replaced by various alternative risk-free-rates (RFRs) across the Global Financial Markets. As a result and during the year, the Company transitioned all of its borrowings subject to a variable rate of interest from LIBOR to SONIA (Sterling Overnight Index Average). SONIA is an overnight rate, whereas LIBOR was a term rate. SONIA is close to a risk free measure of borrowing costs. It is compounded over a lending period to produce a backward-looking term interest rate.

From 1 January 2022, all borrowings under these agreements attract an interest rate of the borrowing margin, plus SONIA, plus a credit adjustment spread equal to 11.93 bps. This change in risk free rate has not lead to a material

change in overall borrowing costs.

14. Amounts due to B and C Shareholders

Amounts due to B and C Shareholders comprise the fair value of the contingent consideration element of B and C Shares along with the fair value of the obligation under the cash settled share-based payment element of B and C Shares.

Amounts due to B and C Shareholders are detailed in the table below:

30 June 2022 (unaudited)	**Contingent consideration £m**	**Share-based payment £m**	**Fair value £m**
Opening balance	**26.7**	**14.7**	**41.4**
Fair value movement recognised	**4.8**	**–**	**4.8**
Share-based payment charge	**–**	**4.5**	**4.5**
Closing balance	**31.5**	**19.2**	**50.7**

30 June 2021 (unaudited)	Contingent consideration £m	Share-based payment £m	Fair value £m
Opening balance	22.5	9.2	31.7
Fair value movement recognised	1.5	–	1.5
Share-based payment charge	–	1.5	1.5
Closing balance	24.0	10.7	34.7

31 December 2021 (audited)	Contingent consideration £m	Share-based payment £m	Fair value £m
Opening balance	22.5	9.2	31.7
Fair value movement recognised	4.2	–	4.2
Share-based payment charge	–	5.5	5.5
Closing balance	26.7	14.7	41.4

The Group considers that the amounts due to the B and C Shareholders 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.

1. Contingent consideration

The B and C Shares vest over a five-year period and require the Symmetry Management Shareholders to, amongst other things, remain in the employment of the Symmetry ManCo for the vesting period. The value of the amount due (subject to certain vesting conditions) is the lower of 60% of the Adjusted NAV of Tritax Symmetry at the relevant future point in time and the value of the B and C Shares at the original completion date. In accordance with IFRS 3 “Business Combinations” the unconditional amount due under Shareholders agreement is accounted for as contingent consideration.

The Adjusted NAV of Tritax Symmetry is the NAV of Tritax Symmetry at the reporting date, adjusted for various matters impacting on the fair value of those land options where planning permission has been obtained but the land has not been acquired along with the elimination of profits created from the Tritax Symmetry investment assets.

2. Share-based payment

In accordance with IFRS 3 “Business Combinations” the requirement to remain in continued employment in order to realise the full value of the B and C Shares has resulted in the excess value (over and above the amount recognised as contingent consideration) being accounted for as payments for post combination services which reflect the 13% economic right held to their share of future performance of the Tritax Symmetry Development assets over and above the completion NAV. The amount due to Symmetry Management Shareholders is based on the Adjusted NAV of Tritax

Symmetry and is settled in cash to the value of 25% with the balance settled in either cash and/or shares in the Company, at the sole discretion of the Company.

The fair value of the B and C Shares has been calculated using a Monte Carlo simulation model, for the cash settled element of the liability. This approach has the benefits of being flexible, not reliant on a single case scenario and removes the inherent difficulties with determining discount rate to assign to a particular class of share as the risk would change every time the NAV moved. The change in volatility assumptions does not lead to a significant change in the resulting fair values of the B and C Shares because there are limited hurdles attached to them and it is assumed that all will be exercised at some point over the eight-year horizon. The key unobservable inputs for the Monte-Carlo simulation purposes are the net initial yield of completed developments, future costs of debt and the timing of the completion of the developments.

The Company has the legal option of settling the share-based payment either via cash or equity, with a minimum of 25% being settled in cash. The Directors have a current intention to maximise the cash element of the settlement as they believe this would minimise dilution to existing shareholders. The Directors will endeavour to settle all of the B and C Shares in cash, subject to sufficient funds being available to the Group at the time of settlement without adversely impacting the operations of the Group.

Amounts due to B and C Shareholders are shown as a liability at fair value in the Group Statement of Financial Position. The liability is fair valued at each reporting date with a corresponding charge recognised in the Group profit or loss over the vesting period. For the period ended 30 June 2022, £4.5 million (December 2021: £5.5 million and June 2021: £1.5 million) was charged in the Group profit or loss for the share-based payment.

15. Equity reserves

Share capital

The share capital relates to amounts subscribed for share capital at its nominal value. The Company had 1,868,826,992 shares of nominal value of 1 pence each in issue at the end of the period 30 June 2022 (30 June 2021: 1,719,883,762 shares and 31 December 2021: 1,867,781,310 shares).

Issued and fully paid at 1 pence each	**30 June 2022 (unaudited) £m**	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Balance at beginning of period – £0.01 Ordinary Shares	**18.7**	17.2	17.2
Shares issued in relation to further Equity issuance	**–**	–	1.4
Shares issued in relation to management contract	**–**	–	0.1
Shares issued in relation to the consideration for a corporate acquisition	**–**	–	**–**
Balance at end of period	**18.7**	17.2	18.7

Share premium

The share premium relates to amounts subscribed for share capital in excess of its nominal value.

Capital reduction reserve

The capital reduction reserve account is classed as a distributable reserve. Movements in the current period relate to dividends paid.

Retained earnings

Retained earnings relates to all net gains and losses not recognised elsewhere.

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, both basic and diluted NAV per share are shown below.

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m

Net assets per Condensed Group Statement of Financial Position	**4,470.7**	3,243.1	4,076.5
EPRA NTA (see table below)	**4,539.1**	3,340.3	4,157.6
Ordinary Shares:			
Issued share capital (number)	**1,868,826,992**	1,719,883,762	1,867,781,310
Basic net asset value per share	**239.23p**	188.57p	218.26p
Dilutive shares in issue (number)	**–**	–	668,309
Diluted NAV per share	**239.23p**	188.57p	218.18p

The Group considered EPRA NTA to be the most relevant NAV measure for the Group and we are now reporting this as our primary NAV measure.

	30 June 2022 (unaudited)			30 June 2021 (unaudited)			31 December 2021 (audited)		
	EPRA NTA £m	**EPRA NRV £m**	**EPRA NDV £m**	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders	**4,470.7**	**4,470.7**	**4,470.7**	3,243.1	3,243.1	3,243.1	4,076.5	4,076.5	4,076.5
Revaluation of land options	**60.5**	**60.5**	**60.5**	80.2	80.2	80.2	66.0	66.0	66.0
Mark-to-market adjustments of derivatives	**9.5**	**9.5**	**–**	18.9	18.9	–	16.9	16.9	–
Intangibles	**(1.6)**	**–**	**–**	(1.9)	–	–	(1.7)	–	–
Fair value of debt	**–**	**–**	**109.3**	–	–	(77.8)	–	–	(47.0)
Real estate transfer tax[1]	**–**	**412.3**	**–**	–	336.9	–	–	376.3	–
NAV	**4,539.1**	**4,953.0**	**4,640.5**	3,340.3	3,679.1	3,245.5	4,157.7	4,535.7	4,095.5
NAV per share	**242.88p**	**265.03p**	**248.31p**	194.22p	213.92p	188.71p	222.60p	242.84p	219.27p
Dilutive NAV per share	**242.88p**	**265.03p**	**248.31p**	194.22p	213.92p	188.71p	222.52p	242.75p	219.19p

[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 half year 30 June 2022, all Directors and some of the Members of the Manager are considered key management personnel. The terms and conditions of the Investment Management Agreement are described in the Management Engagement Committee Report within the 2021 Annual Report.

The total amount outstanding at the period end relating to the Investment Management Agreement was £6.3 million (30 June 2021: £4.9 million and 31 December 2021: £5.7 million).

The amounts paid to Directors for their services for the period to 30 June 2022 was £0.2 million (30 June 3021: £0.2 million and 31 December 2021: £0.4 million).

The total expense recognised in the Group profit or loss relating to share-based payments under the Investment Management Agreement was £2.6 million (30 June 2021: £1.3 million and 31 December 2021: £2.7 million), of which £2.6 million (30 June 2021: £1.3 million and 31 December 2021: £1.5 million) was outstanding at the period end.

The Members of the Manager who are considered as key management personnel are Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin, Bjorn Hobart, Frankie Whitehead and Philip Redding. The other Members of the Manager are Alasdair Evans, James Watson, Nick Preston, and Aberdeen Asset Management Plc.

During the period the Directors who served during the period received the following dividends: Aubrey Adams: £8,200

(June 2021: £6,625 and December 2021: £13,345), Alastair Hughes: £1,444 (June 2021: £1,159 and December 2021: £2,279), Richard Laing: £1,788 (June 2021: £518 and December 2021: £3,051), Karen Whitworth: £1,098 (June 2021: £530, December 2021: £1,277), Wu Gang £nil (June 2021: £nil, December 2021: £nil) and Elizabeth Brown £156 (June 2021: £nil, December 2021: £nil).

During the period the Members of the Manager, who are considered key management personnel, received the following dividends: Colin Godfrey: £88,359 (June 2021: £75,162 and December 2021: £149,570), James Dunlop: £86,129 (June 2021: £73,097 and December 2021: £145,509), Henry Franklin: £64,477 (June 2021: £54,871 and December 2021: £107,003), Petrina Austin: £10,927 (June 2021: £9,002 and December 2021: £18,004), Bjorn Hobart: £12,347 (June 2021: £10,149 and December 2021: £20,349) and Frankie Whitehead £5,135 (June 2021: £3,905 and December 2021: £7,888) and Philip Redding £618 (June 2021: £nil and December 2021: £118).

18. Capital commitments

The Group had capital commitments of £191.5 million in relation to its development assets, active asset management initiatives and commitments under development land, outstanding as at 30 June 2022 (30 June 2021: £55.6 million 31 December 2021: £65.4 million). All commitments fall due within eighteen months from the date of this report.

19. Subsequent events

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

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

1. EPRA earnings per share

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Total comprehensive income (attributable to shareholders)	**458.7**	377.6	972.6
Adjustments to remove:			
Changes in fair value of investment properties	**(390.5)**	(314.3)	(840.9)
Changes in fair value of interest rate derivatives	**(7.4)**	(0.8)	(2.8)
Share of loss from joint ventures	**–**	–	(0.1)
Gain on disposal of investment properties	**–**	–	(2.0)
Amortisation of other property assets	**0.9**	3.2	5.4
Impairment of intangible contract and other property assets	**0.3**	0.2	2.9
Tax refund	**–**	(3.9)	(3.9)
Profits to calculate EPRA earnings per share	**62.0**	62.0	131.2
Add back: Changes in fair value of contingent consideration payable	**–**	(0.4)	–
Profits to calculate EPRA diluted earnings per share	**62.0**	61.6	131.2
Weighted average number of Ordinary Shares	**1,868,445,694**	1,719,584,549	1,755,926,756
EPRA earnings per share – basic	**3.32p**	3.61p	7.47p
Dilutive shares to be issued	**–**	2,029,483	668,309
EPRA earnings per share – diluted	**3.32p**	3.58p	7.47p

2. EPRA NAV per share

The Group considered EPRA Net Tangible Assets (NTA) to be the most relevant NAV measure for the Group. EPRA NTA excludes the intangible assets and the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		**4,470.7**	**4,470.7**	**4,470.7**
Revaluation of land options		**60.5**	**60.5**	**60.5**
Mark-to-market adjustments of derivatives		**9.5**	**9.5**	**–**
Intangibles		**(1.6)**	**–**	**–**
Fair value of debt		**–**	**–**	**109.3**
Real estate transfer tax[1]		**–**	**412.3**	**–**
At 30 June 2022	**16**	**4,539.1**	**4,953.0**	**4,640.5**
NAV per share		**242.88p**	**265.03p**	**248.31p**
Dilutive NAV per share		**242.88p**	**265.03p**	**248.31p**

30 June 2021

	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		3,243.1	3,243.1	3,243.1
Revaluation of land options		80.2	80.2	80.2
Mark-to-market adjustments of derivatives		18.9	18.9	–
Intangibles		(1.9)	–	–
Fair value of debt		–	–	(77.8)
Real estate transfer tax[1]		–	336.9	–
At 30 June 2021	**16**	3,340.3	3,679.1	3,245.5
NAV per share		194.22p	213.92p	188.71p
Dilutive NAV per share		194.22p	213.92p	188.71p

31 December 2021

	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		4,076.5	4,076.5	4,076.5
Revaluation of land options		66.0	66.0	66.0
Mark-to-market adjustments of derivatives		16.9	16.9	–
Intangibles		(1.7)	–	–
Fair value of debt		–	–	(47.0)
Real estate transfer tax[1]		–	376.3	–
At 31 December 2021	16	4,157.7	4,535.7	4,095.5
NAV per share		222.60p	242.84p	219.27p
Dilutive NAV per share		222.52p	242.75p	219.19p

1. EPRA NTA and EPRA NDV reflect IFRS values which are net of RETT. RETT are added back when calculating EPRA NRV.

3. EPRA net initial yield (NIY) and EPRA "topped up" NIY

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Investment property – wholly owned	**5,844.4**	4,414.4	5,123.7
Investment property – share of joint venture	**4.3**	2.0	2.5
Less: development properties	**(512.8)**	(389.4)	(105.0)
Completed property portfolio	**5,335.9**	4,027.0	5,021.2
Allowance for estimated purchasers' costs	**361.7**	273.0	340.4
Gross up completed property portfolio valuation (B)	**5,697.6**	4,300.0	5,361.6

Annualised passing rental income	**216.6**	189.4	195.9
Less: contracted rental income in respect of development properties	**(16.9)**	(13.7)	–
Property outgoings	**(0.1)**	(0.1)	(0.2)
Less: contracted rent under rent-free period	**(8.4)**	(0.8)	(4.8)
Annualised net rents (A)	**191.2**	174.8	190.9
Contractual increases for fixed uplifts and rent free periods	**14.0**	4.8	10.2
Topped up annualised net rents (C)	**205.2**	179.6	201.1
EPRA net initial yield (A/B)	**3.36%**	4.06%	3.56%
EPRA topped up net initial yield (C/B)	**3.60%**	4.17%	3.75%

4. EPRA vacancy rate

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Annualised estimated rental value of vacant premises	**–**	–	–
Portfolio estimated rental value[1]	**229.7**	187.7	216.2
EPRA vacancy rate	**0%**	0%	0%

1 Excludes land held for development.

5. EPRA cost ratio

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Property operating costs	**0.1**	0.1	0.2
Administration expenses	**15.3**	12.2	25.5
Service charge costs recovered through rents but not separately invoiced	**–**	–	–
Total costs including and excluding vacant property costs (A)	**15.4**	12.3	25.7
Vacant property cost	**–**	–	–
Total costs excluding vacant property costs (B)	**15.4**	12.3	25.7
Gross rental income – per IFRS	**101.5**	87.6	184.7
Less: Service charge cost components of gross rental income	**–**	–	–
Gross rental income (C)	**101.5**	87.6	184.7
Total EPRA cost ratio (including vacant property costs) (A/C)	**15.2%**	14.1%	13.9%
Total EPRA cost ratio (excluding vacant property costs) (B/C)	**15.2%**	14.1%	13.9%

6. EPRA like-for-like rental income

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Change £m	Change %
Like-for-like rental income	**84.4**	81.7		
Other rental income	**–**	–		
Like-for-like Gross rental income	**84.4**	81.7	2.7	3.3
Irrecoverable property expenditure	**(0.1)**	(0.1)		

Like-for-like Net rental income	**84.3**	81.6	2.7	3.3

Reconciliation to Net rental income per Statement of Comprehensive Income:		
Development properties	**9.6**	2.2
Properties acquired	**2.4**	1.3
Properties disposed	**–**	–
Properties under rent free periods	**–**	(0.9)
Spreading of tenant incentives and guaranteed rental uplifts	**5.2**	3.4
Total per statement of comprehensive income	**101.5**	87.6

7. EPRA property-related capital expenditure

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Acquisition[1]	**4.4**	91.1	89.6
Development[2]	**203.0**	175.6	274.3
Investment properties:			
Tenant incentives[3]	**5.2**	3.4	7.2
Capitalised interest	**1.3**	-	0.7
Total	**213.9**	270.1	371.8

8. Total Accounting Return (TAR)

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m	Year ended 31 December 2021 £m
Opening EPRA NTA	**222.60p**	175.61p	175.61p
Closing EPRA NTA	**242.88p**	194.22p	222.60p
Change in EPRA NTA	**20.28p**	18.61p	46.99p
Dividends paid	**3.575p**	3.31p	6.51p
Total growth in EPRA NTA plus dividends paid	**23.86p**	21.92p	53.50p
Total return	**10.7%**	12.5%	30.5%

The financial information contained in this results announcement has been prepared in accordance with the measurement and recognition principles of UK adopted international accounting standards. Whilst the financial information included in this announcement has been computed in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, this announcement does not itself contain sufficient disclosures to comply with IFRS. The financial information does not constitute the Group's statutory financial statements for the years ended 31 December 2021 or 31 December 2020, but is derived from those financial statements. Financial statements for the year ended 31 December 2021 have been delivered to the Registrar of Companies and those for the year ended 31 December 2022 will be delivered following the Company's Annual General Meeting. The auditors' reports on both the 31 December 2021 and 31 December 2020 financial statements were unqualified; did not draw attention to any matters by way of emphasis; and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

GLOSSARY OF TERMS

"Adjusted Earnings" Post-tax earnings attributable to shareholders, adjusted to include licence fees receivable on forward funded development assets and adjusts for other earnings not supported by cash flows. "Adjusted Earnings per share" or "Adjusted EPS" on a per share basis.

"B and C Shares" The B and C Shares in Tritax Symmetry issued to the Symmetry Management shareholders.

"Big Box" A "Big Box" property or asset refers to a specific subsegment of the logistics sector of the real estate market, relating to very large logistics warehouses (each with typically over 500,000 sq ft of floor area) with the primary function of holding and distributing finished goods, either downstream in the supply chain or direct to consumers, and typically having the following characteristics: generally a modern constructed building with eaves height exceeding 12 metres; let on long leases with institutional-grade tenants; with regular, upward-only rental reviews; having a prime geographical position to allow both efficient stocking (generally with close links to sea ports or rail freight hubs) and efficient downstream distribution; and increasingly with sophisticated automation systems or a highly bespoke fit out.

"Board" The Directors of the Company.

"BREEAM" The Building Research Establishment Environmental Assessment Method certification of an asset's environmental, social and economic sustainability performance, using globally recognised standards.

"Company" Tritax Big Box REIT plc (company number 08215888).

"CPI" Consumer Price Index, a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care as calculated on a monthly basis by the Office of National Statistics.

"Current Development Pipeline" Assets that are in the course of construction or assets for which we have made a construction commitment.

"CVA" A company voluntary liquidation, a legally binding agreement between a business and its creditors which sets out a debt repayment plan and enables a viable business to avoid insolvency.

"db Symmetry" db Symmetry Group Ltd and db symmetry BVI Limited, together with their subsidiary undertakings and joint venture interests, which were acquired by the Group in February 2019.

"Directors" The Directors of the Company as of the date of this report being Aubrey Adams, Elizabeth Brown, Wu Gang, Alastair Hughes, Richard Laing and Karen Whitworth.

"Development Management Agreement" or **"DMA"** An agreement between the Group and a developer setting out the terms in respect of the development of an asset. In particular, the development of the Symmetry Portfolio is the subject of a DMA between Tritax Symmetry and Symmetry ManCo.

"Development portfolio" or **"Development assets"** The Group's Development portfolio comprises its property assets which are not Investment assets, including land, options over land as well as any assets under construction on a speculative basis.

"EPC rating" A review of a property's energy efficiency.

"EPRA" European Public Real Estate Association.

"EPRA Earnings" Earnings from operational activities (which excludes the licence fees receivable on our Forward Funded Development assets).

"EPRA NAV" or **"EPRA Net Asset Value"** The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2016) requirements by excluding the impact of any fair value adjustments to debt and related derivatives and other adjustments and reflecting the diluted number of Ordinary Shares in issue.

"EPRA Triple Net Asset Value (NNNAV)" EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.

"EPRA Net Tangible Asset (NTA)" The Basic Net Asset Value adjusted to meet EPRA Best Practices Recommendations Guidelines (2019) requirements by excluding intangibles and the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options.

"EPRA Net Reinstatement Value (NRV)" IFRS NAV adjusted to exclude the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options and the Real estate transfer tax (RETT).

"EPRA Net Disposal Value (NDV)" IFRS NAV adjusted to include the fair values of debt and the revaluation of land options.

"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) purchaser's costs.

“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).

“EPRA Vacancy” Estimated market rental value (ERV) of vacant space divided by the ERV of the whole portfolio.

“EPRA Cost Ratio” Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

“Estimated cost to completion” Costs still to be expended on a development or redevelopment to practical completion, including attributable interest.

“Estimated rental value” or **“ERV”** The estimated annual market rental value of lettable space as determined biannually by the Group’s valuers. This will normally be different from the rent being paid.

“FCA” The United Kingdom Financial Conduct Authority (or any successor entity or entities).

“Forward Funded Development” Where the Company invests in an asset which is either ready for, or in the course of, construction, pre-let to an acceptable counterparty. In such circumstances, the Company seeks to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease. Expert developers are appointed to run the development process.

“Foundation asset” Foundation assets provide the core, low-risk income that underpins our business. They are usually let on long leases to customers with excellent covenant strength. These buildings are commonly new or modern and in prime locations, and the leases have regular upward only rent reviews, often either fixed or linked to Inflation Indices.

“FRI Lease” Full Repairing and Insuring Lease. During the lease term, the tenant is responsible for all repairs and decoration to the property, inside and out, and the building insurance premium is recoverable from the tenant.

“Future Development Pipeline” The Group’s land portfolio for future development typically controlled under option agreements which do not form part of the Current or Near Term development pipelines.

“Gearing” Net borrowings divided by total shareholders’ equity excluding intangible assets and deferred tax provision.

“GIA” Under the RICS Code of Measuring Practice (6th Edition) the Gross Internal Area (GIA) is the basis of measurement for valuation of industrial buildings (including ancillary offices) and warehouses. The area of a building measured to the internal face of the perimeter walls at each floor level (including the thickness of any internal walls). All references to building sizes in this document are to the GIA.

“GAV” The Group’s gross asset value.

“Global Real Estate Sustainability Benchmark (GRESB) Assessment” GRESB assesses the ESG performance of real estate and infrastructure portfolios and assets worldwide, providing standardised and validated data to the capital markets.

“Gross rental income” Contracted rental income recognised in the period, in the income statement, including surrender premiums and interest receivable on finance leases. Lease incentives, initial costs and any contracted future rental increases are amortised on a straight-line basis over the lease term.

“Group” or **“REIT Group”** The Company and all of its subsidiary undertakings.

“Growth Covenant asset” Growth Covenant assets are fundamentally sound assets in good locations, let to customers we perceive to be undervalued at the point of purchase and who have the potential to improve their financial strength, such as young e-retailers or other companies with growth prospects. These assets offer value enhancement through yield compression.

“IMA” The Investment Management Agreement between the Manager and the Company.

“Investment portfolio” or **“Investment assets”** The Group’s Investment Portfolio comprises let or pre-let (in the case of Forward Funded Developments) assets which are income generating, as well as any speculative development assets which have reached practical completion but remain unlet.

“Investment property” Completed land and buildings held for rental income return and/or capital appreciation.

“Land asset” Opportunities identified in land which the Manager believes will enable the Company to secure, typically, pre-let Forward Funded Developments in locations which might otherwise attract lower yields than the Company would want to pay, delivering enhanced returns but controlling risk.

“LIBOR” London Interbank Offered Rate.

“Link” or **“Link Asset Services”** A trading name of Link Market Services Limited (company number 2605568).

“Listing Rules” The listing rules made by the Financial Conduct Authority under section 73A of FSMA.

“Loan Notes” The loan notes issued by the Company on 4 December 2018.

“Loan to Value (LTV)” The proportion of our gross asset value that is funded by net borrowings.

“London Stock Exchange” London Stock Exchange plc.

“Manager” Tritax Management LLP (partnership number 0C326500).

“Minimum Energy Efficiency Standards (MEES)” The legal standard for minimum energy efficiency which applies to rented commercial buildings as regulated by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.

“Near-term Development Pipeline” Sites which have either received planning consent or sites where planning applications have been submitted prior to the year end.

“Net Initial Yield (NIY)” The annual rent from a property divided by the combined total of its acquisition price and expenses.

“Net rental income” Gross rental income less ground rents paid, net service charge expenses and property operating expenses.

“Net zero carbon” Highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset.

“Non-PID Dividend” A dividend received by a shareholder of the principal company that is not a PID.

“Ordinary Shares” Ordinary Shares of £0.01 each in the capital of the Company.

“Passing rent” The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV). Excludes rental income where a rent-free period is in operation. Excludes service charge income (which is netted off against service charge expenses).

“PID” or **“Property income distribution”** A dividend received by a shareholder of the principal company in respect of profits and gains of the Property Rental Business of the UK resident members of the REIT group or in respect of the profits or gains of a non-UK resident member of the REIT group insofar as they derive from their UK Property Rental Business.

“Portfolio” The overall portfolio of the Company including both the Investment and Development portfolios.

“Portfolio Value” The value of the Portfolio which, as well as the Group’s standing assets, includes capital commitments on Forward Funded Developments, Land Assets held at cost, the Group’s share of joint venture assets and other property assets.

“Pre-let” A lease signed with a customer prior to commencement of a development.

“REIT” A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications.

“Rent roll” See **“Passing rent”.**

“RPI” Retail price index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics.

“SDLT” Stamp Duty Land Tax – the tax imposed by the UK Government on the purchase of land and properties with values over a certain threshold. “Shareholders” The holders of Ordinary Shares.

“Speculative development” Where a development has commenced prior to a lease agreement being signed in relation to that development.

“sq ft” Square foot or square feet, as the context may require.

“Symmetry Management shareholders” The holders of B and C Shares in Tritax Symmetry.

“Symmetry ManCo” Tritax Symmetry Management Limited, a private limited company incorporated in England and Wales (registered number 11685402) which has an exclusive development management agreement with Tritax Symmetry to manage the development of the Tritax Symmetry Portfolio.

“Topped up net initial yield” Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent-free period at the valuation date thereby providing the Group with income during the rent-free period. This is in accordance with EPRA’s Best Practices Recommendations.

“Total Expense Ratio” or **“TER”** The ratio of total administration and property operating costs expressed as a percentage of average net asset value throughout the period.

“Total Accounting Return” Net total return, being the percentage change in EPRA NTA over the relevant period plus dividends paid.

“Total Shareholder Return” A measure of the return based upon share price movement over the period and assuming reinvestment of dividends.

“Tritax Symmetry” Tritax Symmetry Holdings Limited, a limited company incorporated in Jersey (registered number 127784).

"Tritax Symmetry Portfolio" The portfolio of assets held through Tritax Symmetry following the acquisition of db Symmetry in February 2019, including land, options over land and a number of assets under development.

"True Equivalent Yield (TEY)" The internal rate of return from an Investment property, based on the value of the property assuming the current passing rent reverts to ERV on the basis of quarterly in advance rent receipts and assuming the property becomes fully occupied over time.

"UK AIFMD Rules" The laws, rules and regulations implementing AIFMD in the UK, including without limitation, the Alternative Investment Fund Managers Regulations 2013 and the Investment Funds sourcebook of the FCA.

"Value Add asset" These assets are typically let to customers with good covenants and offer the chance to grow the assets' capital value or rental income, through lease engineering or physical improvements to the property. We do this using our asset management capabilities and understanding of customer requirements. These are usually highly re-lettable. It also includes assets developed on a speculative basis which have reached practical completion but remain unlet at the period end.

"WAULT" or **"Weighted Average Unexpired Lease Term"** The income for each property applied to the remaining life for an individual property or the lease and expressed as a portfolio average in years. In respect of Forward Funded Developments, the unexpired term from lease start date.

"Yield on cost" The expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let or actual rental value for completed developments or those pre-let, as appropriate, divided by the estimated or actual total costs of the development.