TRITAX BIG BOX

At the heart of sustainable supply chains

Annual Report 2021

Specialists in UK logistics real estate

We are optimally positioned to take advantage of the strong market condition in UK logistics, underpinned by long-term structural growth.

Who we are

We are the UK's largest listed investor in high-quality logistics assets and we own the UK's largest logistics-focused land platform.

Our Manager, Tritax Management LLP, through its sector focus has deep experience and knowledge of logistics, and customers' supply chains and is formed of a team of diverse, passionate and entrepreneurial people.

▶ Read more on pages **42 to 52**

What we do

Our approach is three-fold: we secure land suitable for logistics development; we develop new logistics assets; and we invest in and actively manage existing logistics buildings. Our focus is on well-located, modern and sustainable buildings, let on long-term leases to high-quality customers in attractive sectors.

This approach enables us to capture the significant opportunity in UK logistics real estate, which is driven by long-term structural change, supply chain demands and limited supply of quality space, resulting in strong and growing occupier demand.

▶ Read more on pages **42 to 52**

Our vision

Our vision is to be the leading REIT focused on high-quality UK logistics real estate assets that:

- deliver sustainable, long-term income and value growth for shareholders;
- are strategically important and support our customers' operations; and
- help ensure our long-term sustainability, by protecting the environment and people's wellbeing thereby delivering positive social impact.

▶ Read more on pages **26 and 27**

Strategic Report

Governance

Financial Statements

Discover more at: tritaxbigbox.co.uk

Providing space to succeed

Our purpose

Our purpose is to deliver sustainable, long-term logistics solutions that create compelling opportunities for our stakeholders and provide our customers with the space they need to succeed.

Our business model

Our business model supports our purpose through our focus on delivering modern, well-located and sustainable logistics properties. These are thoughtfully designed to meet the current and future needs of fast-growing, ambitious companies.

- **Source high-quality investments**
- **Invest and divest to create value**
- **Develop on a risk-controlled basis**
- **Proactively and responsibly manage assets**

▸ Read more about business model on pages 22 to 24

Our strategy

We have a three-part strategy, aligned to the powerful structural trends driving occupier demand, and underpinned by a rigorous focus on capital discipline and sustainability.

- **High-quality assets, attracting world-leading companies**
- **Direct and active management**
- **Insight-driven development and innovation**

▸ Read more about strategy on pages 26 and 27

The value we create

By following our business model and successfully implementing our strategy, we create value for our stakeholders.

Customers
High-quality buildings that play a central role in fulfilling their business needs

Society and communities
Job creation, tax revenues, local infrastructure, enabling online shopping

Environment
Reduced impact through sustainably built assets and more efficient supply chains

Shareholders
Long-term income and capital growth

Lenders
Interest payments backed by secure cash flows

▸ Read more about stakeholders on pages 22 to 25

A year of record performance and significant progress

Financial highlights

Adjusted earnings per share[1]
8.23p +14.8%
(2020: 7.17p)

Dividend per share
6.70p +4.7%
(2020: 6.40p)

Contracted annual rent roll
£195.6m +8.3%
(2020: £180.6m)

Adjusted earnings (excl exceptional development management income)[2]
7.38p +6.8%
(2020: 6.91p)

Dividend pay-out ratio (excl additional development management income)[2]
91% -2.0pts
(2020: 93%)

Operating profit[3]
£178.0m +20.7%
(2020: £147.5m)

Total accounting return
30.5% +10.6pts
(2020: 19.9%)

EPRA net tangible assets per share
222.60p +26.8%
(2020: 175.61p)

IFRS earnings per share
55.39p +110.6%
(2020: 26.30p)

Portfolio value[4]
£5.48bn +24.3%
(2020: £4.41bn)

IFRS net asset value per share
218.26p +28.4%
(2020: 169.92p)

Loan to value (LTV)
23.5% -6.5pts
(2020: 30.0%)

1 See Note 12 to the financial statements for reconciliation.

2 The anticipated run rate for development management income is £3.0 – 5.0 million per annum over the medium term. Adjusted EPS becomes 7.38 pence when excluding development management income above this £4.0 million anticipated run rate. £18.9 million of development management income is included in the 8.23 pence Adjusted earnings per share in 2021 (2020: £8.6 million included in 7.17p Adjusted earnings per share).

3 Operating profit before changes in fair value and other adjustments.

4 The Portfolio Value includes the Group's standing assets as well as capital commitments on forward funded developments, land assets held at cost, the Group's share of joint venture assets and other property assets.

Highlights

Strong income and capital growth delivering record total accounting returns

- Adjusted EPS up 14.8% to 8.23p (2020: 7.17p) driven by development completions, portfolio rental growth and higher development management agreement (DMA) income. Adjusted EPS, excluding DMA income above our anticipated run-rate, grew 6.8% to 7.38p (2020: 6.91p).
- Dividend growth of 4.7% to 6.70p per share, 91% pay-out ratio when adjusted for exceptional DMA income[2].
- Record Total Accounting Return of 30.5% (2020: 19.9%), driven by execution of strategy and strong market conditions.

Long-term structural drivers underpin unprecedented occupier demand

- Strong market take-up of 42.4 million sq ft in 2021 (2020: 43.0 million sq ft), 64% higher than the annual average since 2010.
- Limited supply response has led to record low 1.6% market vacancy (2020: 4.1% vacancy) and strong rental growth.
- Potential for further prime market yield compression in 2022 as investor interest in logistics remains high.

Enhanced sustainability performance

- Sustainability initiatives improving environmental, social and governance (ESG) ratings:
  - GRESB: Four Green Stars = 81/100 (2020: Three Green Stars = 72/100) and awarded Leader for Development in the European and Global Industrial Listed Sectors.
  - Sustainalytics: Improved from 14.6 to 8.9 (Negligible Risk), Management Score 32.7 to 57.2 (Strong).
  - MSCI: Upgraded to BBB from BB.

Significant value gains reflecting quality of assets, and strength of performance across entire portfolio

- 24.3% increase in portfolio value to £5.48 billion (31 December 2020: £4.41 billion) from development gains, asset management activity and strong market conditions, including a capital valuation surplus of 19.1% (net of capex).
- Portfolio's high-quality, long-term and resilient income reflected in:
  - 100% rent collection achieved for both 2020 and 2021.
  - WAULT of 13.0 years as at 31 December 2021 (31 December 2020: 13.8 years).
  - 0% vacancy (2020: 0%).

Proactive portfolio management providing further value creation

- £15.0 million increase in contracted rent roll to £195.6 million, including £5.0 million generated from rent reviews achieving an 8.7% increase in passing rent across 32% of the portfolio, translating into EPRA like-for-like rental growth of 3.3% for the year.
- Like-for-like ERV growth of 7.5% over the year, with an 11.0% portfolio rental reversion at the year end.
- Acquired a state-of-the-art, 0.9 million sq ft facility in South West England, for £90 million at an attractive net initial yield of 5.1%, securing long-term income and value creation opportunities.
- Progressing assets disposals with target to dispose of £100-200 million in 2022.

Accelerating levels of development activity delivering income growth at an attractive yield on cost

- Development achievements during FY 2021 include:
  - 3.7 million sq ft of lease completions adding £24.0 million to contracted rent.
  - 1.3 million sq ft of developments under construction, with the potential to add a further £10.2 million to contracted rent, of which 21% has been let.
  - 3.0 million sq ft of new planning consents secured.
- Strong start to FY 2022 with 1.8 million sq ft of near-term development starts in Q1 2022, adding a potential £13.1 million of contracted rent, of which 56% has been pre-let.
- FY 2022 guidance increased to 3–4 million sq ft of starts and £350–400 million of capex into development, compared to long term target run rate of 2-3 million sq ft per annum; maintaining 6-8% expected yield on cost.
- Record levels of occupier demand across our portfolio with active negotiations on more than 10 million sq ft over 11 sites.
- Total near-term development pipeline of 8.8 million sq ft with £60-70 million of rent potential.

Positive outlook, driven by clear strategy, strong balance sheet and supportive market fundamentals

- Growing occupational demand/supply imbalance creating opportunities for the long-term and supporting rental growth.
- Accelerating delivery of development activity to meet growing structural demand.
- Driving further value from our investment portfolio through asset management, acquisitions and disposals.
- Significant capacity to fund opportunities through balance sheet strength and potential asset disposals.

Providing scale and opportunity

We own the UK's largest portfolio of logistics investment assets and the largest logistics-focused development land platform, offering the potential to deliver attractive, sustainable income and capital growth to shareholders over the long term. These assets are typically mission-critical to our customers' businesses and support our sustainability goals, as set out on page 32.

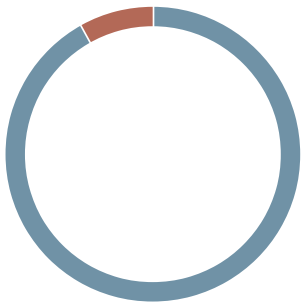
A portfolio that reflects our strategy

Our portfolio is weighted towards stabilised Investment assets that deliver resilient and growing income.

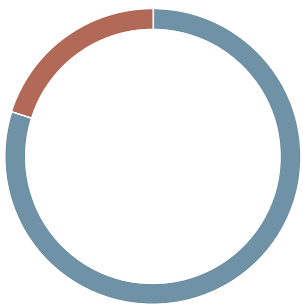
The majority of these are Foundation assets, which provide long-term and secure income from high-quality occupiers, combined with a smaller proportion of Value Add assets which offer additional upside potential through our active approach to asset management, such as renewing leases, adding extensions and enhancing environmental performance.

The Development portfolio offers significant scope for value and income growth and comprises land which the Group owns or controls via options, providing a capital efficient way of accessing growth opportunities.

£5.48bn
portfolio value



Investment portfolio **92%**
Strategic land and development portfolio **8%**



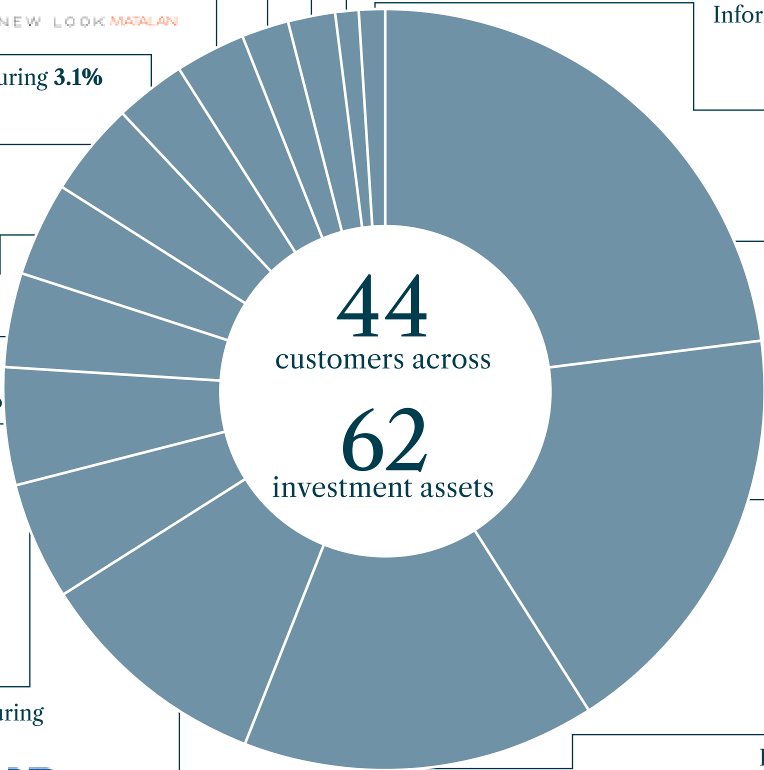
Foundation assets **80%**
Value add assets **20%**

Our top five customers by portfolio income

amazon	Morrisons	TESCO	HOWDENS	co op
16.4%	5.9%	5.1%	4.5%	4.3%

Diversified by customer and sector

Our portfolio is let to 44 customers across 62 investment assets, providing a high degree of diversification by customer and by sector. These customers include some of the world's largest companies and are weighted towards defensive, non-cyclical or high-growth sectors, helping to reduce our risk.



Product manufacturing **2.4%**

Clothing retail **2.6%**

Automotive manufacturing **3.1%**

Computer and electronics retail **3.6%**

Wholesale and retail trade **3.8%**

Post and parcels **4.0%**

Third party logistics/ distribution **4.7%**

Production manufacturing **5.4%**

Other retail **10.4%**

Food production **1.6%**

Information and communication **0.9%**

Food service **0.4%**

Online retail **23.7%**

Food retail **18.6%**

Homewares and DIY retail **14.8%**

Diversified by location

Our investments and development sites are in strategically important logistics locations across the UK that provide easy access to transport infrastructure, skilled workforce and power.

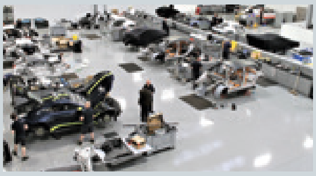
The development portfolio comprises 29 sites, which between them have the potential over the long term to deliver c39 million sq ft of new logistics space, more than double our existing investment portfolio.

Our future development sites...

are located in established logistics hubs, close to large population centres and with limited land supply.

have good transport links and other infrastructure in the vicinity.

have strong ESG credentials, making them suitable for the needs of modern occupiers.

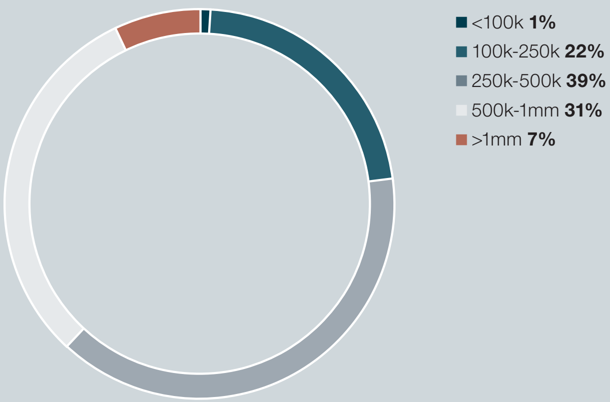


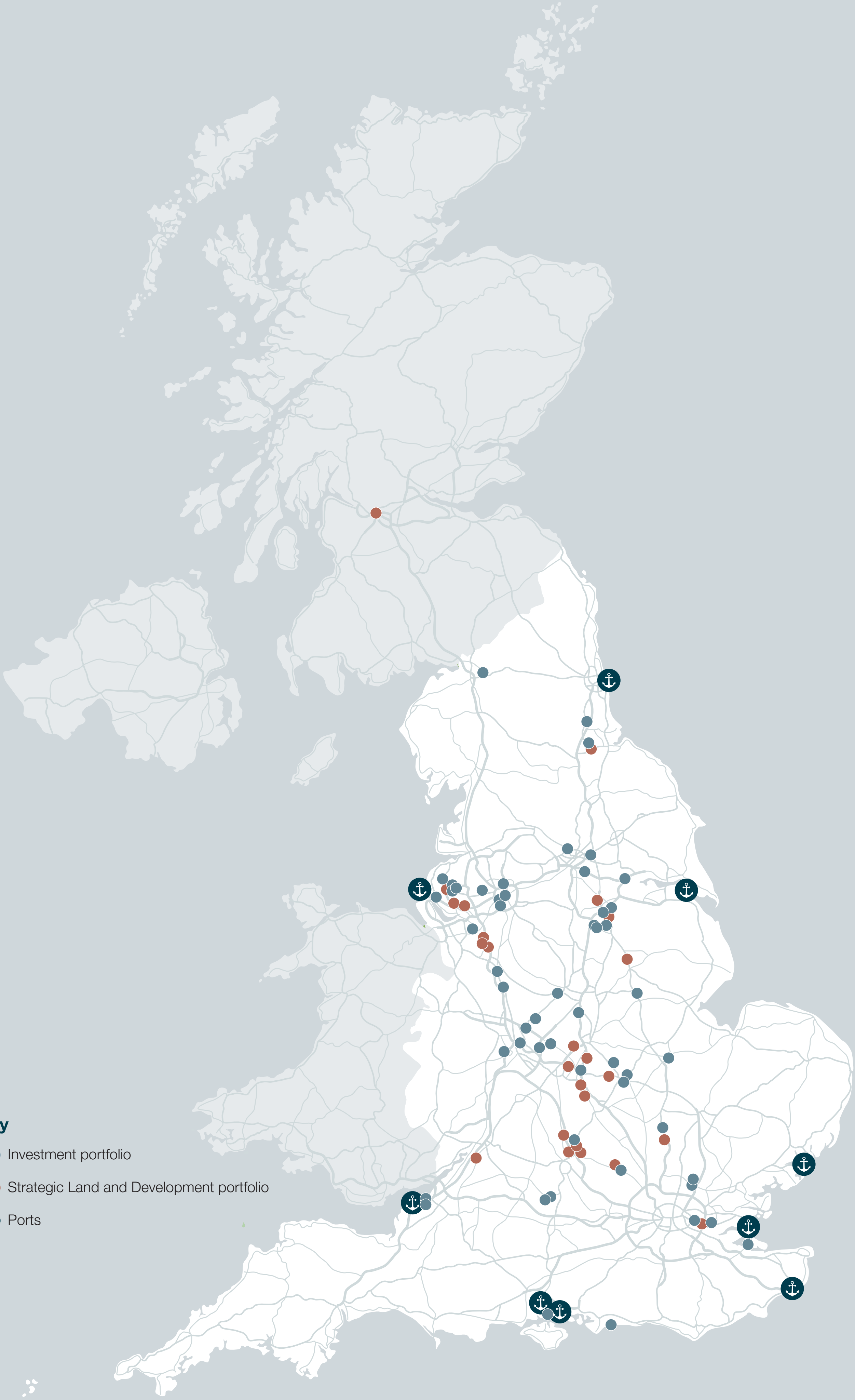
have sufficient operational capacity in areas such as supply of power, data connectivity and labour.

Our land portfolio provides:

Diversified exposure...

and a range of unit sizes





Key

Investment portfolio

Strategic Land and Development portfolio

Ports

Accelerating our performance

Aubrey Adams
Chairman

"We continued to successfully deliver our strategy and raised the funding to accelerate our development programme, against a backdrop of a highly attractive occupational market."

This was a record year for us, as we continued to successfully deliver our strategy and raised the funding to accelerate our development programme, against a backdrop of highly attractive occupational and investment markets. Critically, all elements of our business are performing, from our high-quality investment portfolio, which we actively manage and invest in, to our extensive development programme.

Financial performance

We delivered our strongest financial performance to date, with operating profit before changes in fair value and other adjustments of £178.0 million (2020: £147.5 million) and an EPRA Cost Ratio at an attractive 13.9% (2020: 14.2%). Adjusted earnings per share excluding exceptional development management agreement (DMA) income rose 6.8% to 7.38 pence (2020: 6.91 pence).

The attractions of our market contributed to further growth in the portfolio value, with a fair value gain of £840.9 million across the year. This produced a 26.8% increase in EPRA Net Tangible Assets to 222.60 pence per share (31 December 2020: 175.61 pence) and a Total Accounting Return of 30.5%.

The strength and quality of our occupier base was again reflected in our rent collection performance, with 100% of rent collected for both 2020 and now 2021.

Market backdrop

Our market has powerful, long-term structural growth drivers which have been accelerated by the global pandemic and other factors, such as Brexit. These include the continued growth in e-commerce, the consolidation of logistics networks into fewer, larger, more modern and efficient buildings, the need to build resilience into supply chains and the increasing focus on ESG. This includes the socio-economic benefits of our schemes, as well as environmental considerations, including our proactive work towards net zero carbon.

Record occupational demand and severely constrained supply is leading to very strong rental growth, which we are capturing through proactive asset management, lease re-negotiations, rent reviews and bringing forward activity within our extensive development portfolio. Attractive rental growth is also underpinning confidence in the investment market, with sharpening yields producing improved capital values.

Successful strategic implementation

In September 2021, we completed a significantly oversubscribed equity issue to raise gross proceeds of £300 million. This provides a sufficient level of funding for us to accelerate our near-term development programme. We have therefore increased our FY 2022 guidance to include development starts targeted across 3-4 million sq ft, ahead of our anticipated 2-3 million sq ft per annum long-term run rate. This will enable us to meet growing occupier demand, while further diversifying the portfolio by customer, geography and building size.

Our development sites are strategically located in areas of high demand, with good pools of labour and strong transport infrastructure. They can accommodate buildings for small urban and last journey logistics up to large national distribution centres. The sites are of appropriate size and location to open up quickly, so we can respond quickly to customer requirements, as well as having relatively modest infrastructure requirements, which contributes to the delivery of an attractive yield on cost. We work closely with occupiers and local stakeholders from the outset which enables us to create plans aligned to local need and supports our success rate to date in securing planning consents.

We have a low-risk, agile and intelligence-led approach to development and only develop buildings without a pre-let when we are confident in income delivery, with one or more occupiers indicating a clear requirement for that size of building in that location. Starting speculative construction gives us both a greater chance of capturing those lettings earlier and thereby accelerating income growth, in a shorter timeframe. Evidence within our portfolio supports that of the wider market, in which, speculatively developed assets are letting faster and often before construction has completed.

While our land portfolio provides a long-term pipeline of opportunities, we continue to focus rigorously on maximising value from our investment portfolio through asset management and investment acquisitions and disposals. We acquired one new asset during the year, in line with our strategy to make acquisitions in the right locations where they meet our core criteria. Current market pricing and the opportunities within our development portfolio mean we remain particularly disciplined and will only acquire assets at the right price and where we see potential for accretive performance. We remain committed to recycling capital through disposals, but we are patient sellers and look to balance sales with opportunities to reinvest the funds.

We work closely with our customers to add value for them and for us through active management. Our forensic analysis of customer supply chains enables us to understand their networks and operations in depth, supporting our asset management proposals and our development programme. The size of our development portfolio, the largest in the UK, increases the likelihood that we will have a suitable site for a customers' network expansion. The recently announced pre-let of a new building for B&Q is a great example of this, and the virtuous circle that can be created by leveraging our investment portfolio and understanding the needs of our customers to enhance our development activity.

Sustainability

ESG is fundamental to our strategy, and we develop new buildings to the highest standards, in line with our net zero carbon strategy. We firmly believe that assets with the highest ESG performance will create and preserve greater value for our shareholders and better support our customers' requirements. The investment portfolio has strong sustainability credentials and our asset management programme continues to improve the few assets that are not EPC grades A and B. The estimated cost of doing so is low, at around £4 million, principally targeted against the inclusion of LED lighting and roof mounted solar projects.

We are pleased to see our actions resulted in improved ESG scores, such as our overall four Green Stars GRESB rating and our ranking as the leader for development in the European and Global Industrial Listed Sectors, with a 97/100 score and five Green Stars for development. This reflects our leadership position in our sector and puts us in a strong position, as ESG factors will increasingly play a part in asset valuations and rental levels going forward.

Board changes

As previously announced, Sir Richard Jewson retired from the Board on 5 May 2021, at which point I became Chairman and Alastair Hughes became Senior Independent Director. Susanne Given also stepped down as a Non-Executive Director from 13 September 2021. On behalf of all members of the Board, I would like to reiterate my thanks to Sir Richard and Susanne for their valuable input.

We were pleased to welcome two new Non-Executive Directors during the year. Wu Gang was appointed with effect from 1 October 2021. He has a strong strategic and financial advisory background and a wealth of international experience gained during more than 25 years in investment banking in Asia and Europe. Elizabeth Brown joined the Board on 15 December 2021. She has a wealth of strategy and business development expertise, from both consulting and senior corporate roles. Both new Directors have been appointed to the Audit & Risk and Management Engagement Committees.

The Manager

The Board is delighted with the continued strong performance of the Manager, Tritax Management LLP, whose expertise and relationships are intrinsic to our success. The Manager has continued to reinforce its capabilities, through senior appointments and strengthening expertise in important areas such as supply chains, power and data analytics.

Dividends

We aim to deliver an attractive and progressive dividend. Our policy is for the first three quarterly dividends to each represent 25% of the previous full year dividend. We then use the fourth-quarter dividend to determine any progression and aim to achieve an overall pay-out ratio in excess of 90% of Adjusted earnings.

We base our dividend decision on the long-term and stable earning potential of the business. For this reason, we do not factor in the full effects of the more variable other operating income generated by our successful third-party Development Management Agreements (DMAs), instead choosing to reinvest these proceeds to support future earnings growth.

Having declared three interim dividends of 1.60 pence per share each, the Board declared an interim dividend in respect of the fourth-quarter of 1.90 pence per share, giving a total for the year of 6.70 pence (2020: 6.40 pence), up 4.7%. The pay-out ratio was 91% when adjusting for DMA income above the expected run rate.

Positive outlook

We have all the attributes we need for success, and we remain very positive on the outlook for our business.

The development activity we have already committed to since September and plan to commit to during the remainder of 2022, has the potential to increase rental income by c £36 million per annum when completed and fully let. Income generation will be linked to construction timelines and therefore we expect to see the full benefit of this activity in our earnings across a two to three year timeframe.

We are well placed to limit the impact of build cost inflation. We control more logistics focused development land than anyone else in the UK, which gives us bargaining power in the market. Coupled with our excellent, longstanding supplier relationships, this helps us to ensure competitive pricing and minimises any project delays. Both rental growth and yield compression are also helping to mitigate the impact of cost inflation. As a consequence we have maintained our 6-8% yield on cost guidance for developments.

While we see a lot of opportunity within our development pipeline, we continue to rigorously manage our investment portfolio to maximise value for shareholders. We are constantly appraising our investment assets and seek to identify opportunities to enhance returns through asset management, disposals and acquisitions.

We will maintain our disciplined approach to leverage, with our target LTV remaining in the 30-35% range over the medium term.

In 2022, we expect to deliver further dividend growth and look forward to the continuing delivery of attractive overall returns for our shareholders.

Aubrey Adams
Chairman
3 March 2022

Our business propositions

We are at the heart of sustainable modern supply chains providing high-quality logistics space to customers, attractive returns to shareholders and embedding sustainability initiatives for the benefit of our broader stakeholders.

Providing high-quality logistics space

▸ Read more on page 11

Delivering a compelling investment case

▸ Read more on page 12

Leading in ESG

▸ Read more on page 13

"Combining the UK's largest logistics investment and development portfolio with our extensive knowledge of supply chains we are able to provide our customers with the space they need to succeed."

Our Customer Proposition

Providing high-quality space

In line with our purpose, we work closely with our customers to deliver the space they need to succeed. We deliver buildings for our customers that are:

The right size

With the UK's largest land portfolio, we are able to provide new and existing customers with a range of building sizes to suit their requirements. This makes them flexible and efficient and generates economies of scale, enabling cost efficiencies for our customers.

Well located

Our investment and land assets are in strategically important logistics locations, which benefit from strong transport infrastructure, appropriate power provision and a suitable labour supply.

Modern

Our investment portfolio is modern, with an average building age of 10 years, and our development activity creates a long-term pipeline of state-of-the-art buildings to replenish the portfolio. State-of-the-art buildings are most likely to meet the requirements of market-leading occupiers.

Sustainable

Our customers are increasingly looking to occupy sustainable assets. 95% of our investment portfolio has an EPC grade of A-C and we continue to invest in green initiatives such as on-site renewable energy generation. Our development activity includes our commitment to net zero carbon in construction.

Innovative

The scale and flexibility of our buildings makes them suitable for a wide range of customers to install the latest technology, including highly automated and robotic stocking and retrieval systems, which improve efficiencies and reduce costs.

"We spend time understanding and analysing our customers' supply chains to proactively offer them solutions to help optimise their operations."

We are actively customer focused

The Manager's team works in partnership with our customers to ensure our buildings maximise their operational effectiveness. This active and direct approach helps to future-proof our buildings for our customers and to generate growing income and capital values for shareholders.

Being close to our customers gives us a competitive edge, by providing insight into future demand and occupier requirements. We supplement the information which we obtain from our customers and site inspections with specialist supply chain advice so we can better understand their logistics operations and property network. We use this insight to inform our development and asset management activities, to reduce risk and enhance returns for our shareholders.

A compelling investment case

Tritax Big Box is the only listed vehicle dedicated to investing in large, high-quality logistics assets in the UK. We offer investors an attractive investment proposition, providing a sustainable blend of long-term growing income and capital growth.

A clear and compelling strategy

We focus on attracting high-quality and resilient customers, engaging directly to grow and maintain income and capital values through active management, and delivering insight-led development from our land portfolio.

A resilient portfolio

We have constructed a portfolio of high-quality assets, in key locations, let to customers operating in strong business segments. The portfolio has demonstrated its ability to generate highly visible and resilient income and protect value, even in uncertain times. We are complementing this strong foundation with assets that provide opportunities for us to apply our asset management expertise to drive greater returns.

Attractive development opportunities

We have the UK's largest logistics-focused land platform, giving us an attractive pipeline of internally generated opportunities for long-term phased delivery and an attractive yield on cost target of 6-8%.

Financial discipline

With a loan to value of 23.5%, the Group is well financed, with a strong balance sheet and a range of funding sources to support our growth ambitions and drive shareholder returns.

Long-term structural drivers

We believe this is the most attractive and dynamic sector in commercial property. There are major long-term structural trends driving occupational and investor demand for large-scale logistics assets. These trends have many years to run and recent events such as Covid-19 and Brexit have helped to accelerate them.

A sustainable approach

ESG considerations are central to all our investment decisions. From integrating green initiatives into our asset management plans, to developing net zero carbon buildings, or funding through green finance, ESG is fully considered to ensure long-term risks and opportunities are addressed.

Extensive expertise

The Manager's extensive expertise and deep understanding of our sector, combined with the calibre of its team and network of contacts, gives us the capabilities we need to identify opportunities and successfully execute our strategy.

Our ESG Proposition

Leading in ESG

Our aim is to be a market leader when it comes to the ESG performance of our business. Rigorously focusing on ESG will ensure our long-term viability and commercial success, by helping us to make decisions that future-proof our assets, protect the environment and people's wellbeing, to deliver positive social impact.

Our ESG ambition

We aim to be a market leader in sustainable logistics, by collaborating to create positive change and generate value in the long term for our customers, their staff and our other stakeholders.

Our ESG strategy

Our ESG strategy aligns with four of the most relevant UN Sustainable Development Goals:

Sustainable cities and communities:
ensure and demonstrate the resilience of our assets

Climate action:
achieve a net zero carbon portfolio

Life on land:
enhance biodiversity and wellbeing across the portfolio

Decent work and economic growth:
create a positive socio-economic impact through our investments

▸ We have set objectives and initial targets for 2023 against each of these goals. See page 35.

Enhancing ESG performance

95% of the portfolio (by sq ft) has an EPC rating of A to C

GRESB score 2021 of 81/100 and four Green Stars (2020: 72/100 and three Green Stars)

GRESB 2021 Leader for Development in the European and Global Industrial Listed Sectors, with highest score of 97/100 and five Green Stars

Sustainalytics risk rating score improved to 8.9 (negligible) from 14.6 (low)

MSCI rating improved to BBB

Investor questions

Colin Godfrey
Chief Executive Officer

Q: How do you intend to fund your development pipeline?

We have de-risked the funding of our near-term development pipeline, following the highly successful equity raise in September 2021, which generated gross proceeds of £300 million. As we look beyond this and over the longer term, it is important that we retain flexibility and optionality within our main sources of funding our longer-term development pipeline. We can use the appropriate leverage, which includes an LTV target of up to 35% over the medium term. We can take advantage of strong market conditions by selling investment assets when we have maximised their value in the Group's ownership or where they no longer fit the portfolio. We may also partner with others to co-fund opportunities, for example by forming joint ventures, should we want to reduce risk. In addition, we will consider raising further equity, when we believe it is in shareholders' interests to do so.

Beyond that, we have four main options for funding further developments. We can use the Group's cash generation and appropriate leverage to generate funds internally. We can take advantage of strong market conditions by selling assets when we have maximised their value in the Group's ownership or where they no longer fit the portfolio. We may also partner with others to co-fund opportunities, for example by forming joint ventures. In addition, we will consider raising further equity, when we believe it is in shareholders' interests to do so.

Frankie Whitehead
Chief Financial Officer

"We are in a good position to manage and mitigate cost increases. Currently we remain confident in targeting an attractive 6-8% yield on cost for our development programme."

Q: What impact is inflation having on your business?

Our rental income has in-built protection through our lease provisions. All rents are upwards only at the point of review and we have a balance of review types. Over 50% of our leases are linked to indexation. As a consequence, these leases provide a natural hedge and enable our income to grow in line with inflation (subject to cap and collar arrangements). From a finance cost perspective, we operate with 69% of our borrowings paying a fixed cost and therefore the cost of this element of our debt will not change for the term of the loan. We also use interest rate hedging to provide protection against the balance of our loans, as at the end of the year, 100% of our drawn borrowings were either fixed or hedged.

The area where we are noticing inflationary pressures the most, is in regards to our raw material and labour costs within our developments. This primarily reflects supply chain disruption caused by Covid-19 and Brexit. We are, however, in a good position to manage and mitigate cost increases, through using our purchasing power or excellent relationships in the market. Equally, the favourable occupational investment markets also mean the cost inflation should be largely offset by rising rents and capital values. Currently, we remain confident of targeting an attractive 6-8% yield on cost across our development portfolio.

“We have deliberately constructed a portfolio of high-quality, modern assets with strong sustainability credentials, so we are in good shape to meet the anticipated increase in minimum EPC ratings.”

Q: Will you have to invest significant capital into your existing assets to meet higher environmental standards?

No. We have deliberately constructed a portfolio of high-quality, modern assets with strong sustainability credentials, so we are already in good shape to meet the anticipated increase in minimum standards for Energy Performance Certificate (EPC) ratings. At the year end, 95% of our portfolio was rated grade A-C. We have plans in place to improve the ratings of the remaining assets, primarily through solar PV installation and LED lighting. We are therefore well on track to meet our target for all our assets to be rated A-C by 2023 and have improved our target to achieve grade B or above by 2026. We estimate the total cost of achieving these targets to be low, at c£4 million.

Petrina Austin
Head of Asset Management

Q: Why haven’t you sold any assets this year?

Asset disposals are an important part of our strategy for funding our development programme and investment acquisitions and they remain firmly on the agenda. We are patient sellers and we will only dispose of assets when the timing is right. This includes having a near-term opportunity to reinvest the funds and replace the income we forego from the assets we sell. During 2021, we have also seen a consistent reduction in yields and it made sense to retain assets while they continue to rise in value, with a view to generating greater returns later on. In 2022, we will be accelerating our active management of the portfolio, seeking to take advantage of the strong investment market to sell assets we believe have reached their full potential.

Bjorn Hobart
Investment Director

Q: Will you acquire further investment assets in the market?

Yes, we bought one asset during the year, at Avonmouth, and we remain in constant contact with potential vendors, owner occupiers and agents, with the aim of identifying further purchases which would be accretive to our returns or where we can add value through active management. We will replace these assets through a combination of acquiring assets, either individually or potentially as a portfolio in the open market, and through the development pipeline with the aim of maximising returns while ensuring we continue to maintain and grow income. We are very selective in our purchases, seeking the potential for mispricing, investments which offer attractive asset management opportunities or which improve our income growth potential.

Phil Redding
Director of Investment Strategy

Long-term drivers continue to generate strong occupier demand

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

1.

The accelerating growth in e-commerce

Changing shopping patterns have led to a rapid rise in e-commerce, as consumers demand faster and more convenient ways to make purchases. In response, companies have developed complex omnichannel supply chains, in which logistics real estate plays a fundamental role, from highly automated large-scale fulfilment centres to small urban / last journey warehouses.

The Covid-19 lockdowns accelerated the shift to e-commerce, with many people forced to shop online as physical stores were closed. Online sales accounted for 29% of total retail sales in 2021, up from 19% before the pandemic, having peaked in January 2021 at 38%[1]. We see considerable scope for this growth to continue, in turn producing further demand for logistics real estate.

Online retail supply chains 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]. The value of online retail sales increased by a further £9.8 billion in 2021[1] and online retailers committed to 17 million sq ft[3] of space as they continued to build out their supply chains. Our development pipeline is well-placed to support new and existing customers in fulfilling this demand.

2.

The need to increase productivity, reduce costs and boost resilience

The economic fallout from Covid-19 has intensified the pressure on corporate profitability and productivity. To protect margins and avoid price increases, companies are looking to lower their unit costs, in part by making distribution as efficient as possible.

Occupiers are consolidating older disparate units into larger distribution centres with the potential to generate significant cost economies of scale and optimising staffing and stock levels. They are also utilising high levels of automation and technology to stock and retrieve products in large volumes. These systems are typically found in large, modern logistics buildings.

Events such as Covid-19, Brexit and the blocking of the Suez Canal have highlighted the risks to long-term supply chains. Customers are enhancing their resilience by increasing their inventory onshore and/or manufacturing closer to end markets, resulting in greater demand for high-quality logistics space.

3.

The drive to enhance sustainability performance

All organisations are under pressure to increase their sustainability, including reducing their environmental impact and protecting employee wellbeing. Such initiatives can also reduce 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 the anticipated future regulatory requirements, such as the minimum rating of B for Energy Performance Certificates.

In addition, larger buildings lend themselves to better facilities for staff welfare, such as gyms, canteens and offices. Big sites also have more scope for green space, which can be used to support biodiversity and outdoor amenities.

1 ONS

2 UKWA and Knight Frank

3 CBRE

The trading environment remains extremely strong, and this is set to continue

Occupational demand in 2021 consistent with the record levels of 2020

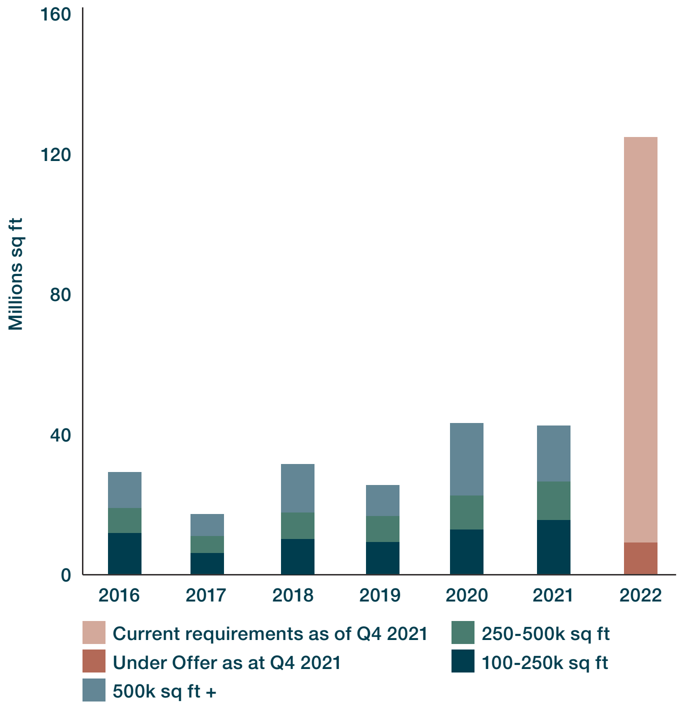
Occupiers seeking logistics space remained very active throughout 2021. Take-up was driven by a wide range of occupiers, with a strong showing from online retailers and third-party logistics providers (3PLs). This trend is reflected in the enquiries in our own development pipeline, for buildings over 300,000sq ft, with approximately two-thirds of interest from online retailers and 3PLs. 2021 saw another strong year of demand for buildings over 500,000 sq ft with 18 new lettings (2020: 23) totalling 16 million sq ft[3].

Key statistics[4]

- Take-up in 2021 of 42.4 million sq ft (2020: 43.0 million sq ft) versus the annual average since 2010 of 25.9 million sq ft. Buildings over 500,000 sq ft accounted for 38% of total take-up (2020: 48%). Activity in the second half of the year was increasingly impacted by the limited availability of space.
- Build-to-suit developments accounted for 61% of take up (by number of deals) in the 500,000+ sq ft market (2016-2019: 84%) as high occupier demand resulted in more take up of speculative and second hand space than has historically been the case.
- At the year end, total space under offer across the market was around 9.1 million sq ft, against 8.8 million sq ft at December 2020. 44% of space under offer at year end is for logistics buildings over 500,000 sq ft.

After several years of strong demand for larger buildings, the lack of available suitable space and readily developable consented land for build-to-suit purposes presents a significant opportunity for us.

High occupational demand has continued following a record 2020…



Source: CBRE and Savills

4 All data from CBRE

Market Review continued

Record low supply is limiting overall take-up resulting in significant unsatisfied demand

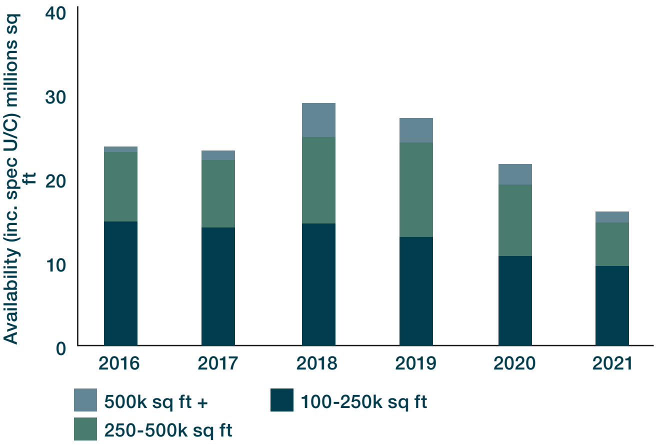
High take-up and the net absorption of space has reduced ready to occupy space in the market to record low levels. This is resulting in competition for available units, rental tension and significant unsatisfied demand. This in turn has encouraged more speculative development. While the overall level of new development is above historic averages, speculative units across all size bands are being rapidly absorbed. Occupiers are moving increasingly early to secure space; 2021 has seen void rates for speculative units that have let fall further with many buildings now leasing ahead of practical completion[5].

Market dynamics are favourable across all size bands of logistics building. 2021 saw record levels of demand for smaller units with the limited availability of second-hand space resulting in 54% of deals (by number) being for speculatively developed units (2020: 49%)[3]. Tight market conditions for larger buildings have resulted in more speculative schemes being brought forward than is typically the case, but in the 500,000+ sq ft size range all bar one[3] building scheduled for completion in 2022 have been let or are under offer ahead of practical completion. In our view, construction of large logistics buildings will continue to be driven primarily by occupier-led build-to-suit opportunities, given the inherent barriers to entry. Significant barriers exist to developing these sites quickly as the planning system remains slow moving, and extensive infrastructure works can be required before a building can be constructed.

Key statistics

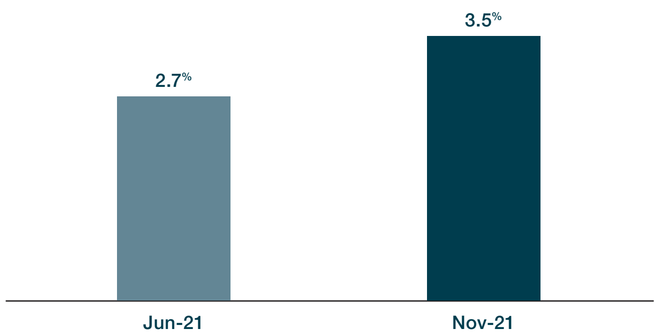
- Vacant, ready to occupy logistics space declined to a record low of 1.6% at the end of 2021 (2020: 4.1%). A further 8.5 million sq ft (1.7%) of speculative space is under construction with a practical completion date of 2022[3].
- For assets over 500,000 sq ft, only one[5] existing building, which is being comprehensively refurbished, is available to let and one[3] speculative building is currently under construction with a practical completion date of 2022.

… resulting in decreasing availability, with just two buildings over 500k sq ft available to let



Source: CBRE

Consensus forecast for rental value growth 2021-2025f



5 Savills

6 IPF UK Consensus Forecasts, Autumn 2021. Based on data received from 20 organisations

Positive long-term rental growth prospects

The shortage of modern logistics space and persistent high levels of demand are driving rental growth. Since the start of the pandemic, prime rents have increased to new highs across all UK regions.

Key statistics

- IPF Consensus Forecasts from November 2021 expect 2021/25 average annual rental value growth of 3.5%, up from 2.7% in June 2021[6].

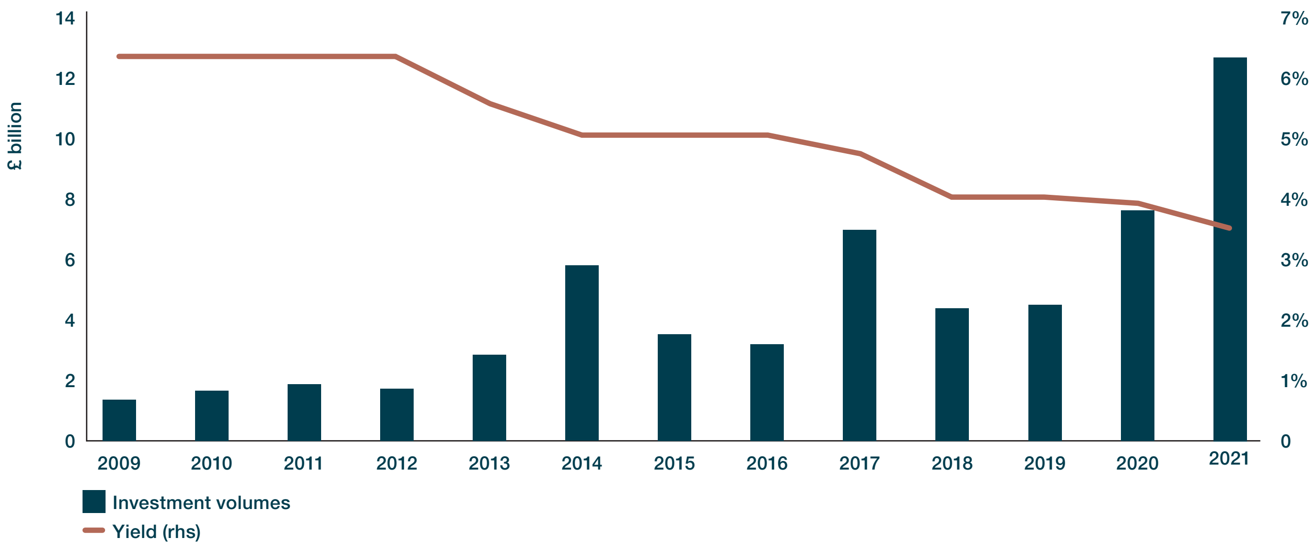
Investors are attracted to the long-term fundamentals for logistics real estate

Logistics is one of the most sought-after sectors for real estate investment, with investors attracted by structural consumer trends, the occupational demand-supply imbalance, secure long-term income and increased sustainability performance of modern logistics buildings. Demand for logistics real estate has increased materially across all investor types. Higher transaction volumes have been driven primarily by both overseas investors and UK institutions, who are re-weighting their commercial property holdings by reducing exposure to traditional real estate sectors (such as retail and office) in favour of logistics. This demand has put further pressure on prime yields, which are at historic lows. Our development portfolio gives us an important advantage in these market conditions, by providing a pipeline of new assets at an attractive 6-8% target yield on cost.

Key statistics

- Investment volumes reached a record £12.2 billion in 2021, up 63% on 2020[7].
- Capital allocations into logistics property represented 27% of all UK property investments in 2021, up from 22% in 2020 and well ahead of the longer-term average of 12%[3].
- Consequently distribution warehouse yields compressed by 40 basis points in 2021 and are now as low as 3.5% for prime assets on 15-year or more lease terms[3].

Investment volumes and yields



Source: Property data and CBRE

7 Property data (distribution warehouses transactions over £5m)

Building on our advantage

We own, manage and develop logistics real estate in strategic locations across the UK, and let to customers that include some of the world's largest companies. In doing so, we look to deliver attractive total returns for shareholders.

Our advantages

Focused approach

By focusing solely on the UK logistics market, our Manager has deep, unrivalled knowledge and understanding of the market, and strong, longstanding relationships with its participants. This means we have privileged access to new opportunities, often off-market, enabling us to secure better returns for shareholders.

Agile and entrepreneurial culture

Our Manager's culture is agile and entrepreneurial, allowing us to move rapidly to secure the best opportunities and leverage the huge market opportunity available to us, as demand for quality logistics warehouses significantly exceeds supply.

Combined investment and development platform

Combining our investment portfolio and our development platform within the same group gives us significant advantages. For example, we can draw on our customer insights from our asset management work to inform our development programme, while our development operation has enhanced credibility with its counterparties, as part of a much larger Group.

How we create value

Unrivalled portfolio

We have an unrivalled portfolio of large-scale, high-quality buildings, in key logistics locations close to transport networks, where occupier demand is strong.

Strong customer relationships

We work closely with our customers to understand their businesses. This ensures we can deliver solutions that address their individual supply chain and property needs, informs our decision-making and often leads to working with customers again in the future at other sites.

Active management

We actively manage our properties and portfolio, for example by adding extensions, improving our assets' environmental performance, securing lease renewals and agreeing rent reviews. This increases income and capital values.

Attractive leases to market leaders

Our buildings are let on long leases with upward-only rent reviews, to a well-diversified base of occupiers who are typically market leaders in their fields. At 31 December 2021, our weighted average unexpired lease term was 13.0 years and our top ten customers accounted for 53% of the contracted rent roll.

Long-term outperformance through development

We have the UK's largest logistics-focused land platform, which enables us to develop properties that deliver a target yield on cost of 6–8%. This provides us the opportunity to deliver long-term outperformance to shareholders.

The value we create

High-quality buildings for our customers

We create high-quality and environmentally sustainable buildings that play a central role in supporting our customers' business needs and growth ambitions.

Long-term income and capital growth for our shareholders

We generate attractive long-term income and capital growth for our shareholders. In 2021, we paid dividends totalling 6.70 pence per share and generated a Total Accounting Return of 30.5%.

Economic and social value for society and communities

Our buildings benefit local communities and society more generally. They have strong sustainability credentials, with 90% having an EPC rating of C or above and new directly developed buildings being built to net zero carbon in construction, helping to minimise impact on their environments. They also support significant employment in their local areas both during construction and once in operation.

▸ Read more on pages **26 & 27**

How we generate returns

We generate returns through the rent we receive from our tenants and from profits associated with our portfolio. We have a low and transparent cost base, with an EPRA Cost Ratio in 2021 of 13.9%, one of the lowest in UK listed real estate.

We recycle capital, selling assets which we believe have delivered their full potential in our ownership and redeploy the proceeds into higher returning opportunities.

▸ Read more on pages 53 to 57

Engaging with our stakeholders

By considering the Company's purpose and vision, together with its strategic priorities, we aim to balance stakeholders' different perspectives. For more information on the impact of key decisions of the Board on our stakeholders, please refer to our "Key decisions of the Board" table on page 78.

Section 172 statement

The Directors have had regard for the matters set out in Section 172(1) (a)-(f) of the Companies Act 2006 when performing their duty under Section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have considered (amongst other matters):

- the likely consequences of any decision in the long term;
- interest of the Manager and its employees, as the Company does not have any employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The table on the right indicates where the relevant information is in this Annual Report that demonstrates how we act in accordance with the requirements of s172.

Further information on how we have engaged with our key stakeholders and considered their interests during the last reporting period can be found on pages 22 to 25 and 78.

Our stakeholders

The Manager and its employees

Our shareholders

Our suppliers

Our customers

Our lenders

Government, regulators and local councils

Our communities

Read more on pages 23 to 25, 52 and 56 to 57.

The Manager and its employees

What they care about

The long-term success of the Company is of key importance to the Manager. In order to achieve this, as well as establishing and maintaining lasting relationships, the Manager takes a keen interest in the wellbeing and satisfaction of its employees. Being able to attract and retain high calibre talent and then support those individuals in their professional development is a high priority for the Manager. The Board and the Manager maintain a positive and transparent relationship to ensure alignment of values and business objectives.

How we engage

- Quarterly reporting to the Board
- External board evaluations
- Informal meetings
- Professional and executive development programmes
- Employee surveys and Charity Events

Topics

- Employee satisfaction and resourcing
- Remote working, staff wellbeing, development and progression
- Business updates

Outcomes

- Updated software and systems for remote working
- Continued workforce productivity with minimal operational impact
- Implementation of a Working from Home Policy of the Manager during and past Covid-19
- Employee social events

Further information

- ▶ Page to 52 in the Manager's Report
- ▶ Page 78 in Key decisions of the Board 2021
- ▶ Pages 79 to 82 in Division of Responsibilities
- ▶ Management Engagement Committee Report on 92 to 94

Our shareholders

What they care about

Delivering sustainable, profitable growth over the longer term. Our investors take a keen interest in strong corporate governance, as well as a transparent reporting framework and the ESG initiatives of the Company.

How we engage

- Regular market updates on strategy and performance
- Virtual meetings with the Board and the Manager to aid understanding and decision making
- Investor Roadshows, site visits, investor seminars
- Quarterly update reports to the Board from Investor Relations
- Annual General Meeting
- Meetings held between shareholders and key personnel from the Board and Manager

Topics

- Strategic plans and long-term value and returns
- Governance
- Sustainability

Outcomes

- Engagement with key representatives to ensure our purpose and strategy remains in line with expectations
- Focus on recycling assets into higher returning development and investment opportunities
- Redeployment of capital
- Update on financial impact and operations during Covid-19

Further information

- ▶ Page 20 to 21 in the Business model
- ▶ Page 77 in Board leadership and company purpose

Stakeholder Engagement and Section 172 continued

Our suppliers

What they care about

Our suppliers care about having collaborative and transparent working relationships with us, including responsive communication and being able to deliver to their service level agreements at a competitive fee.

How we engage

- Invited key suppliers to attend Board and Committee meetings
- Informal, one-to-one virtual meetings
- Review of supplier performance by the Management Engagement Committee
- Externally facilitated adviser reports

Topics

- Service levels and annual performance
- Fee structure
- Relationship management
- Processes and procedures

Outcomes

- Continued good, and in some cases, exceptional, levels of service
- Appointment of Design Portfolio as the Company's Annual Fee savings through tender processes

Further information

- Page 78 in Key decisions of the Board 2021
- Management Engagement Committee Report page 92 to 94

Our customers

What they care about

Quality assets, including buildings with strong sustainability ratings that enable them to succeed. A knowledgeable and committed landlord that supports their strategy, with a current focus on fulfilling their rapidly growing e-commerce sales. Our customers want efficient supply chain logistics and attractive cost price labour pools.

How we engage

- Regular face-to-face meetings both virtual and on-site, when able
- Charitable engagement which in turn helps bring environmental and social benefits to the communities we operate in
- Joining the UK GBC Working Group on Nature Based Solutions
- Demonstrating leadership by creating the Sustainable Logistics Alliance with Prologis which published its first paper on net zero carbon construction
- Review of published data, such as Annual Accounts, trading updates and analysts' reports to identify mutually beneficial opportunities
- Greater discussion over cash flow and rental collection in the current climate
- Stakeholder surveys
- Ensure buildings comply with the necessary safety regulations and insurance
- Quarterly engagement with The Bridge – a network of all businesses and community stakeholders surrounding the Littlebrook estate
- Commissioned supply chain analysis to understand our customer needs

Topics

- Impact of Covid-19 and lockdown restrictions
- Sustainability initiatives
- Treasury management
- Supporting e-commerce initiatives
- Operational efficiencies

Outcomes

- Payment plans and rent deferrals to help manage cash flow and resources during Covid-19
- Strengthening of business relationships
- Development of a dedicated Occupier Hub
- Asset management and ESG initiatives

Further information

- Manager's Report pages 42 to 52
- Sustainability section pages 32 to 41
- Page 78 in Key decisions of the Board 2021

s172 matter	Further information incorporated into this statement by reference
Long term	▶ Market Review pages 16 to 19 ▶ Our Business Model pages 20 to 21 ▶ Manager's Report page 42 to 52 ▶ Key Board Decisions page 78
Investors	▶ Strategic Report pages 1 to 65 ▶ Key Board Decisions page 78 ▶ Governance Report pages 66 to 100
Employees	▶ For information on the Manager's employees please refer to pages 9, 23, 51, 78 and 93 to 94
Community and environment	▶ Strategic Report pages 32 to 41 ▶ Manager's Report page 46 ▶ Key Board Decisions page 78
Suppliers	▶ Strategic Report pages 1 to 57 ▶ Manager's Report pages 42 to 52 ▶ Key Board Decisions page 78
High business conduct	▶ Business Model pages 20 to 21 ▶ Stakeholder Engagement pages 22 to 25 ▶ Strategic Report pages 1 to 64

Aligned to long-term structural growth

We have a clear and compelling strategy designed to capture the significant opportunities our market creates, underpinned by a disciplined approach to capital allocation and a commitment to sustainability.

Our strategy

High-quality assets attracting world-leading companies

Delivering high-quality, resilient and growing income

Our logistics assets are critical to the supply chains of some of the world's leading companies. We continue to focus on building a portfolio that will perform well through the economic cycle, providing resilient long-term income even during challenging times. We have weighted our customer exposure towards those in defensive and high-growth sectors.

Progress 2021

Our portfolio has continued to perform exceptionally well, with 100% rent collection, 0% vacancy and significantly growing in value.

Future focus

We aim to rotate out of assets which no longer fit the shape and balance of the portfolio or are unlikely to meet our future return targets. We will maintain our disciplined approach to acquisitions.

Direct and active management

Protecting, adding and realising value

We actively and directly manage our existing property portfolio, developing long-term relationships with our customers, ensuring their needs are met while identifying and realising opportunities to add value. We also monitor the broader market for opportunities where we can acquire assets and add value through active asset management.

By proactively evaluating and managing our portfolio, we aim to grow value and generate secure and increasing income. When we believe an asset has reached its full potential within our ownership, we look to crystallise this value through disposals, recycling capital into higher returning development and investment opportunities.

Progress 2021

Through a combination of our asset management activities and embedded rent reviews we achieved an 8.7% uplift in passing rents.

Future focus

We aim to complete the remaining outstanding open market rent reviews and further lease extensions. We will continue to look at opportunities to extend or develop new buildings with existing customers.

Insight driven development and innovation

Creating value and capturing occupier demand

We control the UK's largest land platform for the development of logistics real estate. The customer insights gleaned from our existing investment portfolio, innovation applied to development e.g. ESG / power and long-established successful track record inform the development process, ensuring we tailor the development pipeline to meet demand at an attractive 6-8% yield on cost target.

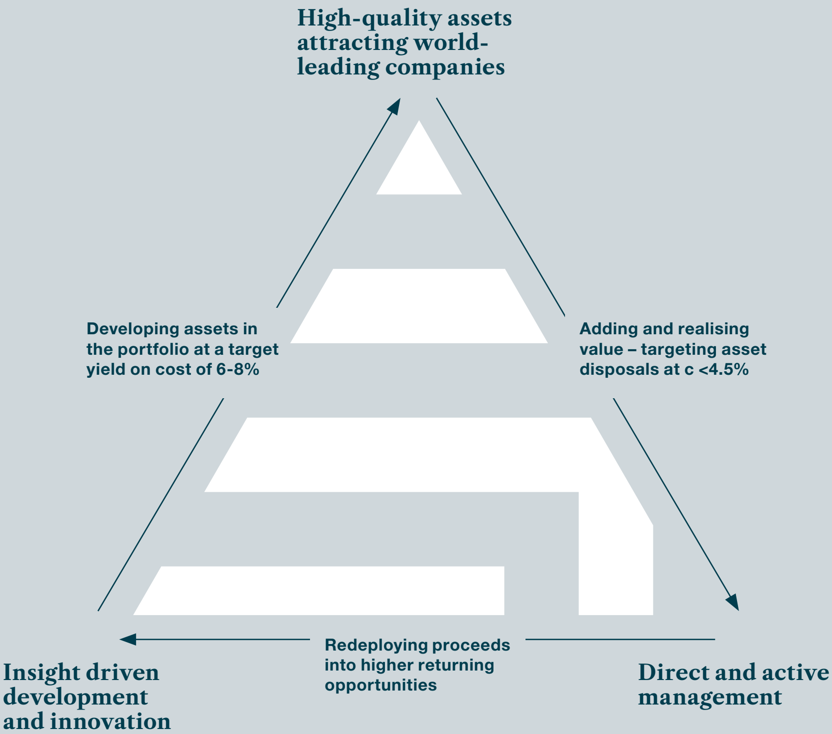
Most of the Group's development will be undertaken on a demand driven pre-let basis, significantly de-risking the process and ensuring we only deploy significant amounts of the Group's capital when we are confident that the returns are appropriate and attractive to our shareholders.

Progress 2021

We delivered 3.7 million sq ft of development completions in 2021, adding £24.0 million to our contracted rent roll.

Future focus

We aim to commence construction across 3 to 4 million sq ft of logistics space in FY 2022. Continue to position the development portfolio to deliver at least 2 to 3 million sq ft over the longer term.



Underpinned by a disciplined approach to capital allocation and emphasis on sustainability

Underpinning our strategy is a disciplined approach to capital, where we aim to maximise returns to shareholders while minimising risk. By evaluating the Group's existing assets and identifying ways to maximise and then realise value, we will effectively recycle capital to support the Group's objectives, using debt appropriately and potentially raising additional capital when it is in shareholders' interests.

The Group's commitment to sustainability forms an intrinsic and overarching part of our strategy.

▶ See pages 32 to 41.

Measuring our performance

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.

1. Total accounting return (TAR)

See notes to the EPRA and Other Key Performance Indicators.

30.5%

2020: 19.9%

2021	30.5%
2020	19.9%
2019	3.8%

Relevance to strategy

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.

2. Dividend

See note 13.

6.70p

2020: 6.40p

2021	6.70p
2020	6.40p
2019	6.85p

Relevance to strategy

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. EPRA NTA per share[1]

See note 28.

222.60p

2020: 175.61p

2021	222.60p
2020	175.61p
2019	151.79p

Relevance to strategy

The EPRA NTA reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.

4. Loan to value ratio (LTV)

See notes to the EPRA and Other Key Performance Indicators.

23.5%

2020: 30.0%

2021	23.5%
2020	30.0%
2019	29.9%

Relevance to strategy

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.

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.

2 Global Real Estate Sustainability Benchmark (GRESB).

"Across all aspects of our portfolio, our business is delivering, reflected in record total accounting returns."

5. Adjusted earnings per share

See note 12.

8.23p

2020: 7.17p

2021	8.23p
2020	7.17p
2019	6.64p

Relevance to strategy

The Adjusted EPS reflects our ability to generate earnings from our portfolio, which ultimately underpins our dividend payments.

6. Total expense ratio (TER)

0.79%

2020: 0.86%

2021	0.79%
2020	0.86%
2019	0.87%

Relevance to strategy

This is a key measure of our operational performance. Keeping costs low supports our ability to pay dividends.

7. Weighted average unexpired lease term (WAULT)

13.0 years

2020: 13.8 years

2021	13.0 years
2020	13.8 years
2019	14.1 years

Relevance to strategy

The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.

8. GRESB[2] score

81/100

2020: 72/100

2021	81/100
2020	72/100
2019	55/100

Relevance to strategy

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 operate efficiently.

Measuring our performance

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We provide these measures to aid comparison with other European real estate businesses.

For a full reconciliation of the new EPRA NAV measures, please see the Notes to the EPRA and Other Key Performance Indicators.

1. EPRA earnings (diluted)

See note 12.

£131.2m/ 7.47p

2020: £105.5m/6.17p

2021	£131.2m/7.47p
2020	£105.5m/6.17p
2019	£89.4m/5.29p

Purpose

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.

2. EPRA net tangible assets

See note 28.

£4,157.6m/ 222.60p

2020: £3.0bn/175.61p

2021	£4.2bn/222.60p
2020	£3.0bn/175.61p
2019	£2.6bn/151.79p

Purpose

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

3. EPRA net reinstatement value (NRV)

See note 28.

£4,535.7m/ 242.84p

2020: £3.3bn/193.41p

2021	£4.5bn/242.84p
2020	£3.3bn/193.41p
2019	£2.9bn/167.52p

Purpose

Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

4. EPRA net disposal value (NDV)

See note 28.

£4,095.5m/ 219.27p

2020: £2.9bn/166.36p per share

2021	£4.1bn /219.27p
2020	£2.9bn/166.36p
2019	£2.5bn/147.80p

Purpose

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.

5. EPRA net initial yield (NIY)

See notes to the EPRA and Other Key Performance Indicators.

3.56%

2020: 4.18%

2021	3.56%
2020	4.18%
2019	4.34%

Purpose

This measure should make it easier for investors to judge for themselves how the valuations of two portfolios compare.

6. EPRA 'topped-up' NIY

See notes to the EPRA and Other Key Performance Indicators.

3.75%

2020: 4.38%

2021	3.75%
2020	4.38%
2019	4.60%

Purpose

This measure should make it easier for investors to judge for themselves how the valuations of two portfolios compare.

7. EPRA vacancy

See notes to the EPRA and Other Key Performance Indicators.

0.0%

2020: 0.0%

2021	0%
2020	0%
2019	1.2%

Purpose

A "pure" (%) measure of investment property space that is vacant, based on ERV.

8. EPRA Cost Ratio

See notes to the EPRA and Other Key Performance Indicators.

13.9%

2020: 14.2%

2021	13.9%
2020	14.2%
2019	15.1%

Purpose

A key measure to enable meaningful measurement of the changes in a company's operating costs.

Leading approach to ESG

During 2021, we have continued to make good progress with implementing our ESG strategy and remain on track to meet and achieve our targets.

Evolving our strategy

In 2022, we will aim to:

- expand the further installation of renewable energy initiatives including solar;
- improve the EPC ratings of those assets which are below grade C;
- collaborate with customers to obtain emissions data and further develop net zero carbon plans;
- develop further our net zero carbon in construction work to develop our knowledge of low carbon materials and construction methods;
- work with existing customers to improve biodiversity through innovative use of landscaping and habitat;
- continue to assess the potential for biodiversity net gain in development projects;
- support local communities through job creation opportunities and charity partnerships, developing on the proactive work already undertaken with schools, colleges and Schoolreaders; and
- work with customers on initial fit out designs and enhancements, to provide or improve employee welfare facilities, both internal and external.

ESG Goal 1: Sustainable buildings

As the owner of one of the largest logistics portfolios and the biggest logistics development land portfolio in the UK, we have a responsibility to ensure our portfolio is sustainable and supports the health and wellbeing of our customers.

ESG is integrated into our investment and asset management approach and procedures. When acquiring standing assets, we target well-designed, efficient buildings. The Group aims to acquire assets with strong sustainability credentials, including a BREEAM rating of Very Good or above or an EPC rating of B or above. Where this benchmark is not met, we identify opportunities to upgrade the assets to these standards or better.

On acquisition our Sustainability Risk Assessment (SRA) reviews green building certifications, building surveys and specifications (life cycle assessment) climate change and flood risk assessments, regulatory compliance, environmental hazards or incidents, social risks and social welfare. This review identifies opportunities for adding value to the asset or any mitigation or adaption strategies, which creates the Sustainability Action Plan (SAP).

All of our assets, including new projects have a bespoke SAP integrated within its asset business plan. These plans identify both asset management and operational initiatives, and projects include roof mounted solar PV, LED lighting and mechanical and electrical upgrades. We use these to engage with our customers and collaborate on sustainability projects. The SAPs are updated following site inspections, customer engagement and reviewed formally, identifying any new risks and opportunities, including legislative requirements. Within each SAP a number of environmental factors are considered, including material and energy use.

Our Standard New Building Base Specification sets out the sustainability requirements for new developments. We require a minimum BREEAM Very Good rating and an EPC rating of A. We have objectives to reduce waste and reuse materials. For new developments originated from land assets acquired through Tritax Symmetry, we are committed to achieving net zero carbon to the point of practical completion.

Target table

Sustainability goals	2023 target	Actions in 2021	Progress against target
Sustainable buildings Ensure and demonstrate the sustainability of our assets	Embed ESG into investment practices and ensure any new acquisitions and investments align with ESG investment principles.	Allocated proceeds of the £250 million Green Bond raised in 2020 to qualifying green initiatives (see Finance Review on page 55).	Achieved
	Ensure all new development assets in the portfolio have a green building certification.	All new developments completed in the year achieved at least BREEAM Very Good.	On track
	Improve GRESB score to three Green Stars.Improve MSCI ESG rating to A.	2021 GRESB score of four Green Stars.MSCI rating improved to BBB.	Achieved On track
	Implement green leases on all new leasing opportunities, where our customers agree.	New green leases clauses included in five new agreements.	On track
	Provide recommendation reports to customers, and provide sustainable operations guides.	Bespoke asset management proposals provided to customers including ESG and solar PV initiatives.	On track

The new developments completed at DPD, Co-Op and Amazon Littlebrook contributed to an increase in the coverage of green building certifications to 50% of the portfolio floor space. This is significantly higher than the industry average of 26% (source: MSCI).

In addition, we continued to work with customers to obtain their operational performance data in relation to energy and water use and waste. Approximately 74% of customers shared their 2020 data with us, up from 19% in the previous year. This provides insight into their sustainability performance and helps us to identify opportunities to improve in areas such as energy efficiency. We are procuring a more advanced ESG data management system, to support the collection and reporting of asset-level data. Obtaining this utility data enables us to analyse and work with our customers, to assess a timetable and plan for achieving net zero carbon across the portfolio.

Further information on our initiatives in the year can be found on page 46 of the Manager's Report.

Our progress is reflected in further improvements in our ratings by leading agencies. The Group's GRESB score increased to 81/100 and with four Green Stars awarded (2020: 72/100 and three Green Stars). We were ranked as the leader for development in the European and Global Industrial Listed Sectors, achieving the highest score for the sector with a score of 97/100 and the maximum of five Green Stars (2020: 91/100, five Green Stars).

The Group also recorded increases in its Sustainalytics score, with the risk rating revised from 14.6 (Low) to 8.9 (Negligible), putting the Group in the top 4% of REITs assessed. The Management score increased to Strong. Our MSCI rating improved to BBB.

ESG Goal 2: Net zero carbon

Achieving net zero carbon is a key consideration and target for both us and our customers. Our carbon emissions are made up of both direct operational emissions and indirect supply chain emissions. Our direct operational emissions (Scope 1 & 2) are minimal and principally relate to assets where we provide energy for external services, such as estate roadway lighting. These activities have been net zero carbon since 2018, through the procurement of renewable energy.

We are now focused on reducing our indirect (Scope 3) supply chain carbon emissions. This includes our development activity. In June 2020 we announced all new developments within the land portfolio acquired through Tritax Symmetry portfolio will be constructed to net zero carbon, as defined by the UK GBC. Our net zero carbon strategy recognises the need for short term offsetting. While this ambition could have an effect on costs of both construction and materials, we consider it provides a hedge against potential future carbon legislation and taxation.

We are working with our customers to assess the emissions of their operations and seek to facilitate low-carbon alternatives, where the customer has direct operational control. For example, through the introduction of solar PV or wind generated power.

Target table

Sustainability goals	2023 target	Actions in 2021	Progress against target
Energy and carbon Achieve net zero carbon for all direct activities	Maintain net zero carbon for Scope 1 and 2 GHG emissions. Measure indirect (Scope 3) emissions.	Maintained net zero for Scope 1 and 2. Measured the embodied carbon from new construction.Increased data collection from customers, in order to develop action plans.	On track
	Identify the products and processes that remove carbon from construction.	Completed initial net zero carbon in construction development, analysed the embodied carbon and identified opportunities to address in future developments.	On track
	Improve EPCs to A-C Grade.	During the year we implemented measures which increased the certification of the portfolio A to C from 90% to 95%.	On track
	Install renewable energy generation projects to benefit our customers.	Installed solar PV at Amazon Littlebrook and Brakes, Harlow. Consented to two schemes at Amazon, Durham and Amazon, Haydock. All assets reviewed by specialist consultants for inclusion of roof mounted solar PV and proposals are under consideration with customers.	On track
	Ensure top three priority assets have climate resilience plans in place.	Conducted climate scenario analysis of the full portfolio to understand the potential risks and opportunities.	On track

Information on our initiatives during the year, including the Group's initial net zero carbon development, improvements to EPC ratings and installation of renewable power generation, can be found on page 47 of the Manager's Report.

The Manager also participates in a UK GBC working group on "Whole Life Carbon Reduction" for the Built Environment.

Streamlined Energy and Carbon Reporting (SECR)

Methodology

The GHG emissions data was compiled in accordance with the GHG Protocol methodology and the 2021 HM Government Environmental Reporting Guidelines.

The Group takes the operational control approach, which covers common parts estate areas at Stoke and Harlow assets. The services provided for the common parts of the managed assets are external so no floor area intensity is provided.

Scope 1, 2 and 3 emissions for managed assets are calculated using country-specific conversion factors sourced from DEFRA.

SECR		2021[1]	2020[2]
Energy Consumed (Kwh)		1,145,879.33	1,398,893.99
Scope 1	Direct emissions – gas (tCO_2e)	0	0
Scope 2	Indirect emissions – electricity (tCO_2e)	1,113.77	326.13
Scope 3	Other indirect emissions – manager head office impact, business travel (tCO_2e)	-[3]	38.56
	Total GHG emissions	**1,113.77**	**364.69** [4]
	Carbon intensity ratio ($kgCO_2/m^2$)	0.36[5]	0.12

1 Unverified data.

2 Data verified by Carbon Footprint Limited.

3 Data in the process of being obtained for disclosure in 2022 Annual Report.

4 The 2020 data has undergone verification since publication in the 2020 Annual Report and as such the methodology has been widened to include Tritax Symmetry head office data.

5 Includes scope one and two data only.

Emissions data for Scope 1 and 2 is derived from renewable energy sources, thus achieved net zero carbon for all direct operations.

See page 34 for more information on the Group's EPC certification strategy.

Further emission data (2020)

	(tCO^2e)
Tenant emissions[1]	30,541,637.95
Construction site emissions[2]	110,556.47

1 Based on 74% of tenant data collected in 2020.
2 Construction – Tritax Symmetry Portfolio.

Net zero carbon commitments

Our targets

We are aligned with the Paris Agreement to achieve net zero carbon for all the Fund's direct and indirect activities by 2050, following a 1.5C reduction pathway:

1. Reduce direct landlord impacts (scope 1 and 2) to net zero carbon by 2030
2. Reduce construction impacts to net zero carbon by 2040
3. Support our tenants to reduce their operational impacts to net zero carbon by 2050

Our carbon footprint

We have mapped our full carbon footprint in 2020:

- Our direct landlord emissions account for 0.0011%
- Our construction impacts account for 0.3607%
- The majority of the Group's carbon emissions come from tenant operations, making up 99.6381%

Our net zero carbon pathway

Reduce operational energy consumption to deliver our carbon reduction targets in line with a 1.5 degrees warming pathway.

Invest in renewable energy through REGO backed contracts and installing of onsite renewable energy generation opportunities.

Develop an internal approach towards carbon pricing to fully understand carbon risks and opportunities in the investment decision making process.

Continue to reduce construction impact through low carbon design, innovation and materials.

Offset remaining emissions only as a last resort and into robust offsetting projects.

ESG Goal 3: Nature and wellbeing

Biodiversity is in decline in the UK, with one million species at risk of extinction. We have a responsibility to ensure our activities mitigate impacts and we actively enhance biodiversity, to deliver a net gain. We commission specialist ecologists to calculate the biodiversity value of the original land use, adopting DEFRA's biodiversity metric calculation tool. An assessment of on-site and off-site measures is undertaken to assess the potential for overall net gain. Off-site measures are targeted at neighbouring sites, to maximise the local environmental benefits.

Our biodiversity aims cover all of the portfolio and are included within asset Sustainability Action Plans. Many of our standing investments already have biodiversity features, such as green areas for recreation and habitats supporting native and locally important species. Protection and enhancement of these areas is kept under review through our regular inspections and inspection report template. For assets with no biodiversity features, our initiatives include creating Biodiversity Action Plans, which include actions such as rewilding enhancements and supporting locally important species (such as bees, birds, insects). We can confirm that there have been no notifiable environmental incidents, or any fines or penalties levied on the Company in the last three years.

We also promote local volunteering opportunities to our Customers, which include practical activities such as planting trees, sowing meadows and establishing wildlife ponds, with a focus on health and fitness.

Target table

Sustainability goals	2023 target	Actions in 2021	Progress against target
Nature and wellbeing Enhance biodiversity and wellbeing on our land	Pilot 15% biodiversity net gain on new developments.	Completed initial assessments at the development sites at Middlewich, Merseyside and Rugby, which are estimated to contribute net biodiversity gains of over 10%.	On track
	Implement biodiversity enhancements on 11 assets with no measures in place.	Continued discussions with customers on biodiversity initiatives including beehives, wildflower planting, insect "hotels" and bird/owl boxes. At Littlebrook completed the planting of a green wall with variety of flowering clematis, installation of beehives.	On track
	Support the local environment for the communities near our assets.	Started discussions with local conservation volunteering groups and customers to ascertain interest and whether there is potential for multi customer projects.	Progress delayed due to impact of Covid restrictions.

Information on our initiatives during the year can be found on page 47 of the Manager's Report.

ESG Goal 4: Social value

Our assets are well located for local employment opportunities, meaning our investment in standing assets and developments create jobs and positive social impact across a wide supply chain. These jobs often provide skills training, improving the economic opportunities for those employed. We have a social value charter, which sets out our ambition to create socio-economic value in our development of new logistics assets.

We actively engage with our communities throughout the development process, holding regular meetings to inform them of our plans and to listen to their views. We appoint a dedicated Community Liaison representative for each development to interact with local schools to raise awareness of careers in construction and logistics, with visits arranged to our development sites.

Tritax Symmetry's Community Benefit Fund is committed to providing 10 pence per sq ft of new logistics space delivered by Tritax Symmetry following occupation. This complements our community charity partnership with Schoolreaders, where we fund volunteers to provide reading support for schoolchildren in the communities where our assets are located.

Target table

Sustainability goals	2023 target	Actions in 2021	Progress against target
Social Value Create a positive socio-economic impact through our investment	Measure social value to demonstrate impact of our investment.	Began to embed social value measurement framework for developments. We jointly published research with planning and development consultants, Turley, to quantify the impact of every 1m sq ft delivered. This indicated: Construction phase: 1,400 jobs in the construction sector and in other sectors across the wider economy. Operational phase: 2,400 direct and indirect jobs in warehouse and delivery operations.	On track
	Support apprenticeships and employability in construction.	Held skills identification discussions with a logistics recruitment agency and continued to facilitate site visits with colleges to illustrate the range of job opportunities within construction and logistics sector.	On track
	Invest in our communities through the Community Benefit Fund.	Following the occupation of DPD Bicester, we are reviewing potential local beneficiaries and suitable projects. This initial project has focused on supporting local primary schools.	On track
	Support Schoolreaders until 2023, to increase childhood literacy in the communities where our assets are located.	In addition to our three year sponsorship programme, we also sponsored the charity's awareness-raising campaign, helping to reach c2,500 additional children each week.	On track

Information on our initiatives during the year can be found on page 47 of the Manager's Report.

Taskforce on Climate-Related Financial Disclosures (TCFD)

Climate-related risks and opportunities

With assets across the UK we are exposed to both physical and transitional risks and opportunities from climate change. The Board of Directors recognises the importance of understanding the risks and opportunities presented by climate change and the impacts it could have on business operations. We are committed to assessing and mitigating risks that are material to our business.

We continued to progress this work through 2021. In our disclosure we set out how we are implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to provide investors and other stakeholders with information on climate-related risks and opportunities that are relevant to our business.

1. Governance

Board oversight of climate-related risks and opportunities

The Board agreed a new long-term sustainability strategy in May 2020, in which climate change is ranked as the most material sustainability issue for the Company. This was determined through a materiality exercise that included engagement with the Board.

Tritax Management LLP's (the "Manager") CSR Committee is responsible for monitoring trends and developments in climate-related issues and any material changes are ultimately reported up to the Board. The Board receives updates from the Manager's ESG Director at every Board meeting, which occur at least quarterly, where emerging climate change and other relevant briefings together with initiative progress reports are provided. The Board has determined Karen Whitworth, Non-Executive Director of the Company as the "ESG Champion". Karen regularly meets with the Manager's ESG Director to discuss sustainability issues including climate-related risks facing the Company and reports back to the wider Board as necessary.

The Board and the Manager has undertaken ESG Investment, TCFD and Carbon Reporting training to support their understanding of climate change and other ESG risks and opportunities to aid the appraisal of these issues in overseeing the Company's activities.

Manager's role in assessing and managing climate-related risks and opportunities

The Manager has an established CSR Committee which is responsible for the delivery of the sustainability strategy, including climate change and its associated risks and opportunities. The CSR Committee is jointly chaired by the Manager's Chief Operating Officer (COO), Henry Franklin, and Head of Asset Management, Petrina Austin, who are ultimately responsible for climate change amongst the management team. The ESG Director is an integral member of the Committee with onward reporting at Board meetings and to the Manager's Executive Committee. The Executive Committee which is a Committee of the Manager on behalf of the Company, subsequently reports up to the Company's Audit & Risk Committee which ultimately reports to the Board.

Monitoring of climate change issues is supplemented by executive briefings from specialist consultants such as Hillbreak and CEN-ESG and through the Company's membership of the UK Green Building Council (UKGBC).

2. Strategy

The climate-related risks and opportunities that the business has identified over the short, medium and long term

We have worked with DNV, an independent consultant, to identify and assess the impact of climate-related risks through qualitative and quantitative scenario analysis, considering both short-term and long-term impacts on each standing asset in our portfolio (62 Investment assets plus nine assets under construction) and on our overall business model. Our assessment concluded that our exposure to all climate-related risks is relatively low in the short to medium term (up to 2030) with the analysis indicating the potential to increase from 2050 onwards. Risks and opportunities with the potential to become material are identified in the table below, with transition risks more likely to become material under a 2-degrees compliant scenario and physical risks becoming more pertinent under a business-as-usual scenario. How we respond to these risks and opportunities has the potential to affect the performance of our assets (please see section 4 'Metrics and Targets' for a summary of actions the Company is taking to mitigate and adapt to physical and transitional risks and opportunities).

2. Strategy continued

	Issue	Potential risk	Potential opportunity
Transition risks and opportunities	**Carbon pricing**	Costs could increase as carbon pricing is factored into construction and operating costs (from embodied carbon and cost of carbon intensive energy for occupiers).	A portfolio with low carbon emission could have lower costs through reductions in costs associated with carbon pricing.
	Rapid increase in climate-related policies There is a large policy gap to meet the legally binding 2050 net zero carbon target that will require new and radical policies.	New policies may affect our ability to develop or lease new assets that are below standards set by Government e.g. raising the minimum standard for MEES.	The development of net zero carbon assets and the efficient standing investments could future proof the portfolio against future increasing in minimum standards – such as MEES.
	Energy supply and carbon intensity Energy demand in assets is going up due to automation, and in the future, increased use of electric fleet. Potential for increased levies on carbon-based energy increasing costs.	As energy demand in assets increases, security of supply is an issue for occupiers and could disrupt their operations. At the same time, costs of carbon-based energy and potential new levies on such energy could increase energy costs.	Investing in on-site renewable energy generation for the benefit of our tenants could protect against energy volatility and reduce the carbon intensity of the operational energy use within the portfolio.
	Climate action failure In addition to the policy gap, continued failure to act will increase the impacts of climate change, meaning greater adaption is needed.	More extreme weather events will worsen the above. Adaptation will be more expensive, and mitigation will not be as reliable.	Adapt new build specifications through our agile development manager to react quickly to increased or alternative risks.
	Need for mitigation and adaptation investments We need to consider the mitigation and adaptation measures that are needed to protect our assets from the impacts of climate change.	The level of exposure will vary between assets but may have the following impacts: requirement for upgrades and investment to protect against risk such as retrofitting, review of major incident planning, or even disposal of the asset where the cost of protection exceeds financial benefit.	Opportunities to future proof assets through asset management and development will provide a resilient portfolio that will remain attractive and relevant to occupiers and investors, potentially increasing access to sustainability-linked financial products for example.
Physical risks and opportunities	**Acute and chronic physical climate-related risks** In the UK, the main climate change risks are identified as: rising temperatures, rising sea-levels, flood risk, drought and windstorms.	Climate change is causing more extreme weather events and natural disasters. Buildings will need to be resilient to changes in weather such as rising temperatures, but also to extreme weather events such as flash flooding. Assets will require more cooling for heatwaves, and increased flood protection. The UK will also be subject to more windstorms, which could damage assets and interrupt operations for occupiers.	The Company has the opportunity to work closely together with tenants and other stakeholders to ensure resilience to extreme weather events is integrated into asset design (e.g. cooling mechanisms and flood protection systems) and management. Evidencing robust controls to prospective tenants could enhance Tritax's value proposition and drive longer-term tenancies.

The impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

As described in section 1, we have established our overall ESG governance structure at Board level alongside the Manager's CSR Committee to develop and drive execution of our overall sustainability strategy, including our climate-focused efforts. We will continue to highlight climate-related risks as part of our annual strategic and financial planning cycle, during which all relevant teams will critically assess their role in mitigating the impact of climate-related risks and opportunities.

The resilience of the organisation's strategy, taking consideration of different climate-related scenarios

Given the uncertainty in the development of policies and future technological trends, our analysis used two scenarios to assess the impact of transitional and physical risks on our entire portfolio of standing assets to 2050. The scenarios used were as follows:

- Business As Usual Scenario (IPCC RCP 8.5 Scenario). This scenario is based on the current trajectory where most countries have pledged their Nationally Determined Contributions (NDCs) that still fall short of the Paris Agreement targets. This leads to global warming significantly exceeding 3.0 degrees Celsius by 2100.
- 2-Degrees Compliant Scenario (IPCC RCP 2.6 Scenario). 2-Degrees Compliant Scenario (IPCC RCP 2.6 Scenario). This scenario is based on the assumption that countries manage to fulfil their Nationally Determined Commitments (NDCs) for 2030, deliver on statements made at the COP26 climate conference and meet their targets for reaching net zero.

Under both scenarios, analysis reconfirmed that the resilience of our business strategy is unlikely to be materially compromised by climate-related risks although, as expected, in the longer term the physical climate risks faced by a small number of standing assets in the portfolio are likely to become marginally more acute under the business-as-usual scenario. However, the Company is confident that existing pre-acquisition due diligence assessments, property management procedures and insurance cover currently provide satisfactory mitigation of climate-related risks and protection against material financial losses should climate-related damages be incurred.

Despite low risk exposure, short-term focus on such matters as driving emissions reduction is important, particularly considering expected policy and regulatory changes as well as shifts in customer preferences.

3. Risk management

3a. Describe the organisation's process for identifying and assessing climate-related risks

As described above, in 2021 we have worked with an independent expert to identify and assess the relative significance of physical and transitional climate-related risks. The Manager was updated on key findings in and will continue to monitor these risks on an ongoing basis.

3b. Describe the organisation's processes for managing climate-related risks

Ownership and management of all risks is assigned to relevant members of the Manager who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. Assessment of climate-related risks and opportunities are embedded within our investment and asset management strategies for acquisitions and major capital expenditures; as outlined in our acquisition and development requirements.

3c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

The Audit & Risk Committee formally considers and assesses the risks that may be relevant to the Company on a biannual basis as reported by the Manager's Executive Committee. The risks highlight the potential impact on the Company along with any mitigating factors. The risks are also reviewed and assessed by key representatives Manager including the Manager's Executive Committee on an ad hoc basis. As part of this process the Company recognises the importance of identifying and monitoring climate-related risks, which feature on our principal risk register.

The Manager has also established a Risk Committee which conducts periodic horizon scanning for new risks which may impact funds under management including the Company.

The Investment Committee of the Manager also assesses the climate-related risks and opportunities. Acquisitions are subject to ESG Due Diligence assessments which inform the members of the Investment Committee of any climate-related risks, such as flooding, to inform the investment decisions on climate-related risks. Once acquired, as part of annual insurance renewal, an assessment of the physical climate change risks of the assets within the portfolio are assessed and the results are shared with the Partners. The Partner responsible for Asset Management and Property Management ensures that any material risks are considered for the Fund.

4. Metrics and targets

We recognise the need to tackle climate change today. As such, the Company has already established the following metrics and targets which are driving our business towards becoming more sustainable and improving our management of climate-related risks and opportunities:

Metric	2021/22 progress	Target
Direct landlord Greenhouse gas emissions (Scopes 1 and 2)	Achieved, please see page 35 for more information.	Net zero by 2030
Greenhouse gas emissions from construction	Please see page 35 for more information.	Net zero by 2040
Tenant operational Greenhouse gas emissions (Scope 3)	Please see page 35 for more information.	Net zero by 2050
EPCs of existing portfolio to A-C Grade	Please see page 34 for more information.	Improve all EPC's to at least a C grade by 2023 and B grade by 2026
% of new buildings developed to Net-Zero standards	Please see page 32 for more information.	All new developments within the land portfolio acquired through Tritax Symmetry portfolio will be constructed to net zero carbon, as defined by the UK GBC from June 2020
On-site renewable energy generation projects	Please see ESG Goal 2 on page 34 for more information.	Progressing with on-site renewable energy generation projects in place
% priority assets with climate resilience plan in place	Conducted climate scenario analysis of the full portfolio to understand the potential risks and opportunities.	All priority assets have climate resilience plans in place

We raised a Green Bond of £250 million in November 2020, which we view as an opportunity to finance our net zero carbon activities through this green finance. This includes significant opportunity to invest in onsite renewable energy generation.

We are committed to doing more in this area and we are challenging ourselves to go further with our targets and to move faster in achieving those targets.

Please see the 2021 Annual Report and Accounts and the 2022 EPRA ESG Report for further reporting on our climate change metrics and targets.

Record breaking performance

Colin Godfrey
CEO

"We are at an inflection point where our development portfolio is now delivering and our confidence in future value delivery has increased. We are at the right place, at the right time, with the right strategy, the right product and the right team to unlock value. And we're doing it right now."

During the year, we benefited from the continued successful implementation of our strategy and exceptionally strong market conditions, which together helped us to deliver a record performance.

Strategy

Our strategy has three interlinked and reinforcing components, which enable the delivery of sustainable income and capital growth. The strategy aligns with the market drivers described above and ensures we meet our wider responsibilities, whilst carefully managing risk.

The three elements of the strategy are:

1. Building a portfolio of high-quality assets attracting world-leading customers – delivering resilient and growing income.
2. Direct and active management – protecting, adding and realising both income and capital value.
3. Insight driven development and innovation – creating both attractive capital value and accretive income returns.

ESG is intrinsic to each of these elements. Our ESG approach encompasses:

- healthy and sustainable buildings – ensuring and demonstrating the resilient design of our assets;
- energy and carbon – achieving net zero carbon for all direct activities;
- nature and wellbeing – enhancing biodiversity and wellbeing on our land; and
- social value – creating a positive socio-economic impact through our investment.

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

1) High-quality assets attracting world-leading customers

We have assembled an unrivalled portfolio of investment assets, let to an exceptional customer base that includes some of the world's largest and most successful companies. To generate attractive, stable and long-term returns for shareholders, our portfolio composition favours high-quality customers, long lease lengths, desirable locations, attractive building size and format, strong ESG characteristics, modern assets and income growth embedded in the leases.

For 2021, we set the following priorities in relation to the Investment Portfolio:

Priority	Progress
Evaluate further acquisitions of standing assets, where we can either add value through asset management, take advantage of market mispricing, and acquire attractive forward funded development opportunities.	We maintained discipline in our investment activity as yield compression made it harder to identify true value. Consequently, we acquired one value add asset in Avonmouth for £90 million which we believe was mispriced.
Seek to further diversify our portfolio through general portfolio management e.g. customer, building, geography, as well as increasing our exposure in the portfolio mix to value add investment opportunities and development.	Added new customers and locations through the Avonmouth acquisition and the development programme delivering new stabilised assets.
Target disposals of investments where we have the opportunity to recycle this capital into higher returning opportunities or to improve overall portfolio quality.	Decided not to undertake disposals of standing assets during the year, reflecting our view of the market and the performance associated with our portfolio (see direct and active management below), noting that we have begun marketing assets for sale in 2022.

Portfolio composition

The total portfolio comprises the Investment Portfolio and Development Portfolio.

The Investment Portfolio provides long-term stable and growing income and comprises:

- investment assets which are typically let and income producing;
- pre-let development assets which will become income producing once constructed;
- assets in the course of development which have been let during the course of speculative development and prior to practical completion of the construction; and
- developed buildings which have practically completed and which have yet to achieve a letting.

The Development Portfolio provides new assets for the Investment Portfolio through a combination of pre-let and speculative activity and comprises:

- land (with or without planning consent) (see insight driven development and innovation below);
- options over land; and
- assets in the course of construction which are not let.

At the year end, the total portfolio was valued at £5.48 billion (31 December 2020: £4.41 billion), an increase of 24.3%.

Investment portfolio: 91.9% of GAV	Development portfolio: 8.1% of GAV
Foundation: 73.4%	Developments and land: 8.1%
Value add: 18.5%	

Foundation assets provide long-term and high-quality income. They are typically let on long leases to customers with excellent covenant strength and are commonly new or modern buildings, in prime locations. Value Add assets offer the chance to grow income and capital values, as they present opportunities to create additional value through asset management or have customers with the potential to grow and improve in covenant quality. The mix of Foundation and Value Add assets enables us to deliver an attractive blended total return.

At 31 December 2021, the Investment Portfolio comprised 62 assets (31 December 2020: 59 assets), following the acquisition of an asset in Avonmouth described below and two assets in the Development Portfolio reaching practical completion (see insight driven development and innovation). The Investment Portfolio in aggregate totalled 33.7 million sq ft.

A secure and resilient customer base

We have a diversified base of 44 different customers, which we believe is the strongest customer line-up of any quoted logistics real estate business in Europe. As a proportion of the total contracted rent roll, 63.5% of our customers are in defensive and resilient sectors, such as e-commerce and food retail, and 66.1% are companies with parent revenues of over 10 billion in their respective local currencies (primarily GBP, USD and EUR).

The Group's top 10 customers are shown below:

Customer	% of contracted annual rent
Amazon	16.4%
Morrisons	5.9%
Tesco	5.1%
Howdens	4.5%
Co-Op	4.3%
Ocado	3.9%
Argos	3.6%
Marks & Spencer	3.5%
DSG	3.1%
B&Q	2.7%

Manager's Report continued

"We have assembled the Investment Portfolio to benefit from a balance of rent review types helping to deliver annual income growth and a progressive dividend."

1) High-quality assets attracting world-leading customers continued

A long-term and reliable income stream

At the year end, the weighted average unexpired lease term (WAULT) of the Investment Portfolio was 13.0 years (31 December 2020: 13.8 years). Foundation assets had a WAULT of 15.1 years (31 December 2020: 15.8 years).

Of total rents, 41.4% are generated by leases with 15 or more years to run. 19.1% of total rent comes from leases expiring within five years of the year end, which therefore provide near to medium-term asset management opportunities.

Embedded income growth and inflation protection

All our leases provide for upward-only rent reviews, with 53.6% of the rent roll being RPI/CPI linked, 28.5% open market, 9.7% fixed and 8.2% hybrid. 20.1% are reviewed annually and 79.9% on a five-yearly basis. The portfolio balances the certainty offered by fixed and inflation-linked leases with the ability to capture market growth from open market and hybrid reviews.

Approximately 56% of the rent roll has either a fixed or minimum increase at rent review. Across the Investment Portfolio this will produce a minimum average increase of 1.7% per annum when a review arises. Cap and collar arrangements cover approximately half of the rent roll and have an average range of 1.5% to 3.4%. We see this range as the minimum increase and aim to achieve higher rental growth across the portfolio through proactive management.

We have assembled the Investment Portfolio to benefit from a balance of rent review types helping to deliver annual income growth and a progressive dividend. Some 37% of the portfolio rent roll was subject to review in 2021. Including outstanding rent reviews from prior periods, total reviews were settled in respect of 32% of the portfolio, with the remainder expected to be completed in 2022. Due to the addition of completed development assets with annual reviews, 35% is now expected to be reviewed in 2022. Progress with rent reviews in 2021 is set out in the asset management section below.

At each valuation date, the estimated rental value (ERV) of the Investment Portfolio is independently assessed. At 31 December 2021, the ERV was £217.1 million, 11.0% above the passing rent for the properties. The like-for-like ERV growth for the 12 months to December 2021 was 7.5%. Open market rent reviews, lease expiries, new leases or lease regears give us the opportunity to capture this reversionary potential.

The portfolio had a 0% vacancy rate at the year end (31 December 2020: 0%).

Maximising returns in our investment portfolio through acquisitions and disposals

We constantly seek to enhance the returns of our investment portfolio for our shareholders. We undertake quarterly reviews of all assets within the portfolio evaluating factors such as potential future returns, location, quality and ESG credentials. We will seek to crystalise value through disposals, using the proceeds to both fund development activity and to acquire other investment assets. Through constant evaluation, and buying and selling of assets, we aim to optimise the performance of our investment portfolio. While we anticipate the majority of our asset acquisitions and disposals to be single assets, if we can accelerate our portfolio enhancement through larger portfolio acquisitions or disposals, we may consider such opportunities.

Acquiring assets with value creation potential

We continue to identify opportunities to purchase investments which we believe will provide accretive returns for shareholders. This may include opportunities where we can add value through active asset management, benefit from mispricing or use our market contacts and reputation to secure investments off-market.

In April 2021, we acquired a 0.9 million sq ft facility in the key logistics location of Avonmouth for £90 million. The acquisition added Accolade Wines Limited to the portfolio, one of the world's largest wine companies and the leading producer and distributor in the UK and Australia.

For more information on the acquisition, see the case study below.

Maximising returns in our investment portfolio through acquisitions and disposals

We constantly monitor and evaluate our portfolio, to identify assets where:

1. we have completed our asset management plans and maximised value;
2. the asset's investment characteristics no longer fit within the required portfolio profile; or
3. the asset's relative future performance may be below others in the portfolio, potentially due to risks associated with the asset or the customer.

Our approach to portfolio optimisation considers a wide range of criteria, including the asset's size, age, location and ESG credentials. We also consider the need to deliver a consistent and predictable level of earnings, so we look to balance disposals with income producing acquisitions and developments. We also consider conditions in the investment market and the stage of the market cycle.

We remain patient sellers and did not dispose of any standing assets in the year. This reflected the current strong position of our investment portfolio and our view of prevailing market conditions.

Priorities for 2022

Our priorities for the next 12 months in relation to the Investment Portfolio are:

- rotate out of assets which no longer fit the shape and balance of the portfolio and which are expected to deliver lower quartile future total returns;
- maintain our disciplined approach to acquisitions, ensuring they complement the portfolio and have potential for superior risk adjusted returns relative to the investment pillar; these may include opportunities to add value through active management or investments considered mis-priced; and
- maintain the balance between low-risk foundation income and higher rental growth potential.

2) Direct and active management

Our asset management priorities for 2021 were as follows:

Priority	Progress
Initiate rent reviews on the 37% of the portfolio up for review in the year, to drive income and capital values.	Rent reviews initiated as planned, with reviews on 32% of the portfolio agreed by the year end, increasing income by £5.0 million. We expect to conclude outstanding rent reviews during 2022.
Aim to secure further lease term extensions, to lengthen the portfolio's income profile.	Secured extensions on the Wincanton, Harlow and Rolls-Royce Motor Cars, Bognor Regis, assets. Proposals currently under consideration with 12 further customers. Commissioned specialist supply chain research to strengthen insight into customers' operations and network strategy, to assist with identifying opportunities and supporting proposals.
Pursue opportunities for physical building extensions and property improvements.	Two proposals for extensions of c.0.2 million sq ft currently under consideration with customers. One extension proposal with B&Q resulted in completion of a pre-let of a new facility for our Development portfolio. Owing to the rapid growth in e-commerce, some of our occupiers required additional space more immediately than the timescale required for a structural extension and thus we consented to the inclusion of extensive mezzanine floor structures at Marks & Spencer, Castle Donington and Hachette, Didcot, creating considerable additional internal storage.
Continue to propose and, where agreed, implement green initiatives.	Completed installation of solar PV schemes at Brakes Harlow and Amazon Littlebrook. Progressed discussions with further customers on Landlord funded solar PV and consented to two occupier implemented solar PV schemes with Amazon at Durham and Darlington. Increase in level of portfolio with an EPC (A-C) to 95%. Agreed five leases with green clauses and consented to the inclusion of an anaerobic digester to utilise food waste for Ocado at Dordon.

Understanding and supporting customers

Being close to customers is central to our business model. Understanding their businesses maximises our ability to identify and pursue opportunities to support their logistics needs. We are responsible for every customer interaction, as we perform most asset and property management activities ourselves, and we maintain regular contact with customers' key decision makers.

We build on this customer interaction by commissioning third-party supply chain research, which gives us detailed insights into a customer's entire logistics network, the role our assets play within it and their future business needs. This enables us to have discussions with our customers about how our development pipeline could contribute to their network growth, supports our asset management proposals, provides an understanding of opportunity and risk relevant to our investment assets and thereby assists in our decisions to hold, sell or buy investments.

Risk management is fundamental to our approach. We therefore conduct ongoing covenant analysis of our customers, combining publicly available information and third-party opinions with our own insights. This enables us to mitigate customer-related risks by adjusting our exposure to stronger tenants and sectors, and identify opportunities to capture both capital and income growth. Our collection of 100% of rent over the last two years demonstrates the quality of our customers and the importance of our assets to them.

Similarly, we look to protect income by a procedural approach to property management. This commences at acquisition with detailed due diligence of surveys, including environmental items and a materials review, including key items like cladding. Extensive due diligence forms part of the basis of our asset business plans and sustainability action plans. This approach demonstrates a robust management regime for our insurers. In 2021, third-party specialist consultants undertook climate scenario risk modelling work across the whole portfolio and our management reporting and due diligence enabled strong assurance that all risks had already been considered, mitigation works completed and that appropriate insurance provisions are in place. Regular property inspections by our Property Management team also enables first hand checks and reporting.

Growing and lengthening income

We regularly engage with customers on lease proposals, including extending leases and extensions to buildings. During the year, we agreed lease extensions with:

- Wincanton, extending its lease on the Harlow asset by two years; and
- Rolls-Royce Motor Cars, extending the leases on both units at Bognor Regis by 10 years.

We continue to negotiate the terms of a new lease with Tesco on the Southampton asset, with the previous lease having expired in January 2021. A further 12 lease proposals were under consideration by customers at the year end, including buildings extensions and ESG initiatives (see below).

"Asset management initiatives that enhance ESG performance can benefit our business, our customers and society more generally."

2) Direct and active management continued

Growing and lengthening income continued

During the year, we settled rent reviews on 18 properties, across 32% of the portfolio's annual contracted rent. The reviews achieved an average 8.7% increase on the previous passing rent, resulting in a cumulative £5.0 million of additional rent. This translates into EPRA like-for-like rental growth of 3.3% for the year. The table below shows a breakdown of these reviews by type:

	Number	% of contracted rent	Growth in passing rent
Index linked	9	18.3%	8.4%
Open market/hybrid	5	6.9%	9.1%
Fixed	4	6.6%	9.0%
Total	**18**	**31.8%**	**8.7%**

Enhancing ESG performance through asset management and engagement

Asset management initiatives that enhance ESG performance can benefit our business, our customers and society more generally. We can earn additional income and generate higher capital values, while prolonging the life of the asset, increasing its marketability to potential tenants and reducing the risk that the building becomes obsolete. Customers can benefit from lower operating costs, while environmental enhancements contribute towards their corporate commitments, such as net zero carbon targets. ESG is therefore a key part of our customer interactions and proposals. Every lease re-gear proposal which is submitted to a customer includes an ESG initiative.

We continue to discuss projects to add on-site solar PV energy generation and appointed specialist consultants to manage the assessment and delivery of these schemes. Every asset is assessed for the inclusion of roof mounted solar PV. Talks were ongoing covering 12.6m sq ft of the investment portfolio. Should all these projects proceed, they have the potential to generate savings of approximately 8,315 tonnes of carbon per year.

The installation of a solar scheme with Brakes at Harlow completed in December. This will generate additional green revenue for us, with a projected IRR of 7.5% pa. The scheme will generate 931 MWh of renewable energy and save 198 tonnes of carbon. Installation of the 3.5 MW solar PV scheme at the Littlebrook building let to Amazon also completed in the year. At the year end, 9.2m sq ft of assets included roof mounted solar PV.

During the year, the UK Government commenced a consultation process in respect of the Minimum Energy Efficiency Standards (MEES) Regulations, with an expectation that the minimum acceptable Energy Performance Certificate (EPC) grade may increase from D to B in 2030. Our target is to improve all EPCs to at least a C grade by 2023 and we accelerated our original target to achieve at least a B grade by 2026. At the year end, 95% of the portfolio was grade C or above, up from 90% at the start of the year. This improvement has been driven by the completion of new buildings in the development programme as well as improvements made to certain Investment assets. Three assets representing 4.5% of the portfolio are rated D and are targeted for initiatives such as replacement LED lighting or solar PV installation, which will improve their EPCs and achieve our 2023 target.

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. Green leases encourage co-operation between us and our customers, as they include clauses that set out specific environmental requirements, for example that the tenant will provide ESG data, will operate sustainably and that the landlord will consent to all feasible requests for sustainability upgrades. We agreed green lease clauses during the year on five leases.

We continue to progress our biodiversity strategy which included the installation of beehives at Littlebrook, to support local biodiversity and our national ecosystem.

We have a three-year partnership with Schoolreaders, a literacy charity that provides reading support for young children. The charity provides volunteers in the counties where our assets are located, thus benefitting the communities of our customers. We are proud to have sponsored the campaign to raise funds and increase awareness of its services. The success of the campaign has enabled the charity to reach an additional 2,500 children with weekly reading support.

We were also the lead sponsor of an all-female crew, The Mothership, which took part in the Talisker Whisky Atlantic Challenge ocean rowing race in December 2021. The crew included Jo Blackshaw, Investor Relations Director at Tritax. The team embraced core Tritax values and were united by their passion to empower women and children to discover new experiences and opportunities without limitation. Coming in second in the women's race, the crew raised close to £70K for Noah's Ark Children's Hospice, Felix Fund and Women in Sport.

Priorities for 2022

Our priorities for the next 12 months in relation to our asset management programme are:

- complete all outstanding open market rent reviews;
- complete further lease extensions, incorporating ESG initiatives and green lease clauses; and
- agree terms to extend a property or alternatively secure an additional pre-let for our Development portfolio with a current customer

Case study – acquiring assets with value creation potential

We look to acquire assets where we can add value through active management or at the point of acquisition. The asset we acquired in Avonmouth during the year demonstrated both these characteristics.

The Avonmouth facility is an excellent fit with our strategy. It is let on a long lease with more than 12 years left at acquisition and is mission critical to its occupier, Accolade Wines, which has invested heavily in the building to make it Europe's largest wine production, warehouse and distribution centre. The location is also highly attractive, being close to the Port of Bristol which Accolade uses to import goods in shipping containers. Growth expectations for the port are contributing to rising demand and low vacancy rates in the area, offering the potential for sustained rental growth.

The asset was acquired at a net initial yield of 5.1%, which represented excellent value against current prime yields. This reflected our strong relationship with the vendor's agent and the Group's credibility in the market, as a well-capitalised purchaser who could offer the vendor low execution risk. As a REIT, we were also able to structure the transaction in a way that benefited the vendor, by acquiring the corporate vehicle that held the asset. We have already benefited from significant value appreciation since purchase.

The asset also offers scope for active management. On purchase there was an attractive reversionary rental position, with five-yearly rent reviews. Since purchase, we have engaged with the customer on opportunities to add further value and on ESG related initiatives.

3) Insight driven development and innovation

We control the UK's largest land portfolio for logistics development, capable of delivering approximately 39 million sq ft of logistics space.

As well as its scale, the portfolio is diversified in terms of geography and in the range of unit sizes that can be constructed. This maximises the scope of occupier solutions that can be offered and the quantum of development that can be undertaken.

It provides an ongoing source of development activity, creating a pipeline of new, high quality investments into our core investment portfolio. The development programme is a key driver of portfolio returns, targeting a yield on cost of 6-8% through an appropriate combination of pre-let and speculative developments.

We have an experienced, multi-functional in-house team with 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 and diversity very difficult for our competitors to replicate. This forms an effective barrier to entry and provides us with an important competitive advantage in the marketplace.

The vast majority of the land portfolio is held through long-term option agreements. The capital efficiency and flexibility provided by these options allows us to align the pace and scale of development activity to market demand.

The land portfolio is actively managed to ensure that land utilised for development (following the receipt of a detailed planning consent) is replenished by new sites where infrastructure and servicing works are on-going or by schemes being advanced through the planning process. This dynamic process enables the land portfolio to create a controlled supply of new development opportunities on an on-going basis.

Our Investment Policy limits land and development exposure to 15% of GAV and within this total speculative development exposure cannot exceed 5% of GAV. We are operating well within those limits at the year end, with land and development exposure totalling 8.1% (2020: 8.6%) and speculative exposure 1.6% (2020: 0%).

At the year end, the development portfolio comprised 8.1% of the company's Gross Asset Value. While currently representing a small proportion of the overall portfolio, primarily due to the capital efficient way land is held through long-term options, the development land has the potential to more than double the size of the business.

More detail on our development pipeline was presented to investors on 27 January 2022, the presentation and recording of the seminar can be found here link.

A year of significant progress

This was a successful year for the development programme, as we made good progress with the developments in build and continued to deliver new planning consents and infrastructure works, giving us a growing number of sites in a credible delivery state.

The equity raise in September 2021, provides the necessary funding to support an acceleration in our near-term development programme. With an increasing number of occupier conversations moving from high level discussions, into detailed negotiations, we have growing visibility in terms of targeted near-term starts and the level of income delivery associated with these assets. From this acceleration in the development programme, when taking those assets that were either under construction at the year-end as well as those assets with a targeted start date in 2022, we have visibility over the potential to add £36 million of incremental rent to the portfolio. The timeframe attached to rental income recognition will be linked to construction timeframes and therefore a c12-18 month period should be reflected between construction commencement and income generation. Therefore, when looking at the targeted development starts in 2022, we would expect to see the benefit to earnings flowing through by 2024.

2021 was a year of significant progress for the development programme on all fronts: we completed a substantial amount of new pre-let development, made good progress with infrastructure and other site preparation works, commenced construction of further phases of development and continued to secure new planning consents and upgrade existing consents.

> "With an increasing number of occupier conversations moving from high level conversations, into detailed negotiations, we have growing visibility in terms of targeted near-term development starts."

3) Insight driven development and innovation continued

A year of significant progress continued

Our priorities for 2021 in relation to the Development Portfolio were as follows:

Priority	Progress
Aim to successfully complete the developments currently under construction, in accordance with development budget and programme.	Five developments reached practical completion totalling 3.7 million sq ft, with the remainder of projects in build on track.
Commence development of a number of smaller units, to open up sites and replace recently let speculatively built stock.	Started development of 1.3 million sq ft of space, across nine units, with an average size of c150,000 sq ft.
Further progress new and existing planning applications across the development portfolio.	Secured new planning consents on 3.0 million sq ft and submitted applications on a further 2.1 million sq ft.
Progress site infrastructure works on consented sites to facilitate letting delivery.	Progressed site infrastructure works to enable up to 2.3 million sq ft of logistics space.
Look to secure further pre-let developments.	Secured 1.1 million sq ft of pre-lets/lettings during construction.
Continue to target 2-3 million sq ft of development activity per annum.	Accelerated development activity, with new target of 3-4 million sq ft, reflecting strong occupational market.

Development activity in 2021

Key development activity in the year included:

- 3.7 million sq ft of lease completions – adding £24 million to contracted rent, of which 100% was pre-let or let during construction;
- 3.0 million sq ft of new planning consents secured; and
- 1.3 million sq ft of developments starts – with the potential to add approximately £10.2 million to contracted rent, of which 21% has been pre-let to date.

3.7 million sq ft of lease completions

Four pre-let developments totalling 3.7 million sq ft were completed and became income producing during the year. These were the developments for Co-Op in Biggleswade, DPD in Bicester, Amazon in Littlebrook and Ocado in Bicester. A fifth asset, a 0.5 million sq ft speculative development at Littlebrook, was let to Ikea prior to the buildings completion. In total, the five developments added £24.0 million to the annual passing rent roll.

The facility constructed for DPD in Bicester asset was our first net zero carbon in construction building (see Enhancing sustainability through development for more information).

3.0 million sq ft of new planning consents secured

We continued to improve and upgrade the planning status of the land portfolio during the year and maintained our high levels of planning success. At Symmetry Park Merseyside we secured a detailed consent for a 0.2 million sq ft logistics facility and outline consent for a further 0.8 million sq ft of distribution space. We also secured detailed consent for 0.7 million sq ft at Rugby and hybrid consent for 1.4 million sq ft at Wigan.

The Group submitted planning applications on 2.1 million sq ft of space that were still awaiting determination at the year end. These included units at Rugby, Littlebrook, Middlewich and Gloucester.

In response to the heightened level of activity experienced in 2021, the unprecedented level of occupier demand and increased visibility of interest in the near-term development pipeline, we increased our estimate of target development starts to 3 – 4 million sq ft in 2022, above our longer-term target of 2 – 3 million sq ft per annum. The equity raise undertaken in September 2021 provides the necessary funding to support this acceleration in our near-term programme (see Financial Review for more information).

We divide the development portfolio into 3 categories:

1. Current development pipeline: buildings under construction.
2. Near-term development pipeline: anticipated development starts during the next three years, split between development starts within twelve months, and expected starts in the subsequent 12 – 24 months.
3. Future development pipeline: longer-term development opportunities, primarily held under land option agreements.

Current development pipeline – 1.3 million sq ft

The Group's current development pipeline comprises buildings under construction.

During 2021, we commenced construction of nine buildings on a speculative basis, across schemes at Aston Clinton, Middlewich, Biggleswade and Bicester. These units total 1.3 million sq ft and have the potential to add £10.2 million to the annual rent roll.

We will consider undertaking speculative development only when there is demonstrable pent-up demand, limited supply and where we have good visibility on specific occupier requirements for the proposed scheme. Speculative development is usually focused on smaller and mid-sized units and can be considered where site constraints limit building configurations or to "open up" and provide credibility to a new scheme by demonstrating development activity.

This considered approach can be seen at our scheme in Aston Clinton where two buildings totalling 0.3 million sq ft have been let during the course of construction, representing c.70% or £2.4 million of the potential rent deliverable from this scheme.

While the primary intention is to create income-producing assets to grow the Group's investment portfolio, we will occasionally develop an asset for freehold sale, where working with an occupier will improve our ability to bring forward a planning consent, open up a site and accelerate the capture of development profit.

In line with this approach, we agreed to sell a 0.1 million sq ft parcel of land at Biggleswade, having worked with the purchaser to secure planning for 0.6 million sq ft of warehouse space on previously unallocated land.

At the reporting date, we had the following assets in the current development pipeline. The total estimated cost to completion is £65.4 million.

	Estimated costs to completion					
		Period				
	Total £m	H1 2022 £m	H2 2022 £m	H1 2023 £m	Total sq ft m	Contractual rent/ ERV £m
Location, Unit						
Aston Clinton, Units 4 – 6	20.2	11.0	9.2	—	0.4	3.2
Middlewich 1A, Units 11 – 12	7.6	7.6	—	—	0.2	1.3
Bicester Phase 1 Plot C	14.7	7.6	7.1	—	0.3	2.1
Biggleswade Phase 2, Units 2 – 4	22.9	17.9	5.0	—	0.4	3.6
Total	**65.4**	**44.1**	**21.3**	**—**	**1.3**	**10.2**
Of which is pre-let	**14.0**	**—**	**—**	**—**	**0.3**	**2.4**

Near-term development pipeline – 8.8 million sq ft

The Group's near-term development pipeline comprises anticipated development starts within the next three-year period. This category is further broken down into development starts targeted within the next 12 months, and development starts which are expected to occur within the subsequent 12 – 24 months. This excludes assets which were under construction at the year-end as these are included in the current development pipeline.

In January 2022, due to the increasing visibility over the level of occupational requirements and the positioning of the development portfolio in terms of being able to satisfy this demand, we increased our guidance to target 3 – 4 million sq ft of development starts for 2022. Beyond this, our longer-term guidance remains, which is to target the delivery of 2 – 3 million sq ft per annum.

At the year end, the Group's near-term development pipeline spanned 8.8 million sq ft, which consisted of developments with a targeted start date within 12 months totalling 3.7 million sq ft and developments with a targeted start date in the subsequent 12 – 24 months totalling 5.1 million sq ft each with a potential rental income of £25 – 30 million and £35 – 40 million respectively.

2022 development activity

2022 has commenced strongly, with 1.8 million sq ft of near-term development starts so far in Q1 2022, adding a potential £13.1 million of contracted rent, of which 56% has been pre-let.

This development activity includes two pre-lets: a 0.6 million sq ft HQ warehouse in Glasgow let to HarperCollins and a 0.4m sq ft logistics facility in Doncaster let to B&Q, both on 15-year leases with CPI linked reviews.

In addition, speculative construction has begun across our sites at Merseyside, Littlebrook and Kettering. The building sizes across these sites range from 0.1 million to 0.3 million sq ft and are being constructed in locations where there is evidence of pent-up demand, a limited supply of modern buildings and where occupier discussions are well advanced.

Manager's Report continued

"Options provide a capital efficient way of gaining exposure to land through the limited upfront costs needed to secure these positions."

Near-term development pipeline – 8.8 million sq ft continued

	Total sq ft	Current book value £m	Estimated cost to completion £m	ERV £m	Estimated gross yield on cost %
Near term starts within 12 months	3.7m	100.9	336.0	27.1	6-8%
Near term starts within the following 12 – 24 months	5.1m	72.2	563.5	41.8	6-8%
	8.8m	173.1	899.5	68.9	6-8%

The table above analyses the near-term development pipeline at the year end. This supports our expectation of commencing 3 – 4 million sq ft of new development in FY22, through an appropriate combination of pre-let activity and speculative development.

The current pipeline under construction at the year-end, together with the near-term pipeline expected to commence in 2022, have the potential to add £36 million of contracted rent to the portfolio when these buildings are completed over the subsequent 12 – 24 month period. We would therefore expect to see the full earnings benefit of these developments coming through by 2024.

Future development pipeline

The Group's future development pipeline comprises the strategic land portfolio and is predominantly controlled under longer-term option agreements.

As at year end, the future development pipeline comprised 1,370 acres with the potential to support 28.5 million sq ft of logistics development.

Options provide a capital efficient way of gaining exposure to land through the limited upfront costs needed to secure these positions. This structure also reduces development risk, as the land is only acquired following the receipt of a planning consent and maximises flexibility in terms of the timing and quantum of land drawdowns.

The longer-term pipeline has sites at various stages of the planning process with multiple sites being currently promoted through local plans. The longer-term pipeline relates to sites where construction starts are expected to occur beyond three years.

The Group owns or is in the process of exercising the land option across approximately 17% of the land portfolio and controls 83% through long-term option agreements.

Development Management Agreements ("DMA")

Under a DMA, we typically manage the delivery of an asset for a third-party funder, in return for a fee and/or profit share. We will not own the asset at any point and DMA's are therefore not included within our asset portfolio. DMA's can provide us with an attractive source of additional income for shareholders, with no capital requirements.

We had a DMA on our scheme in Banbury which has now been fully developed out. Construction completed just prior to Christmas on the final unit of 0.1 million sq ft. This unit was let at the beginning of January and the letting concludes our involvement at Banbury.

The treatment and impact of DMA income on our performance is discussed in more detail in the Financial Review.

Cost inflation being mitigated

Like many developers in the UK, we are experiencing cost inflation for key raw materials which is feeding through to our development projects. This issue is primarily being caused by the significant supply chain disruption experienced as a result of Covid-19 and Brexit. Labour costs are also increasing as a result of the widespread reduction in labour availability that is hitting many sectors across the economy, including the construction industry.

We are well placed to mitigate the impact of increasing build costs. Our development platform has excellent relationships with key suppliers in the construction supply chain that have been built up over many years. In addition, the scale of our development programme means we have greater buying-power compared to most other developers in the logistics sector. These factors help us to secure beneficial pricing and gain priority in reserving essential building materials which keeps cost increases and potential project delays to a minimum.

The favourable market conditions being experienced in the logistics market are driving rental growth and asset value appreciation which are also helping to mitigate the adverse impact of build cost inflation. 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 and medium to longer term projects towards the higher end.

Enhancing ESG performance through development

Our commitment to sustainable development is reflected in our standards and objectives for construction, which across the development portfolio acquired through the acquisition of DB Symmetry, include achieving a minimum of BREEAM Very Good, an EPC A grade and net zero carbon to the point of practical completion.

Case study – generating value through successful development

Our development site at Biggleswade exemplifies our ability to create value through the development portfolio and generate additional opportunities for value creation.

Biggleswade is a highly attractive location for occupiers. It is situated on the A1, giving fast access to the M25, M1 and A14, and the town offers a large and growing workforce, with skills appropriate for the logistics sector. As with several other key sites in our development portfolio, it offered us the chance to secure an initial piece of development land and then grow our holding over time, by agreeing options with further landowners.

Our initial plan for phase 1 of the site was to develop around 1 million sq ft of space on a speculative basis, across several units. Having obtained planning consent and received considerable occupier interest, the business showed its agility by quickly adapting its plans, when the opportunity arose to secure a pre-let with Co-Op on a single 661,000 sq ft facility. This unit was completed in February 2021 and, following the customer's fit out, became fully operational in early 2022.

With the pre-let signed and the site successfully opened up, the team agreed an option on the phase 2 land and subsequently obtained planning consent for 577,000 sq ft across four units. This was achieved despite the land not being allocated within the local authority plan, reflecting the shortage of employment land within the borough, our strong relationship with the local authority and the support of an occupier, Bond International. Bond has since agreed to acquire one of the units, of 112,000 sq ft, and we are seeing strong interest in the three remaining units, which are scheduled for completion in autumn 2022.

This success had led to us securing options on phases 3 and 4 at Biggleswade, which between them have the potential to deliver a further 2.1 million sq ft of space. Phase 3 is already attracting occupier interest on a pre-let basis and, while planning has not yet been submitted, the local authority is supportive of further applications, and we are working closely with them to bring the scheme forward.

During the year, we completed our first net zero carbon development for DPD at Bicester with the project serving as a pilot study to explore ways we can reduce embodied carbon from construction. Having modelled the construction to provide a baseline for improvement, we worked with the contractor to identify ways to reduce embodied carbon. This resulted in carbon savings of 535 tonnes or 8% against the baseline. The final carbon balance has been offset through projects that align with the UK Green Building Council's guidance. The project highlighted further areas for carbon reductions, which we will look to implement on future developments.

The five new developments completed in the year contributed to increasing the proportion of A-C grade EPCs across the portfolio from 90% to 95%. We have also continued to increase the proportion of the portfolio with Green Building certification, which is up to 50% from 43% as at January 2021.

Enhancing biodiversity is an important part of our ESG strategy, in line with forthcoming legislation. During the year, we completed biodiversity assessments at Middlewich, Merseyside, Biggleswade and Rugby, enabling us to compensate for the reductions in habitat that would otherwise have occurred. Future initiatives may include creating new on-site and off-site habitats by planting woodlands, hedgerows and new wildflower meadows.

Enhancing wellbeing is increasingly an important consideration for occupiers. We have conducted a review of our standard base specification against WELL Standard factors, meaning that future occupiers will be able to tailor their workspace with wellness as a priority and ensures occupiers can work towards a WELL accreditation if they wish.

As part of our comprehensive regeneration of a redundant power station at Littlebrook in Dartford, that now includes developments for Amazon and Ikea, we have begun a partnership with a local football club and an associated skills initiative, with funding of £215,000 over five years. The site also enjoys a number of nature and wellbeing features, such as cycle paths, walking paths and an apiary to repopulate a locally endangered Dartford bee.

Priorities for 2022

Our priorities for the next 12 months in relation to our development programme are:

- commence construction of 3 – 4 million sq ft high performing, sustainable buildings in line with our net zero carbon strategy;
- continue to identify pre-lets and occupiers to lease the speculative programme;
- position the development portfolio to deliver 2 – 3 million sq ft of logistics space over the longer-term – but be ready to respond to higher levels of demand in the near-term;
- secure further planning consents to ensure the targeted level of development can be maintained; and
- secure further options on additional land to replenish the overall development land portfolio.

Investing in the Manager's capabilities

As Manager, we continue to invest in our capabilities, so we can provide the highest standards of service to the Group as it grows. We have recruited a new Head of Research and continued to expand our data analytics team, to underpin our intelligence-led approach to the market. We have also appointed a new ESG Director, a new Head of People Development and a new Director of Strategic Power as we seek to strengthen our in-house capabilities and remain at the forefront of innovation.

To ensure we have insight into how engaged our employees are, we conducted a staff satisfaction survey in March 2021. There was an overall engagement score of 74%, above benchmark of 71%, with the results providing insight into how further improvements can be made. All employees receive annual and interim reviews, which includes analysis of training requirements. Training is undertaken formally through specialist courses or informally through "lunch and learn" events. ESG is embedded in reporting formats across all areas of the business. The Manager achieved ISO14001, demonstrating appropriate environmental management systems and processes.

The Group is also benefiting from the Manager becoming part of global asset manager abrdn. This gives us access to a wide range of specialist resource. Examples include aligning our approach on climate change and collaborating on approaches to ESG data management, in addition to utilising central resource functions to increase efficiencies to the benefit of the Group's shareholders.

Case study – the world's toughest row

The investment made by Tritax Big Box as lead sponsor of my crew The Mothership provided us with essential funding to take part in the Talisker Whisky Atlantic Challenge, also known as 'The World's Toughest Row', where we successfully rowed 3000k miles unaided in 40 days.

I am proud to be working for a Company which understands the multi-faceted nature of motherhood and is striving to support gender equality. We felt that the Company's strategic goals of operating a sustainable business and promoting social responsibility chime with our crew's objectives. All crews taking part enjoy a sustainable crossing using only solar power to drive the instruments on board, and collectively The Mothership has been empowered to hope to inspire women and children of all ages reminding them that our gender has no limitations.

We are now four of only 250 women who have ever successfully rowed an ocean and the Company's support in allowing me the flexibility to take part has enabled us to raise £70k for three extremely worthwhile charities. Thank you on behalf of the crew and the three charities.

Delivering strong, sustainable performance

Frankie Whitehead
Chief Financial Officer

We delivered another strong financial performance during the year, as the continued successful delivery of the strategy and the positive market conditions contributed to further growth in net rental income, earnings and net tangible assets per share. In addition, we are gaining increasing visibility on future income growth capable of being generated through our near-term development pipeline and as a result have increased our capex target for development activity for the forthcoming year (see below for further details).

The total dividend for the year was 6.70 pence per share (2020: 6.40 pence), representing growth of 4.7%. This contributed to a record year for Total Accounting Return of 30.5% (2020: 19.9%), with growth driven by market fundamentals translating into yield compression across our investment portfolio, capital profits generated via our development programme and further rental growth.

Rent collection remained very strong. Having successfully collected all the rent due for 2020, we have achieved 100% collection of rent due for 2021.

The share issue in September 2021 raised gross proceeds of £300 million at 204.00 pence per share, a premium to the prevailing EPRA net tangible asset per share at the date of the issue of 194.22 pence. In January 2022, the Company increased its guidance, targeting development starts in 2022 of 3 – 4 million sq ft. This issue of equity was raised with increasing visibility over an accelerating in our development activity and the implications this has on near-term financing requirements. This de-risks the financing of our development programme for the next 12 to 18 months and means that we start 2022 in a well-capitalised position as we seek to capture this opportunity. As a result of the issue and the further growth in the portfolio valuation, the LTV ratio stood at 23.5% at 31 December 2021 (2020: 30.0%). At the same date, we had undrawn committed borrowing facilities of £550 million.

For 2021, we set the following priorities in relation to our financial performance:

Priority	Progress
Continue to place an emphasis on high rent collection levels.	100% of rent collected for the last two years.
Deliver growth in both earnings and net asset value.	Adjusted EPS[1] up 6.8% to 7.38p and EPRA net tangible assets per share up 26.8% to 222.60p.
Ensure we maintain sufficient liquidity levels to meet the Company's strategic needs.	Oversubscribed £300 million share issue completed, to finance the strategy for the next 12 – 18 months. £550 million undrawn debt commitment available as at 31 December 2021.
Maintain a strong balance sheet position with our loan to value within guidance of up to 35% LTV.	LTV at the year end of 23.5%.

Capital allocation framework

Effectively implementing our strategy requires us to carefully evaluate the sources of financing and the uses to which we put it, with the aim of delivering an attractive long-term return for shareholders.

Sources

We have the following sources of capital available, which we can use in isolation or in combination:

- debt financing, with leverage within our stated target range;
- sale of existing investment assets;
- sale of development land;
- partnerships, such as joint ventures;
- raising additional equity, when in shareholders' interests; and
- development management income, which when above our medium term guidance levels are reinvested into the business.

Uses

Our strategy presents us with several options for deploying capital. We rigorously evaluate opportunities on both an absolute basis and relative to other opportunities. As market dynamics continue to evolve, we will adapt where we deploy capital as necessary.

Our opportunities include:

- investing in and asset managing existing assets;
- acquiring assets that meet our investment criteria;
- developing assets on land the Group owns; and
- progressing and adding to our existing land bank.

Financial Review continued

Presentation of financial information

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

The Board sees Adjusted EPS[1] as the most relevant measure when assessing dividend distributions. Adjusted EPS[1] is based on EPRA's Best Practices Recommendations and excludes items considered to be exceptional, non-recurring or not supported by cash flows, and includes the developer's licence fees that we receive on forward funded developments.

Financial results

Net rental income

Net rental income for the year was 14.3% higher at £184.6 million (2020: £161.5 million). The growth was the result of:

- a full year of income from lettings secured in 2020;
- five assets (DPD Bicester, Co-Op Biggleswade, Amazon Littlebrook, Ikea Littlebrook and Ocado Bicester) becoming income producing following practical completion during the year;
- net rental income from the Avonmouth asset acquired in April 2021 and a full year of income from the asset acquired in Southampton in November 2020;
- rental growth secured through rent reviews and our active asset management programme, with reviews settled delivering increases to passing rent of 8.7% in the year across those assets; less
- a full year of income foregone from the assets sold in 2020.

At the year end, the contracted annual rent roll was £195.6 million across 62 investments assets (31 December 2020: £180.6 million across 59 assets). This includes £0.8 million relating to pre-let assets in construction at 31 December 2021.

Administrative and other expenses

Administrative and other expenses, which includes all the operational costs of running the Group, totalled £25.5 million for the year (2020: £22.6 million). Growth in the average NAV resulted in the Investment Manager fee increasing by £2.8 million to £20.7 million in the year.

Our operating cost base remains low and transparent, and the EPRA Cost Ratio (including vacancy cost) for the year was lower at 13.9% (2020: 14.2%), reflecting the operational cost benefits of further scale.

Operating profit

Operating profit before changes in fair value and other adjustments was £178.0 million (2020: £147.5 million).

As noted in the discussion of our development programme, we earn fees and/or profit share from managing developments for third parties. By its nature, 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. We recognised £18.9 million of other operating income from these agreements in the year (2020: £8.6 million). This is above the anticipated £3-5 million run-rate for this income over the medium term and we have therefore highlighted its impact on earnings within the profit and earnings section below.

Share-based payment charge and contingent consideration

The structure of the Tritax Symmetry transaction led to senior members of the Symmetry team becoming B and C shareholders. Under IFRS, the structure of the Tritax Symmetry 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 held to their share of future performance of the Tritax Symmetry Development Assets.

During 2021, £5.5 million (2020: £5.9 million) was charged to the Group Statement of Comprehensive Income in respect of share-based payment charges. A further £4.2 million (2020: £2.9 million) was charged in respect of the changes in the fair value of contingent consideration.

Financing costs

Net financing costs for the year were £40.1 million (2020: £37.6 million), excluding the improvement in the fair value of interest rate derivatives of £2.8 million (2020: £2.3 million reduction). The average cost of debt was steady across year at 2.26% (2020: 2.17%), and the movement in net financing costs was therefore the result of changes in the average debt drawn during the year, which was £1.5 billion compared with £1.3 billion in 2020.

Tax

We have continued to comply with our obligations as a UK REIT and therefore are exempt from corporation tax on the property rental business.

We received an exceptional tax credit of £3.9 million in the year. On acquisition of Tritax Symmetry, a deferred tax provision was made for trading assets which were subsequently appropriated to investment property, resulting in a tax liability which offset the deferred tax provision on acquisition. This tax charge was fully provided for within the Tritax Symmetry completion balance sheet and it was therefore not charged to the Group Statement of Comprehensive Income. Following the submission of tax computations for 2019 and with no appropriation required for one particular scheme, we received a refund in the year of £3.9 million for appropriation tax previously paid.

The other operating income received under DMA contracts has resulted in a tax charge of £2.4 million for 2021. The underlying tax credit, being the net of the sums mentioned above, was therefore £1.5 million for the year (2020: £0.1 million charge).

Profit and earnings

Profit before tax is significantly influenced by the movement in property valuations (see below) and was £971.1 million for the year (2020: £449.5 million). This resulted in basic earnings per share

1 excluding exceptional development income

(EPS) of 55.39 pence (2020: 26.30 pence) and basic EPRA EPS of 7.47 pence (2020: 6.17 pence).

Adjusted EPS for 2021 was 8.23 pence (2020: 7.17 pence). The calculation of Adjusted EPS can be found in note 12 to the financial statements. When removing the income generated from development management agreements, which we consider to be non-recurring and in excess of the anticipated run-rate over the medium term, Adjusted EPS[1] was 7.38 pence (2020: 6.91 pence). This excess DMA income is reinvested back into the business with a view to generating recurring property rental income.

Dividends

Since 1 January 2021, the Board has declared the following interim dividends:

Declared	Amount per share	In respect of three months to	Paid/to be paid
6 May 2021	1.60p	31 March 2021	1 June 2021
28 July 2021	1.60p	30 June 2021	23 August 2021
21 October 2021	1.60p	30 September 2021	17 November 2021
2 March 2022	1.90p	31 December 2021	31 March 2022

The total dividend for the year was therefore 6.70 pence per share, an increase of 4.7% on the 6.40 pence paid in respect of 2020. The pay-out ratio for the year was 91% when compared against Adjusted EPS[1] of 7.38 pence (2020: 93%).

Portfolio valuation

CBRE independently values the Group's Investment assets that are leased, pre-leased or have commenced construction. These assets are recognised in the Group Statement of Financial Position at fair value. Colliers independently values all optioned land and owned land which has no current construction activity. Land options and any other property assets are recognised at cost, less amortisation or impairment charges under IFRS.

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 31 December 2021, including all remaining contractual commitments on forward funded developments and our share of joint ventures, was £5.48 billion:

	31 December 2021 £m	31 December 2020 £m
Investment properties	**5,249.1**	4,053.5
Other property assets	**4.0**	9.4
Land options (at cost)	**201.5**	228.1
Share of joint ventures	**25.6**	28.5
Remaining forward funded development commitments	**—**	87.7
Portfolio value	**5,480.2**	4,407.2

1 excluding exceptional development income

The gain recognised on revaluation of our Investment properties was £840.9 million (2020: £351.1 million). This portfolio valuation surplus was therefore 19.1% across our investment and development assets, net of capital expenditure. The main drivers of this increase include:

- the continued strength of the market and market yield compression, with 43 bps of like-for-like compression recognised across the year, taking our portfolio equivalent yield to 4.1% (31 December 2020: 4.5%);
- capital gains reflected across our development portfolio which included five assets which reached practical completion in the year and a further nine assets where construction commenced during the year end; and
- the contribution from capitalising the rental growth achieved across the investment portfolio.

Capital expenditure

We acquired one asset in an off-market transaction during the year, for £90 million net of costs, reflecting a net initial yield of 5.1%.

We were targeting the deployment of £200 – 250 million during 2021 into development. This year, we exceeded that target, investing a total of £274.3 million into a combination of land options, owned land and assets under construction.

Total capital expenditure for the year therefore was £371.8 million (2020: £302.2 million).

In January 2022, due to a notable increase in the level of occupier demand across the development portfolio, the Company increase its development guidance to target capital expenditure into development of £350 – £400 million in 2022.

"We have declared a dividend totalling 6.70 pence per share for FY 2021, an increase of 4.7%."

Financial Review continued

"The Total Accounting Return for the year, which is the growth in EPRA NTA plus dividends paid, was 30.5% (2020: 19.9%)."

Financial results continued

Embedded value within land options

Under IFRS, land options are recognised at cost and subject to impairment review. As at 31 December 2021, our investment in land options totalled £201.5 million (31 December 2020: £228.1 million).

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 our EPRA NTA, we therefore make a fair value mark-to-market adjustment for land options. At the year end, the fair value of land options was £66.0 million greater (31 December 2020: £80.1 million greater) than aggregate costs expended to date.

Net assets

The year-end EPRA NTA per share was 222.60 pence (31 December 2020: 175.61 pence), up 26.8%. The primary driver of this increase was due to the growth in value of the property portfolio, as described above.

The Total Accounting Return for the year, which is the growth in EPRA NTA plus dividends paid, was 30.5% (2020: 19.9%).

Equity capital

On 30 September 2021, the Company announced the results of a placing, retail offer and direct subscription for new Ordinary Shares. In total, 147,058,823 new Ordinary Shares were issued at 204 pence per share, raising gross proceeds of £300 million. The issue price represented a discount of 5.3% to the closing price on 29 September 2021 of 215.40 pence and a premium of 5.0% to the EPRA net tangible assets per share at 30 June 2021 of 194.22 pence.

Debt capital

At 31 December 2021, the Group had the following borrowings:

Lender	Maturity	Loan commitment £m	**Amount drawn at 31 December 2021 £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	**247.5**
1.5% Green bonds 2033	Nov 2033	250.0	**246.4**
Bank borrowings			
RCF (syndicate of seven banks)	Dec 2023/24	350.0	**–**
RCF (syndicate of six banks)	Jun 2024/26	200.0	**–**
Helaba	Jul 2025	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	**1,356.3**

There was one change to our debt facilities during the year, with the maturity date of £190 million of the £200 million RCF extended by 12 months to June 2026.

Green finance

In November 2020, we launched our Green Finance Framework and issued £250 million of unsecured Green Bonds. During 2021, we deployed and allocated the proceeds of this issue against our green initiatives, including our sustainable development projects. This paves the way for growing our green portfolio in a manner that supports further Green Bond issuance in future.

Information on the allocation of the Green Bond proceeds can be found in the Group's Green Finance Report, which is available at https://www.tritaxbigbox.co.uk/media/zjvgaohc/tritax-big-box-reit-green-finance-allocation-and-impact-report.pdf.

Interest rates and hedging

Of the Group's debt commitments, 69% (31 December 2020: 69%) is at fixed interest rates. For our variable rate debt, our hedging strategy is to use interest rate caps which run coterminous with the respective loan. These allow us to benefit from current historically 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 100.0% of its drawn debt as at the year end. As a consequence, we had a capped cost of debt of 2.53% (31 December 2020: 2.49%) at the year end. The all-in running cost of borrowing at 31 December 2021 was 2.26% (31 December 2020: 2.17%).

"We have a healthy liquidity position, with strong levels of rent collection, a favourable debt maturity profile and substantial covenant headroom."

Debt maturity

At 31 December 2021, our debt had an average maturity of 6.5 years (31 December 2020: 7.4 years).

Loan to value (LTV)

We have a conservative leverage policy, with a medium-term LTV target of 30%-35%. At the year end, the LTV was 23.5% (31 December 2020: 30.0%), reflecting the receipt of proceeds from the equity issue ahead of their deployment and valuation growth recorded across the property portfolio. Please also see notes to the EPRA and other key performance indicators for further details on the LTV calculation.

Net debt and operating cash flow

Net debt at the year end was £1,285.2 (31 December 2020: £1,297.9 million), as below:

	31 December 2021 £m	31 December 2020 £m
Gross debt drawn	**1,356.3**	1,355.7
Less: cash	**(71.1)**	(57.8)
Net debt	**1,285.2**	1,297.9

Net operating cash flow plus licence fees received was £196.1 million for the year (2020: £140.2 million). Net cash flow used in investing activities during the year was £327.3 million (2020: £150.2 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 its financial covenants.

The Directors have reviewed our current and projected financial position over a five-year period, making reasonable assumptions about its future trading performance, including any potential longer-term effects of Covid-19. Various forms of sensitivity analysis have been performed, in particular regarding the financial performance of our customers. As at 31 December 2021, our property values would have to fall by approximately 50% before our loan covenants are breached at the corporate level.

At the year end, we had an aggregate of £550 million of undrawn commitments under its senior debt facilities, of which £65.4 million (see note 32) was committed under various development contracts. Our loan to value ratio stood at 23.5%, with the debt portfolio having an average maturity term of approximately 6.5 years. During the year, we raised £300 million through a heavily oversubscribed share issue, as well as agreeing an extension to the maturity of our £200 million revolving credit facility (see note 23), indicating that additional liquidity is available at attractive rates.

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 till 31 March 2023.

Credit rating

The Company has a Baa1 long-term credit rating from Moody's Investor Services. In December 2021, Moody's improved the Company's outlook to Baa1 (positive) from Baa1 (stable). This reflects the Company's growing scale and continued focus on high-quality logistics assets, supported by even stronger sector fundamentals and the benefit of controlling and owning the UK's largest land portfolio. The positive outlook reflects Moody's expectation that the Company will continue to generate growing cash flow and maintain good liquidity, while retaining high occupancy levels and a balanced growth strategy. The change applies to the long-term issuer rating.

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.

Priorities for 2022

Our priorities for 2022 in relation to our financial performance and position are:

- to target further growth in both earnings and net asset value and therefore provide attractive Total Accounting Returns to Shareholders;
- to maintain a strong balance sheet and loan to value within the guidance of up to 35%; and
- to increase capital expenditure deployed into development, the 2022 target is £350 – £400 million.

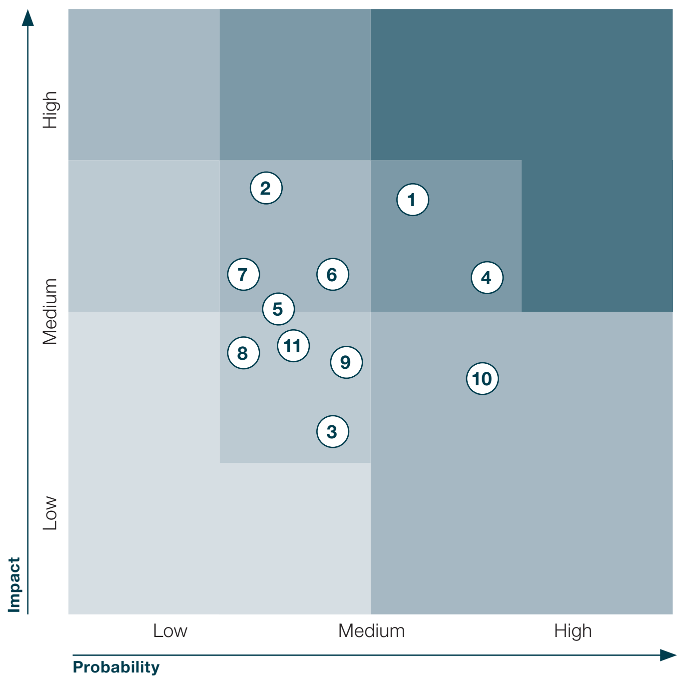
Managing risk

The Board has overall responsibility for risk management and internal controls, with the Audit & Risk Committee reviewing the effectiveness of the risk management process on its behalf. We aim to operate in a low-risk environment, focusing on a single subsector of the UK real estate market to deliver an attractive, growing and secure income for shareholders, together with the opportunity for capital appreciation. The Board recognises that effective risk management is important to our success. Risk management ensures a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for shareholders.

Approach to managing risk

Our risk management process is designed to identify, evaluate, manage and mitigate (rather than eliminate) the significant risks we face. The process can therefore only provide reasonable, and not absolute, assurance. As an investment company, we outsource key services to the Manager, the Administrator and other service providers, and rely on their systems and controls.

At least twice a year, the Board undertakes a formal risk review, with the assistance of the Audit & Risk Committee, to assess the effectiveness of our risk management and internal control systems. During these reviews, the Board has not identified or been advised of any failings or weaknesses which it has determined to be material.



Property risk
1. Tenant default
2. Portfolio strategy
3. Competition for investment
4. Performance of the UK retail sector and the continued growth of online retail
5. Execution of development business plan

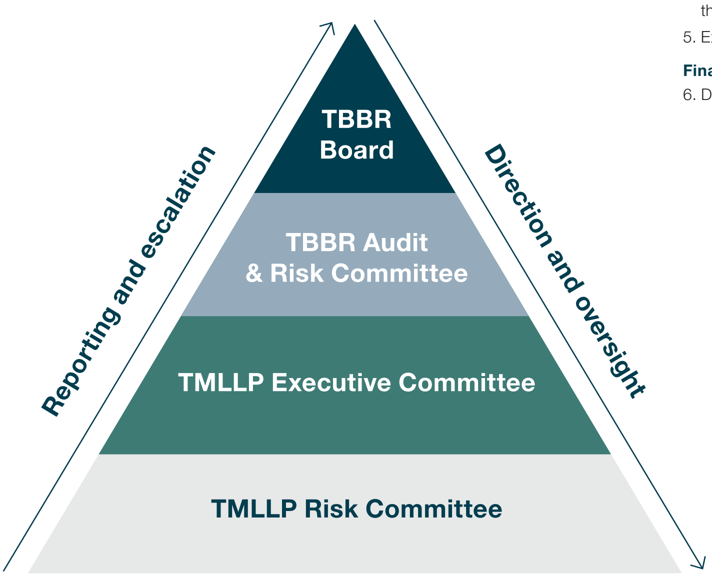
Financial risk
6. Debt financing

Corporate risk
7. We rely on the continuance of the Manager

Taxation risk
8. UK REIT status

Political risk
9. Disruptive Brexit

Other risk
10. Severe economic downturn
11. Physical and transitional risks from climate change



Risk appetite

We have a specific Investment Policy, which we adhere to and for which the Board has overall responsibility. We have a limit within our Investment Policy, which allows our exposure to land and unlet development to be up to 15% of gross asset value, of which up to 5% can be invested in speculative development.

Principal risks and uncertainties

Further details of our principal risks and uncertainties are set out below. They have the potential to materially affect our business. Some risks are currently unknown, while others that we currently regard as immaterial, and have therefore not included here, may turn out to be material in the future. The principal risks are the same as detailed in the 2020 Annual Report, with the key changes being i) the introduction of a new risk relating to physical and transitional risks from climate change, and ii) the consolidation of previous risks in relation to debt financing into one risk (Risk 6), along with the consolidation of previous risks in relation to development, into one risk (Risk 5).

Emerging risks

As well as the Principal risks, the Directors have identified a number of emerging risks which are considered as part of the formal risk review. Emerging risks encompass those that are rapidly evolving, for which the probability or severity are not yet fully understood. As a result, any appropriate mitigations are also still evolving, however, these emerging risk are not considered to pose a material threat to the Company in the short term. This could, however, change depending on how these risks evolve over time. Senior members of the Manager are responsible for day-to-day matters and have a breadth of experience across all corporate areas; they consider emerging risks and any appropriate mitigation measures required. These emerging risks are then raised as part of the bi-annual risk assessment where it is considered whether these emerging risks have the potential to have a materially adverse affect on the Company. The emerging risks that could impact the Company's performance cover a range of subjects which include but are not restricted to climate change, technological advancement, inflation and supply chain disruption. The Board is mindful of current events involving Russia and the Ukraine, which, at present is uncertain and evolving day by day. With no direct exposure to Europe, we are currently not seeing any significant impact on our business but we will continue to monitor the situation closely. The Audit & Risk Committee has also considered emerging risks following Covid-19 such as changes in the regulatory environment or tax regimes as a result of the pandemic.

PROPERTY RISK

1. Tenant default

The risk around one or more of our tenants defaulting.

Gross risk	Mitigation	Net Probability	Net impact
Medium – High	Our investment policy limits the exposure to any one tenant to 20% of gross assets or, where tenants are members of the FTSE, up to 30% each for two such tenants. This prevents significant exposure to a single retailer. To mitigate geographical shifts in tenants' focus, we invest in assets in a range of locations, with easy access to large ports and key motorway junctions. Before investing, we undertake thorough due diligence, particularly over the strength of the underlying covenant and the group of the covenants. We select assets with strong property fundamentals (good location, modern design, sound fabric), which should be attractive to other tenants if the current tenant fails. We continually monitor and keep the strength of our tenant covenant's under review. In addition, we focus on assets let to tenants with strong financial covenant strength, and assets that are strategically important to the tenant's business. Our maximum exposure to any one tenant (calculated by contracted rental income) was less than 16.5% as at 31 December 2021.	**Medium**	**Medium** – The default of one or more of our tenants would immediately reduce revenue from the relevant asset(s). If the tenant cannot remedy the default and we have to evict the tenant, there may be a continuing reduction in revenues until we are able to find a suitable replacement tenant, which may affect our ability to pay dividends to Shareholders. The circumstances around Covid-19 have led to certain sectors including certain parts of the retail sector being negatively impacted, this will impact the financial strength of some of our Customers.

Principal Risks and Uncertainties continued

PROPERTY RISK continued

2.Portfolio strategy

The ability of the Company to execute on its strategy and deliver performance.

Gross risk	Mitigation	Net Probability	Net impact
Slight – High	The Group is focused on a single sector of the commercial property market, the investment portfolio is 100% let, with long unexpired weighted average lease terms and an institutional-grade tenant base. All the leases contain upward-only rent reviews, which are either fixed, RPI/CPI linked or at open market value. These factors help support our asset values and overall portfolio performance. We undertake ongoing reviews of asset performance along with a review over the balance of our portfolio, split between Foundation, Value Add and Land as well as considerations over covenant, location and building type. Our asset performance is regularly appraised and where we feel the assets are mature in terms of performance, they are ear-marked for potential disposal. Our development portfolio is executed in a low-risk manner, with significant capital targeted for deployment once we have secured a pre-let agreement.	**Low**	**Medium** – An adverse change in the performance of our property portfolio may lead to lower returns for Shareholders or a breach of our banking covenants. Market conditions may lead to a reduction in the revenues we earn from our property assets, which may affect our ability to pay dividends to Shareholders. A severe fall in values may result in a fall in our NAV as well as a need to sell assets to repay our loan commitments.

3. Competition for investment in the Big Box sector

With increasing competition in the investment market this may restrict our ability to grow the portfolio.

Gross risk	Mitigation	Net Probability	Net impact
Moderate – Medium	In 2021 the investment market was particularly strong, this saw increased competition bid down investment yields to record low levels. The strength of the market has increased the competition for UK logistics assets. Despite this, we have extensive contacts in the sector and often benefit from off-market transactions. We also maintain close relationships with a number of investors and developers in the sector, giving us the best possible opportunity to secure future acquisitions. We are not exclusively reliant on acquisitions to grow the portfolio. Our leases contain upward-only rent review clauses and we have a large development pipeline and a number of current asset management initiatives within the portfolio, which means we can generate additional income and value from the existing portfolio. We own and control one of the largest development land banks in the UK, which significantly reduces the risk that competition will impact our ability to grow and enhance shareholder value.	**Medium**	**Low** – Competitors in the sector may be better placed to secure property acquisitions, as they may have greater financial resources, thereby partly restricting the ability to grow our NAV, deliver value to shareholders, further diversify the portfolio and add additional liquidity to our shares. Post the effects of Covid-19, logistics assets are arguably even more sought after than before and therefore competition is likely to increase for the most prime assets. This has been observed during 2021 with yields being bid down to record low levels.

4. Performance of the UK retail sector and the continued growth of online retail

Gross risk	Mitigation	Net Probability	Net impact
Severe – Medium	The diversity of our institutional-grade tenant base means the impact of default of any one of our tenants is low. In addition to our due diligence on tenants before an acquisition or letting, we regularly review the performance of the retail sector, the position of our tenants against their competitors and, in particular, the financial performance of our tenants. We have also increasingly been diversifying our tenant exposure to various sub-sectors of the retail sector i.e. online, food, homeware, fashion, other. Our fashion retail exposure is c.3% of contracted rent. The risk around traditional retail is mitigated by the increase in online retail sales, the transition to omnichannel shopping, and this has driven occupational demand in 2021. Our portfolio is modern and of a high-quality nature and therefore is attractive to those with an online presence.	**High**	**Medium** – Our focus on the Big Box sector means we directly rely on the distribution requirements of UK retailers and manufacturers. Insolvencies and CVA's among the larger retailers and online retailers could affect our revenues and property valuations. The probability of certain retailers defaulting has increased post Covid-19, however a greater proportion of sales are being made online which compensates for this, these orders are fulfilled via the assets that we invest in.

5. Execution of Development business plan

There may be a higher degree of risk within our development portfolio.

Gross risk	Mitigation	Net Probability	Net impact
Moderate – High	The Company has a significant development pipeline, it represents c.8% of our gross assets as of 31 December 2021. Our development strategy is low risk and we target only investing significant capital into a development project once a pre-let agreement has been secured. Our appetite for speculative development is low and we have a limit of 5% of GAV exposed to speculative developments within our Investment Policy. The risk of cost overruns is mitigated by our experienced development team which includes a thorough procurement and tender process on all contracts, including agreeing fixed priced contracts. We undertake thorough covenant analysis and ongoing reviews of our contractors and secure guarantees in relation to build contracts where possible. In respect of pre-let forward funded developments, any risk is low, and mitigated by the fact the developer takes on a significant amount of construction risk and the risk of cost over-runs.	**Low**	**Low** – Our development activities are likely to involve a higher degree of 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. Very recently we have seen small delays to construction starts due to the availability of certain raw materials as well as inflationary increases to construction costs, which we will continue to monitor and mitigate where we can. If any of the risks associated with our developments materialise, this could affect the value of these assets or result in a delay to lease commencement. The occupational market is very strong and the UK is experiencing the lowest level of vacancy rates ever, this should be positive from a development perspective for TBBR.

FINANCIAL RISK

6. Debt financing

Gross risk	Mitigation	Net Probability	Net impact
Slight – Medium	The Group has diversified sources of long-term unsecured borrowings in the form of £500 million in Public Bonds, £400 million in Unsecured Private Loan Notes and £250 million in Green Bonds. We also have £550 million of bank finance available split across two revolving credit facilities, and £212.9 million of secured debt across three separate facilities. This helps keep lending terms competitive. This access to multiple debt markets should enable the Group to raise future liquidity in a more efficient and effective manner via an unsecured platform whilst at competitive rates. The Board keeps our liquidity and gearing levels under review, as well as monitoring the bank covenants and any associated headroom within covenant levels. We have undrawn headroom of £550 million within our current debt commitments, at 31 December 2021. The Group aims, where reasonable to minimise the level of debt with Sonia exposure, by using hedging instruments with a view to keeping variable rate debt approximately 90%+ hedged.	**Medium**	**Medium** – Without sufficient debt funding, we may be unable to pursue suitable investment opportunities in line with our investment objectives. If we cannot source debt funding at appropriate rates, either to increase the level of debt or re-finance existing debt, this may impair our ability to maintain our targeted dividend level and deliver attractive returns to shareholders. Interest rates on the majority of our debt facilities are fixed term, however we do have an exposure to variable rate debt.

Principal Risks and Uncertainties continued

CORPORATE RISK

7. We rely on the continuance of the Manager

Gross risk	Mitigation	Net Probability	Net impact
Slight – High	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 24 months' written notice. The Management Engagement Committee regularly reviews and monitors the Manager's performance. In addition, the Board meets regularly with the Manager, to ensure we maintain a positive working relationship. Following the acquisition of 60% of the Manager by abrdn, this enhances the resources available to the Manager.	**Low**	**Medium** – We continue to rely on the Manager's services and its reputation in the property market. As a result, the Company's performance will, to a large extent, be underpinned by the Manager's abilities in the property market and its ability to asset manage and develop its property portfolio. Termination of the Investment Management Agreement would severely affect the Company's ability to effectively manage its operations and may have a negative impact on the share price of the Company.

TAXATION RISK

8. UK REIT status

We are a UK REIT and have a tax-efficient corporate structure, which is advantageous 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.

Gross risk	Mitigation	Net Probability	Net impact
Severe – High	The Board is ultimately responsible for ensuring we adhere to the UK REIT regime. It monitors the REIT compliance reports provided by: • the Manager on potential transactions; • the Administrator on asset levels; and • our Registrar and broker on shareholdings. The Board has also engaged third-party tax advisers and auditors to help monitor REIT compliance requirements.	**Low**	**Low** – If the Company fails to remain a REIT for UK tax purposes, our property profits and gains will be subject to UK corporation tax.

POLITICAL RISK

9. Disruptive Brexit

Gross risk	Mitigation	Net Probability	Net impact
Moderate – Low	The Group operates with a focus in the UK Big Box market which has a supply shortage against current levels of demand, which, along with the structural shift to online retailing will assist in supporting portfolio and sector performance. We have regular engagement with key occupiers to understand how Brexit is affecting their businesses and whether this is affecting their need for logistics space. The Group is currently well positioned with long and secure leases and a diverse blue chip tenant line up, with a focus on tenants with financial strength, which are well positioned to withstand any uncertainty in the UK economy. For those businesses that may need to stock more inventory onshore due to concerns surrounding import delays, this is likely to lead to greater demand for warehousing space in the UK which is an opportunity for us. With our existing landbank we are able to work with our occupiers to support them with the development of new assets.	**Medium**	**Low** – The UK left the EU in January 2020 and following the transition period up to 31 December 2020, the EU and UK have reached an agreement on a new partnership. This agreement sets out the rules that apply between the EU and the UK as of 1 January 2021. Economic volatility is not a new risk for the Group; however, until some of the implications, which include longer term trade relationships become clearer, the exact impact on the Company and its customers remains uncertain.

OTHER RISK

10. Severe economic downturn

Gross risk	Mitigation	Net Probability	Net impact
Severe – High	A severe economic downturn could be caused by civil unrest, terrorism, war or a pandemic. On 23 March 2020 the Covid-19 pandemic caused the UK Government to place the UK into lockdown and issue significant support to the UK economy. Throughout 2020 there were various forms of restrictions placed on the freedom of movement due to the virus, which caused the UK to enter a recession in the year. Whilst there has been some return to normality following the roll out of the vaccine, it is a virus which is still impacting on a global scale. The Group mitigates the impact of this by investing in high-quality investment assets that operate in a sector that has strong structural drivers and a supply demand imbalance in favour of landlords. The Group monitors its Customer's financial health regularly and where possible enters into long leases. The Manager continues to monitor the business continuity plan of its suppliers to ensure the impact to the Group and its service providers is minimised. Members of the Manager's staff, have a working week that now involves some element of working virtually. The Manager continues to monitor the impact that Covid-19 has had on the Groups assets and its tenants in order to protect the Groups cash flow regarding rent collection, impact on dividends and banking covenants. Covid-19 has accelerated behavioural patterns such as online shopping, which, as a result led to the highest level of occupational take-up in 2020, which we expect to be surpassed in 2021. This is highly supportive of our business model.	**High**	**Low** – 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. The probability of this is deemed moderate as following the Covid-19 outbreak during 2020 and subsequent impact on the economy, despite there now being a vaccine, global markets are still very sensitive to new variants and the number of cases. Elements of the economy such as hospitality and travel still remain effected.

Principal Risks and Uncertainties continued

OTHER RISK continued

11. Physical and transitional risks from climate change

Gross risk	Mitigation	Net Probability	Net impact
Moderate – Medium	The Manager operates with a dedicated sustainability team as well as an ESG Committee who take operational responsibility for the Company's ESG matters. The Manager regularly reports to the Board, including monitoring against the Company's stated sustainability targets and providing updates on future initiatives. The Company has a modern portfolio, with strong ESG credentials which include 95% of the portfolio having and EPC rating of A-C, these properties should be more appealing to occupiers and therefore perform well relative to others. ESG is embedded within our investment and development processes such that climate related risks are looked at when purchasing assets and minimum standards of BREEAM Very Good and net zero carbon are targeted for development. We are also confident that due diligence assessments, internal procedures and insurance cover adequately mitigate these ESG risks. We also actively participate and engage in several Real Estate and Sustainability organisations (such as EPRA, Sustainalytics and the World Green Building Council) to ensure we are aware of future initiatives and challenges. We measure and report annually on our key ESG metrics to demonstrate how we are managing our ESG risks. TBBR engaged with a third party to conduct climate change risk assessments in 2021 to understand the impacts of climate change on the portfolio, using various scenario analysis. From a physical risk perspective, the findings suggested that the portfolio is unlikely to be materially affected under a 2.0 degree global warming scenario.	**Medium**	**Medium** – There is a risk of physical damage to the property portfolio as a result environmental related factors such as flood risk and rising temperatures. As institutional investors focus their capital towards more energy efficient buildings, there is the risk that less energy efficient buildings do not perform as well as those with the highest ESG credentials. ESG requirements are likely to increase over time and therefore the impact of a failure to comply with regulatory standards has the potential to affect the performance of the Company in the future. The costs of carbon pricing could increase in the future therefore increasing the future construction costs associated with our development pipeline and therefore reducing development profits.

Going Concern and Viability Statement

The Strategic Report describes the Group's financial position, cash flows, liquidity position and borrowing facilities. The Group's cash balance as at 31 December 2021 was £71.1 million, of which £70.9 million was readily available. It also had a further £550 million of undrawn commitments under its senior debt facilities, of which £65.4 million (see note 32) was committed under various pre-let development and construction contracts at the year end.

The Group currently has substantial headroom against its borrowing covenants, with a Group LTV of 23.5% as at 31 December 2021. A significant part of the Group's borrowings are on an unsecured basis, providing the Group with a deeper pool of liquidity and with more flexibility over its arrangements. In June 2021, the Group agreed an extension to the maturity of £190 million of its £200 million unsecured RCF by 12 months to June 2026. This assisted the Group in positioning its weighted average maturity across its borrowings of 6.5 years as at 31 December 2021 (2020: 7.4 years). As a result and following rigorous stress testing of financial forecasts in relation to future viability, the Directors believe that the Group is well placed to manage its current and future financial commitments.

The Group benefits from a secure income stream of leases with an average unexpired term of 13.0 years, containing upward-only rent reviews, which are not overly reliant on any one tenant and present a well-diversified risk.

The Directors believe that there are currently no material uncertainties in relation to the Company and the Group's ability to continue until 31 March 2023. The Board is, therefore, of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.

Assessment of viability

The period over which the Directors consider it feasible and appropriate to report on the Group's viability is the five-year period to 3 March 2027. This period has been selected because it is the period that is used for the Group's medium-term business plans and individual asset performance analysis.

The assumptions underpinning these forecast cash flows and covenant compliance forecasts were sensitised to explore the resilience of the Group to the potential impact of the Group's significant risks, or a combination of those risks. The key assumptions sensitised for the forecast cash flows in downside scenarios were portfolio value, which was sensitised by up to a 30% reduction or to vacant possession value upon lease expiry, occupation of buildings was assumed to be 100% except where tenant defaults were sensitised, rental uplifts assumed to be between 0% and 2% upon reviews, cost inflation was assumed to be up to 10% and debt cost assumptions varied upon refinancing.

The principal risks on pages 57 to 63 summarises those matters that could prevent the Group from delivering on its strategy. A number of these principal risks, because of their nature or potential impact, could also threaten the Group's ability to continue in business in its current form if they were to occur.

The Directors paid particular attention to the risk of a deterioration in economic outlook which would impact property fundamentals, including investor and occupier demand which could have a negative impact on valuations, and give rise to a reduction in the availability of finance. The Board also paid attention to the impact of either a delay to the receipt of planning permission or the risk of not achieving planning consent as well as the impact of inflationary costs on raw materials in the current environment. The remaining principal risks, whilst having an impact on the Group's business model, are not considered by the Directors to have a reasonable likelihood of impacting the Group's viability over the five-year period to 3 March 2027.

The sensitivities performed were designed to be severe but plausible; and to take full account of the availability of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks:

Downturn in economic outlook: Key assumptions including occupancy, void periods, planning risk, rental growth and yields were sensitised to reflect reasonably likely levels associated with an economic downturn. The assumptions were considered in light of Covid-19 and any short- to medium-term impact resulting from the pandemic. Various forms of sensitivity analysis have been performed, in particular with regard to the financial performance of the Group's customers, taking into account any discussions held with customers surrounding their operational performance, including their current status on rent collection.

Restricted availability of finance: Following the extension of the £190 million RCF by 12 months until June 2026, the Group does not have a significant refinancing event occurring until December 2024. Financing is arranged in advance of expected requirements and the Directors have reasonable confidence that additional or replacement debt facilities will be put in place when the need arises. Furthermore, the Group has the ability to make disposals of investment properties to meet the future financing requirements under the development portfolio.

Viability Statement

Having considered the forecast cash flows and covenant compliance and the impact of the sensitivities in combination, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period ending 3 March 2027.

The Strategic Report was approved by the Board and signed on its behalf by Aubrey Adams, Chairman, on 2 March 2022.

Chairman's Governance Overview

"Strong governance is essential for the creation of value for all stakeholders."

Aubrey Adams OBE, FCA, FRICS
Chairman

Governance highlights for 2021

- Appointed Wu Gang and Elizabeth Brown as Non-Executive Directors.
- Successfully implemented the succession planning programme with the appointment of Aubrey Adams as Chairman with effect from the 2021 AGM and Alastair Hughes as Senior Independent Director.
- Complied with all of the principles and provisions of the 2019 AIC Code applicable to the Company. Please see pages 72 to 73.
- Met all of the requirements set out in the Financial Reporting Council's Guidance on Risk, Internal Control and Related Financial and Business Reporting. Please see page 73.
- Conducted a comprehensive external Board evaluation exercise. Please see page 85.
- Continued to enhance the Company's succession and contingency planning processes. Please see pages 83 to 85.
- Further enhanced processes and procedures across the business and its supply chain in compliance with the Modern Slavery Act 2015 and prepared our annual statement which appears on our website. Please see page 87.
- Made good progress on implementing our sustainability strategy and achieved a number of our 2023 targets. Please see pages 32 to 41.

This report seeks to demonstrate and explain the Company's core governance-related processes and procedures, and highlights the key governance actions which have taken place during the period. The Board continues to believe that sound corporate governance plays a key role in shaping the long-term success of the Company and provides a strong foundation for the delivery of its strategic objectives.

Board priorities

One of our key priorities as a Board is to oversee the successful implementation of the business' strategy and ensure it is positioned for long-term success. The Board continues to support the Manager in any potential investment and divestment decisions and ensures ongoing compliance with the Company's Investment Policy and Objectives.

The Company has continued to grow throughout the period aided by a highly successful equity raise in September 2021, raising £300 million gross proceeds, which will be used to fund our near-term development pipeline.

The Board continued to monitor the impacts of the Covid-19 pandemic on the business as well as the wider macroeconomic environment. The Board recognises that although the pandemic has been challenging for society as a whole it has reinforced the importance of the logistic sector and the overall strategy of the Company.

ESG remains an important focus for the Company, as well as its stakeholders, and with the support of the Manager, the Company is making good progress in implementing its sustainability strategy and has already achieved a number of its 2023 targets. The Company has also fully allocated £250 million of Green Bond proceeds, following the issuance in November 2020 to qualifying green initiatives. Karen Whitworth is our "ESG Champion" on the Board and engages directly with the Manager's ESG Director on various sustainability topics. A key focus for the period has been understanding the risks and opportunities presented by climate change and the impacts it could have on our business operations. For further information please refer to pages 39 to 41.

During the period, abrdn completed its acquisition of a 60% stake in the Manager. We believe that the acquisition has strengthened the Manager's resources and will continue to benefit the Company in the long term. We look forward to the continued high quality of service and performance of the Manager.

During the year, the Management Engagement Committee continued to conduct a comprehensive review of the Investment Management Agreement ("IMA"), supported during the process by various external advisers. It is anticipated that the review will be finalised in the near term.

Board and Committee composition

As announced in January 2021, Richard Jewson retired as Chairman of the Company following the May 2021 Annual General Meeting. The Nomination Committee led a comprehensive Chairman succession search, which resulted in my appointment as Chairman and Alastair Hughes as Senior Independent Director. Susanne Given resigned from the Board in September 2021 following five years of service owing to her other commitments. Following these changes, the Nomination Committee reviewed the composition of the Board and identified the desirability to appoint two new Non-Executive Directors. We welcomed Wu Gang and Elizabeth Brown as Non-Executive Directors to the Board during the year. For further details regarding the recruitment process please refer to page 83 in the Nomination Committee Report.

Board development

We continue to receive regular updates and briefings on corporate governance as well as wider regulatory changes within the market to ensure we comply with all applicable laws and regulations.

During the year, the Board completed several training sessions, with a key focus on the UK economy and capital markets and on the incoming Task Force on Climate-related Disclosures and Carbon Reporting. The sessions help to upskill the Board and ensure we have sufficient knowledge to discharge our duties effectively, further details of which can be found on page 74.

Board engagement

We believe that our positive engagement and working relationship with the Manager is key to enhancing the Company's governance arrangements and ensuring that they are robust and fit for purpose. We work closely with the Manager to identify areas for improvement and best practice which promotes an open and collaborative culture. This year, we reviewed a number of our policies and procedures, including refreshing the Disclosure Policy.

We also regularly engage with the Company's advisers, Jefferies (Joint Financial Adviser and Joint Corporate Broker), JP Morgan Chase & Co (Joint Corporate Broker), Taylor Wessing LLP (Legal Adviser) and Akur Limited (Joint Financial Adviser), to discuss investor feedback they have received and/or gauge their views on corporate strategy and performance. We also provide investors with regular updates on significant business events, specifically financial performance and investment activity, through announcements via the Regulatory News Service of the London Stock Exchange ("RNS").

Priorities for 2022

Looking ahead to 2022, the Board is focused on embedding our new Non-Executive Directors, Wu Gang and Elizabeth Brown, to the Board as well as continuing to progress the Company's sustainability strategy and targets ahead of our 2023 deadline alongside the delivery of further strong financial performance. In addition, we plan to finalise the IMA review in the near term and look forward to updating the market in due course.

Aubrey Adams OBE, FCA, FRICS
Chairman
2 March 2022

Statement of compliance

The Board of Tritax Big Box REIT plc has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), and sets out additional Provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has fully complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

▸ For further details please see pages 72 to 73.

Composition, succession and evaluation

Aubrey Adams OBE, FCA, FRICS

Independent Chairman

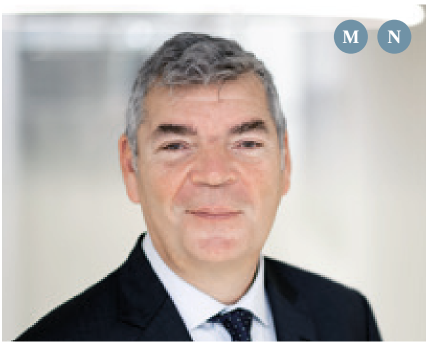
Appointed 11 September 2017
Tenure 4 years 6 months

Relevant skills and experience

- Almost 40 years' experience at Board level in the real estate industry, including part of his executive career as Chief Executive of Savills plc
- Extensive experience as a Chairman and Non-Executive Director, including as Senior Independent Director of Associated British Ports plc and Chairman of Max Property Group plc
- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Royal Institution of Chartered Surveyors

External appointments

- Chairman of the Board of Trustees of Wigmore Hall since May 2011
- Group Chair of L&Q Housing Trust, a leading housing association since September 2015
- Director of Nameco (No.522)



Alastair Hughes FRICS

Senior Independent Director

Appointed 1 February 2019
Tenure 3 years 1 month

Relevant skills and experience

- Over 30 years' experience in the UK and international real estate markets both at an operational and strategic level
- Former director and Global Executive board member of Jones LaSalle Inc ("JLL"), previously serving as Managing Director of JLL in the UK, before becoming CEO for Europe Middle East and Africa and most recently CEO for Asia Pacific
- Fellow of the Royal Institution of Chartered Surveyors

External appointments

- Non-Executive Director of Schroder Real Estate Investment Trust Limited since April 2017
- Non-Executive Director of The British Land Company plc since January 2018
- Non-Executive Director of QuadReal since October 2019

Richard Laing FCA

Independent Non-Executive Director

Appointed 16 May 2018
Tenure 3 years 10 months

Relevant skills and experience

- In depth knowledge of financial matters through his previous role as Finance Director and Chief Executive of CDC Group plc for 11 years; as Finance Director of De La Rue plc; as financial analyst and manager at Bookers Group plc; and from five years at PricewaterhouseCoopers
- Experienced Non-Executive Director and Non-Executive Chairman of quoted and unquoted businesses
- Fellow of the Institute of Chartered Accountants in England and Wales

External appointments

- Chairman of 3i Infrastructure plc since January 2016
- Non-Executive Director and Chairman of the Audit and Risk Committee of JP Morgan Emerging Markets Investment Trust plc since January 2015
- Deputy Chairman of the Board of Trustees of Leeds Castle since September 2012, Chairman of the Audit and Risk Committee and member of the Investment Committee

A Audit and Risk Committee

M Management Engagement Committee

N Nomination Committee

Chairman of Committee

Karen Whitworth ACA

Independent Non-Executive Director

Appointed 21 October 2019 **Tenure** 2 years 5 months

Relevant skills and experience

- Significant retail, strategic, financial and logistics experience gained through several commercial, operational and governance roles
- Over 17 years of Board level experience in public and private organisations
- Financial acumen – Fellow of the Institute of Chartered Accountants in England and Wales
- Non-Executive Director and Chair of the Audit and Risk Committee of Pets at Home Group plc until May 2021
- Various operational, strategic and commercial roles at J Sainsbury's PLC, from 2007 to 2018, ultimately becoming a member of the Commercial Board and Director of Non-Food Grocery and New Business for the last three years
- Supervisory member and Audit Committee member of GS1 UK Limited from 2013 to 2018
- Chairman's Adviser/Finance Director at BGS Holdings Limited (trading as "Tunetribe") from 2005 to 2007
- Various roles at Intercontinental Hotel Group plc from 2000 to 2005, including Senior Vice President of Strategy and Transformation and Senior Vice President of Investor Relations

External appointments

- Non-Executive Director and member of the Audit Committee and Corporate Responsibility Committee of Tesco plc
- Non-Executive Director and Audit Committee Chair of The Rank Group Plc since November 2019 and Senior Independent Director from January 2022
- Independent Adviser to Growup Farms Limited

Wu Gang

Independent Non-Executive Director

Appointed 1 October 2021 **Tenure** 5 months

Relevant skills and experience

- A strong strategic and financial advisory background and a wealth of international experience gained from a career of over 25 years in investment banking in Asia and Europe
- Set up and led the European investment banking team at CLSA Securities, the international investment Banking platform of CITIC Securities, from 2015 to January 2019
- Prior to CLSA Securities, Wu Gang was head of M&A and General Industrials at ICBC International
- Held senior level positions at The Royal Bank of Scotland, HSBC and Merrill Lynch in Hong Kong and London
- Served as a Non-Executive Director of Laird Plc from January 2017 to June 2018

External appointments

- Non-Executive Director of Ashurst LLP and IG Group Holdings Plc
- Senior Adviser at Rothschild & Co Hong Kong Limited

Elizabeth Brown

Independent Non-Executive Director

Appointed 15 December 2021 **Tenure** 3 months

Relevant skills and experience

- 20 year's experience in Strategy and M&A, as a former strategy consultant with L.E.K. Consulting, an investment director at the RBS Special Opportunities Fund, and in senior in-house strategy roles at Dixons Carphone and Diageo
- Track record in devising investment strategies, leading acquisitions and disposals, and long-term strategic planning
- Brings a clear focus on consumer trends and market insights, identifying growth opportunities and translating these into value-creating strategies
- Group Strategy Director and Global Head of M&A at Diageo since 2017
- Strategy Director of Services from 2016 to 2017 and Head of Corporate Development from 2013 to 2017 at Currys (formerly Dixons Carphone)
- Director at the RBS Special Opportunities Fund from 2005 to 2012
- Strategy consultant at L.E.K. Consulting from 2002 to 2005

External appointments

- Group Strategy Director at Diageo plc

Key Representatives of the Manager

Tritax Management LLP (the "Manager") acts as the Company's Alternative Investment Fund Manager ("AIFM") for the purposes of the Alternative Investment Fund Manager Directive ("AIFMD") and as such the Board has delegated authority to the Manager to conduct portfolio and risk management services on behalf of the Company. Whilst the Manager has the ultimate responsibility to make the final decision over portfolio and risk management services, the Board actively discusses potential investments and divestments with the Manager and ensures ongoing compliance with the Company's Investment Policy and Investment Objectives.

This complies with the European Securities and Markets Authority ("ESMA") guidelines published on 13 August 2013 in respect of the AIFMD and ensures that the Company continues to adopt best governance practice.

To read more about our colleagues please go to https://www.tritaxbigbox.co.uk/about/people-and-culture/.

Colin Godfrey

CEO – Fund Management

Relevant skills and experience

Colin is responsible for leading the Group's fund management function and overall responsibility for the provision of strategic investment advice to the Group. Colin began his career with Barclays Bank before joining Conran Roche in the late 1980s. Once qualified as a chartered surveyor, Colin specialised in portfolio fund management, with particular responsibility for the £1 billion assets of the British Gas Staff Pension Scheme. In 2000, Colin was a founding director of SG Commercial and became a partner of Tritax Group in 2004.

Frankie Whitehead

Chief Financial Officer

Relevant skills and experience

Frankie is responsible for all aspects of the Group's finance and corporate reporting. Frankie is a chartered accountant and joined Tritax in 2014 following the Company's IPO. Frankie previously performed the role of Financial Controller at Primary Health Properties Plc and trained and qualified at PKF (UK) LLP which subsequently merged with BDO LLP. Frankie became a partner of the Tritax Group in 2020.

Petrina Austin

Head of Asset Management

Relevant skills and experience

Petrina leads the Group's asset management function and is responsible for the strategic management of the investment portfolio, identifying and progressing value enhancing initiatives, so as to protect and maximise investor returns. Petrina began her career at Carter Jonas before moving to King Sturge (now JLL) to concentrate on institutional portfolio management. In 2002, Petrina joined Knight Frank before joining Tritax Group in 2007.

Bjorn Hobart

Investment Director

Relevant skills and experience

Bjorn is responsible for managing the Company's investment portfolio and serves as Chairman of the Investment Committee. Bjorn started his career at Faber Maunsell (now AECOM) and went on to undertake an MA in Property Valuation and Law. In 2007, Bjorn joined SG Commercial and joined Tritax Group in 2011, becoming a partner in 2017.

Phil Redding

Director of Investment Strategy

Relevant skills and experience

Phil is responsible for providing strategic investment advice to the Company. Phil started his career at King & Co (now JLL) where he qualified as a chartered surveyor in their Industrial Agency and Development division in 1992. In 1995, Phil joined SEGRO plc holding a number of management positions before becoming Chief Investment Officer and member of the Board in 2013. Phil joined Tritax Group in 2020.

Henry Franklin

Chief Operating Officer

Relevant skills and experience

Henry is responsible for tax, legal and compliance activities, working closely with the Board, the management team and external advisers to ensure the robustness of the tax and legal structure. Henry is a qualified solicitor who completed his articles with Ashurst LLP in 2001, qualifying as a chartered tax adviser in 2004 before moving to Fladgate LLP in 2005. Henry joined the Tritax Group in 2008.

Our corporate governance structure

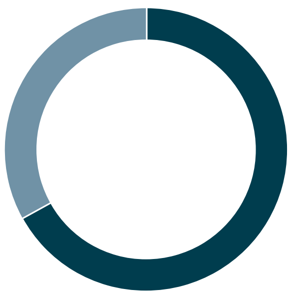
Board relevant sector experience

The Board has a complementary range of skills which are relevant to the Group's medium and longer-term objectives.

The Board considers Richard Laing to have recent and relevant financial expertise to chair the Audit and Risk Committee.

Board gender split

- Male 67%
- Female 33%



Non-Executive Director tenure

1–2 years
2

2–3 years
1

3–4 years
2

4–5 years
1

Application of Code

Application of AIC Code principles

The AIC Code, and the underlying UK Code, have placed increased emphasis on "comply or explain" with regard to the principles of the Code. Our explanations of how we have applied the main principles of the AIC Code can be found below.

Board leadership and company purpose	
Principle A. A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	• Strategic Report pages 1 to 65 • Board leadership and Company purpose pages 74 to 77
Principle B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	• Strategic Report pages 1 to 66 • Board leadership and Company purpose pages 74 to 77 • Division of responsibilities pages 79 to 82
Principle C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	• Principal Risks and Uncertainties pages 58 to 64 • Section 172 Statement page 22 • Audit, risk and internal control pages 86 to 87 • Audit and Risk Committee Report pages 88 to 91
Principle D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	• Stakeholders pages 22 to 25 and 78 • Section 172 Statement page 22
Division of responsibilities	
Principle F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	• Board leadership and Company purpose pages 74 to 77 • Division of responsibilities pages 79 to 82
Principle G. The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board's decision making.	• Division of Responsibilities pages 79 to 82 • Composition, succession and evaluation pages 68 to 71
Principle H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.	• Board leadership and Company purpose pages 74 to 77 • Division of responsibilities pages 79 to 82 • Audit and Risk Committee Report pages 88 to 91 • Management Engagement Committee Report pages 92 to 94
Principle I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	• Division of Responsibilities pages 79 to 82 • Nomination Committee Report pages 83 to 85
Composition, succession and evaluation	
Principle J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	• Nomination Committee Report pages 83 to 85
Principle K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	• Composition, succession and evaluation pages 68 to 71
Principle L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	• Nomination Committee Report pages 83 to 85

Audit, risk and internal control	
Principle M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	• Audit, risk and internal control pages 86 to 87 • Audit and Risk Committee Report pages 88 to 91
Principle N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	• Audit and Risk Committee Report pages 88 to 91 • Responsibilities statements page 100
Principle O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	• Principal Risks and Uncertainties pages 58 to 64 • Viability Statement page 65 • Audit, risk and internal control pages 86 to 87 • Audit and Risk Committee Report pages 88 to 91 • Notes to the financial statements pages 111 to 134
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	• Management Engagement Committee Report pages 92 to 94 • Directors' Remuneration Report pages 95 to 97
Principle Q. A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.	• Directors' Remuneration Report pages 95 to 97
Principle R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	• Directors' Remuneration Report pages 95 to 97

Key Board statements

Requirement	Board statement	Where to find further information
Going concern basis	The Board is of the opinion that the going concern basis adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 65 of the Strategic Report.
Viability Statement	The Board is of the opinion that the Viability Statement adopted in the preparation of the Annual Report is appropriate.	Further details are set out on page 65 of the Strategic Report.
Annual review of systems of risk management and internal control	A continuing process for identifying, evaluating and managing the risks the Company faces has been established and the Board has reviewed the effectiveness of the internal control systems.	Further details are set out in Audit, risk and internal controls on pages 86 and 87 of this Governance Report.
Robust assessment of the Company's emerging and principal risks to the business model, future performance, solvency and liquidity of the Company	The Audit and Risk Committee and the Board undertake a full risk review twice a year where all the emerging, principal risks and uncertainties facing the Company and the Group are considered.	Further details can be found in Our Principal Risks and Uncertainties on pages 58 to 64 of the Strategic Report.
Fair, balanced and understandable	The Directors confirm that to the best of their knowledge the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.	Further details of the fair, balanced and understandable statement can be found in the Audit and Risk Committee Report on pages 88 to 91.
Appointment of the Manager	The Directors consider the continuing appointment of the Manager on the terms agreed in the Investment Management Agreement dated 11 September 2017 to be in the best interests of the Company.	Further details are set out in the Management Engagement Committee Report on pages 92 and 93.
s172 of the Companies Act 2006	The Directors have considered the requirements of s172 when making strategic decisions.	Further details are set out on page 22 of the Strategic Report.

Key activities of the Company in 2021

January–March 2021

- Declared an interim dividend of 1.7125 pence per share, in respect of the three months to 31 December 2020.
- Approved the Annual Report and Accounts 2020.
- Received training on the Economy and Capital Markets by a leading economist from Panmure Gordon.

April–June 2021

- Declared an interim dividend of 1.60 pence per share, in respect of the three months to 31 March 2021.
- Held the Company's Annual General Meeting.
- Conducted the performance review of the Company's key suppliers.
- Strategy Review.
- Appointed of Aubrey Adams as Chairman and Alastair Hughes as Senior Independent Director.

July–September 2021

- Declared an interim dividend of 1.60 pence per share, in respect of the three months to 30 June 2021.
- Approved the Interim results 2021.
- Conducted the performance review of the Manager.
- Raised £300 million issuance through a successful equity raise.
- Insurance Board update with a focus on Cyber risk.

October–December 2021

- Declared an interim dividend of 1.60 pence per share, in respect of the three months to 30 September 2021.
- Conducted the Board and Committee evaluation.
- Appointed Wu Gang and Elizabeth Brown as Non-Executive Directors of the Company.
- Improved the Company's credit rating with Moody's to Baa1 (positive) from Baa1 (stable).
- Received training on TCFD and carbon reporting by Hillbreak.

Post year end

- Agreed action plan following Board and Committee evaluation to focus on in 2022.
- Declared an interim dividend of 1.90 pence per share, in respect of the three months to 31 December 2021.
- Approved the Annual Report and Accounts 2021.

How we govern the Company

The Board is responsible for promoting the long-term sustainable success of the Company and generating value for its Shareholders and other stakeholders through effective leadership. The Board and the Manager work closely together to maintain the highest standards of corporate governance. We believe that our positive engagement and working relationship with the Manager is key to enhancing the Company's governance arrangements and ensuring that they are robust and fit for purpose. We work closely with the Manager to identify areas for improvement and best practice which creates an open and collaborative culture. The Company's success is based upon the effective implementation of its strategy by the Manager and third-party service providers under the leadership of the Board. The Board's culture provides a forum for constructive and robust debate, which the Board believes has been crucial to the success of the Company to date.

The Company's purpose is to deliver sustainable logistics solutions that create compelling opportunities for our stakeholders and provide our customers with the space to succeed. In order to achieve this, the Board has determined the Company's Investment Objectives and Investment Policy. It has overall responsibility for the Company's activities, including reviewing investment activity, performance, business conduct and strategy, in compliance with the principles of good corporate governance. The Board has delegated the day-to-day operational aspects of running the Company to the Manager and approved a schedule of matters reserved for its consideration and approval, which are set out on this page. Although the Board does not formally approve investment proposals or decisions, as this is a matter delegated to the Manager, the Board is kept fully informed and notified of investment proposals and decisions to enable the Directors to undertake their responsibilities and duties appropriately.

As well as regular Board meetings, the Board also meets for dedicated strategy meetings, in which the Company's immediate and long-term strategy is discussed, and holds ad hoc meetings to consider specific issues, the market generally and its stakeholders.

There is frequent engagement and interaction between the Manager and Tritax Symmetry Management Ltd (Tritax Symmetry) regarding the development pipeline and the status of current projects. This regular engagement is overlaid by a series of meetings to ensure appropriate oversight and governance of Tritax Symmetry, being weekly updates and occupier review meetings, quarterly project review meetings and quarterly board meetings of Tritax Symmetry. These meetings provide a forum for reporting on detailed project matters by Tritax Symmetry to the Manager and discussion of the wider business strategy.

The Manager retains approval rights in relation to transactional documentation proposed to be entered into by Tritax Symmetry.

A typical Board agenda includes:

- a review of investment performance;
- a review of investments, divestments and asset management initiatives;
- a report on the development activities of the Tritax Symmetry arm of the Group;
- an update on investment opportunities available in the market and how they fit within the Company's strategy;
- a report on the property market;
- a review of the Company's financial performance;
- an update on sustainability and targets;
- a review of the Company's financial forecast, cash flow and ability to meet targets, including a review of the Company's debt covenants and debt maturity;
- a review of the Company's financial and regulatory compliance;
- updates on Shareholder and stakeholder relations;
- updates on the Company's capital market activity;
- specific regulatory, compliance or corporate governance updates;
- a bi-annual risk management review;
- investor relations update; and
- marketing and communications update.

Board reserved matters

- Reviewing and approving Board composition, including the appointment of Directors.
- Approving and implementing the Company's strategy.
- Approving the budget, financial plans and Annual and Interim financial reports.
- Approving the dividend policy.
- Reviewing property valuations and valuations of its interest rate derivatives.
- Overseeing treasury functions and managing the Company's capital structure.
- Reviewing and monitoring the Manager's ongoing compliance with the Company's Investment Objectives and Investment Policy.
- Overseeing the services provided by the Manager and, in conjunction with the Manager, the Company's principal service providers.
- Reviewing and approving all compliance and governance matters.
- Approval of the issuance of new ordinary share capital.

Board Leadership and Company Purpose continued

Strategy

The 2021 strategy meeting took place in May 2021 and focused on assessing whether the Company's strategy remained fit for purpose to ensure the Company's long-term success. The meeting involved the full Board and key members of the Manager who discussed the portfolio strategy and the strategic targets for the year ahead. The Board agreed to continue to monitor the performance of the investment portfolio and where it makes sense to do so, recycle capital into opportunities that are going to improve performance, based on the Company's risk return analysis. The Board also agreed to continue with the development led strategy which would be aided by the equity raise, which took place in Q3 2021, in order to fund an acceleration in development activity. The Board requested that the Manager explore additional income streams for the Company through asset management initiatives and further nurturing occupier relationships.

▶ Please see pages 26 and 27 for more details on strategy in the Strategic Report.

Given the current dynamics of the logistics market, with strong demand but limited supply of suitable assets, we believe that we are well positioned to capture further value through the Group's development pipeline.

Our focus in 2022 and beyond

Our focus for the coming year will be on achieving planning consents, securing pre-lettings for our development assets and acquiring investment assets in order to grow the Group's strong asset base and deliver enhanced returns to Shareholders.

▶ For further details of the Company's strategy see pages 26 and 27 of the Strategic Report.

Culture

The culture and ethos of the Company are integral to its success. The Board promotes open dialogue and frequent, honest and open communication between the Manager and other key providers and advisers to the Company. Whilst the Company is externally managed, the Board is confident that the culture within the Manager is aligned with that of the Board.

The Board believes that its positive engagement and working relationship with the Manager helps the business achieve its objectives by creating an open and collaborative culture, whilst allowing for constructive challenge. The Non-Executive Directors meet regularly with members of the Manager outside of Board meetings to discuss various key issues relating to Company matters.

The Company's success is based upon the effective implementation of its strategy by the Manager and third-party providers under the leadership of the Board. The Board's culture provides a forum for constructive and robust debate, and the Board believes that this has been fundamental to the success of the Company to date.

Sustainability

Managing sustainability is core to our business. The CSR Committee of the Manager regularly reports to and engages with the Board on its sustainability activities. The CSR Committee has ultimate responsibility for all ESG related policies of the Manager and recommends them to the Operations Committee, who include these as as part of their full review of all policies. For full details of all policies please refer to the Manager's website. During the year, the Board continued to embed the Sustainability Strategy and made good progress towards the Company's 2023 sustainability targets. The Company received a GRESB score of 81/100 which represents an increase of 9 points since 2020 and achieved four Green Stars out of five for our standing portfolio. In addition, the Company was also awarded the GRESB 2021 Leader for Development in the European and Global Industrial Listed Sectors, achieving the highest score for the industrial sector with a score of 97/100 and the maximum five Green Stars. Further to the issuance of the Company's Green Bond in 2020, the Green Finance Committee has fully allocated all proceeds from the Bond to eligible Green initiatives.

▶ For further information on our sustainability strategy please refer to pages 32 to 41.

The Company has made a commitment to achieve net zero carbon for its direct activities by 2030 and for its total Scope 3 emissions by 2050.

▶ For further information on how the Company reports against TCFD please see page 39.

The Board ESG champion meets regularly with the Manager's ESG Director to discuss progress on the Sustainability Strategy and have deep dives into key sustainability issues relevant to the Board. This year, key matters discussed included:

- climate change risk and how the Company will report against the TCFD recommendations; and
- carbon Reporting.

To demonstrate its own commitment to sustainability, the Manager procures renewable energy and sends zero waste to landfill. It also achieved ISO 14001 accreditation in late 2020.

▶ Please see pages 32 to 41 for the Sustainability report.

Relations with Shareholders and other stakeholders

Maintaining strong relationships with the Company's Shareholders and other stakeholders and an understanding of their priorities and concerns is a key objective of the Board. The Chairman and the Senior Independent Director ("SID"), alongside the CEO Fund Management, Chief Financial Officer and Head of Investor Relations of the Manager are the Company's principal spokespersons who regularly communicate with the Company's Shareholders, the press, analysts, investors and other stakeholders. All Directors are available to speak to Shareholders on any matters relating to the Company.

During the year, the Manager, together with the Company's Brokers, devoted time to meeting with existing Shareholders and prospective new investors virtually from the UK, Continental Europe, South East Asia, the USA and South Africa. The Chairman and SID held a governance road show in Q4 2021 with key Shareholders of the Company. The key theme to emerge from the meetings was the Group's ESG performance over the period. The Manager also held an investor seminar in January 2022 which provided stakeholders with a market update, information on the Company's strategy and the development pipeline.

▸ Further details of the Company's engagement with our other key stakeholders can be found on pages 22 to 25 and 78.

Site visits

There is continued demand from Shareholders and prospective investors to visit our assets and development sites. In December 2021, the Manager undertook a number of site visits with analysts to Biggleswade and Kettering and the Manager alongside the Investor Relations team plan to host a programme of site visits in 2022.

Annual General Meeting ("AGM")

The Company's general meetings provide the Board and the Manager with a valuable opportunity to engage with its shareholders on governance and strategy. All the Directors usually attend the AGM and make themselves available to answer Shareholders' questions. The Chairman also makes himself available outside of these meetings to speak to Shareholders.

The SID is available for Shareholders to contact if other channels of communication with the Company are not available or are inappropriate. Various Directors also regularly attend the biannual financial results presentations.

We encourage Shareholders to attend and vote at the AGM and take the opportunity to engage with the Board and the Manager. Due to the ongoing Covid-19 pandemic restrictions in May 2021, Shareholders were unable to attend in person. We plan to hold our May 2022 AGM in person, at Taylor Wessing's office as in previous years.

The Chairman and the SID as well as other Directors can be contacted by emailing the Company Secretary on cosec@tritaxbigbox.co.uk, who will pass the communication directly to the relevant person, or by post at the Company's registered office.

Public communications

The Company ensures that any price sensitive information is released to all Shareholders at the same time and in accordance with regulatory requirements. All Company announcements which are released through the London Stock Exchange's Regulatory News Service ("RNS") are also made available on the Company's website. The website also holds the quarterly fact sheets, share price and dividend information, investor presentations, the Key Information Document required by PRIIPS regulations and the Annual and Interim Reports which are available for download. The Company's Annual and Interim Reports are dispatched to Shareholders upon request.

Key decisions of the Board

Our stakeholders

- The Manager and its employees
- Our shareholders
- Our suppliers
- Our customers
- Our lenders
- Government, regulators and local councils
- Our communities

Equity raise

Stakeholder

How were stakeholders' views taken into account?

The placing in September 2021 was underpinned by active discussions with occupiers across approximately 7.0 million sq ft of consented land and lettings during the year to Ikea at Littlebrook and HarperCollins at Glasgow, totalling 1.0 million sq ft. The placing provided a strong underpin to the 1.3 million sq ft of speculative development in progress or planned to commence in Q4 2021.

Impact – what actions were taken as a result of this engagement/taking concerns into account?

As a result, the Board approved the decision to conduct the placing in September 2021, successfully raising £300 million at a premium to IFRS NAV through issuing new shares, which allowed the Company to take advantage of its attractive development pipeline. The raise allowed institutional and retail investors to participate through an accelerated book build.

▸ Further details can be found on pages 42 to 52

Long-term effects of the decision?

The equity raise supported the continued growth of the Company and delivery of its development strategy. The raise was three times oversubscribed and demonstrated our ability to fund our attractive development pipeline. A further 147,058,823 shares were issued in relation to the equity raise.

Net zero carbon development pilot

Stakeholder

How were stakeholders' views taken into account?

As part of the Company's sustainability strategy and its commitment to net zero carbon by 2050, TSL commissioned an Independent Carbon Assessor to conduct carbon modelling with a view to understanding what measures it could take to mitigate carbon emissions in construction. In addition to this, TSL were also mindful of the views expressed by Shareholders, the recent carbon targets and feedback from tenants who are looking for more sustainable assets.

Impact – what actions were taken as a result of this engagement/taking concerns into account?

Since June 2020, all base build units within the Tritax Symmetry development portfolio will be built as "Net Zero Carbon in Construction". DPD, Bicester was the first net zero carbon construction for TSL and provided an opportunity to pilot this initiative.

▸ Further details can be found on page 34

Long-term effects of the decision?

The pilot scheme at DPD, Bicester helped identify ways to reduce embodied carbon from construction and achieved a 8% reduction against its baseline of 6,614 tonnes of carbon. It provided a model for future initiatives and helped identify opportunities for improvement. Engagement with our building contractors showed that earlier involvement in suggesting carbon saving measures and measure assumptions all helped to improve carbon offsetting and these lessons learned would be taken into the next construction initiative. A long-term aim of the initiative is to create a more sustainable asset and operational environment not only for our tenants, but also for the communities who live and work near our assets.

The Mothership (Atlantic Row)

Stakeholder

How were stakeholders' views taken into account?

One of the Company's strategic goals is to operate a sustainable business, promote socially responsible values and support the wider community. The Board recognises the importance of supporting valuable charitable causes, especially during the pandemic.

Impact – what actions were taken as a result of this engagement/taking concerns into account?

The Board resolved to support "The Mothership", a crew of four female rowers including the Manager's IR Director, Jo Blackshaw to race 3,000 miles across the Atlantic in the Talisker Whisky Atlantic Challenge. The donation enabled the team to take part in the challenge by acting as the lead sponsor. This in turn resulted in the team raising over £69k for worthwhile charities, including Felix Fund, Women in Sport and Noah's Ark Children's Hospice. The endeavour demonstrated the ability to be self-sufficient and resilient by taking on the utmost challenge, in turn helping to inspire and empower women and children to pursue their goals, whilst promoting gender equality.

Long-term effects of the decision?

In addition to the above benefits, this sponsorship helped to secure media coverage across the national, broadcast and sector press, further raising the profile of the Company. It also highlighted its continuing support of the Manager's employees and the community in which it operates.

▸ For further information on the challenge please refer to https://www.tritaxbigbox.co.uk/news-insights/news-and-insights/tritax-director-raises-59k-during-extreme-3-000-mile-row-across-the-atlantic/

Division of Responsibilities

The Board and its Committees

The Board currently consists of six Non-Executive Directors, all independent of the Manager. We believe that the Board is well balanced and possesses a sufficient breadth of skills, variety of backgrounds, relevant experience and knowledge to ensure it functions effectively and promotes the long-term sustainable success of the Company, whilst generating shareholder value and keeping in mind wider stakeholder interests. In light of Sir Richard Jewson's retirement in May 2021, the Nomination Committee identified the need to recruit a new Non-Executive Director to further strengthen the existing Board.

▶ Further details can be found on page 83.

Directors' biographies are set out on pages 68 and 69. In accordance with the requirements of the AIC Code, all of the Directors will stand for re-election at the Company's AGM on 4 May 2022.

We have not established a Remuneration Committee as the Board has no Executive Directors and the Company has no other employees. The Board as a whole is responsible for reviewing the scale and structure of the Directors' remuneration. Details of the Directors' remuneration for the year ended 31 December 2021 are included in the Directors' Remuneration Report on pages 95 to 97.

Conflicts of interest

Each Director has a duty to avoid a situation in which he or she has a direct or indirect interest that may conflict with the interests of the Company. The Board may authorise any potential conflicts, where appropriate, in accordance with the Articles of Association. Where a potential conflict of interest arises, a Director will declare their interest at the relevant Board meeting and not participate in the decision making in respect of the relevant business.

Board meetings

During 2021 we held seven scheduled Board meetings, plus six further ad hoc meetings which dealt with transactional and other specific events such as the equity raise and asset purchase. During the Covid-19 pandemic all meetings were held virtually. Although this format has proved efficient and in many ways convenient, the Board looks forward to spending more time together in person.

The Board meetings follow a formal agenda, which is approved by the Chairman and circulated by the Company Secretary in advance of the meeting to all Directors and other attendees. At each Board meeting, every agenda item is considered against the Company's strategy, its Investment Objectives, its Investment Policy, s172 and all Directors' duties.

The Board is kept fully informed of potential investment opportunities, along with wider property market intelligence, through a comprehensive set of Board papers prepared by the Manager prior to each meeting. Included within this pack are the investment reports prepared by the Manager's Investment Committee for each acquisition and asset management opportunity. Representatives of the Manager are invited to attend the Board meetings as are representatives of the Company's other advisers as required, particularly representatives from Jefferies, JP Morgan Chase & Co, Akur Capital and Taylor Wessing LLP.

Outside the Board meetings, the Manager shares recommendations around investment opportunities and keeps the Directors fully informed on the progress of transactions. The Board also has full access to the Management team and the Company Secretarial team at all times to discuss any specific matters outside of formal meetings.

Board reporting

In July 2021, the Secretariat held a workshop with Board Intelligence to review the Board and Committee packs with the primary aim of benchmarking the packs against the Company's peers and providing recommendations on how Board papers could be further improved to align to Board Intelligence's best in class reporting template. Following the initial feedback session, Board Intelligence met with the Chairman to understand any aims or concerns faced with the Board pack and to discuss initial findings. Board Intelligence then proceeded to schedule one-to-one calls with several of the paper authors, including the CEO Fund Management, Investment Director, Chief Operating Officer, Head of Asset Management, Chief Financial Officer and ESG Director to discuss how the structure of each report could be improved to align with best practice. Since then, clearer and more concise reports have been implemented across the business which has helped to further refine and focus Board reporting.

The Chairman and the Senior Independent Director

Our Independent Chairman, Aubrey Adams, has no relationships that could create a conflict of interest between his interest and those of Shareholders or the Manager.

As we are subject to the AIC Code, there is no requirement for a limitation on the length of tenure of the Chairman. However, we recognise that there is a significant body of opinion that tenure should be limited to nine years and take this into account in our succession planning.

The Chairman's other significant commitments include Chairmanship of L&Q Housing Trust and Board of Trustees of Wigmore Hall. For the Chairman's full biography please refer to page 68 and 69 and the Company website. The Board believes he dedicates sufficient time to his Chairmanship of the Company. The Board has adopted a Policy on Tenure and Re-election; for more information please refer to page 84.

As Chairman, he sets the agenda for Board meetings with assistance from the Company Secretary, manages the meeting timetable and facilitates open and constructive dialogue during the meetings.

The SID, Alastair Hughes, and the other Directors met during the year, without the Chairman, to appraise his performance. The outcome of this meeting is detailed on page 85.

Division of Responsibilities continued

The Board

The Board is responsible for promoting the long-term sustainable success of the Company, working towards strategic objectives and generating value for Shareholders and other stakeholders.

▶ To read more see pages 68 and 69

Chairman

Role and responsibilities

- Responsible for the leadership and effectiveness of the Board and for setting the Board agenda.
- Ensuring effective communication so that the Board is aware of the views of Shareholders and other stakeholders, and demonstrates objective judgement.
- Promoting a culture of openness and debate.

The Manager

Day-to-day running of the Company including: making the final decision, in consultation with the Board, in respect of investments and divestments, financial management, asset management and investor relations. Colin Godfrey, as CEO-Fund Management, James Dunlop as CEO Investments and Henry Franklin, as COO of the Manager, oversee the Manager's relationship with the Company.

▶ To read more see pages 42 to 52

The Manager

Role and responsibilities

- Making the final decisions in respect of investments and divestments.
- Financial management.
- Asset Management.
- Investor Relations.

▶ To read more see pages 42 to 52

Board Committees

The Board has delegated some of its responsibilities to its three formal Committees: the Nomination, Audit & Risk and Management Engagement Committees. The Board has also established a Disclosure Committee which meets as and when required. The Company ensures that all of the Board Committees have sufficient resources and skills to carry out their obligations.

These Committees are each chaired by a different Non-Executive Director and have their own Terms of Reference which can be found on the Company's website (or copies are available on request from the Company Secretary).

The Terms of Reference are reviewed as necessary by the Board as a whole. The Company Secretary acts as secretary to these Committees and each Committee Chair reports the outcome of the meetings to the Board.

▶ To read more see pages 83 to 94

Audit and Risk Committee

- Reviewing the integrity of the Group's financial statements and any significant financial reporting judgements.
- Reviewing and monitoring the relationship with the Auditor.
- Reviewing the internal controls of the Administrator (Link).
- Overseeing the Company's risk management process.
- Advising the Board on whether the Annual Report and Accounts provide a fair, balanced and understandable view of the Company's performance, position and strategy.
- Considering and reviewing the Company's Viability and Going Concern Statements.

▶ To read more see pages 88 to 91

Manager Committees

The Company's Investment manager has delegated some of its responsibility to five Committees: the Investment, Operations, Executive, Risk and CSR Committees. The CSR Committee has also established a Sub-Committee, the Green Finance Committee.

Investment Committee

- Chaired by Bjorn Hobart (Investment Director) and attended by various members of the Manager.
- Reviewing and recommending investments and divestments.
- Reviewing, approving and monitoring activities within the development portfolio.

Executive Committee

- Chaired by Colin Godfrey (CEO - Fund Management), comprising various partners of the Manager.
- Oversight of the Group as a whole and is responsible for reviewing the corporate and capital strategy and activity of the Company and making recommendations up to the Board as necessary.

Operations Committee

- Chaired by Henry Franklin, Chief Operating Officer of the Manager.
- Oversight of the internal controls of Tritax Management LLP and statutory audit process.
- Approval of all Tritax Management LLP policies and procedures.

Senior Independent Director

Role and responsibilities

- Acting as a sounding board for the Chairman and a trusted intermediary for other Directors. Available to discuss with Shareholders any concerns that cannot be resolved through the normal channels of communication with the Chairman.
- Leading the other Directors in evaluating the performance of the Chairman.

Company Secretariat and Compliance

- Overseeing the Company's governance structure and managing the Company's regulatory compliance.
- Administering the Group's subsidiaries.

Nomination Committee

- Reviewing the Board composition and assessing whether the balance of skills, experience, knowledge, diversity and independence is appropriate to enable the Board to operate effectively.
- Managing succession planning and ensuring that the Directors receive necessary training, including ESG/CSR topics.
- Board and Committee evaluations.

▶ To read more see pages 83 to 85

Disclosure Committee

- Identifying inside information and maintaining disclosure registers in the form of insider lists.
- Determining whether delayed disclosure is appropriate on a case-by-case basis and liaising with the FCA as necessary.
- Supervising and overseeing the preparation of disclosures to the market.
- Chaired by Aubrey Adams and comprises various members of the Manager.

Management Engagement Committee

- Reviewing the Company's main suppliers including the Manager, the Joint Financial Advisers, the Valuers and the Registrar to ensure that the Company is receiving a high level of performance along with value for money.
- Overseeing re-tenders and new appointments.

▶ To read more see pages 92 to 94

CSR Committee

- Co-Chaired by Henry Franklin and Petrina Austin, comprising various members of the Manager.
- Responsible for oversight of CSR and sustainability matters.
- Reviewing and making recommendations to the Manager and the Company's Board, regarding progress on integrating environmental, social and governance ("ESG") factors into business strategy and decision making.
- Providing oversight of the Manager's policies in terms of performance, communication and engagement on CSR and sustainability matters, to ensure the Manager and the Company are effective in meeting their social and regulatory requirements and achieving their objective of being socially responsible corporate entities.

Risk Committee

- Chaired by Henry Franklin, comprising the Chief Financial Officer and Head of Risk & Compliance of the Manager.
- Responsible for identifying, recording and measuring risks to the Manager and implementing controls to mitigate such risks.
- Oversight of the risk assessments made by the Company as well as other real estate funds to amplify the focus on risk and to ensure the Company is alerted to any new risks identified by the Manager.

Green Finance Committee (Sub-Committee of CSR Committee)

- Chaired by the Manager's CFO and comprised of members of the Manager's asset management team.
- Review the Green Portfolio of the Company to confirm that the assets and projects included in the Green Portfolio meet the criteria set out in the Framework.
- Review the Framework to reflect any changes with regards to the Company's sustainability strategy and market standards.
- Approve the Annual Green Finance Report ahead of circulation to investors.
- Monitor evolution of the capital markets in terms of disclosure and reporting in order to be in line with market best practices.

Division of Responsibilities continued

Attendance at Board and Committee meetings during the year ended 31 December 2021

All Directors are expected to devote sufficient time to the Company's affairs to fulfil their duties as Directors and to attend all scheduled meetings of the Board and of the Committees on which they serve. Where Directors are unable to attend a meeting, they will provide their comments on the Board papers received in advance of the meeting to the Chairman, who will share such input with the rest of the Board and the Manager. The Nomination Committee is satisfied that all the Directors, including the Chairman, have sufficient time to meet their commitments.

The table below sets out the Board and Committee attendance at scheduled meetings during the year. During this period the absences shown were as a result of changes to the Board membership or pre-planned commitments.

	Sir Richard Jewson[1]	Aubrey Adams	Alastair Hughes	Karen Whitworth	Richard Laing	Susanne Given[2]	Wu Gang[3]	Elizabeth Brown[4]
Board	2/2	7/7	7/7	7/7	7/7	5/5	1/1	N/A
Audit and Risk Committee	3/3	N/A	7/7	7/7	7/7	5/5	1/1	N/A
Management Engagement Committee	1/1	1/1	1/1	1/1	1/1	1/1	N/A	N/A
Nomination Committee	N/A	2/2	2/2	2/2	N/A	N/A	N/A	N/A
Strategy meetings	1/1	1/1	1/1	1/1	1/1	1/1	N/A	N/A

1 Sir Richard Jewson retired from the Board effective 5 May 2021.

2 Susanne Given resigned from the Board effective 13 September 2021.

3 Wu Gang was appointed to the Board effective 1 October 2021.

4 Elizabeth Brown was appointed to the Board effective 15 December 2021.

Nomination Committee Report

"We are pleased to confirm that we have achieved the Hampton Alexander and Parker reports' targets."

Aubrey Adams OBE, FCA, FRICS
Chairman

Membership

Aubrey Adams, Chair

Alastair Hughes

Karen Whitworth

▶ For full details on Committee attendance please refer to page 82

Key areas of focus in 2021

- The size, structure and composition of the Board;
- NED Recruitment;
- Board and Committee evaluation; and
- The proposal for re-election of the Directors at the AGM which we plan to hold on 4 May 2022.

Dear Shareholders,

I am pleased to present the Nomination Committee Report for the year ended 31 December 2021. The Nomination Committee's focus in 2021 was on continuing to implement the Board's succession planning programme and we were delighted to welcome Wu Gang and Elizabeth Brown to the Board in October and December 2021 respectively.

The Committee's role is to review the size, structure and composition of the Board, including succession planning, and to ensure that it has the right mix of skills, experience and knowledge to enable the Company to fulfil its strategic objectives. The Committee is also responsible for making recommendations for new appointments to the Board and for reviewing the performance and terms of engagement for the existing Directors. The Committee operates within defined Terms of Reference which are available on the Company's website or from the Company Secretary.

Board changes

We met for two scheduled and four ad hoc meetings during 2021. As part of the Board's succession planning programme, I succeeded Richard Jewson as Chairman following the May 2021 AGM. The Board also appointed Alastair Hughes as the new SID. In September 2021, Susanne Given resigned from the Board following five years of service to focus on her other commitments. In light of the changes to the Board during the period, the Nomination Committee reviewed the structure, skills and experience of the Board and identified the need to appoint two new Non-Executive Directors with capabilities in economics & capital markets as well as strategy and ESG.

NED recruitment process

The Committee met with several NED recruitment agencies and following a thorough interview process, decided to appoint Odgers Berndtson ("Odgers") to assist with the NED recruitment process in May 2021. The Committee agreed a role specification, which included the skills and experience necessary for the proposed recruitment. As part of this, Odgers identified a long list of external candidates and arranged a series of interviews with the Board as as well as the CEO, Fund Management. Following the recommendation of the Committee, the Board appointed Wu Gang in October 2021. Wu Gang is a member of the Audit & Risk and Management Engagement Committees. Wu Gang brings strong strategic and financial advisory experience to the Board gained from a career of over 25 years in investment banking. Wu Gang currently serves as Non-Executive Director of Ashurst LLP and IG Group Holdings Plc as well as a Senior Adviser at Rothschild & Co Hong Kong Limited.

Nomination Committee Report continued

NED recruitment process continued

In October 2021, following Susanne's departure from the Board, the Committee again re-evaluated the skills and experience on the Board and considered it necessary to recruit another Non-Executive Director. The Committee followed a similar recruitment process to the one for Wu Gang and following the Committee's recommendation, the Board appointed Elizabeth Brown to the Board in December 2021. Elizabeth is a member of the Audit & Risk and Management Engagement Committees. Elizabeth brings strong strategy and business development experience and currently serves as the Group Strategy Director for Diageo plc, having responsibility for overall group strategy and M&A.

Wu Gang and Elizabeth will hold office until the Company's AGM which we plan to hold on 4 May 2022, when they will stand for election by Shareholders as Non-Executive Directors of the Company.

Odgers have no connection with the Company or individual Directors, apart from the provision of Non-Executive recruitment services.

During the year, we also reviewed the composition of the Board's Committees and recommended a refresh of members in order to best utilise the existing skills and experience. As a result, the membership of each Committee is as follows:

Committee	Membership
Audit and Risk Committee	Richard Laing (Chair), Karen Whitworth, Wu Gang, Elizabeth Brown
Management Engagement Committee	Karen Whitworth (Chair), Aubrey Adams, Richard Laing, Alastair Hughes, Wu Gang, Elizabeth Brown
Nomination Committee	Aubrey Adams (Chair), Alastair Hughes, Karen Whitworth

Policy on tenure and succession planning

The Board has implemented a policy on Tenure and Re-election, and in accordance with the provisions of the AIC Code, all the Directors will offer themselves for re-election at each AGM. We considered the ongoing independence of each of the Directors, their respective skills, experience and time commitment, as well as any other external appointments held by the Directors. We believe that each Director has contributed a significant amount over a particularly challenging year, following the ongoing Covid-19 pandemic. Following the advice of the Committee and in line with the AIC Code, the Board will recommend the re-election of each Director and the election of Wu Gang and Elizabeth Brown at the forthcoming AGM.

Directors were previously appointed for an initial period of two years. During the year, the Committee conducted a review of the appointment term and concluded that new appointments and renewals should reflect a three-year initial term with each Director's performance evaluated at least annually during the Board & Committee and individual Director evaluation. In accordance with the principles of the AIC Code, we do not consider it necessary to mandatorily replace a Director after a predetermined period of tenure. We are, however, mindful of the circumstances of each Director and implement succession planning accordingly.

Board diversity and inclusion

The Company does not have any employees. In respect of appointments to the Board, we consider that each candidate should be appointed on merit to make sure that the best candidate for the role is appointed every time. We commit to diversity and inclusion with respect to all protected characteristics, including gender, at Board level and encourage candidates from all education backgrounds and all walks of life. No candidate will face discrimination due to their race, ethnicity, country of origin, nationality, cultural background, gender or any other protected characteristic in the board nomination process. What is important to us is professional achievement and the ability to be a successful Director based on the individual's skill set and experience.

Qualifications are considered when necessary to ensure compliance with regulation such as in relation to appointments to the Audit and Risk Committee. We regularly review the Company's Diversity and Inclusion Policy and believe that the Board has a balance of skills, qualifications and experience which are relevant to the Company. The Board supports the recommendations set out in the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic diversity and recognise the value and importance of cognitive diversity in the boardroom. As at the date of this report the Board consisted of four male and two female members who have both been appointed in the last four years, meaning we have achieved the 33% female Board representation target as set out by the Hampton-Alexander initiative. In addition, the Board has now also met the recommendations set out in the Parker Review following the recent Non-Executive Director appointments.

Director training programme

We recognise that it is essential to keep abreast of regulatory and compliance changes including CSR and ESG related issues. Accordingly, a bespoke training programme is agreed and arranged periodically. Annually, the Board receive regular training on corporate governance developments, financial regulatory changes, and on relevant issues including ESG/CSR topics.

The Board received formal training sessions and updates from some of the Company's external service providers including a session on economics and capital markets provided by Panmure Gordon and carbon reporting and TCFD reporting training provided by the Manager's ESG Director and Hillbreak. The Company's Insurance Broker, Lockton Companies LLP also provided cyber risk training. The 2021 Board evaluation confirmed that the training programme is well structured and the Company Secretary would work on creating a formal training plan for 2022.

In addition to the bespoke training programme, each Director is expected to maintain their individual professional skills and is responsible for identifying any training needs to help them ensure that they maintain the requisite knowledge to be able to consider and understand the Company's responsibilities, business and strategy. All Directors have access to the advice and services of the Company Secretary.

The Directors are also entitled to take independent advice at the Company's reasonable expense at any time.

Board performance and evaluation

In 2021, the Board engaged Lintstock to undertake the Board & Committee evaluation. Lintstock has no connection with the Company apart from conducting the Board evaluation. The previous Board evaluations provided a benchmark for the 2021 evaluation and enabled Lintstock to understand the Board, the relationships between the Directors and between the Board and the Manager, the Company Secretary and other key stakeholders to the Company as well as the Company's Shareholders.

The 2021 Board evaluation took the form of comprehensive questionnaires which were sent to each of the Directors and three key representatives of the Manager. It contained a section designed specifically as an appraisal of the Chairman. In light of the changes to the Board in 2021, the Board plans to instruct Lintstock to conduct a fuller evaluation in 2022 to include interviews with the full Board and key representatives of the Manager.

The Board were asked to consider: Board composition and dynamics; stakeholder engagement; management and focus of meetings; Board dynamics; Board support; Board Committees; strategic oversight; risk management and internal control; priorities for change as well as some specific questions relating to Covid-19, Tritax Symmetry and abrdn. The outcome of the 2021 Board evaluation was very positive, displaying a strong working relationship between the Board members and the Manager, which is reflected in the effective challenge by the Board and a constructive atmosphere in Board meetings.

The Board notes the ICSA principles of good practice for listed companies using external board reviewers in January 2021, and confirms compliance with all principles.

The Board met in December 2021 to discuss Lintstock's 2021 Board Evaluation Report and the following top three priorities for 2022 were identified:

- **Settling in the new Non-Executive Directors:** The Board would spend time settling in the new Chairman and the new Non-Executive Directors to the Board.
- **Strategy:** The Board agreed to spend more time addressing the Company's strategy as well as defining the Company's long-term strategy.
- **Development Pipeline:** The Board agreed to increase focus on the development portfolio to ensure that the Board remained abreast with the key deliverables.

Other priorities included:

- Finalising the review of the Investment Management Agreement between the Company and the Manager.
- Increasing the Board's focus on longer-term trends and macro-economic factors affecting the Company.
- Understanding the key milestones to achieving progress from an ESG perspective and continuing to implement the reporting requirements of the TCFD disclosure.

Led by Alastair Hughes, the Senior Independent Director, the Directors met without me present to appraise my performance as Chairman. The review was very positive and the other Directors described the transition of Chairmanship as seamless. The Directors noted that although my Chairmanship was relatively new I had handled the closing of the equity raise well and believed that I would Chair the Board effectively over the coming years.

Director induction

The Company Secretary conducts a comprehensive induction process for all new Board members which aims to provide a broad introduction to the Group. Each new appointment receives a tailored programme comprising one-to-one meetings with current Board directors, representatives of the Manager, the Company's key advisers and BDO LLP, the Company's Auditor. This is supported by a comprehensive library of corporate documentation, board packs and key financial and operational information. All new Non-Executive Directors are also invited on a site visit of one of the Company's assets.

Committee evaluation

The overall performance of the Nomination Committee was rated highly, particularly its performance in reviewing the composition of the Board and successfully recruiting two new Non-Executive Directors during the year.

Priorities for 2022

2022 will see the Nomination Committee continue to focus on embedding the new Chairman and Non-Executive Directors as well as continuing to focus on wider succession planning of the Board.

Aubrey Adams OBE, FCA, FRICS
Chair of the Nomination Committee
2 March 2022

Audit, Risk and Internal Control

The Board is responsible for delivering robust and sustainable value to its Shareholders and wider stakeholders by setting and working toward strategic objectives. In order to do so we undertake robust assessments of the risks which the Group faces and ensure controls and mitigations are in place to manage those risks. The Company's key risks are set out on pages 58 to 64 of the Strategic Report.

The Audit and Risk Committee reviewed the principal and emerging business risks of the Company on behalf of the Board, with a specific focus on inflation risk, in light of the direct and indirect consequences of matters such as Covid-19 and Brexit on the economy and supply chains, as described on page 14 and 88 to 91.

The Board and Audit and Risk Committee regularly review the financial position of the Company and perform an assessment of any risks in relation to the Company's business model, the Group's future performance, liquidity and solvency as well as any risks relating to specific or proposed investments and tenants or initiatives relating to assets. To facilitate this process, the Manager produces financial reports, which include the latest management accounts, a review and report on the Company's financial forecast, a report on proposed and existing investment and asset management initiatives, substantiation of any dividend payments and a general update on the financial health of the Company.

As the Company's AIFM, the Manager is subject to reporting and ongoing compliance under the AIFMD. As part of this regulatory process, Langham Hall UK Depositary LLP has been retained by the Company and is responsible for cash monitoring, asset verification and oversight of the Company and the Manager. Langham Hall UK Depositary LLP report quarterly to the Board and the Manager.

The Manager also employs a Head of Risk & Compliance to assist with the discharge of the Manager's obligations in accordance with the AIFMD.

Risk management and internal controls review

The Company's internal control and risk management systems and processes are designed to identify, manage and mitigate the financial, operational and compliance risks that are inherent to the Group and safeguard the Group's assets. These safeguards and systems in place are designed to manage (rather than eliminate) the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board and the Manager have, together, reviewed all financial performance and results notifications. Non-financial internal controls include the systems of operational and compliance controls maintained by the Company's administrator, Link Asset Services (the "Administrator"), and by the Manager in relation to the Company's business, as well as the management of key risks referred to in the Strategic Report on pages 58 to 64.

The Board has contractually delegated responsibility for administrative and accounting services to the Administrator and for company secretarial services to the Manager. These entities have their own internal control systems relating to these matters, which we have reviewed as part of the Company's Financial Position and Prospects Procedures document, which was reviewed, updated and approved in December 2021.

The Company has engaged Grant Thornton to provide internal audit services. During the year, Grant Thornton undertook an internal controls review on specific operations.

▶ For further details on the review please see page 90.

The Company is managed externally by the Manager. All payments of Company funds are authorised by the Manager in accordance with the duties delegated to it pursuant to the terms of the Investment Management Agreement ("IMA") and in accordance with the provisions of the AIFMD. The Manager instructs the Administrator to make the duly authorised payment and Langham Hall UK Depositary LLP, as part of its role as Depositary, reviews each material payment in relation to the specific test areas as mentioned in the report overleaf. The Audit and Risk Committee considers that the internal controls in place and the function undertaken by Langham Hall UK Depositary LLP, alongside the external audit provides the appropriate rigour and assurance over the managing of Company funds. In addition to this, the Administrator has its own internal audit performed on an annual basis by BDO, from which the Company reviews any findings. The 2020 audit did not raise any significant findings and whilst the 2021 audit is in the process of being finalised, no significant findings have been raised to date.

Internal control and risk assessment process

In accordance with the AIC Code, the Board has established a continuing process for identifying, evaluating and managing the risks the Company faces and has reviewed the effectiveness of the internal control systems.

This includes reviewing reports from the Auditor (details of which are included in the Audit and Risk Committee Report), regular reports from the Company Secretary (outlining corporate activity within the Group and outlining the Company's compliance with the AIC Code) and proposed future initiatives relating to the Company's governance and compliance framework. The Audit and Risk Committee also receives quarterly compliance reports prepared by Langham Hall UK Depositary LLP and review the formal risk assessment conducted by the Audit and Risk Committee and the Manager twice a year.

Furthermore, we actively consider investment opportunities, asset management initiatives, debt and equity fundraisings and other financial matters against the requirements of the Company's Investment Objectives and Investment Policy.

The Audit and Risk Committee also conducts a robust assessment of the emerging and principal risks to the business model, future performance, solvency and liquidity of the Company at least twice a year and reports its findings to the Board. The Manager is asked to analyse and report on the risks which the Company may encounter on specific transactions including, for example, an adverse decision regarding the development of an asset at the planning stages or a sudden change in market conditions before the launch of an equity raise or debt issue. We then consider each risk in turn, probing the Manager's assumptions and analysing whether the risk factors attributed to each individual risk are fair and accurate, and the effect of any mitigating factors.

We also consider this as part of our biannual risk review and at each strategy meeting, and challenge the Manager to actively review the risks it includes. Please see pages 58 to 64 for more details on emerging and principal risks.

The Manager maintains a risk register, where perceived risks and associated mitigations are recorded and this is shared with the Board for approval.

The Manager also reports to the Board twice a year on the Company's longer-term viability which includes financial sensitivities and stress testing of the business to ensure that the adoption of the going concern basis and longer-term viability are appropriate.

Anti-bribery and corruption

The Board has a zero tolerance policy towards bribery and corruption and is committed to carrying out business fairly, honestly and openly.

In considering the Bribery Act 2010, at the date of this report, the Board had assessed the perceived risks to the Company arising from bribery and corruption and identified aspects of the business, which may be improved to mitigate such risks. The Manager actively reviews and monitors perceived risks. Responsibility for anti-bribery and corruption has been assigned to the Head of Risk and Compliance within the Manager. The Head of Risk and Compliance reports to the Committee biannually on any compliance matters.

All employees of the Manager are required to undertake certain e-training on anti-bribery and other topics such as conflicts of interests and anti-money laundering which is provided through Thistle.

Modern slavery and human trafficking policy

The Group is committed to maintaining the highest standards of ethical behaviour and expects the same of its business partners. Slavery and human trafficking are entirely incompatible with the Group's business ethics. We recognise that the real estate and construction sectors rank highly for modern slavery risks. We believe that every effort should be made to eliminate slavery and human trafficking in the Group's supply chain. We seek to mitigate the Group's exposure by engaging with reputable professional service firms based in the United Kingdom, who adhere to the Modern Slavery Act 2015. We also regularly request formal governance information from the Group's suppliers, to enable ongoing monitoring of business and supply chain risk and conduct due diligence and risk assessment on potential new suppliers. We will continue to monitor and collaborate with the Group's suppliers, customers and developers, to ensure that they have systems and controls that reduce the risk of facilitating modern slavery and human trafficking.

Depositary statement

Established in 2013, Langham Hall UK Depositary LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depositary. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity represents net assets of US$100 billion and we deploy our services to over 100 alternative investment funds across various jurisdictions worldwide. Our role as depositary primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive (AIFMD).

Our cash monitoring activity provides oversight of all the Company held bank accounts with specific testing of bank transactions triggered by share issues, property income distributions via dividend payments, acquisitions and third party financing. We review whether cash transactions are appropriately authorised and timely. The objective of our asset verification process is to perform a review of the legal title of all properties held by the Company, and shareholding of special purpose vehicles beneath the Company.

We test whether on an ongoing basis the Company is being operated by the Manager in line with the Company's prospectus, and the internal control environment of the Manager. This includes a review of the Company's and its subsidiaries' decision papers and minutes.

We work with the Manager in discharging our duties, holding formal meetings with senior staff on a quarterly basis and submit quarterly reports to the Manager and the Company, which are then presented to the Board of Directors, setting out our work performed and the corresponding findings for the period.

In the year ended 31 December 2021, our work included the review of one ordinary and two management share issues, one investment property acquisition and four property income distributions. Based on the work performed during this period, we confirm that no issues came to our attention to indicate that controls are not operating appropriately.

Joe Hime
Head of UK
For and on behalf of Langham Hall UK Depositary LLP,
London, UK

Langham Hall UK Depositary LLP is a limited liability partnership registered in England and Wales

(with registered number OC388007).

Audit and Risk Committee Report

"We are pleased to have complied with the Task Force on Climate-Related Financial Disclosures requirements in 2021."

Richard Laing FCA
Chair of the Audit and Risk Committee

Membership

Richard Laing, Chair

Karen Whitworth

Wu Gang

Elizabeth Brown

▶ For full details on Committee attendance please refer to page 82

Key areas of focus in 2021

- Recommended to the Board that the Annual Report and Accounts for 2021, taken as whole, is fair, balanced and understandable and that it provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- Reviewed the Interim results for 2021 and recommended these to the Board for approval;
- Monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewed any significant financial reporting judgements contained in them;
- Monitored the effectiveness of the Group's assessment of risk to ensure actions are being taken to mitigate the Group's exposure to risk;
- Reviewed the robustness of the Company's internal financial controls and the efficiency of the internal control and risk management systems used by the Company;
- Assessed the quality of the annual and interim property valuations prepared by the Company's independent valuers and challenged the assumptions used by the Valuers in preparing the valuation;
- Reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
- Reviewed and monitored the Company's relationship with its Auditor;
- Reviewed the accounting and reporting implications of changes in standards or best practice;
- Evaluated the Company's key climate-related risks in preparation for TCFD reporting; and
- Monitored the impact of Covid-19 on the performance of the Company and its stakeholders.

Dear Shareholders,

I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2021. The Audit and Risk Committee's role is to oversee the Company's financial reporting process, including the risk management and internal financial controls in place within the Manager, the valuation of the property portfolio, the Group's compliance with accepted accounting standards and other regulatory requirements as well as the activities of the Auditor. We were pleased to welcome Wu Gang and Elizabeth Brown to the Committee during the period and believe they will both be valuable additions to the Board.

We operate within defined Terms of Reference, which are available on the Company's website and on request from the Company Secretary. All Audit and Risk Committee members are independent Non-Executive Directors of the Company, not connected to the Manager nor the Auditor. The Committee believes that its members have the right balance of skills and experience to be able to function effectively. The Committee considers Karen Whitworth and myself to be industry experts given our financial backgrounds with Wu Gang bringing a wealth of financial expertise from his career in investment banking. As such we consider 75% of the Committee to have significant financial experience.

Further details of each Director's experience can be found in the biographies on pages 68 to 69. We met for seven scheduled and one ad hoc meeting during 2021, following the Company's corporate calendar, which ensures that the meetings are aligned to the Company's financial reporting timetable. The Company Secretary and I ensure that the meetings are of sufficient length to allow the Committee to consider all important matters and the Committee is satisfied that it receives full information in a timely manner to allow it to fulfil its obligations. These meetings are attended by the Committee members, as well as representatives of the Manager, the Company Secretary and where necessary the Auditor, BDO LLP, and, on occasion, the Company's Chairman. We also met with the Auditor without any representative of the Manager present. The Committee also met with the Company's independent valuers, CBRE and Colliers, in July 2021 and January 2022 as part of the interim and year-end audit processes. As the Committee Chair, I have had regular communications with the Company Secretary, the Company's CFO and the Auditor. In addition, the Committee has discussions throughout the year outside of the formal Committee meetings.

Audit process

1. Planning meeting

We meet with the Auditor and the Manager before the preparation of each of the Interim and Annual results, to plan and discuss the scope of the audit or review as appropriate, and challenge where necessary to ensure its rigour.

2. Scope

At these meetings the Auditor prepares a detailed audit or review plan which is discussed and questioned by us and the Manager to ensure that all areas of the business are appropriately reviewed and that the materiality thresholds are set at the appropriate level, which varies depending on the matter in question.

3. Challenge

We discuss with the Auditor its views over significant risk areas and why it considers these to be risk areas. The Committee, where appropriate, continues to challenge and seek comfort from the Auditor over those areas which drive audit quality.

4. Ongoing review

We meet with the Auditor again just prior to the conclusion of the review or audit to consider, challenge and evaluate their findings in depth.

Financial reporting and significant judgements

- Monitored the effectiveness of the Group's assessment of risk to ensure actions are being taken to mitigate the Group's exposure to risk;
- Reviewed the robustness of the Company's internal financial controls and the efficiency of the internal control and risk management systems used by the Company;
- Assessed the quality of the annual and interim property valuations prepared by the Company's independent Valuers and challenged the assumptions used by the Valuers in preparing the valuation;
- Reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
- Reviewed and monitored the Company's relationship with its Auditor;
- Reviewed the accounting and reporting implications of changes in standards or best practice;
- Evaluated the Company's key climate-related risks in preparation for TCFD reporting; and
- Monitored the impact of Covid-19 on the performance of the Company and its customers.
- Monitored the integrity of the financial information published in the Interim and Annual Reports and considered whether suitable and appropriate estimates and judgements have been made in respect of areas which could have a material impact on the financial statements. We also considered the processes undertaken by the Manager to ensure that the financial statements are fair, balanced and understandable.

A variety of financial information and reports were prepared by the Manager and provided to the Board and to the Committee over the course of the year. These included budgets, periodic re-forecasting following acquisitions or corporate activity, papers to support raising of additional finance, general compliance and following Covid-19 a regular update on rent collection and the financial impact thereof on the Company.

The FRC conducted a procedural review of the Company's 30 June 2021 interim accounts, and the Committee is pleased to report that there were no immediate questions to raise with the Company. The Committee and the Manager have addressed a small number of narrative reporting matters in the 2021 Annual Report.

Following a review of information flow, the Committee now receives a biannual report on Compliance activities and IT controls. The Committee also undertook a deep dive on cyber security controls.

We also regularly review the Company's ability to continue to pay a progressive dividend. This financial information was fully reviewed and debated both at Committee and Board level across a number of meetings.

The Manager and the Auditor update us on changes to accounting policies, legislation and best practice and areas of significant judgement by the Manager. They pay particular attention to transactions which they deem important due to size or complexity.

The Company successfully raised £300 million of equity in September 2021 which will be used to accelerate the activity within the development portfolio. The Company also provisionally allocated all the proceeds from the Green Bond issuance in Q4 2020 to eligible green initiatives. The Company reported against this for the first time in December 2021 and the full report can be found on the Company's website. In December 2021, the Company reported Moody's Investor Services improvement to the Company's outlook to Baa1 (positive) from Baa1 (stable). In addition, the Company successfully transitioned its facility agreements to the Sonia reference rate following the discontinuation of Libor at the end of 2021.

Valuation of property portfolio

We have separated the valuation appointments, such that CBRE value our investment assets and Colliers value our development assets, both on a biannual basis. The Group's portfolio value was £5.48 billion (31 December 2020: £4.41 billion), reflecting an uplift of 24.3% for the period.

Valuation of property portfolio continued

Following production of the draft valuation by the valuers, the Manager meets with the valuers to discuss and challenge various elements of the property valuation, if necessary. The Auditor, in fulfilling its function as independent Auditor to the Company, also meets with the valuers to discuss, and where necessary, challenge the assumptions within the property valuations. The Committee meets with both valuers to discuss and challenge the valuation and to ensure it was conducted properly, independently and could be fully supported. Subject to reviewing and agreeing any subsequent changes, the Committee also receives a copy of the property valuations for the portfolio once they have been reviewed by the Manager and after the Auditor has met with the valuers. The performance of the valuers is assessed on an annual basis by the Management Engagement Committee in its report on pages 92 to 94. In line with best practice and to ensure the continued independence of the valuers CBRE rotated Ben Thomas for the June 2021 valuation and Nick Knight for the December 2021 valuation.

As explained in note 14 to the financial statements, CBRE and Colliers independently valued the properties in accordance with IAS 40: Investment Property. We have reviewed the underlying assumptions within the property valuations and discussed these with the Manager and the valuers, and have concluded that the valuation is appropriate with a particular regard to the current environment and any short-term impacts from Covid-19 or climate related matters.

The Board approved both the CBRE and the Colliers valuations in August 2021 and March 2022 in respect of the interim and annual valuations.

B and C Shares

Subject to certain conditions, the B and C Shares of Tritax Symmetry entitle the holders to 13% of the adjusted NAV of Tritax Symmetry.

These conditions include bad leaver provisions which, as a result, has led to 50% of Adjusted NAV being recognised as contingent consideration in accordance with IFRS 3. Any further value paid to the B and C shareholders will therefore be accounted for as a payment for post-combination services and therefore recognised as a share-based payment.

Land options

As we consider that land options do not meet the definition of investment property, land options will be classified as a non-financial asset and measured at cost less provision for impairment under IFRS in the Group Statement of Financial Position. Land options are measured at fair value and included as such within EPRA NTA.

Fair, balanced and understandable financial statements

The production and audit of the Group's Annual Report is a comprehensive process, requiring input from a number of contributors. To reach a conclusion on whether the Annual Report is fair, balanced and understandable, as required under the AIC Code, the Board has requested that the Committee advise on whether it considers that the Annual Report fulfils these requirements. In outlining our advice, we have considered the following:

- the comprehensive documentation that outlines the controls in place for the production of the Annual Report, including the verification processes to confirm the factual content;
- the detailed reviews undertaken at various stages of the production process by the Manager, Administrator, Joint Financial Advisers, Auditor and the Committee, which are intended to ensure consistency and overall balance;
- controls enforced by the Manager, Administrator and other third-party service providers, to ensure complete and accurate financial records and security of the Company's assets;
- the satisfactory ISAE 3402 control report produced by the Administrator for the year ended 31 December 2020, which has been reviewed and reported upon by the Administrator's external auditor, to verify the effectiveness of the Administrator's internal controls; and
- a letter provided by the Administrator that there have been no changes to its control environment since 31 December 2020 and that all internal controls in place at the time of the last review remain active.

As a result of the work performed, we have concluded and reported to the Board that the Annual Report for the year ended 31 December 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Covid-19

The Committee continued to assess the impact of Covid-19 on the business as part of its formal assessment of risk. The Committee and Board also considered its financial impact including an assessment of rent collection, cash flow projections, property values alongside the financial impact on the Group's customers at regular intervals throughout the period. This is also something we have considered as part of the assessment over going concern and viability and continue to monitor on a regular basis.

Task Force on Climate-Related Financial Disclosures (TCFD)

We welcome the Task Force on Climate-related Financial Disclosures (TCFD) as a vital step in increasing stakeholders' and companies' focus on climate change. The Company has engaged DNV, an environmental consultant, to assist in our scenario planning and embedding climate risk into our current risk framework. The Manager's Executive Committee conducts the initial review into the Company's risks including climate related risks and reports up to the Committee who maintain overall responsibility for climate risks facing the business and advises the Board accordingly.

▶ Please refer to pages 39 to 41 for our 2021 TCFD disclosure.

Internal audit

The Company does not have an internal audit function but has engaged Grant Thornton UK LLP to perform certain internal audit services. In the year Grant Thornton performed a review over the following operational areas of Tritax Symmetry: management controls (including contract, procurement & risk), governance and reporting, and knowledge and resources. The findings report was based on information received from discussions with the Manager and Tritax Symmetry management as well as walk through testing of processes and controls. All findings were rated as low in terms of severity and recommendations to current practices will be implemented. In 2022 Grant Thornton will undertake the next iteration of the review focusing on Tritax Symmetry's risk management and health and safety processes.

External audit

The Audit and Risk Committee recommended that BDO be reappointed following a re-tender in 2017. The period of total uninterrupted engagement is eight years, covering the years ending 31 December 2014 to 31 December 2021. Geraint Jones has been the Lead Audit Partner since 2019.

This year is the fifth year that BDO have conducted the audit post their retender in 2017. The Company confirms that it has complied with the Competition and Markets Authority's Order in the year. The Committee was satisfied that it was not optimal to tender external audit services in the current year. The Committee noted that a competitive tender for the external auditor must be held no later than 2027. The Committee has assessed and values the quality and stability of the relationship with BDO as current auditor.

The Committee monitors the performance of the external auditor, providing an in-depth evaluation of its performance following the external audit, and then makes a recommendation to the Board. When considering the appropriateness of the re-appointment of BDO, we also consider in our review, the ratio of audit to non-audit fees and the effectiveness of the audit process, together with other relevant review processes. We were satisfied that we should recommend the re-appointment of BDO.

The Committee has met with the key members of the audit team over the course of the year and BDO has formally confirmed its independence as part of the reporting process.

We consider that the audit team assigned to the Company by BDO has a good understanding of the Company's business which enables it to produce a detailed, high-quality, in-depth audit and permits the team to scrutinise and challenge the Company's financial procedures and significant judgements. We ask the Auditor to explain the key audit risks and how these have been addressed. We also considered BDO's internal quality control procedures and transparency report and found them to be sufficient. Overall, the Committee is satisfied that the audit process is transparent and of good quality and that the Auditor has met the agreed audit plan.

BDO's audit for the year ended 31 December 2020 is being reviewed by the FRC's Audit Quality Review team as part of their annual inspection of the firm's audit work. Although no final report has yet been issued, the Audit & Risk Committee has discussed with BDO the draft findings of the review and how BDO intends to address these matters in their audit approach for the year ended 31 December 2021. None of these matters was considered by the Committee to impact significantly on audit quality.

Please refer to note 8 in the financial statements for a summary of fees paid to the Auditor.

We continue to believe that, in some circumstances, the external Auditor's understanding of the Company's business can be beneficial in improving the efficiency and effectiveness of advisory work. For this reason we continue to engage BDO as reporting accountants on the Company's issues of equity and debt capital in the normal course of the Company's business. PricewaterhouseCoopers are appointed to assist with financial and tax due diligence on corporate acquisitions and to provide general tax compliance advice.

The Non-Audit Services Policy requires approval by the Committee above a certain threshold before the external Auditor is engaged to provide any permitted non-audit services.

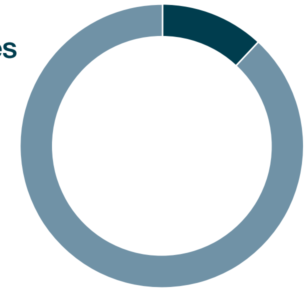
The Company paid £55,250 in fees to the Auditor for non-audit services during 2021. These fees are set out in the table below.

Work undertaken	Rationale for using the external Auditor	Fee (£)
Interim Review	Work is normally performed by an external Auditor.	43,250
Agreed upon procedures over the adjusted NAV	Extension of audit procedures.	12,000
Reporting accountant services	Knowledge of the Group.	nil
Total		**£55,250**

The ratio of audit to non-audit services received in the year was 12% (2020: 23%). The Committee periodically monitors the ratio to ensure that any fees for permissible non-audit services do not exceed 70% of the average audit fees paid in the last three years.

Ratio of audit to non-audit services

- ▶ **Non-audit 12%**
- ▶ **Audit 88%**



Committee evaluation

The overall performance of the Audit and Risk Committee was rated highly, in particular its review and assessment of the work of the external Auditors, financial reporting, internal control, risk management systems and the independent property valuations.

Priorities for 2022

The Committee will focus on further embedding TCFD reporting into the Company's risk processes. In addition, the Committee has agreed to review the Company's risk appetite and overall risk tolerance of the Company's principal risks.

Richard Laing, FCA
Chair of the Audit and Risk Committee
2 March 2022

Management Engagement Committee Report

"We are pleased to have appointed several new key suppliers throughout the period."

Karen Whitworth
Chair of the Management Engagement Committee

Membership

Karen Whitworth, Chair

Aubrey Adams

Alastair Hughes

Richard Laing

Wu Gang

Elizabeth Brown

▸ For full details on Committee attendance please refer to page 82

Key areas of focus in 2021

- Reviewed the Investment Management Agreement between the Company and the Manager;
- Reviewed the Manager's key suppliers and their performance; and
- Appointed new suppliers.

Dear Shareholders,

I am pleased to present the Management Engagement Committee Report for the year ended 31 December 2021. I took over the Chairmanship of the Committee from Susanne Given with effect from 1 October 2021 and my focus has been on completing the Investment Management Agreement ("IMA") review. The Management Engagement Committee's role is to review the performance of the Manager and the Company's key service providers and if required to recommend the re-tender of their services for consideration by the Board. The Committee is also responsible for overseeing any amendments to the IMA.

During the period we met for one scheduled and three ad hoc meetings. The Committee continued to conduct its comprehensive review of the IMA in order to protect the Company, whilst ensuring that it offers good value to stakeholders, positioning the Company as an attractive investment opportunity in the market. The Committee met several times and enlisted the help of Akur, Jefferies and Alvarez & Marsal Tax and UK LLP in providing various market comparison reports to assist in their discussions. The Committee plans to conclude this review in the near term.

Under the terms of the IMA and in accordance with the ESMA guidance, as to the interpretation of the rules under AIFMD, the Board has delegated the day-to-day responsibility for running the Company to the Manager. The Manager is responsible for making investment and divestment decisions in accordance with the Company's Investment Policy along with asset management of the existing portfolio. The negotiation of debt facilities within the parameters of the Company's policy on gearing and liaising with the Company's advisers on proposed equity fundraisings require approval from the Board prior to execution. All of the Company's subsidiaries and therefore all of its assets are wholly owned and controlled by the Company as at 31 December 2021, except certain Tritax Symmetry assets which are held in joint venture vehicles, and the Board exercises direct control in respect of the Group's holdings.

The Board continues to review all investment and divestment decisions as well as the asset management policy established by the Manager and remains responsible for ensuring that these decisions are made in accordance with the Company's Investment Policy.

To ensure open and regular communication between the Manager and the Board, the certain key representatives of the Manager are invited to attend all Board meetings to update the Board on the Company's portfolio activity and discuss the general market conditions and the financial performance and strategy of the Company. Details of the Company's performance in 2021 have been set out in the Strategic Report on pages 2 and 3.

Suppliers

The Company appointed a number of new suppliers during the period to support the Company in its next phase of growth and development. Following the completion of last year's annual reporting cycle, the Manager undertook a tender of the Annual Report design agency and Design Portfolio was appointed for the new cycle for the Tritax Group. The approach was to maximise efficiencies in the delivery and the cost of the Annual Report. The Manager also undertook a tender to appoint a joint corporate broker to complement Jefferies. After an extensive interview process where the Board and certain key representatives of the Manager met with several potential candidates, the Board decided to appoint JP Morgan Chase & Co in July 2021.

The Company also decided to re-tender its corporate communications agency during the period. The team interviewed several potential agencies which resulted in the appointment of KEKST CNC in February 2022. Finally, Savills replaced Colliers as the property managers for the Portfolio in December 2021.

We agree with the Manager that the performance of the Company's current service providers for the past year continued to be satisfactory, and in several cases exceptional, and agreed with the Manager's recommendation that each be retained until the next review, with the exception of the aforementioned changes. We are satisfied that the Company is benefiting from added value in respect of the services it procures.

The Manager

The Committee also reviews the Manager's culture and organisational structure. The Manager increased the number of employees during 2021 to ensure that the Company is well served. The new hires included an ESG Director, Head of Strategic Power, Property Manager, Fund Controller, Head of People Development and a Director of Marketing and Communications.

Following the completion of abrdn acquisition of a 60% interest in the Manager in April 2021, Mark Shaw retired from the Partnership. Phil Redding and Alasdair Evans became equity partners on 1 February 2021.

Throughout 2021, the Committee focused on the annual assessment of the Manager's performance and continued to review the terms of the IMA between the Company and the Manager to ensure the IMA continues to offer good value for Shareholders. We plan to finalise the IMA review in the near term.

IMA terms

The IMA continues on a rolling basis, with either party having the right to terminate the Investment Management Agreement by giving at least 24 months' notice. There are provisions allowing the parties to terminate without notice in certain circumstances, including material breach and/or loss of key personnel.

Conflict management

The IMA contains robust conflict provisions and the Manager is not permitted in any circumstance to manage another fund with an exclusive investment strategy focusing on distribution or logistics assets in excess of 300,000 sq ft located within the UK. The Manager is permitted to acquire and manage UK distribution or logistics assets which provide less than 300,000 sq ft of accommodation on behalf of other funds subject to certain caveats designed to ensure that any assets which may be of interest to the Company are offered to the Company in priority to other funds managed by the Manager.

We will review the continuing appointment of all of the Company's principal service providers and the performance of the Manager on an annual basis, in order to ensure they are in the best interest of the Company.

Management fee

Under the terms of the IMA, the Manager is entitled to a management fee in consideration for its services. This is payable in cash by the Company each quarter and is calculated based on a percentage of the Company's Net Asset Value ("NAV"), disregarding cash or cash equivalents. The fee is payable quarterly in arrears and the Manager is obliged to apply 25% of the fee in shares of the Company ("Management Shares") (see below for further detail). If the Group buys or sells any assets after the date at which the relevant NAV is calculated, the NAV is adjusted pro rata for the net purchase or sale price, less any third-party debt drawn or repaid whilst remaining capped at NAV.

The management fee as a percentage of NAV is as set out below:

NAV	Relevant percentage
Up to and including £500 million	1.0%
Above £500 million up to and including £750 million	0.9%
Above £750 million up to and including £1 billion	0.8%
Above £1 billion up to and including £1.25 billion	0.7%
Above £1.25 billion up to and including £1.5 billion	0.6%
Above £1.5 billion	0.5%

During specified periods after publication of the Company's annual or interim results the members of the Manager are obliged to use 25% of the management fee (net of any VAT, personal taxation liabilities and dealing costs, including stamp duty or stamp duty reserve tax) (the "net cash amount"), to subscribe for Ordinary Shares in the Company. This is done at a price equivalent to the prevailing NAV per share, adjusted for any dividend declared after the NAV per share is announced if the new shares do not qualify for receipt of this dividend. In the circumstance where NAV is below the prevailing share price, new Ordinary Shares will be issued. Where the NAV is above the prevailing share price, the Company's Broker will be instructed to acquire Ordinary Shares in the market for those persons, to the value as near as possible equal to the net cash amount.

Management Engagement Committee Report continued

Management fee continued

The Management shares may be allocated to any of the Partners of the Manager, and all employees of the Manager are eligible to receive share allocations at the discretion of the Manager.

On 15 March 2021, the Manager issued 741,884 Ordinary Shares to the Manager's Partners, its staff in respect of the net cash amount, relating to the six-month period to 31 December 2020. The issue price was 169.92 pence per Ordinary Share being the most recent published NAV per Ordinary Share as at 31 December 2020.

On 9 August 2021, the Manager issued 838,725 Ordinary Shares to the Manager's Partners, its staff and abrdn (following its acquisition of 60% interest in the Manager in April 2021) in respect of the net cash amount, relating to the six-month period to 30 June 2021. The issue price was 188.57 pence per Ordinary Share being the most recent published NAV per Ordinary Share as at 30 June 2021.

Partners of the Manager and its staff had the following beneficial interests as at the date of this report:

PDMR or person closely associated	Number of Ordinary Shares held	Percentage of issued share capital as at 2 March 2022
Colin Godfrey	2,381,434	0.128%
James Dunlop	2,319,073	0.124%
Henry Franklin	1,735,710	0.093%
Bjorn Hobart	329,915	0.018%
Petrina Austin	290,800	0.016%
Frankie Whitehead	131,118	0.007%
Phil Redding	7,381	0.001%
Tritax Management LLP	95,275	0.005%
Staff of Tritax Management LLP[1]	579,893	0.031%
Total	**7,870,599**	**0.423%**

1 The figure comprises Ordinary Shares issued to staff of Tritax Management LLP under the terms of the IMA and at IPO, and does not include other shares that may have otherwise been acquired by staff.

AIFM Directive

The AIFMD became part of UK law in 2013. It regulates AIFMs and imposes obligations on managers of alternative investment funds ("AIFs") in the EU or who market shares in AIFs to EU investors. Under the AIFMD, the AIFM must comply with various organisational, operational and transparency obligations.

The Manager is authorised by the FCA as an AIFM and provides all relevant investment management and advisory services to the Company, including regulated activities. The Manager is responsible for making investment and divestment decisions in respect of the Company's assets as part of its regulatory responsibility for the overall portfolio and risk management of the Company. This is in line with published ESMA guidance on the application of the AIFMD.

AIFM remuneration policy applied by the Manager

As a full scope AIFM, the Manager must apply a remuneration policy in line with its business strategy, objectives, values and interests, as well as those of the AIFs it manages or its investors. The policy must include measures to avoid conflicts of interest. This ensures that the Partners have a vested interest in ensuring the Manager remains financially sound.

The annual fee paid by the Company is based on a percentage of its NAV, as set out on page 93. In addition, the Manager's Partners are required to apply 25% of that fee (net of tax and certain other costs, as described on the previous page) to the purchase of Management Shares. Management Shares are subject to a 12-month lock-in period. This aligns the interests of the Manager's Partners with the strategy and interests of the Company and its Shareholders. The Manager's Partners are able to allocate a proportion of the Management Shares to key members of staff, which they have once again done in respect of both Management Share issues in 2021.

The Manager's partnership board meets at least twice a year to discuss the remuneration of its entire staff. Staff are remunerated in accordance with their seniority, expertise, professional qualifications, responsibilities and performance. They are paid salaries in line with market rates and, in profitable years, awarded a discretionary bonus from a bonus pool worth, in aggregate, at least 5% of the Manager's profits. The discretionary bonus may consist of cash or Ordinary Shares in the Company allocated to certain members of staff out of the Management Shares. This means that staff remuneration is predominantly fixed and the variable element is determined by the Manager's overall profitability, rather than the performance of a particular AIF.

The Manager's Partners are entitled to their partnership share of its profits and losses. None of the Partners are entitled to additional partnership drawings that depend on the performance of any AIF managed by the partnership. The Partner's remuneration therefore depends on the Manager's overall profitability, rather than the performance of any AIF.

Committee evaluation

The overall performance on the Management Engagement Committee for the period was positively rated, in particular its oversight of the performance and retention of key service providers.

Priorities for 2022

The Committee will focus on completing the IMA review in the near term and on the review of the performance of all key suppliers, with a focus on the Manager's performance.

Karen Whitworth, ACA
Chair of the Management Engagement Committee
2 March 2022

Directors' Remuneration Report

Annual statement

The Company only has Non-Executive Directors and therefore does not consider it necessary to establish a separate Remuneration Committee. The Directors' remuneration is disclosed below. The Remuneration Report will be presented at the AGM on 4 May 2022 for shareholder consideration and approval. The only relevant remuneration decision taken in the year under review was on the level of Non-Executive Director fees. The Directors' remuneration is disclosed on page 96.

During the year, the Board made certain an amendment to the base Non-Executive Director fee level for the Board of Directors of the Company. The decision followed a robust review, further details of which are set out below:

Role	**Revised fee per annum in 2022 (£)**	Fee agreed in 2019 (£)
Non-Executive Director	**54,000**	50,000

In Q4 2021, the Board commissioned a report on Non-Executive Director Remuneration from Deloitte LLP to assess the fee levels of the Board of Directors and benchmark those fees against the Company's peers. Following the review, and to ensure the Company continues to attract suitably experienced talent to the Board, it was decided to apply an RPI uplift to the NED basic fee level, from the last point of increase in May 2019. The Board agreed the above fee structure and to review the Non-Executive Director fees annually.

Directors' Remuneration Policy

The Company's policy is to determine the level of Directors' fees with regard to those payable to Non-Executive Directors of comparable REITs and the time each Director dedicates to the Company's affairs. The Remuneration Policy is set out in the Company's 2020 Annual Report, which is available on the Company's website. The next time it is intended that Shareholders will be asked to approve the Directors' Remuneration Policy will be at the Company's AGM in 2024 and the Remuneration Policy approved at the Company's 2021 AGM will continue to apply until such time.

The Directors are entitled to their annual fee and reasonable expenses. No element of the Directors' remuneration is performance-related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company. Under the Company's Articles, all Directors are entitled to the remuneration determined from time to time by the Board. There were no revisions to the policy during the period.

Each Director has been appointed pursuant to a Letter of Appointment. Previously Directors were appointed for a two-year term, subject to annual re-election at the Company's AGM. Following a review of appointment terms during the year, all new appointments and renewals will be appointed for a three-year initial term. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the notice provisions and the Articles and, in certain circumstances, without compensation. The terms of appointment of the Directors are set out in the below table.

Director	Letter of appointment dated	Expected and actual date of expiry	Unexpired term as at 31 December 2021	Notice period
Aubrey Adams	11 September 2017 11 September 2019 11 September 2021	11 September 2024	33 months	3 months
Richard Laing	16 May 2018 16 May 2020	16 May 2022	5 months	3 months
Alastair Hughes	1 February 2019 1 February 2021	1 February 2023	14 months	3 months
Karen Whitworth	21 October 2019 21 October 2021	21 October 2024	34 months	3 months
Wu Gang	1 October 2021	1 October 2024	33 months	3 months
Elizabeth Brown	15 December 2021	15 December 2024	36 months	3 months

Directors' Remuneration Report continued

Statement of consideration of shareholder views

The Board will seek shareholder views when evaluating and setting ongoing remuneration strategy and prior to any significant changes to the remuneration policy, where appropriate. The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes.

Annual report on remuneration (audited)

The fees paid to the past and current Directors in the year to 31 December 2021, which have been audited, are set out below. In addition, each Director is entitled to recover all reasonable expenses incurred in connection with performing his or her duties as a Director. Directors' expenses for the year to 31 December 2021 totalled nil (2020: £4,273). No other remuneration was paid or payable during the year to any Director.

	Annual fee		Expenses		Total Fixed Remuneration	
Director	**For year ended 31.12.2021 (£)**	For year ended 31.12.2020 (£)	**For year ended 31.12.2021 (£)**	For year ended 31.12.2020 (£)	**For year ended 31.12.2021 (£)**	For year ended 31.12.2020 (£)
Sir Richard Jewson[1]	**40,923**	120,000	**N/A**	3,459	**40,923**	123,459
Susanne Given[1]	**38,570**	55,000	**N/A**	N/A	**38,570**	55,000
Aubrey Adams[2]	**97,526**	55,000	**N/A**	N/A	**97,526**	55,000
Richard Laing	**60,000**	60,000	**N/A**	814	**60,000**	60,814
Alastair Hughes[2]	**53,154**	50,000	**N/A**	N/A	**53,154**	50,000
Karen Whitworth[3]	**51,250**	50,000	**N/A**	N/A	**51,250**	50,000
Wu Gang[3]	**12,500**	N/A	**N/A**	N/A	**12,500**	N/A
Elizabeth Brown[3]	**2,500**	N/A	**N/A**	N/A	**2,500**	N/A

1 Sir Richard Jewson retired effective 5 May 2021, Susanne Given resigned effective 13 September 2021.

2 Aubrey Adams was appointed Chairman of the Company effective 5 May 2021, Alastair Hughes was appointed SID effective 5 May 2021.

3 Wu Gang was appointed effective 1 October 2021, Karen Whitworth was appointed Chair of the Management Engagement Committee effective 1 October 2021 and Elizabeth Brown was appointed effective 15 December 2021.

Annual change in remuneration

Director	**2021**	2020
Sir Richard Jewson	**0%**	0%
Susanne Given	**0%**	0%
Aubrey Adams[1]	**118%**	0%
Richard Laing	**0%**	0%
Alastair Hughes[2]	**10%**	0%
Karen Whitworth[3]	**10%**	0%
Wu Gang	**N/A**	N/A
Elizabeth Brown	**N/A**	N/A

1 Aubrey Adams was appointed as Chairman of the Company effective 5 May 2021.

2 Alastair Hughes was appointed SID effective 5 May 2021.

3 Karen Whitworth was appointed Chair of the Management Engagement Committee effective 1 October 2021.

External advisers

The Board and its Committees have access to sufficient resources to discharge their duties. Deloitte LLP was engaged during the period to carry out the Non-Executive Director fee benchmarking exercise. To the best of its knowledge, Deloitte LLP has no connection with the Company, apart from the Non-Executive Director fee review.

Statement of voting at general meeting

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. If there are substantial votes against any resolutions, the Company will consult with shareholders in order to understand the reasons for any such vote. The Company will provide an update on the views received from shareholders no later than six months after the meeting and any resulting action will be detailed in the next Annual Report.

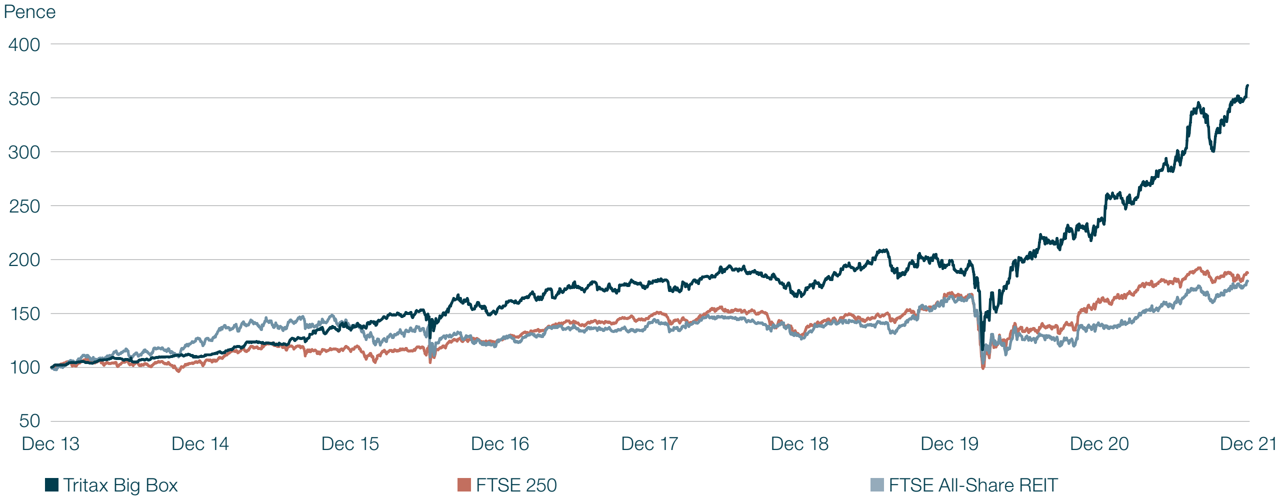
The Directors' Remuneration Policy and the Directors' Remuneration Report were approved by shareholders at the Company's AGMs held on 5 May 2021. The voting on the respective resolutions was as shown below:

Resolution	For %*	Against %	Votes withheld
Directors' Remuneration Policy	99.65%	0.35%	33,272,869
Directors' Remuneration Report	99.67%	0.33%	5,368,613

* Including votes in favour and discretion.

Total shareholder return

The graph below shows the Total Shareholder Return (as required by company law) of the Company's Ordinary Shares relative to a return on a hypothetical holding over the same period in the FTSE 250 and the FTSE All-Share REIT Index.



Total Shareholder Return is the measure of returns provided by a company to shareholders reflecting share price movements and assuming reinvestment of dividends.

Directors'/PDMR shareholdings (audited)

There is no requirement for the Directors of the Company to own shares in the Company. As at 2 March 2022, the Directors and their persons closely associated held the shareholdings listed below.

Director*	Number of shares held	Percentage of issued share capital	Dividends received 31 December 2021 £
Aubrey Adams	220,000	0.012%	13,345
Wu Gang	–	–	–
Elizabeth Brown	–	–	–
Richard Laing	50,000	0.003%	3,051
Alastair Hughes	35,000	0.002%	2,279
Karen Whitworth	30,705	0.002%	1,277

* Includes Directors and persons closely associated (as defined by the UK Market Abuse Regulation) shareholdings.

The shareholdings of these Directors are not significant and, therefore, do not compromise their independence.

Relative importance on spend on pay

	2021 £m	2020 £m	Change %
Directors' remuneration	**0.4**	0.4	0%
Investment management fees	**20.7**	17.9	16%
Dividends paid to shareholders	**114.4**	109.2	5%

Other items

The Company maintains Directors' and Officers' liability insurance cover, at its expense, on the Directors' behalf.

Aubrey Adams OBE, FCA, FRICS
Chairman
2 March 2022

Directors' Report

Introduction

The Directors are pleased to present the Annual Report, including the Company's audited financial statements as at, and for the year ended, 31 December 2021.

The Directors' Report and the Strategic Report comprise the "Management Report" for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

Statutory information contained elsewhere in the Annual Report

Information required to be part of this Directors' Report can be found elsewhere in the Annual Report and is incorporated into this report by reference, as indicated in the relevant section.

Information	Location in Annual Report
Directors	Pages 68 and 69
s172	Page 22
Business relationships	Page 1 to 65
Directors' interest in shares	Page 97
Future developments of the Company	Pages 26 to 27
Financial instruments	Note 25 on page 130
Corporate governance statement	Pages 67 and 72 to 73
Going concern and viability	Page 65
Disclosure of information to Auditor	Page 99
Share capital	Page 98

Incorporation by reference

The Governance Report (pages 66 to 100 of this Annual Report and Accounts for the year ended 31 December 2021) is incorporated by reference into this Directors' Report.

Financial results and dividends

The financial results for the year can be found in the Group Statement of Comprehensive Income on page 107.

The following interim dividends amounting to, in aggregate, 6.70 pence per share were declared in respect of the year ended 31 December 2021:

On 6 May 2021, we declared an interim dividend in respect of the period from 1 January 2021 to 31 March 2021 of 1.6 pence per Ordinary Share, paid on 1 June 2021 to shareholders on the register on 14 May 2021.

On 28 July 2021, we declared an interim dividend in respect of the period from 1 April 2021 to 30 June 2021 of 1.6 pence per Ordinary Share, paid on 23 August 2021 to shareholders on the register on 6 August 2021.

On 21 October 2021, we declared an interim dividend in respect of the period from 1 July 2021 to 30 September 2021 of 1.6 pence per Ordinary Share, paid on 17 November 2021 to shareholders on the register on 29 October 2021.

A fourth interim dividend in respect of the three months ended 31 December 2021 of 1.9 pence per share, was approved for declaration on 2 March 2022, payable on 31 March 2022.

Political donations

No political donations were made during the year.

Employees

The Group has no employees and therefore no employee share scheme or policies on equal opportunities and disabilities.

Share capital

On 15 March 2021, the Manager issued 741,884 Ordinary Shares in accordance with the terms of the IMA and Symmetry Manco deal bonus agreement.

On 9 August 2021, the Manager issued 838,725 Ordinary Shares in accordance with the terms of the IMA.

On 4 October 2021, the Company issued 147,058,823 Ordinary Shares in accordance with a placing programme.

As at 31 December 2021, there were 1,867,781,310 Ordinary Shares in issue.

Ordinary Shares	Number	Gross proceeds (£)
Balance at the start of the year	1,719,141,878	N/A
Shares issued in accordance with the terms of the IMA and Symmetry Manco deal bonus agreement.	741,884	N/A
Shares issued in accordance with the terms of the IMA.	838,725	N/A
Shares issued in accordance with a placing programme	147,058,823	£300 million
Balance at end of the year	**1,867,781,310**	**£300 million**

Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company, except as a result of:

- the FCA's Listing Rules, which require certain individuals to have approval to deal in the Company's shares; and
- the Company's Articles of Association, which allow the Board to decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company or the Manager breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company.

Securities carrying special rights

No person holds securities in the Company carrying special rights with regard to control of the Company.

Substantial shareholdings

As at 11 February 2022, the Company is aware of the following substantial shareholdings, which were directly or indirectly interested in 3% or more of the total voting rights in the Company's issued share capital. As at 11 February 2022, the issued share capital remained the same as at 31 December 2021 with 1,867,781,310 shares in issue.

Shareholder name	Holding as at 11 February 2022	%
BlackRock	139,897,232	7.49
Vanguard Group	92,475,699	4.95
Aviva Investors	87,318,530	4.67
Cohen & Steers	86,141,477	4.61
Legal & General Investment Management	66,646,488	3.57
SSGA	61,335,579	3.28
Brewin Dolphin, stockbrokers	60,254,215	3.23

Amendment of Articles of Association

The Articles may be amended by a special resolution of the Company's shareholders.

Powers of the Directors

The Board will manage the Company's business and may exercise all the Company's powers, subject to the Articles, the Companies Act and any directions given by the Company by special resolution.

Powers in relation to the Company issuing its shares

At the AGM held on 5 May 2021, the Directors were granted a renewed general authority to allot Ordinary Shares in accordance with section 551 of the Companies Act 2006, up to an aggregate nominal amount of £11,465,892. Of those Ordinary Shares, the Directors were granted authority to issue up to an aggregate nominal amount of £859,942 (which is equivalent to 5% of the Company's issued share capital as at that date) non pre-emptively and wholly for cash and authority to issue up to an aggregate nominal amount of £859,942 to be used only for the purpose of financing (or refinancing, if the authority is to be used within six months after the original transaction), a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights. These authorities replaced the equivalent authorities given to the Directors at the AGM held on 13 May 2020.

These authorities expire at the next AGM in Q2 2022.

Change of control

Under the Group's financing facilities, any change of control at the borrower or immediate Parent Company level may trigger a repayment of the outstanding amounts to the lending banks or institutions.

In certain facilities including the issue of recent loan notes, the change of control provisions also include a change of control at the ultimate Parent Company level.

Appointment and replacement of Directors

Details of the process by which Directors can be appointed or replaced are included in the Nomination Committee Report on pages 83 to 85.

Disclosure of information to the Auditor

The Directors, who were members of the Board at the time of approving the Directors' Report, have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is not aware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Events subsequent to the year-end date

For details of events since the year-end date, please refer to note 33 on page 134 to the consolidated financial statements.

Independent Auditor

BDO LLP has expressed its willingness to continue as Auditor for the financial year ending 31 December 2022.

Manager and service providers

The Manager during the year was Tritax Management LLP. Details of the Manager and certain elements of the Investment Management Agreement are set out in the Management Engagement Committee Report on pages 92 and 93.

Additional information

In accordance with Listing Rule (LR) 9.8.4C R, the only disclosure requirement required under LR 9.8.4 R is the disclosure of capitalised interest, which is disclosed in note 10. Page 118.

Annual General Meeting

It is planned for the Company's AGM to be held on 4 May 2022 at the offices of Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW. Further details will be provided in the Notice of Meeting.

This report was approved by the Board on 2 March 2022.

Tritax Management LLP
Company Secretary
2 March 2022

Company Registration Number: 08215888

Directors' Responsibilities

In respect of the Annual Report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss for the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- state whether the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") subject to any material departures disclosed and explained in the Company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

- the Group financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the group and parent company, together with a description of the principal risks and uncertainties that they face.

Aubrey Adams OBE, FCA, FRICS
Chairman
2 March 2022

Independent Auditor's Report

To the members of Tritax Big Box REIT plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tritax Big Box REIT plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

We were reappointed as auditors by the members at the Annual General Meeting on 5 May 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 8 years, covering the years ending 31 December 2014 to 31 December 2021. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- using our knowledge of the Group and its market sector together with the current general economic environment to assess management's identification of the inherent risks to the Group's business and how these might impact the Group's ability to remain a going concern for the going concern period, being the period to 31 March 2023, which is at least 12 months from when the financial statements are authorised for issue;
- obtaining an understanding of management's process for assessing going concern including an understanding of the key assumptions used;
- obtaining management's going concern assessment and:
  - assessing the Group's forecasts cash flows with reference to historic performance and challenging the Directors' forecast assumptions in comparison to the current performance of the Group;
  - testing the inputs into the forecasts for reasonableness based on historic activity and corroboration to contractual agreements;
  - agreeing the Group's available borrowing facilities and the related terms and covenants to loan agreements;
- obtaining covenant calculations and forecast calculations to test for any potential future covenant breaches. We also considered the covenant compliance headroom for sensitivity to both future changes in property valuations and the Group's future financial performance;
- considering board minutes, and evidence obtained through the audit and challenged the Directors on the identification of any contradictory information in the forecasts and the impacting the going concern assessment;
- analysing the Director's stress testing calculations and challenging the assumptions made using our knowledge of the business and of the current economic climate, to assess the reasonableness of the downside scenarios selected; and
- reviewing the disclosures in the financial statements relating to going concern to check that the disclosure is consistent with the circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for the going concern period, being the period to 31 March 2023, which is at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report continued

To the members of Tritax Big Box REIT plc

An overview of the scope of our audit

Overview			
Coverage[1]	100% (2020: 100%) of Group profit before tax 100% (2020: 100%) of Group revenue 100% (2020: 100%) of Group total assets		
Key audit matters		**2021**	**2020**
	Valuation of investment property portfolio, including properties under construction (forward funded assets)	✓	✓
	Carrying value of land options	✗	✓
	The carrying value of land options is no longer assessed as a significant risk, and therefore not considered to be a key audit matter in 2021, as there is significant headroom between the fair value and the carrying value of the land options.		
Materiality	**Group financial statements as a whole** £55m (2020: £43m) based on 1% (2020: 1%) of gross assets		

1 These are areas which have been subject to a full scope audit by the group engagement team.

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom, and all audit procedures are performed by the Group audit team. We identified two significant components, in addition to the Parent Company:

- The investment property component of the Group directly managed by the Tritax Manager; and
- The Tritax Symmetry component of the group, which is managed directly by the TSL Manager and overseen by the Tritax Manager.

There were no non-significant components.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investment property portfolio, including properties under construction (including forwarded funded assets) *Refer to note 3 and 4 in relation to accounting policies over significant estimates and judgements.* *Refer to note 14 in relation to investment property.*	The Group's investment property portfolio includes: • Standing assets: these are existing properties that are currently let or available to let. They are valued using the income capitalisation method. • Properties under construction: these are properties being built, some of which are under forward funded agreements with developers and which have agreed pre lets with tenants. Properties under construction have a different risk and investment profile to the standing assets. They are valued using the residual method, being estimating the fair value of the completed project using the income capitalisation method less estimated costs to completion with adjustments made for any developer licence fees or tenant pre-let incentives. The valuation of investment property requires significant judgement and estimates by the Directors and the independent valuer ("the Valuer") and is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation. Any input inaccuracies or unreasonable bases used in the valuation judgements (such as capitalisation yields, future lease income, and in the case of properties under construction, costs to complete) could result in a material misstatement of investment property asset and therefore impacting the income statement and balance sheet. There is also a risk that the Directors may unduly influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation or other performance targets to meet market expectations or other financial targets.	We read the external valuation reports and checked that the approaches used were consistent with the requirements of relevant accounting standards. We assessed the Valuer's competence and capabilities and read their terms of engagement with the Group, determining that there were no matters that affected their independence and objectivity, including any influence from Directors over the significant judgements and estimates, or imposed scope limitations upon their work. We checked the data provided to the Valuer by the Group and found that it was consistent with the information we audited. This data included inputs such as current rent and lease terms, which we have agreed on a sample basis to executed lease agreements as part of our audit work. Alongside our internal valuations specialists we met with the Valuer and gained an understanding of the valuation methods and assumptions used. We challenged the assumptions utilised by the Valuer within the valuation by benchmarking the valuation to our expectations developed using independent data around the year end. We assessed the licence fee receivable, project costs and progress of development for properties under construction by agreeing relevant details to the underlying agreements and verified the forecast costs to complete included in the valuations to project costing reports. Receipts of licence fees during the year were verified to the bank. We checked that the property valuations have been properly included in the financial statements. We also assessed whether the disclosures in the financial statements are appropriate and in accordance with relevant accounting standards. **Key observation:** Our testing indicated that the estimates and judgements used by the Directors in the valuation of the investment property portfolio were appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Independent Auditor's Report continued

To the members of Tritax Big Box REIT plc

Our application of materiality continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2021 £m	2020 £m	2021 £m	2020 £m
Materiality	55.0	43.0	35.0	32.0
Basis for determining materiality	1% of total assets	1% of total assets	1% of total assets	1% of total assets
Rationale for the benchmark applied	We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Group		We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Parent.	
Performance materiality	41.25	32.25	26.25	24.0
Basis for determining performance materiality	75% of materiality - it is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.		75% of materiality - it is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.	

Specific materiality

We consider that for both the Group and Parent, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users.

For the Group we consider specific materiality to apply to all financial statement areas that would impact European Public Real Estate Association ("EPRA") earnings. EPRA earnings excludes the impact of the net surplus on revaluation of Investment properties, any impairment of land options and interest rate derivatives, and we consider this to be a key performance measure of the Group. On this basis we determined specific materiality to be 5% of EPRA Earnings, being £6.4m (2020: £5.2m).

We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component materiality

We set materiality for each component based on a percentage of group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £21.5m to £53.8m and we further applied performance materiality levels of 75% of the overall component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated. Component materiality thresholds were calculated on a similar basis in the prior year.

Reporting threshold

We agreed with the Audit Committee that we would report to them individual audit differences in excess of £1.65m (2020: £1.2m) for financial statement differences, and for specific items differences in excess of £0.32m (2020: £0.26m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 65; and • The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate set out on page 65.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 73; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 73; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 86; and • The section describing the work of the Audit and Risk Committee set out on pages 88 to 91.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Independent Auditor's Report continued

To the members of Tritax Big Box REIT plc

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Through our knowledge of the Group and its sector we used our understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We performed our own checks of compliance with relevant requirements including, but not limited to, the Companies Act 2006, the UK Listing Rules, the REIT tax regime requirements and legislation relevant to the rental of properties. We considered the Group's own control environment for monitoring its compliance with laws and regulation and obtained their papers on compliance, in addition to performing our own review.

These matters were discussed with the entire audit team at both planning and throughout the audit.

We addressed the risk of management override of internal controls, including sample testing journals processed during the year and evaluating whether there was evidence of bias in management judgements that represented a risk of material misstatement due to fraud. This included evaluating any management bias within the valuation of investment property, as mentioned under the key audit matters subheading, which we consider is the greatest risk of management manipulation.

The fraud risk around revenue recognition was addressed by inspecting signed lease agreements to recalculate the annual turnover and agreeing cash receipts to bank statement to check customers exist and that the management information did agree for a sample of tenants.

We agreed all bank balances and loans to direct bank confirmations and agreements.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board and Committee meeting minutes, and enquiries with management and the Audit Committee as to their identification of any non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
2 March 2022

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

Group Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	**Year ended 31 December 2021 £m**	Year ended 31 December 2020 £m
Gross rental income	6	**184.7**	161.6
Service charge income	6	**5.1**	4.6
Service charge expense	7	**(5.2)**	(4.7)
Net rental income		**184.6**	161.5
Gross operating income		**24.7**	28.3
Other operating costs		**(5.8)**	(19.7)
Other operating income	6	**18.9**	8.6
Administrative and other expenses	8	**(25.5)**	(22.6)
Operating profit before changes in fair value and other adjustments[1]		**178.0**	147.5
Changes in fair value of investment properties	14	**840.9**	351.1
Gain on disposal of investment properties	14	**2.0**	0.1
Share of profit/(loss) from joint ventures	16	**0.1**	(0.1)
Impairment of intangible and other property assets		**(2.9)**	(0.4)
Share-based payment charge	22	**(5.5)**	(5.9)
Changes in fair value of contingent consideration payable	22	**(4.2)**	(2.9)
Operating profit		**1,008.4**	489.4
Finance expense	10	**(40.1)**	(37.6)
Changes in fair value of interest rate derivatives	24	**2.8**	(2.3)
Profit before taxation		**971.1**	449.5
Taxation	11	**1.5**	(0.1)
Profit and total comprehensive income		**972.6**	449.4
Earnings per share – basic	12	**55.39p**	26.30p
Earnings per share – diluted	12	**55.31p**	26.30p

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

Group Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 £m	31 December 2020 £m
Non-current assets			
Intangible assets		**1.7**	2.0
Investment property	14	**5,249.1**	4,053.5
Investment in land options	15	**201.5**	228.1
Investment in joint ventures	16	**25.6**	28.5
Other property assets	21	**4.0**	9.4
Trade and other receivables	18	**2.0**	2.0
Interest rate derivatives	24	**1.8**	0.1
Total non-current assets		**5,485.7**	4,323.6
Current assets			
Trade and other receivables	18	**37.1**	25.1
Cash at bank	19	**71.1**	57.8
Total current assets		**108.2**	82.9
Total assets		**5,593.9**	4,406.5
Current liabilities			
Deferred rental income		**(38.6)**	(36.1)
Trade and other payables	20	**(85.9)**	(69.3)
Tax liabilities	11	**(4.3)**	(1.9)
Total current liabilities		**(128.8)**	(107.3)
Non-current liabilities			
Trade and other payables	20	**(2.0)**	(2.0)
Interest rate derivatives	24	**–**	(1.1)
Bank borrowings	23	**(207.6)**	(206.7)
Loan notes	23	**(1,137.6)**	(1,136.4)
Amounts due to B and C shareholders	22	**(41.4)**	(31.7)
Total non-current liabilities		**(1,388.6)**	(1,377.9)
Total liabilities		**(1,517.4)**	(1,485.2)
Total net assets		**4,076.5**	2,921.3
Equity			
Share capital	27	**18.7**	17.2
Share premium reserve	27	**762.0**	466.5
Capital reduction reserve	27	**964.5**	1,078.9
Retained earnings	27	**2,331.3**	1,358.7
Total equity		**4,076.5**	2,921.3
Net asset value per share – basic	28	**218.26p**	169.92p
Net asset value per share – diluted	28	**218.18p**	169.92p
EPRA net tangible asset per share – basic	28	**222.60p**	175.61p
EPRA net tangible asset per share – diluted	28	**222.52p**	175.61p

These financial statements were approved by the Board of Directors on 2 March 2022 and signed on its behalf by:

Aubrey Adams
Chairman

Group Statement of Changes in Equity

For the year ended 31 December 2021

	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 for the year 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	27	1.4	298.5	–	–	299.9
Share issue costs		–	(5.8)	–	–	(5.8)
Shares issued in relation to management contract	27	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	13	–	–	(114.4)	–	(114.4)
31 December 2021		**18.7**	**762.0**	**964.5**	**2,331.3**	**4,076.5**

	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2020		17.1	446.7	1,188.1	909.3	2,561.2
Profit for the year and total comprehensive income		–	–	–	449.4	449.4
		17.1	446.7	1,188.1	1,358.7	3,010.6
Contributions and distributions:						
Shares issued in relation to equity consideration	27	0.1	19.9	–	–	20.0
Share issue costs		–	(0.1)	–	–	(0.1)
Share-based payments		–	–	–	2.4	2.4
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(2.4)	(2.4)
Dividends paid	13	–	–	(109.2)	–	(109.2)
31 December 2020		17.2	466.5	1,078.9	1,358.7	2,921.3

Group Cash Flow Statement

For the year ended 31 December 2021

	Note	For the year ended 31 December 2021 £m	For the year ended 31 December 2020 £m
Cash flows from operating activities			
Profits for the period (attributable to the shareholders)		**972.6**	449.4
Add: tax (credit)/charge		**(1.5)**	0.1
Add: changes in fair value of contingent consideration payable		**4.2**	2.9
Add: finance expense		**40.1**	37.6
Add: changes in fair value of interest rate derivatives		**(2.8)**	2.3
Add: share-based payment charges		**5.5**	5.9
Add: impairment of intangible and other property assets		**2.9**	0.4
Add: amortisation of other property assets		**5.4**	4.5
Add: share of (profit)/loss from joint ventures		**(0.1)**	0.1
Less: changes in fair value of investment properties		**(840.9)**	(351.1)
Less: gain on disposal of investment properties		**(2.0)**	(0.1)
Accretion of tenant lease incentive	14	**(7.2)**	(9.3)
Increase in trade and other receivables		**(12.0)**	(4.0)
Increase in deferred income		**1.7**	0.7
Increase in trade and other payables		**26.2**	15.0
Cash generated from operations		**192.1**	154.4
Taxation credit/(charge)	11	**4.0**	(16.8)
Net cash flow generated from operating activities		**196.1**	137.6
Investing activities			
Additions to investment properties		**(316.9)**	(279.0)
Additions to land options		**(15.0)**	(7.6)
Additions to joint ventures		**(0.5)**	(0.7)
Net proceeds from disposal of investment properties		**4.2**	132.3
Licence fees received		**–**	2.5
Interest received		**–**	0.1
Dividends received from joint ventures		**0.9**	2.2
Net cash flow used in investing activities		**(327.3)**	(150.2)
Financing activities			
Proceeds from issue of Ordinary Share capital		**302.8**	–
Cost of share issues		**(5.8)**	–
Bank borrowings drawn	23	**245.5**	289.5
Bank and other borrowings repaid	23	**(245.5)**	(339.5)
Amounts received on issue of loan notes	23	**–**	246.2
Loan arrangement fees paid		**(0.7)**	(2.1)
Bank interest paid		**(37.5)**	(35.5)
Dividends paid to equity holders		**(114.3)**	(109.6)
Net cash flow generated from financing activities		**144.5**	49.0
Net increase in cash and cash equivalents for the year		**13.3**	36.4
Cash and cash equivalents at start of year	19	**57.6**	21.2
Cash and cash equivalents at end of year	19	**70.9**	57.6

Notes to the Consolidated Accounts

1. Corporate information

The consolidated financial statements of the Group for the year ended 31 December 2021 comprise the results of Tritax Big Box REIT plc ("the Company") and its subsidiaries (together, "the Group") and were approved by the Board for issue on 2 March 2022. The Company is a public limited company incorporated and domiciled in England and Wales. The Company's Ordinary Shares are admitted to the official list of the UK Listing Authority, a division of the Financial Conduct Authority, and traded on the London Stock Exchange. The registered address of the Company is disclosed in the Company Information.

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

Accounting policies

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The comparative information disclosed relates to the year ended 31 December 2020.

The Group's financial statements have been prepared on a historical cost basis, other than as explained in the accounting policies below.

The consolidated financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest £0.1 million as per prior year, except where otherwise indicated.

The Group has chosen to adopt European Public Real Estate Association ("EPRA") best practice guidelines for calculating key metrics such as net asset value and earnings per share (www.epra.com/finance/financial-reporting/guidelines).

2.1. Going concern

Given the impact of Covid-19 on the UK economy, the Board has paid particular 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, liquidity and capital commitments including its continued access to its debt facilities and headroom under financial loan covenants.

The Directors have considered the cash flow forecasts for the Group for a period of 12 months from the date of approval of these financial statements. These forecasts include the Directors' assessment of the impact of Covid-19 on the Group and include various levels of stress testing of financial forecasts with consideration over downside scenarios. The Directors have reviewed the current and projected financial position of the Group, making varying assumptions about its future trading performance. Various forms of sensitivity analysis have been performed having a particular regard to the current financial performance of the Group's customers, taking into account any discussions held with the customer surrounding their rental obligations. The analysis also included sensitivities over the following: portfolio valuation movements due to market volatility, rates of rent collection, the risk around any customer default, future levels of inflation and future interest rate movements.

To date, the impact on the Group from Covid-19 has been limited. Whilst the Group had a greater level of arrears than it would ordinarily expect with regards to rental income at the end of the prior year, the Group has received 100% of all rent falling due in respect of both 2020 and 2021. The Directors have also considered the arrears position in light of IFRS 9, expected credit loss model; see note 18 for further details.

As at 31 December 2021, the Group had an aggregate £550 million of undrawn commitments under its senior debt facilities, of which £65.4 million was committed under various pre-let development contracts. The Group's loan to value ratio stood at 23.5%, with the debt portfolio having an average maturity term of approximately 6.5 years. As at the date of approval of this report, the Group has substantial headroom within its financial loan covenants, which include loan to value covenants at 60% on its tightest loans. The Group's financial covenants have also been complied with for all loans throughout the year and up to the date of approval of these financial statements. As at 31 December 2021, property values would have to fall by approximately 50% before loan covenants at the corporate level are breached.

The Directors have assessed the Group's ability to continue as a going concern and are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore the Directors are satisfied that the Group has the resources to continue in business until at least 31 March 2023.

3. Significant accounting judgements, estimates and assumptions

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

3. Significant accounting judgements, estimates and assumptions continued

3.1. Judgements

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

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, such as achieving a pre-let or letting, are recognised at a point in time and others, such as managing the construction of an asset, are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services. Management determines the stage of completion of an asset by assessing the total costs incurred on a project, as a proportion of the total costs expected to be incurred. 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 borne under the development management agreements.

Land options

Measurement

Land options, and other non-financial assets, are initially capitalised at cost and considered for any impairment indication annually. The impairment review includes consideration of the resale value of the option, likelihood of achieving planning consent and current recoverable value as determined by an independent valuer. In the calculation of the resale value or recoverable value of land options, several estimates are required which includes the expected size of the development, expected rental and capitalisation rates, estimated build costs, the time to complete the development and anticipated progress with achieving planning consent, as well as the associated risks of achieving the above.

B and C Shares

As part of the acquisition of Tritax Symmetry which completed on 19 February 2019, shares were issued in Tritax Symmetry Limited to the management shareholders of Tritax Symmetry ("Symmetry Management Shareholders") in the form of B and C shares (the "B and C Shares"). The terms of these shares are complex and as a result the Directors have had to make a number of judgements in order to conclude on the appropriate accounting treatment. The significant judgements applied in relation to the B and C Shares were as follows:

1. Subject to remaining in continued employment these shares entitle the holders to 13% of the Adjusted NAV of Tritax Symmetry Limited. Were an individual to leave employment and be deemed a bad leaver, the amount payable is the lower of the value of the shares on the completion date and 60% of Adjusted NAV. The Directors have therefore concluded that the unconditional amount payable to the B and C shareholders, being 60% of the value of the B and C Shares on acquisition, should be treated as contingent consideration in accordance with IFRS 3. The fair value of the contingent consideration is remeasured at each reporting date. Any additional amounts paid to the B and C shareholders as a result of their continued service is accounted for as payment for the provision of post-combination services.
2. The B and C Shares have put options in place at various points in time over an eight-year period from completion, along with a put and call option at the end of eight years from the completion date. The B and C Shares are not considered to represent a present ownership interest in the Group as an element of the amount due to the B and C shareholders is dependent on them continuing to remain in employment and provide services to the Group. Therefore, the Directors have concluded that the B and C Shares do not represent a non-controlling interest and the amounts owed to the B and C shareholders should instead be presented as a financial liability.
3. When settled the B and C Shares are settled 25% in cash with the remaining 75% settled in either cash or shares at the discretion of the Company. Both elements are considered to represent share-based payments as the amounts due are based on the Adjusted NAV of the underlying business of Tritax Symmetry Limited. 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. In accordance with IFRS 2 this is accounted for as a cash settled share-based payment. In conformity with the requirements of IFRS 2 for cash settled share-based payments, the share-based payment charge is the fair value of the settlement value of the B and C Shares in Tritax Symmetry Limited, established by a Monte Carlo simulation model and reassessed at each reporting date.

Business combinations

The Group acquires subsidiaries that own property and other property interests. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or deferred tax arises. The fair value of assets and liabilities are established using industry-leading third-party professionals, instructed by the Company.

3. Significant accounting judgements, estimates and assumptions continued

3.1. Judgements continued

Estimates

Fair valuation of investment property

The market value of investment property is determined by an independent property valuation expert (see note 14) 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 rents and estimated rental values, lease lengths, location and building specification which would include climate-related considerations. 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 14.

4. Summary of significant accounting policies

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, as at the year end date. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into the UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. Tritax Big Box plc transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact on or changes in accounting policies from the transition.

4.2. Subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed wherever facts and circumstances indicate that there may be a change in any of these elements of control.

4.3. Segmental information

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in UK logistic assets and land options with a view to developing logistics and holding these for investment purposes. The Directors consider that these properties have similar economic characteristics in nature and as a result they have been reported as a single reportable operating business. All of the Group's revenue and assets are based in the United Kingdom.

4.4. Investment property and investment property under construction

Investment property comprises completed property that is held to earn rentals or for capital appreciation, or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

The corresponding entry upon recognising lease incentives or fixed/minimum rental uplifts is made to investment property. For further details see Accounting Policy note 4.15.1.

Investment property is recognised once practical completion is achieved and is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and other costs incurred in order to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the Group profit or loss in the year in which they arise under IAS 40 "Investment Property".

Long leaseholds are accounted for as investment property as they meet the criteria for right of use assets.

Investment properties under construction are financed by the Group where the Group enters into contracts to forward fund the development of a pre-let property. All such contracts specify a fixed amount of consideration. The Group also directly enters into construction contracts to develop logistics assets, in the form of pre-let development, with an allowance of up to 5% of GAV in speculative development (with no pre-let secured). Investment properties under construction are initially measured at cost (including the transaction costs), which reflect the Group's investment in the assets. Subsequently, the assets are remeasured to fair value at each reporting date. The fair value of investment properties under construction is estimated as the fair value of the completed asset less any costs still payable in order to complete, which include an appropriate developer's margin.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, which are expected to accrue to the Group. Capitalised expenditure also includes finance costs incurred on qualifying assets under construction. All other property expenditure is expensed in the Group profit or loss as incurred.

Investment properties cease to be recognised when they have been disposed of or withdrawn permanently from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognised in the Group profit or loss in the year of retirement or disposal.

4. Summary of significant accounting policies continued

4.5. Financial instruments

Fair value hierarchy

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

4.5.1. Financial assets

The Group classifies its financial assets into one of the categories discussed below. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the Group Statement of Financial Position at fair value with changes in fair value recognised in the Group profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

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

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from tenant default (being the failure of a tenant to timely pay rent due) to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

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

4.5.2. Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value; and the amounts due to B and C shareholders. They are carried in the Group Statement of Financial Position at fair value with changes in fair value recognised in the Group profit or loss. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

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

4.6. Forward funded pre-let investments

The Group enters into forward funding development agreements for pre-let investment property. The Group will enter into a forward funding agreement with a developer and simultaneously enter into an agreement for lease with a prospective tenant willing to occupy the building once complete.

4.6.1. Licence fees receivable

During the period between initial investment in a forward funded agreement and the rent commencement date under the lease, the Group receives licence fee income on certain property transactions. This is payable by the developer to the Group throughout this period and typically reflects the approximate level of rental income that is expected to be payable under the lease, as and when practical completion is reached. IAS 40.20 states that investment property should be recognised initially at cost, being the consideration paid to acquire the asset, therefore such licence fees are deducted from the cost of the investment property and are initially recognised as a receivable. Any economic benefit of the licence fee is reflected within the Group profit or loss as a movement in the fair value of investment property and not within gross rental income. Licence fees received are treated as gross receipts within the Group Cash Flow Statement. In addition, IAS 16.21 indicates that income and expenses from operations that are not to bring an asset to the location and condition necessary for it to be capable of operating in the manner intended, should be recognised in profit or loss.

4. Summary of significant accounting policies continued

4.7. Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement;
- the legal form of joint arrangements structured through a separate vehicle;
- the contractual terms of the joint arrangement agreement; and
- any other facts and circumstances (including any other contractual arrangements).

The Group does not have any joint operations.

Joint ventures are initially recognised in the Group Statement of Financial Position at cost. Subsequently joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Group profit or loss.

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Provision for impairment in value is made where there is objective evidence that the investment in a joint venture has been impaired.

4.8. Goodwill

Goodwill is capitalised as an intangible asset, with any impairment in carrying value being charged to the Group profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Group profit or loss on the acquisition date as a gain on bargain purchase or negative goodwill.

4.9. Intangible assets

As a result of the acquisition of Tritax Symmetry in 2019, the DMA between the Company and Tritax Symmetry Management Limited is assessed as a favourable contract. It is recognised as an intangible asset on the Group Statement of Financial Position and is amortised over the original eight year term of the DMA. The favourable element of the DMA was assessed with reference to a reasonable mark-up that may be expected for these services if the agreement were set up at arm's length, discounted over the eight-year period.

4.10. Land options

Land options are classified as non-financial assets as they are non-liquid assets with no active market and they cannot be readily converted into cash. The options are exercisable at a future date subject to receiving planning consent. They are initially carried at cost and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (the higher of value in use and fair value less costs to sell), the option is written down accordingly as a charge to the Group profit or loss. Once the options are exercised and the land is drawn down, they are transferred into investment property.

4.11. Impairment of assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets including intangible assets, investment in joint ventures and land options are subject to annual impairment tests, or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (the higher of value in use and fair value less costs to sell), the asset is impaired accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows, its cash-generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in Group profit or loss. An impairment loss recognised for goodwill is not reversed.

4.12. Business combination

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

4. Summary of significant accounting policies continued

4.12. Business combination continued

Where an acquisition is considered to be a business combination the consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Group Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Any excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired is treated as goodwill. Where the fair value of identifiable assets, liabilities and contingent liabilities acquired exceeds the fair value of the purchase consideration, the difference is treated as gain on bargain purchase and credited to the Group profit or loss. The results of acquired operations are included in the Group profit or loss from the date on which control is obtained until the date on which control ceases.

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

Where amounts payable for the acquisition of a business are subject to a contingent consideration arrangement in which the payments are automatically forfeited if employment terminates, the amounts are treated as remuneration for post-combination services rather than consideration for the acquisition of a business.

4.13. Share-based payments

The Company has entered into an agreement with the Symmetry Management Shareholders where future amounts payable are based on the Adjusted NAV of Tritax Symmetry Limited and subject to certain provisions around continuing employment. 25% of the amounts payable are to be settled in cash with the remaining 75% settled in cash or shares at the discretion of the Company. Where the Company has a present obligation to settle the amounts in cash, either through its stated intention or past practice, the Company accounts for the amounts as cash settled share-based payments. The fair value of the cash settled obligation is recognised over the vesting period and presented as a liability in the Group Statement of Financial Position. The liability is remeasured at each reporting date with the charge to the profit or loss updated over the vesting period.

4.14. Dividends payable to shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

4.15. Property income

4.15.1. Rental income

Rental income arising from operating leases on investment property is accounted for on a straight line basis over the lease term and is included in gross rental income in the Group profit or loss. A rental adjustment is recognised from the rent review date in relation to unsettled rent reviews, where the Directors are reasonably certain that the rental uplift will be agreed. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Rental income is invoiced, either monthly or quarterly in advance, and for all rental income that relates to a future period this is deferred and appears within current liabilities on the Group Statement of Financial Position.

For leases, which contain fixed or minimum uplifts, the rental income arising from such uplifts is recognised on a straight line basis over the lease term.

Tenant lease incentives are recognised as a reduction of gross rental income on a straight line basis over the term of the lease. The lease term is the non cancellable period of the lease together with any further term for which the tenant has the option to continue the lease where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease, but once practical completion has taken place the formal lease is signed, at which point rental income commences to be recognised in the Group profit or loss from the rent commencement date.

4.15.2. Other operating income

The other operating income is generated through the Group providing development management services to third parties. It is recognised on an accruals basis in the period in which the services have been rendered, performance obligations have been satisfied and a significant reversal is not expected in future periods.

4.16. Finance income

Finance income is recognised as interest accrues on cash balances held by the Group. Interest charged to a tenant on any overdue rental income is also recognised within finance income.

4.17. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with bank and other borrowings. Any finance costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that takes a period of time to complete are capitalised as part of the cost of the asset. All other finance costs are expensed to the Group profit or loss in the period in which they occur.

4.18. Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Current tax is expected tax payable on any profit not relating to the property rental business for the year, using tax rates enacted or substantively enacted at the year-end date, including any adjustment to tax payable in respect of previous years.

5. New standards issued

5.1. New standard issued and effective from 1 January 2021

The following new accounting amendment has been applied in preparing the consolidated 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 using the guidance in paragraph B5.4.5 of IFRS 9 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.

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

5.2. New standards issued but not yet effective

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

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.

6. Total property income

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Rental income – freehold property	**146.5**	122.8
Rental income – long leasehold property	**30.9**	29.4
Spreading of tenant incentives and guaranteed rental uplifts	**7.2**	9.3
Other income	**0.1**	0.1
Gross rental income	**184.7**	161.6
Property insurance recoverable	**3.9**	3.6
Service charges recoverable	**1.2**	1.0
Total property insurance and service charge income	**5.1**	4.6
Total property income	**189.8**	166.2

There was one individual tenant representing more than 10% of gross rental income present during both years.

Included in the £18.9 million of other operating income, was a charge of £5.4 million (2020: £4.5 million) being amortisation of other property assets. The other operating income is generated through the Group providing development management services to third parties.

7. Service charge expenses

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Property insurance expense	**4.0**	3.7
Service charge expense	**1.2**	1.0
Total property expenses	**5.2**	4.7

Notes to the Consolidated Accounts continued

8. Administrative and other expenses

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Investment management fees	**20.7**	17.9
Directors' remuneration (note 9)	**0.4**	0.4
Auditor's fees		
Fees payable for the audit of the Company's annual accounts	**0.4**	0.3
Fees payable for the review of the Company's interim accounts	**0.1**	0.1
Fees payable for the audit of the Company's subsidiaries	**0.1**	0.1
Total Auditor's fee	**0.6**	0.5
Development management fees	**0.8**	0.7
Corporate administration fees	**0.5**	0.5
Regulatory fees	**0.1**	0.1
Legal and professional fees	**1.3**	1.3
Marketing and promotional fees	**0.5**	0.5
Other costs	**0.6**	0.7
Total administrative and other expenses	**25.5**	22.6

The Auditor provided audit services in respect of joint ventures of £nil (2020: £7,500).

9. Directors' remuneration

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Directors' fees	**0.3**	0.3
Employer's National Insurance	**0.1**	0.1
	0.4	0.4

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report.

10. Finance expense

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Interest payable on bank borrowings	**6.1**	7.6
Interest payable on loan notes	**29.8**	26.3
Commitment fees payable on bank borrowings	**2.0**	1.6
Swap interest payable	**0.4**	0.2
Borrowing costs capitalised against development properties	**(0.7)**	–
Amortisation of loan arrangement fees	**2.5**	1.9
	40.1	37.6

11. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
UK corporation tax charge	**(2.4)**	(0.1)
Appropriation tax refund	**3.9**	–
Total tax credit/(charge)	**1.5**	(0.1)

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 31 December 2021.

b) Factors affecting the tax charge for the year

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

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Profit on ordinary activities before taxation	**971.1**	449.5
Theoretical tax at UK corporation tax rate of 19.00% (31 December 2020: 19.00%)	**184.5**	85.4
REIT exempt income	**(23.8)**	(19.0)
Non-taxable items	**(160.7)**	(66.7)
Transfer pricing adjustment	**–**	–
Permanent differences/tax losses not recognised	**–**	(1.8)
Tax refund	**(3.9)**	–
Residual losses	**6.3**	2.2
Total tax charge	**2.4**	0.1

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 current year tax liability of £4.3 million (2020: £1.9 million) relates to tax payable on non-property profits arising in the year and appropriation tax charges in relation to the business combination which occurred in 2019.

12. 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 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
Shares to be issued on outstanding investment manager's fees		668	
Dilutive share based payment charge	1.7		
Fair value movement in contingent consideration	4.2	8,017	
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 and diluted EPS	131.2	1,755,927	7.47
Shares to be issued on outstanding investment manager's fees		668	
EPRA diluted EPS[2]	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 10)	2.5		
Adjusted EPS and diluted Adjusted EPS	144.5	1,755,927	8.23
Shares to be issued on outstanding investment manager's fees		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.

12. Earnings per share continued

For the year ended 31 December 2020	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]	449.4	1,708,504	26.30
Adjustments to remove:			
Changes in fair value of investment property	(351.1)		
Changes in fair value of interest rate derivatives	2.3		
Gain on disposal of investment properties	(0.1)		
Amortisation of other property assets	4.5		
Share of loss from joint ventures	0.1		
Impairment of intangible contract	0.4		
EPRA EPS and EPRA diluted EPS[2]	105.5	1,708,504	6.17
Adjustments to include:			
Licence fee receivable on Forward Funded Developments	12.9		
Fixed rental uplift adjustments	(6.4)		
Share-based payments charges	5.9		
Changes in fair value of contingent consideration payable	2.9		
Amortisation of loan arrangement fees and intangibles (note 10)	1.8		
Adjusted EPS and Adjusted diluted EPS	122.6	1,708,504	7.17

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 were non-dilutive at prior year end.

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric reduces 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 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 year, 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 Limited. It is therefore removed from Adjusted earnings.

13. Dividends paid

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Fourth interim dividend in respect of period ended 31 December 2020 at 1.7125 pence per Ordinary Share (fourth interim for 31 December 2019 at 1.7125 pence per Ordinary Share)	**29.5**	29.2
First interim dividend in respect of year ended 31 December 2021 at 1.6000 pence per Ordinary Share (31 December 2020: 1.5625 pence)	**27.5**	26.6
Second interim dividend in respect of year ended 31 December 2021 at 1.6000 pence per Ordinary Share (31 December 2020: 1.5625 pence)	**27.5**	26.7
Third interim dividend in respect of year ended 31 December 2021 at 1.6000 pence per Ordinary Share (31 December 2020: 1.5625 pence)	**29.9**	26.7
Total dividends paid	**114.4**	109.2
Total dividends paid for the year	**4.80p**	4.69p
Total dividends unpaid but declared for the year	**1.90p**	1.713p
Total dividends declared for the year	**6.70p**	6.40p

On 2 March 2022, the Company will approve the fourth interim dividend for declaration in respect of the year ended 31 December 2021 of 1.90 pence per share payable on 31 March 2022. The total dividends declared for the year of 6.70 pence are all property income distributions (PID).

14. Investment property

In accordance with IAS 40, Investment Property are stated at fair value as at 31 December 2021. The investment property has been independently valued 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 values all investment property with leases attached or assets under construction. Colliers values all land holdings and land options. The valuations have been prepared in accordance with the RICS Valuation – Global Standards July 2017 (the "Red Book") and incorporate the recommendations of the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (Revised April 2015) which are consistent with the principles set out in IFRS 13.

The valuer, in forming its opinion, makes a series of assumptions, which are typically market related, such as net initial yields and expected rental values and are based on the valuer's professional judgement. 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 have been no changes to the assumptions made in the year as a result of Covid-19 or other factors such as climate change.

The valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board. It is the view of the Company, that ESG factors will increasingly play a part in asset valuations in the future. For example, assets with the highest standards of ESG are likely to command the highest rental levels and have the least future capex requirements with regards to meeting ESG standards.

All corporate acquisitions during the year have been treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses.

	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**

	Investment property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2020	2,578.0	640.8	322.4	3,541.2
Property additions[1]	73.1	0.1	210.6	283.8
Property disposed in the year	(131.9)	–	–	(131.9)
Fixed rental uplift and tenant lease incentives[2]	7.5	1.8	–	9.3
Transfer of completed property to investment property	203.0	–	(203.0)	–
Change in fair value during the year	155.6	53.4	142.1	351.1
As at 31 December 2020	2,885.3	696.1	472.1	4,053.5

1 Licence fees deducted from the cost of investment property under construction were nil in the year (2020: £14.2 million).

2 Included within the carrying value of investment property is £59.5 million (2020: £52.3 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. Also see note 6.

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Investment property at fair value per Group Statement of Financial Position	**5,249.1**	4,053.5
Capital commitments under forward funded development and other contracts	**9.2**	87.7
Total investment property valuation*	**5,258.3**	4,141.2

* Including costs to complete under forward funded development and other contracts.

14. Investment property continued

Capital commitments under forward funded development contracts represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin. Costs committed under other contracts of £9.2 million have been provided for in the Group Statement of Financial Position in 2021.

The Group has other capital commitments which represent commitments made in respect of direct construction, asset management initiatives and development land. These costs are not provided for in the Group Statement of Financial Position (refer to note 32).

Cash received in respect of future rent-free periods represents amounts that were topped up by the vendor on acquisition of the property to cover future rent-free periods on the lease. The valuation assumes the property to be income generating throughout the lease and therefore includes this cash in the value.

Licence fees that have been billed but not received from the developer in relation to the property are included within trade 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 £1.0 million (2020: nil) have been capitalised in the year being directly attributable to completed development projects during the year.

The valuation summary is set out in the Strategic Report.

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."

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

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

Valuation techniques

The yield methodology approach is used when valuing the Group's properties which uses market rental values capitalised with a market capitalisation rate. This is sense-checked against the market comparable method (or market comparable approach) where a property's fair value is estimated based on comparable transactions in the market.

For investment property under construction and the majority of land held for development, properties are valued using a residual method approach. Under this approach, the valuer initially assesses the investment value (using the above methodology for completed properties). Then, the total estimated costs to complete (including notional finance costs and developer's profit) are deducted from the value to take into account the hypothetical purchaser's management of the remaining development process and their perception of risk with regard to construction and the property market (such as the potential cost overruns and letting risks). Land values are sense-checked against the rate per acre derived from actual market transactions.

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.

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.

	Unobservable inputs	
	ERV range £sqf	net initial yield range %
2021	**3.91 – 13.75**	**2.67 – 6.31**
2020	3.91 – 12.85	3.15 – 6.28

Notes to the Consolidated Accounts continued

14. Investment property continued

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:

	-5% in passing rent £m	+5% in passing rent £m	+0.25% in net initial yield £m	-0.25% in net initial yield £m
(Decrease)/increase in the fair value of investment properties as at 31 December 2021	**(251.1)**	**251.1**	**(321.3)**	**368.5**
(Decrease)/increase in the fair value of investment properties as at 31 December 2020	(201.3)	201.3	(226.7)	255.5

15. Investment in land options

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Opening balance	**228.1**	226.0
Costs capitalised in the year	**15.0**	9.1
Transferred to investment property	**(41.6)**	(5.4)
Disposals	**–**	(1.6)
Closing balance	**201.5**	228.1

The average maturity date across land options held is approximately seven years (2020: eight years) term remaining.

Fees payable under the DMA totalling £3.4 million (2020: £3.3 million) have been capitalised in the year being directly attributable to the ongoing development projects.

16. Investment in joint ventures

As at 31 December 2021 the Group has two joint ventures which have been equity accounted for. There were no equity accounted joint ventures prior to the acquisition of Tritax Symmetry in February 2019.

The Group has the following joint ventures as at 31 December 2021:

	Principal activity	Country of incorporation	Ownership	Joint venture partner
HBB (J16) LLP	Property development	UK	50%	HB Midway Limited
Magnitude Land LLP	Property investment	UK	50%	Pochin Midpoint Limited

The registered office for the above joint ventures is: Unit B, Grange Park Court, Roman Way, Northampton, England NN4 5EA.

Net investment	Total 100% £m	Group's share £m
At beginning of year	57.0	28.5
Total comprehensive income	0.2	0.1
Impairment of JV asset	(5.2)	(2.6)
Capital repaid	(1.8)	(0.9)
Cash contributed	1.0	0.5
As at 31 December 2021	**51.2**	**25.6**

16. Investment in joint ventures continued

The joint ventures have a 31 December year end. The aggregate amounts recognised in the Group Statement of Financial Position and Statement of Comprehensive Income are as follows:

Comprehensive Income Statement

Year ended 31 December 2021	Total 100% £m	Group's share £m
Administrative expenses	0.2	0.1
Profit before taxation	0.2	0.1
Taxation	–	–
Total comprehensive profit	**0.2**	**0.1**

Statement of Financial Position

As at 31 December 2021	Total 100% £m	Group's share £m
Investment property	5.0	2.5
Options to acquire land	48.6	24.3
Non-current assets	**53.6**	**26.8**
Other receivables	1.0	0.5
Cash	(0.6)	(0.3)
Current assets	**0.4**	**0.2**
Trade and other payables	(2.8)	(1.4)
Current liabilities	**(2.8)**	**(1.4)**
Net assets	**51.2**	**25.6**

The Group's share of contingent liabilities in the joint ventures is £nil (December 2020: £nil).

17. Investments

The Group comprises a number of Special Purpose Vehicle (SPV) subsidiaries. All SPV subsidiaries that form these financial statements are noted within the Company financial statement in note 5.

18. Trade and other receivables

Non-current trade and other receivables	**Year ended 31 December 2021 £m**	Year ended 31 December 2020 £m
Cash in public institutions	**2.0**	2.0

The cash in public institutions is a deposit of £2.0 million paid by certain tenants to the Company, as part of their lease agreements.

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Trade receivables	**7.1**	21.8
Prepayments, accrued income and other receivables	**25.7**	1.7
VAT	**4.3**	1.6
	37.1	25.1

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the year 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 as at 31 December 2021 was £0.1 million (31 December 2020: £0.2 million). No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

Notes to the Consolidated Accounts continued

19. Cash held at bank

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Cash and cash equivalents to agree with cash flow	**70.9**	57.6
Restricted cash	**0.2**	0.2
	71.1	57.8

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 asset management initiative.

Cash and cash equivalents reported in the Consolidated Statement of Cash Flows totalled £70.9 million (2020: £57.6 million) as at the year end, which excludes long-term restricted and ring-fenced cash deposits totalling £0.2 million (2020: £0.2 million). Total cash held at bank as reported in the Group Statement of Financial Position is £71.1 million (2020: £57.8 million).

20. Trade and other payables

Non-current trade and other payables	**Year ended 31 December 2021 £m**	Year ended 31 December 2020 £m
Other payables	**2.0**	2.0

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Trade and other payables	**66.6**	52.7
Bank loan interest payable	**6.0**	6.0
Accruals	**13.3**	10.6
	85.9	69.3

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

21. Business combination

The Group acquired an 87% economic interest in Tritax Symmetry on 19 February 2019, a development group with ownership of a combination of land and land options.

The B and C Shares issued to Symmetry Management Shareholders are treated as a combination of both contingent consideration for the acquisition of a 13% economic interest in the Symmetry Portfolio and a 13% economic right held to their share of future performance of the Tritax Symmetry Development assets. This is as a result of certain vesting conditions attached to the B and C Shares over the first five years of the contract (see note 22 below).

A non-controlling interest has not been recognised at the acquisition date for the 13% economic interest held by the Symmetry Management Shareholders due to the put and call options attached to the shares issued, which are expected to be exercised on or around the eighth anniversary of the acquisition at the latest. The Symmetry Management Shareholders have a put option, on the third to eighth anniversary of the acquisition allowing them to sell 1.5% of their 13% economic interest to the Company at each date. The Company has a call option, to buy any remaining economic interest still due to the Symmetry Management Shareholders on the eighth anniversary.

During the year, other property assets were amortised by a charge of £5.3 million (2020: £4.5 million) resulting in a net position on the Group Statement of Financial Position of £4.0 million (2020: £9.4 million).

22. 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:

31 December 2021	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

31 December 2020	Contingent consideration £m	Share-based payment £m	Fair value £m
Opening balance	19.6	3.3	22.9
Fair value movement recognised	2.9	–	2.9
Share-based payment charge	–	5.9	5.9
Closing balance	22.5	9.2	31.7

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 50% 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. Based on the above, the range of possible outcome is between £nil to £38 million. 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 year ended 31 December 2021, £5.5 million (2020: £5.9 million) was charged in the Group profit or loss for the share-based payment.

23. 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, HSBC UK Bank plc, The Royal Bank of Scotland International Limited London Branch and Wells Fargo Bank N.A. London Branch. In June 2021, the termination date in respect of £190 million of the £200 million RCF was extended from 14 June 2024 to 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, HSBC Bank plc, Sumitomo Mitsui Banking Corporation, The Royal Bank of Scotland plc, Santander UK plc and Wells Fargo Bank N.A. London Branch. The termination date of £300 million of the £350 million RCF is 10 December 2024, and the remaining £50 million is 10 December 2023.

The Group has a £250 million unsecured green bond, maturing on 27 November 2033. The notes have an interest rate of 1.5%. An amount equivalent to the net proceeds of each Green Finance Transaction ("GFT") has been used to acquire, finance or refinance, in whole or in part, new or existing Eligible Green Projects ("EGPs") that met the Eligibility Criteria. The Group had published a Green Finance Report that detailed the allocation of net proceeds of Green Finance Transactions and associated impact metrics during the year.

As at 31 December 2021, 69% (2020: 69%) of the Group's debt facility commitments are fixed term, with 31% floating term (2020: 31%). When including interest rate hedging the Group has fixed term or hedged facilities totalling 100% of drawn debt (see note 24).

As at 31 December 2021, the weighted average running cost of debt was 2.26% (2020: 2.17%) and the Group's average capped cost of debt was 2.53% (2020: 2.49%). As at the same date the Group had undrawn debt commitments of £550.0 million.

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

The London Interbank Offered Rate (LIBOR) has been phased out from the end of 2021 and is expected to be replaced by various alternative risk-free-rates (RFRs) across the Global Financial Markets. The cessation of LIBOR took effect from 31 December 2021, this is an industry-wide change driven by the regulators. Financial regulatory authorities had expressed their concern that the interbank lending market which LIBOR is intended to reflect is no longer sufficiently active or liquid.

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 will attract an interest rate of the borrowing margin plus Sonia plus a credit adjustment spread equal to 11.93 bps. It is expected that this change in risk-free rate will not lead to a material change in overall borrowing costs.

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

Bank borrowings

	Bank borrowings drawn £m	**Bank borrowings undrawn £m**	**Total £m**
As at 1 January 2021	**212.9**	**550.0**	**762.9**
Bank borrowings drawn in the year under existing facilities	**245.5**	**(245.5)**	**–**
Bank borrowings repaid in the year under existing facilities	**(245.5)**	**245.5**	**–**
As at 31 December 2021	**212.9**	**550.0**	**762.9**

	Bank borrowings drawn £m	Bank borrowings undrawn £m	Total £m
As at 1 January 2020	262.9	500.0	762.9
Bank borrowings drawn in the year under existing facilities	289.5	(289.5)	–
Bank borrowings repaid in the year under existing facilities	(339.5)	339.5	–
As at 31 December 2020	212.9	550.0	762.9

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

	31 December 2021 £m	31 December 2020 £m
Bank borrowings drawn: due in more than one year	**212.9**	212.9
Less: unamortised costs on bank borrowings	**(5.3)**	(6.2)
	207.6	206.7

23. Borrowings continued

Loan notes

Bonds	31 December 2021 £m	31 December 2020 £m
2.625% Bonds 2026	**249.5**	249.3
3.125% Bonds 2031	**247.5**	247.3
2.860% USPP 2028	**250.0**	250.0
2.980% USPP 2030	**150.0**	150.0
1.500% Green Bonds 2033	**246.4**	246.2
Less: unamortised costs on loan notes	**(5.8)**	(6.4)
	1,137.6	1,136.4

The weighted average term to maturity of the Group's debt as at the year end is 6.5 years (31 December 2020: 7.4 years).

Maturity of borrowings

	31 December 2021 £m	31 December 2020 £m
Repayable between one and two years	**–**	–
Repayable between two and five years	**300.3**	50.9
Repayable in over five years	**1,056.0**	1,304.8
	1,356.3	1,355.7

24. 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. A number of interest rate caps and one interest rate swap have been taken out in respect of the Group's variable rate debt to fix or cap the rate to which three-month Libor can rise. Each runs coterminous to the initial term of the respective loans. With effect from 1 January 2022, the interest rate derivatives have been transitioned to Sonia, as this is the risk-free rate now adopted by the Group's variable rate loan facilities.

The weighted average capped rate, excluding any margin payable, for the Group as at the year end was 1.11% (2020: 1.10%), which effectively caps the level to which Sonia can rise to, therefore limiting any effect on the Group of an interest rate rise. The interest rate derivatives mean that the Group's borrowing facilities at the year end have an all-inclusive capped interest rate payable of 2.53% (2020: 2.49%). The total premium payable in the year towards securing the interest rate caps was £nil (2020: nil).

	31 December 2021 £m	31 December 2020 £m
Non-current assets: interest rate derivatives	**1.8**	0.1
Non-current liabilities: interest rate derivatives	**–**	(1.1)

The interest rate derivatives are valued by the relevant counterparty banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark-to-market values of the derivatives are taken to the Group profit or loss.

	31 December 2021 £m	31 December 2020 £m
Interest rate derivative valuation brought forward	**(1.0)**	1.3
Changes in fair value of interest rate derivatives	**2.8**	(2.3)
	1.8	(1.0)

It is the Group's target to hedge at least 90% of the total debt portfolio either using interest rate derivatives or entering fixed-rate loan arrangements. As at the year-end date the total proportion of drawn debt either hedged via interest rate derivatives or subject to fixed-rate loan agreements equated to 100.00%, as shown below:

	31 December 2021 Drawn £m	31 December 2020 Drawn £m
Total borrowings drawn (note 23)	**1,356.3**	1,355.7
Notional value of effective interest rate derivatives and fixed-rate loans	**1,356.3**	1,355.7
Proportion of hedged debt	**100.00%**	100.00%

Notes to the Consolidated Accounts continued

24. Interest rate derivatives continued

Fair value hierarchy

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.

25. Financial risk management

Financial instruments

The Group's principal financial assets and liabilities are those that arise directly from its operations: trade and other receivables, trade and other payables and cash held at bank. The Group's other principal financial assets and liabilities are amounts due to B and C shareholders, bank borrowings and interest rate derivatives. The main purpose of bank borrowings and derivatives is to finance the acquisition and development of the Group's investment property portfolio and hedge against the interest rate risk arising.

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

	Book value 31 December 2021 £m	**Fair value 31 December 2021 £m**	Book value 31 December 2020 £m	Fair value 31 December 2020 £m
Financial assets				
Interest rate derivatives	**1.8**	**1.8**	0.1	0.1
Trade and other receivables[1]	**31.3**	**31.3**	21.8	21.8
Cash held at bank	**71.1**	**71.1**	57.8	57.8
Financial liabilities				
Interest rate derivatives	**–**	**–**	(1.1)	(1.1)
Trade and other payables[2]	**85.9**	**85.9**	71.3	71.3
Amounts due to B and C shareholders	**41.4**	**41.4**	31.7	31.7
Borrowings	**1,356.3**	**1,405.3**	1,355.7	1,496.9

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 following table sets out the fair value of those financial liabilities measured at amortised cost where there is a difference between book value and fair value.

	Date of valuation	Total (Level 1) £m	Quoted prices in active markets (Level 2) £m	Significant observable inputs (Level 3) £m	Significant unobservable inputs £m
Borrowings	**31 December 2021**	**1,352.5**	**1,187.3**	**165.2**	**–**
Borrowings	31 December 2020	1,446.1	1,271.7	174.4	–

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 1.25% 2027 Gilt and Treasury 4.75% 2030 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 £1,187.3 million (2020: £1,271.1 million) and the financial liabilities at Level 2 fair value measure were £165.2 million (2020: £174.4 million).

Risk management

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

25. Financial risk management continued

Market risk

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

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis performed to ascertain the impact on the Group profit or loss and net assets of a 50 basis point shift in interest rates would result in an increase of £0.3 million (2020: £0.3 million) or a decrease of £0.3 million (2020: £0.3 million). The difference between the increase and decrease absolute figure is due to the interest rate caps in place.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions. Credit risk is mitigated by tenants being required to pay rentals in advance under their lease obligations. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement.

Outstanding trade receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. We conduct ongoing covenant analysis of our customers and strengthened our team to support this work during the period. The analysis combines publicly available financial and trading information with our own observations and customer conversations as well as the opinions of third-party professionals to form a view over the credit risk of counter-parties under our leases.

Trade receivables

Trade receivables, primarily tenant rentals, are presented in the Group Statement of Financial Position net of allowances for doubtful receivables and are monitored on a case by case basis. Credit risk is primarily managed by requiring tenants to pay rentals in advance and performing tests around strength of covenant prior to acquisition and on an ongoing annual basis. A small number of tenants had entered into payment plans during the prior year which continued for part of the current year, as a result of the impact of Covid-19. All payments have currently been received in line with the payment plans and there are no payment plans continuing. Therefore we do not currently foresee any issues with the recoverability of the remaining payment plan balances.

Credit risk related to financial instruments and cash deposits

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

Liquidity risk

Liquidity risk arises from the Group's management of working capital, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, as the majority of the Group's assets are property investments and are therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management, ensuring it has appropriate levels of cash and available drawings to meet liabilities as they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	<3 months £m	3-12 months £m	Between 1-2 years £m	Between 2-5 years £m	More than 5 years £m	Total £m
31 December 2021						
Borrowings	**8.7**	**26.2**	**34.9**	**404.3**	**1,153.9**	**1,628.0**
Amounts due to B and C shareholders	**–**	**–**	**–**	**–**	**41.4**	**41.4**
Trade and other payables	**85.9**	**–**	**–**	**–**	**2.0**	**87.9**
	94.6	**26.2**	**34.9**	**404.3**	**1,197.5**	**1,757.3**
31 December 2020						
Borrowings	8.7	26.1	34.8	154.9	1,437.5	1,662.0
Amounts due to B and C shareholders	–	–	–	–	31.7	31.7
Trade and other payables	69.3	–	–	–	2.0	71.3
	78.0	26.1	34.8	154.9	1,471.2	1,765.0

Included within the contracted payments is £265.1 million (2020: £299.2 million) of loan interest payable up to the point of maturity across the facilities.

26. Capital management

The Board, with the assistance of the Investment Manager, monitors and reviews the Group's capital so as to promote the long-term success of the business, facilitate expansion and to maintain sustainable returns for shareholders. The Group considers proceeds from share issuances, bank borrowings and retained earnings as capital. The Group's policy on borrowings is as set out below:

The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, while maintaining flexibility in the underlying security requirements, and the structure of both the portfolio and the REIT Group.

The Directors intend that the Group will maintain a conservative level of aggregate borrowings with a medium-term target of 30% - 35% of the Group's gross assets.

The Group has complied with all covenants on its borrowings up to the date of this report. All of the targets mentioned above sit comfortably within the Group's covenant levels, which include loan to value ("LTV"), interest cover ratio and loan to projected project cost ratio. The Group LTV at the year end was 23.5% (2020: 30.0%) and there is substantial headroom within existing covenants.

Debt is drawn at the asset and corporate level, subject to the assessment of the optimal financing structure for the Group and having consideration to key metrics including lender diversity, debt type and maturity profiles.

27. Equity reserves

Share capital

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

Issued and fully paid at 1 pence each	**31 December 2021 Number**	**31 December 2021 £m**	31 December 2020 Number	31 December 2020 £m
Balance at beginning of year – £0.01 Ordinary Shares	**1,719,141,878**	**17.2**	1,706,974,948	17.1
Shares issued in relation to further equity issuance	**147,058,823**	**1.4**	–	–
Shares issued in relation to management contract	**1,580,609**	**0.1**	–	–
Shares issued in relation to the consideration for a corporate acquisition	**–**	**–**	12,166,930	0.1
Balance at end of year	**1,867,781,310**	**18.7**	1,719,141,878	17.2

Share premium

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

Capital reduction reserve

In 2015 and 2018, the Company by way of Special Resolution cancelled the then value of its share premium account, by an Order of the High Court of Justice, Chancery Division. As a result of this cancellation, £422.6 million and £932.4 million respectively were transferred from the share premium account into the capital reduction reserve account. The capital reduction reserve account is classed as a distributable reserve. Movements in the current year relate to dividends paid.

Retained earnings

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

28. Net asset value (NAV) per share

Basic NAV per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to ordinary equity holders of the Parent by the number of Ordinary Shares outstanding at the end of the year. As there are dilutive instruments outstanding, both basic and diluted NAV per share are shown below.

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Net assets per Group Statement of Financial Position	**4,076.5**	2,921.3
EPRA NTA	**4,157.6**	3,019.1
Ordinary Shares:		
Issued share capital (number)	**1,867,781,310**	1,719,141,878
Basic net asset value per share	**218.26p**	169.92p
Dilutive shares in issue (number)	**668,309**	–
Diluted net asset value per share	**218.18p**	169.92p

28. Net asset value (NAV) per share continued

	31 December 2021			31 December 2020		
	EPRA NTA £m	**EPRA NRV £m**	**EPRA NDV £m**	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders	**4,076.5**	**4,076.5**	**4,076.5**	2,921.3	2,921.3	2,921.3
Revaluation of land options	**66.0**	**66.0**	**66.0**	80.1	80.1	80.1
Mark-to-market adjustments of derivatives	**16.9**	**16.9**	**–**	19.7	19.7	–
Intangibles	**(1.7)**	**–**	**–**	(2.0)	–	–
Fair value of debt	**–**	**–**	**(47.0)**	–	–	(141.3)
Real estate transfer tax[1]	**–**	**376.3**	**–**	–	304.0	–
NAV	**4,157.7**	**4,535.7**	**4,095.5**	3,019.1	3,325.1	2,860.1
NAV per share	**222.60p**	**242.84p**	**219.27p**	175.61p	193.41p	166.36p
Dilutive NAV per share	**222.52p**	**242.75p**	**219.19p**	175.61p	193.41p	166.36p

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

See notes to EPRA NAV calculations for further details.

29. Operating leases

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

	<1 year £m	2-5 years £m	>5 years £m	Total £m
31 December 2021	**191.5**	**719.8**	**1,825.6**	**2,736.9**
31 December 2020	157.8	615.4	1,499.1	2,272.3

The Group's investment properties are leased to single tenants, with the exception of one asset which is leased to two separate tenants, some of which have guarantees attached, under the terms of a commercial property lease. Each has upward-only rent reviews that are linked to either RPI/CPI, open market or with fixed uplifts. The weighted average unexpired lease term is 13.0 years (2020: 13.8 years).

30. Transactions with related parties

For the year ended 31 December 2021, 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. Details of the amount paid for services provided by Tritax Management LLP ("the Manager") are provided in note 8.

The total amount outstanding at the year end relating to the Investment Management Agreement was £5.7 million (2020: £4.5 million).

The total expense recognised in the Group profit or loss relating to share-based payments under the Investment Management Agreement was £2.7 million (2020: £2.4 million), of which £1.5 million (2020: £1.2 million) was outstanding at the year end.

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report. £nil were paid to SG Commercial in the year ended 31 December 2021 (31 December 2020: £0.3 million) in respect of agency services for the year; this represents a total of nil (2020: 11%) of agency fees paid by the Group during the year and £nil was outstanding as at the year ended 31 December 2021 (31 December 2020: £ 0.2 million).

On 1 October 2020, there were three new Members of the Manager, namely Nicholas Preston, Frankie Whitehead and James Watson. On 1 February 2021, Alasdair Evans and Philip Redding were also appointed as new Members of the Manager. They are also Members of SG Commercial. Of these Frankie Whitehead and Philip Reading are considered as key management personnel. The other six Members of the Manager were Mark Shaw (resigned 1 April 2021), Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin and Bjorn Hobart, who are also Members of SG Commercial.

During the year the Directors who served during the year received the following dividends: Richard Jewson: £1,494 (2020: £5,584), Aubrey Adams: £13,345 (2020: £11,944), Susanne Given: £nil (2020: £nil), Alastair Hughes: £2,279 (2020: £2,240), Richard Laing: £3,051 (2020: £2,933), Karen Whitworth £1,277 (2020: £750) Wu Gang £nil (2020: £nil) and Elizabeth Brown £nil (2020: £nil) . See note 9 and Directors' Remuneration Report for further details.

During the year the Members of the Manager received the following dividends: Mark Shaw: £nil (2020: £121,639), Colin Godfrey: £149,570 (2020: £119,353), James Dunlop: £145,509 (2020: £115,362), Henry Franklin: £107,003 (2020: £86,776), Petrina Austin: £18,004 (2020: £13,338), Bjorn Hobart: £20,349 (2020: £14,624), Frankie Whitehead £7,888 (2020: £6,097) and Philip Reading £118 (2020: £nil).

Notes to the Consolidated Accounts continued

31. Reconciliation of liabilities to cash flows from financing activities

	Borrowings £m	Derivative financial instruments £m	Loan notes £m	Total £m
Balance on 1 January 2021	**206.8**	**1.0**	**1,136.5**	**1,344.3**
Cash flows from financing activities:				
Bank borrowings advanced	**245.5**	**–**	**–**	**245.5**
Bank borrowings repaid	**(245.5)**	**–**	**–**	**(245.5)**
Amounts received on the issue of loan notes	**–**	**–**	**–**	**–**
Loan arrangement fees paid	**(0.4)**	**–**	**(0.5)**	**(0.9)**
Non-cash movements:				
Change in creditors for loan arrangement fees payable	**0.1**	**–**	**0.2**	**0.3**
Amortisation of loan arrangement fees	**1.1**	**–**	**1.4**	**2.5**
Fair value movement	**–**	**(2.8)**	**–**	**(2.8)**
Balance on 31 December 2021	**207.6**	**(1.8)**	**1,137.6**	**1,343.4**

	Borrowings £m	Derivative financial instruments £m	Loan notes £m	Total £m
Balance on 1 January 2020	256.2	(1.3)	891.5	1,146.4
Cash flows from financing activities:				
Bank borrowings advanced	289.5	–	–	289.5
Bank borrowings repaid	(339.5)	–	–	(339.5)
Amounts received on the issue of loan notes	–	–	246.2	246.2
Loan arrangement fees paid	(0.4)	–	(1.7)	(2.1)
Loan arrangement written off	0.1	–	–	0.1
Non-cash movements:				
Change in creditors for loan arrangement fees payable	–	–	(0.5)	(0.5)
Amortisation of loan arrangement fees	0.9	–	1.0	1.9
Fair value movement	–	2.3	–	2.3
Balance on 31 December 2020	206.8	1.0	1,136.5	1,344.3

32. Capital commitments

The Group had capital commitments of £65.4 million in relation to its development activity, asset management initiatives and commitments under development land, outstanding as at 31 December 2021 (31 December 2020: £93.9 million). All commitments fall due within one year from the date of this report.

33. Subsequent events

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

Company Statement of Financial Position

As at 31 December 2021

Company Registration Number: 08215888

	Note	At 31 December 2021 £m	At 31 December 2020 £m
Fixed assets			
Investment in subsidiaries	5	**2,188.3**	2,188.3
Total fixed assets		**2,188.3**	2,188.3
Current assets			
Trade and other receivables	6	**1,323.5**	1,069.0
Cash held at bank	7	**2.8**	10.2
Total current assets		**1,326.3**	1,079.2
Total assets		**3,514.6**	3,267.5
Current liabilities			
Trade and other payables	8	**(15.3)**	(14.3)
Loans from Group companies		**(71.9)**	(71.0)
Total current liabilities		**(87.2)**	(85.3)
Non-current liabilities			
Loan notes	9	**(1,137.6)**	(1,136.4)
Total non-current liabilities		**(1,137.6)**	(1,136.4)
Total liabilities		**(1,224.8)**	(1,221.7)
Total net assets		**2,289.8**	2,045.8
Equity			
Share capital	10	**18.7**	17.2
Share premium reserve		**762.0**	466.5
Capital reduction reserve		**964.5**	1,078.9
Retained earnings		**544.6**	483.2
Total equity		**2,289.8**	2,045.8

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit attributable to the Parent Company for the year ended 31 December 2021 amounted to £61.4 million (31 December 2020: £145.2 million).

These financial statements were approved by the Board of Directors on 2 March 2022 and signed on its behalf by:

Aubrey Adams
Chairman

Company Statement of Changes in Equity

For the year ended 31 December 2021

	Note	Undistributable reserves		Distributable reserves		
		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**	**483.2**	**2045.8**
Profit for the year and total comprehensive income		**–**	**–**	**–**	**61.4**	**61.4**
		17.2	**466.5**	**1,078.9**	**544.6**	**2,107.2**
Contributions and distributions						
Shares issued in relation to further equity issue	10	**1.4**	**298.5**	**–**	**–**	**299.9**
Share issue costs in relation to further equity issue	10	**–**	**(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	4	**–**	**–**	**(114.4)**	**–**	**(114.4)**
31 December 2021		**18.7**	**762.0**	**964.5**	**544.6**	**2,289.8**

	Note	Undistributable reserves		Distributable reserves		
		Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2020		17.1	446.7	1,188.1	338.0	1,989.9
Profit for the year and total comprehensive income		–	–	–	145.2	145.2
		17.1	446.7	1,188.1	483.2	2,135.1
Contributions and distributions						
Shares issued in relation to equity consideration	10	0.1	19.9	–	–	20.0
Share issue costs		–	(0.1)	–	–	(0.1)
Share-based payments		–	–	–	2.4	2.4
Transfer of share-based payments to liabilities to reflect settlement		–	–	–	(2.4)	(2.4)
Dividends paid	4	–	–	(109.2)	–	(109.2)
31 December 2020		17.2	466.5	1,078.9	483.2	2,045.8

Notes to the Company Accounts

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Assets are classified in accordance with the definitions of fixed and current assets in the Companies Act 2006.

Disclosure exemptions adopted

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

- Certain comparative information as otherwise required by adopted IFRS;
- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with other wholly owned members of Tritax Big Box REIT plc.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- Share-based payments;
- Financial instruments; and
- Fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

These financial statements have been presented as required by the Companies Act 2006 and have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and policies in the United Kingdom ("UK GAAP").

Currency

The Company financial statements are presented in Sterling which is also the Company's functional currency and all values are rounded to the nearest 0.1 million (£m), except where otherwise indicated.

Other income

Other income represents dividend income which has been declared by its subsidiaries and is recognised when it is received.

Dividends payable for shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

1.1. Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the Company Balance Sheet at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

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

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

Notes to the Company Accounts continued

1. Accounting policies continued

1.1. Financial assets continued

Amortised cost continued

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Company Balance Sheet.

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

Investments in subsidiaries

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

Share-based payments

The expense relating to share-based payments is accrued over the year in which the service is received and is measured at the fair value of those services received. The extent to which the expense is not settled at the reporting period end is recognised as a liability as any shares outstanding remain contingently issuable. Contingently issuable shares are treated as dilutive to the extent that, based on market factors prevalent at the reporting year end, the shares would be issuable.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years. There were no significant accounting judgements, estimates or assumptions in preparing these financial statements.

2. Standards issued and effective from 1 January 2021

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

3. Taxation

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
UK corporation tax	**–**	–

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 31 December 2021.

4. Dividends paid

For detail of dividends paid by the Company during the year, refer to note 13 of the Group's financial statements.

5. Investment in subsidiaries

	Shares £m	Loan £m	Total £m
As at 1 January 2021	**2,188.3**	**–**	**2,188.3**
Increase in investments via share purchase	**–**	**–**	**–**
As at 31 December 2021	**2,188.3**	**–**	**2,188.3**
As at 1 January 2020	1,973.9	–	1,973.9
Increase in investments via share purchase	214.4	–	214.4
As at 31 December 2020	2,188.3	–	2,188.3

The increase in investments were as a result of capitalisation of inter-company loans and to fund the acquisitions made in the periods.

The Company has the following subsidiary undertakings as at 31 December 2021:

	Principal activity	Country of Incorporation	Ownership %
TBBR Holdings 1 Limited	Investment holding company	Jersey	100%*
TBBR Holdings 2 Limited	Investment holding company	Jersey	100%
Baljean Properties Limited	Property investment	Isle of Man	100%
Tritax Acquisition 2 Limited	Investment holding company	Jersey	100%
Tritax Acquisition 2 (SPV) Limited	Investment holding company	Jersey	100%
The Sherburn RDC Unit Trust	Property investment	Jersey	100%
KG (Jersey) Limited#	Investment holding company	Jersey	100%
KL (Jersey) Limited#	Investment holding company	Jersey	100%
G Avonmouth Unit Trust#	Property Investment	Jersey	100%
Tritax Acquisition 4 Limited	Property investment	Jersey	100%
Tritax Acquisition 5 Limited	Property investment	Jersey	100%
Sonoma Ventures Limited	Property investment	BVI	100%
Tritax REIT Acquisition 8 Limited	Investment holding company	UK[1]	100%*
Tritax REIT Acquisition 9 Limited	Investment holding company	UK[1]	100%*
Tritax Acquisition 9 Limited	Property investment	Jersey	100%
Tritax Acquisition 10 Limited	Property investment	Jersey	100%
Tritax Acquisition 11 Limited	Property investment	Jersey	100%
Tritax Acquisition 12 Limited	Property investment	Jersey	100%
Tritax Acquisition 13 Limited	Property investment	Jersey	100%
Tritax Acquisition 14 Limited	Property investment	Jersey	100%
Tritax Worksop Limited	Property investment	BVI	100%
Tritax REIT Acquisition 16 Limited	Investment holding company	UK[1]	100%*
Tritax Acquisition 16 Limited	Property investment	Jersey	100%
Tritax Acquisition 17 Limited	Property investment	Jersey	100%
Tritax Acquisition 18 Limited	Property investment	Jersey	100%
Tritax Harlow Limited	Property investment	Guernsey	100%
Tritax Lymedale Limited	Property investment	Guernsey	100%
Tritax Acquisition 21 Limited	Property investment	Jersey	100%
Tritax Acquisition 22 Limited	Property investment	Jersey	100%
Tritax Acquisition 23 Limited	Property investment	Jersey	100%
Tritax Acquisition 24 Limited	Property investment	Jersey	100%
Tritax Knowsley Limited	Property investment	Isle of Man	100%
Tritax Burton Upon Trent Limited	Property investment	BVI	100%
Tritax Acquisition 28 Limited	Property investment	Jersey	100%
Tritax Peterborough Limited	Property investment	Jersey	100%
Tritax Littlebrook 2 Limited	Property investment	Jersey	100%
Tritax Littlebrook 4 Limited	Property investment	Jersey	100%
Tritax Atherstone (UK) Limited	Property investment	UK[1]	100%
Tritax Stoke DC1&2 Limited	Investment holding company	Jersey	100%*
Tritax Stoke DC3 Limited	Investment holding company	Jersey	100%*
Tritax Holdings CL Debt Limited	Investment holding company	Jersey	100%*
Tritax Portbury Limited	Property investment	Jersey	100%
Tritax Newark Limited	Property investment	Jersey	100%
Tritax Carlisle Limited	Investment holding company	Jersey	100%*
Tritax Worksop 18 Limited	Property investment	Jersey	100%*
Tritax Stoke Management Limited	Management company	UK[1]	100%

Notes to the Company Accounts continued

5. Investment in subsidiaries continued

	Principal activity	Country of Incorporation	Ownership %
Tritax Holdings PGIM Debt Limited	Investment holding company	Jersey	100%*
Tritax Merlin 310 Trafford Park Limited	Property investment	Jersey	100%*
Tritax West Thurrock Limited	Property investment	Jersey	100%
Tritax Tamworth Limited	Property investment	Jersey	100%
Tritax Acquisition 35 Limited	Property investment	Jersey	100%
Tritax Acquisition 36 Limited	Property investment	Jersey	100%*
Tritax Acquisition 37 Limited	Property investment	Jersey	100%*
Tritax Acquisition 38 Limited	Property investment	Jersey	100%*
Tritax Acquisition 39 Limited	Property investment	Jersey	100%*
Tritax Acquisition 40 Limited	Property investment	Jersey	100%*
Tritax Acquisition 41 Limited	Property investment	Jersey	100%*
Tritax Littlebrook 1 Limited	Property investment	Jersey	100%
Tritax Littlebrook 3 Limited	Property investment	Jersey	100%
Tritax Atherstone Limited	Investment holding company	Jersey	100%*
Tritax Acquisition 42 Limited	Property investment	Jersey	100%*
Tritax Acquisition 43 Limited	Property investment	Jersey	100%*
Tritax Carlisle UK Limited	Investment holding company	UK[1]	100%
Tritax Edinburgh Way Harlow Limited	Property investment	Jersey	100%*
Tritax Crewe Limited	Investment holding company	Jersey	100%*
Tritax Acquisition 44 Limited	Property investment	Jersey	100%*
Tritax Acquisition 45 Limited	Property investment	Jersey	100%*
Tritax Acquisition 46 Limited	Property investment	Jersey	100%*
Tritax Acquisition 47 Limited	Property investment	Jersey	100%*
Tritax Acquisition 48 Limited	Property investment	Jersey	100%*
Tritax Acquisition 49 Limited[#]	Property investment	Jersey	100%*
Tritax Littlebrook Management Limited[#]	Property investment	UK[1]	100%*
Tritax Symmetry Holdings Limited (formerly known as Tritax Symmetry Limited)	Investment holding company	Jersey	100%*
db Symmetry Group Ltd	Investment holding company	UK[2]	100%
db Symmetry Ltd	Investment holding company	UK[2]	100%
Tritax Symmetry Power Limited[#]	Investment holding company	UK[2]	100%
Tritax Symmetry Power Biggleswade Limited[#]	Investment holding company	UK[2]	100%
Tritax Symmetry (BVI) Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Holdings (Biggleswade) Co Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Biggleswade) Co Ltd	Property investment	British Virgin Islands	100%
Tritax Symmetry Holdings (Blyth) Co Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Blyth) Co. Ltd	Property investment	British Virgin Islands	100%
Tritax Symmetry Holdings (Middlewich) Co. Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Middlewich) Co. Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Development (Blyth) UK Ltd	Property development	UK[2]	100%
Tritax Symmetry Development (Biggleswade) UK Ltd	Property development	UK[2]	100%
Tritax Symmetry Ardley Limited	Property investment	Jersey	100%
Tritax Symmetry Bicester 2 Limited	Property investment	Jersey	100%
Tritax Symmetry Northampton West Ltd	Property investment	Jersey	100%
Tritax Symmetry Rugby South Ltd	Property investment	Jersey	100%
Tritax Symmetry St Helens Ltd	Property investment	Jersey	100%
Tritax Symmetry Wigan Ltd	Property investment	Jersey	100%
Tritax Symmetry Oxford North Ltd	Property investment	Jersey	100%
Tritax Symmetry Northampton Ltd	Property investment	Jersey	100%
Tritax Symmetry Merseyside 1 Ltd	Property investment	Jersey	100%
Tritax Symmetry South Elmsall Ltd	Property investment	Jersey	100%
Tritax Symmetry (Goole) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Midlands) Ltd	Investment holding company	UK[2]	100%
Tritax Symmetry (Aston Clinton) Ltd	Property investment	UK[2]	100%
Tritax Symmetry Leicester South Ltd	Property investment	Jersey	100%
Tritax Symmetry Gloucester Ltd	Property investment	Jersey	100%
Tritax Symmetry (Speke) Ltd	Property investment	UK[2]	100%

5. Investment in subsidiaries continued

	Principal activity	Country of Incorporation	Ownership %
Tritax Symmetry (Barwell) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Rugby) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Hinckley) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Darlington) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Blyth) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Bicester Reid) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Wigan) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Land) LLP	Investment holding company	UK[2]	100%
Tritax Symmetry (Kettering) LLP	Property investment	UK[2]	100%
Tritax Symmetry (Lutterworth) LLP	Property investment	UK[2]	100%
Tritax Symmetry (Northampton) LLP	Investment holding company	UK[2]	100%
Symmetry Park Darlington Management Company Ltd	Management company	UK[2]	100%
Symmetry Park Aston Clinton Management Company Limited	Management company	UK[2]	100%
Tritax Symmetry Glasgow East Limited[#]	Property investment	Jersey	100%
Symmetry Park Biggleswade Management Company Limited[#]	Management company	UK[2]	100%
Tritax Symmetry Biggleswade 2 Limited[#]	Property investment	Jersey	100%
Tritax Symmetry Biggleswade 3 Limited[#]	Property investment	Jersey	100%
Tritax Symmetry Middlewich 1 Limited[#]	Property investment	Jersey	100%
Tritax Symmetry Biggleswade 4 Limited[#]	Property investment	Jersey	100%
Tritax Symmetry Biggleswade Land Limited[#]	Property investment	UK[2]	100%

* These are direct subsidiaries of the Company.

[#] These are new investments of the Company in the year.

The registered addresses for subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

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

Guernsey entities: PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 4LY.

Isle of Man entities: 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

British Virgin Islands entities: Jayla Place, Wickhams Cay 1, Road Town, Tortola, BVI VG1110.

UK[1] entities: 3rd Floor, 6 Duke Street St James's, London SW1Y 6BN.

UK[2] entities: Unit B, Grange Park Court, Roman Way, Northampton, England NN4 5EA.

The Company also has interests in the following joint arrangements as at 31 December 2021:

	Principal activity	Country of incorporation	Ownership %
Symmetry Park Doncaster Management Company Limited	Management company	UK[2]	50%
Symmetry Park Bicester Management Company Limited	Management company	UK[2]	33%

All of the companies registered offshore are managed onshore and are UK residents for UK corporation tax purposes, save for the Sherburn Unit Trust and G Avonmouth Trust.

6. Trade and other receivables

	31 December 2021 £m	31 December 2020 £m
Amounts receivable from Group companies	**1,319.8**	1,066.2
Prepayments	**0.3**	0.1
Other receivables	**3.4**	2.7
	1,323.5	1,069.0

All amounts that fall due for repayment within one year and are presented within current assets as required by the Companies Act. The loans to Group companies are repayable on demand with no fixed repayment date although it is noted that a significant proportion of the amounts may not be sought for repayment within one year depending on activity in the group companies. Interest is charged between 0%–10% (2020: 0%–10%).

Notes to the Company Accounts continued

7. Cash held at bank

	31 December 2021 £m	31 December 2020 £m
Cash held at bank	**2.8**	10.2

8. Trade and other payables

	31 December 2021 £m	31 December 2020 £m
Trade and other payables	**8.8**	8.5
Accruals	**6.5**	5.8
	15.3	14.3

9. Loan notes

Bonds	31 December 2021 £m	31 December 2020 £m
2.625% Bonds 2026	**249.5**	249.3
3.125% Bonds 2031	**247.5**	247.3
2.860% USPP 2028	**250.0**	250.0
2.980% USPP 2030	**150.0**	150.0
1.500% Green bonds 2033	**246.4**	246.2
Less: unamortised costs on loan notes	**(5.8)**	(6.4)
Non-current liabilities: net borrowings	**1,137.6**	1,136.4

Maturity of loan notes	31 December 2021 £m	31 December 2020 £m
Repayable between one and two years	**–**	–
Repayable between two and five years	**249.5**	–
Repayable in over five years	**893.9**	1,142.8
	1,143.4	1,142.8

10. Equity reserves

Refer to note 27 of the Group's financial statements.

11. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

For all other related party transactions make reference to note 30 of the Group's financial statements.

12. Directors' remuneration

Refer to note 9 of the Group's financial statements.

13. Subsequent events

Refer to note 33 of the Group's financial statements.

Notes to the EPRA and Other Key Performance Indicators

1. EPRA earnings per share

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Total comprehensive income (attributable to shareholders)	**972.6**	449.4
Adjustments to remove:		
Changes in fair value of investment properties	**(840.9)**	(351.1)
Changes in fair value of interest rate derivatives	**(2.8)**	2.3
Share of (profits)/loss from joint ventures	**(0.1)**	0.1
Gain on disposal of investment properties	**(2.0)**	(0.1)
Amortisation of other property assets	**5.4**	4.5
Impairment of intangible and other property assets	**2.9**	0.4
Tax refund	**(3.9)**	–
Profits to calculate EPRA earnings per share	**131.2**	105.5
Add back: Changes in fair value of contingent consideration payable	**–**	–
Profits to calculate EPRA diluted earnings per share	**131.2**	105.5
Weighted average number of Ordinary Shares	**1,755,926,756**	1,708,504,125
EPRA earnings per share – basic	**7.47p**	6.17p
Dilutive shares to be issued	**668,309**	–
EPRA earnings per share – diluted	**7.47p**	6.17p

2. EPRA NAV per share

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	28	**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**

31 December 2020	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to shareholders		2,921.3	2,921.3	2,921.3
Revaluation of land options		80.1	80.1	80.1
Mark-to-market adjustments of derivatives		19.7	19.7	–
Intangibles		(2.0)	–	–
Fair value of debt		–	–	(141.3)
Real estate transfer tax[1]		–	304.0	–
At 31 December 2020	28	3,019.1	3,325.1	2,860.1
NAV per share		175.61p	193.41p	166.36p
Dilutive NAV per share		175.61p	193.41p	166.36p

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

Notes to the EPRA and Other Key Performance Indicators continued

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

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Investment property – wholly owned	**5,123.7**	4,026.9
Investment property – share of joint ventures	**2.5**	2.0
Less: development properties	**(105.0)**	(480.7)
Completed property portfolio	**5,021.2**	3,548.2
Allowance for estimated purchasers' costs	**340.4**	240.6
Gross up completed property portfolio valuation (B)	**5,361.6**	3,788.8
Annualised passing rental income	**195.9**	180.2
Less: contracted rental income in respect of development properties	**–**	(19.1)
Property outgoings	**(0.2)**	(0.4)
Less: contracted rent under rent-free period	**(4.8)**	(2.5)
Annualised net rents (A)	**190.9**	158.2
Contractual increases for fixed uplifts	**10.2**	7.6
Topped up annualised net rents (C)	**201.1**	165.8
EPRA net initial yield (A/B)	**3.56%**	4.18%
EPRA topped up net initial yield (C/B)	**3.75%**	4.38%

4. EPRA vacancy rate

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Annualised estimated rental value of vacant premises	**–**	–
Portfolio estimated rental value[1]	**216.2**	172.5
EPRA vacancy rate	**0%**	0%

1 Excludes land held for development.

5. EPRA cost ratio

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Property operating costs	**0.2**	0.2
Administration expenses	**25.5**	22.6
Service charge costs recovered through rents but not separately invoiced	**–**	0.2
Total costs including and excluding vacant property costs (A)/(B)	**25.7**	23.0
Vacant property cost	**–**	(0.2)
Total costs excluding vacant property costs (B)	**25.7**	22.8
Gross rental income – per IFRS	**184.7**	161.6
Less: Service charge cost components of gross rental income	**–**	–
Gross rental income (C)	**184.7**	161.6
Total EPRA cost ratio (including vacant property costs)	**13.9%**	14.2%
Total EPRA cost ratio (excluding vacant property costs)	**13.9%**	14.1%

6. EPRA like-for-like rental income

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m	Change £m	Change %
Like-for-like rental income	**150.6**	145.8	–	–
Other rental income	**0.1**	0.1	–	–
Like-for-like Gross rental income	**150.7**	145.9	4.8	3.3
Irrecoverable property expenditure	**(0.1)**	(0.1)	–	–
Like-for-like Net rental income	**150.6**	145.8	4.8	3.3
Reconciliation to Net rental income per Statement of Comprehensive Income:				
Development properties	**20.9**	3.0	–	–
Properties acquired	**5.8**	0.4	–	–
Properties disposed	**0.2**	5.7	–	–
Properties under rent free periods	**–**	(2.6)	–	–
Spreading of tenant incentives and guaranteed rental uplifts	**7.2**	9.3	–	–
Total per statement of comprehensive income	**184.7**	161.6	–	–

7. EPRA property-related capital expenditure

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Acquisition[1]	**89.6**	82.3
Development[2]	**274.3**	210.6
Investment properties:		
Tenant incentives[3]	**7.2**	9.3
Capitalised interest	**0.7**	–
Total	**371.8**	302.2

1 See note 14.

2 See note 14 and note 15.

3 Fixed rental uplift and tenant lease incentives after adjusting for amortisation on rental uplift and tenant lease incentives.

8. Total Accounting Return ("TAR")

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Opening EPRA NTA	**175.61p**	151.79p
Closing EPRA NTA	**222.60p**	175.61p
Change in EPRA NTA	**46.99p**	23.82p
Dividends paid	**6.51p**	6.40p
Total growth in EPRA NTA plus dividends paid	**53.50p**	30.22p
Total return	**30.5%**	19.9%
One-off transactional costs	**–**	–
Total return excluding one-off transactional costs	**30.5%**	19.9%

Notes to the EPRA and Other Key Performance Indicators continued

9. Total expense ratio

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Total operating costs	**25.5**	22.6
Average net assets over the period	**3,231.0**	2,619.4
Total expense ratio	**0.79%**	0.86%

10. Loan to value ratio

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Gross debt drawn	**1,356.3**	1,355.7
Less: Cash	**(71.1)**	(57.8)
Net Debt	**1,285.2**	1,297.9
Gross property value	**5,480.2**	4,319.6
Loan to value ratio	**23.5%**	30.0%

Five Year Summary

Group Statement of Comprehensive Income

	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
Gross rental income	**184.7**	161.6	144.4	133.9	108.0
Service charge income	**5.1**	4.6	4.1	3.9	2.9
Service charge expense	**(5.2)**	(4.7)	(4.2)	(5.0)	(3.0)
Net rental income	**184.6**	161.5	144.3	132.8	107.9
Other operating income	**18.9**	8.6	4.1	–	–
Administrative and other expenses	**(25.5)**	(22.6)	(21.7)	(18.1)	(14.1)
Acquisition related costs	**–**	–	(4.2)	(1.0)	–
Operating profit before changes in fair value of investment properties, share of profit from joint ventures and share-based payment charges	**178.0**	147.5	122.5	113.7	93.8
Changes in fair value of investment properties	**840.9**	351.1	54.5	163.0	176.0
Gain on disposal of investment properties	**2.0**	0.1	–	–	–
Share of profit/(loss) from joint ventures after tax	**0.1**	(0.1)	–	–	–
Impairment of intangible and other property assets	**(2.9)**	(0.4)	(0.6)	–	–
Share-based payment charge	**(5.5)**	(5.9)	(3.3)	–	–
Changes in fair value of contingent consideration payable	**(4.2)**	(2.9)	(0.5)	–	–
Gain on bargain purchase	**–**	–	7.8	–	–
Operating profit	**1,008.4**	489.4	180.4	276.7	269.8
Finance income	**–**	–	0.4	0.2	0.4
Finance expense	**(40.1)**	(37.6)	(34.4)	(23.1)	(20.3)
Changes in fair value of interest rate derivatives	**2.8**	(2.3)	(5.2)	(1.2)	(2.1)
Changes in fair value of amounts due to third parties	**–**	–	–	–	–
Profit before taxation	**971.1**	449.5	141.2	252.6	247.8
Tax on profit for the period	**1.5**	(0.1)	–	–	–
Profit and total comprehensive income	**972.6**	449.4	141.2	252.6	247.8
Earnings per share – basic	**55.4p**	26.3p	8.40p	17.54p	19.54p
Earnings per share – diluted	**55.3p**	26.3p	8.38p	17.54p	19.53p

Five Year Summary continued

Group Statement of Financial Position

	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
Non-current assets					
Intangible assets	**1.7**	2.0	2.3	–	–
Investment property	**5,249.1**	4,053.5	3,541.2	3,038.3	2,599.2
Investment in land options	**201.5**	228.1	226.0	–	–
Investment in joint ventures	**25.6**	28.5	30.1	–	–
Other property assets	**4.0**	9.4	13.9	–	–
Trade and other receivables	**2.0**	2.0	–	–	–
Interest rate derivatives	**1.8**	0.1	1.3	5.2	2.0
Total non-current assets	**5,485.7**	4,323.6	3,814.8	3,043.5	2,601.2
Current assets					
Rent and other receivables	**37.1**	25.1	25.7	42.3	10.2
Cash at bank	**71.1**	57.8	21.4	48.3	78.1
Total current assets	**108.2**	82.9	47.1	90.6	88.3
Total assets	**5,593.9**	4,406.5	3,861.9	3,134.1	2,689.5
Current liabilities					
Deferred rental income	**(38.6)**	(36.1)	(35.3)	(30.2)	(27.6)
Trade and other payables	**(85.9)**	(69.3)	(76.1)	(42.5)	(23.4)
Tax liabilities	**(4.3)**	(1.9)	(18.7)	–	–
Total current liabilities	**(128.8)**	(107.3)	(130.1)	(72.7)	(51.0)
Non-current liabilities					
Trade and other payables	**(2.0)**	(2.0)	–	–	–
Interest rate derivatives	**–**	(1.1)	–	–	–
Bank borrowings	**(207.6)**	(206.7)	(256.2)	(327.8)	(216.8)
Loan notes	**(1,137.6)**	(1,136.4)	(891.5)	(492.7)	(492.2)
Amounts due to third parties	**(41.4)**	(31.7)	(22.9)	–	–
Total non-current liabilities	**(1,388.6)**	(1,377.9)	(1,170.6)	(820.5)	(709.0)
Total liabilities	**(1,517.4)**	(1,485.2)	(1,300.7)	(893.2)	(760.0)
Total net assets	**4,076.5**	2,921.3	2,561.2	2,240.9	1,929.5
Equity					
Share capital	**18.7**	17.2	17.1	14.8	13.7
Share premium reserve	**762.0**	466.5	446.7	153.6	932.4
Capital reduction reserve	**964.5**	1,078.9	1,188.1	1,304.4	467.9
Retained earnings	**2,331.3**	1,358.7	909.3	768.1	515.5
Total equity	**4,076.5**	2921.3	2,561.2	2,240.9	1,929.5
Net asset value per share – basic	**218.26p**	169.92p	150.04p	152.00p	141.50p
Net asset value per share – diluted	**218.18p**	169.92p	150.04p	152.00p	141.44p
EPRA net asset value per share – diluted	**222.52p**	175.61p	151.79p	152.83p	142.24p

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, Alastair Hughes, Elizabeth Brown, Wu Gang, 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.

"Embodied Carbon"

The amount of carbon emitted during the construction of a building. This includes extraction of raw materials, manufacturing and refinement of materials, transport, building phase, deconstruction, and disposal.

"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).

Glossary of Terms continued

"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 bank for future development typically controlled under option agreements which do not form part of the Current or Near Term development pipeline.

"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 equivalent yield"
The internal rate of return from an Investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time.

"Net initial yield"
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.

"Net Zero Carbon - Construction"
When the amount of carbon emissions associated with a buildings construction up to practical completion is zero through use of offsets or the export of onsite renewables.

"Net Zero Carbon - Operational Energy"
When the amount of carbon emissions associated with a building's operational energy on an annual basis is zero.

"Net Zero Carbon - Whole Life"
When the amount of carbon emissions associated with a buildings embodied and operational impacts over the life of the building are zero.

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

"Operational Carbon"
The carbon emissions arising from all energy consumed and from water supply and waste water treatment for an asset in-use, over its life cycle.

"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.

"Scope 1 Emissions"
Direct carbon emissions from owned or controlled sources.

"Scope 2 Emissions"
Indirect emissions from the generation of purchased electricity, steam, heating and cooling.

"Scope 3 Emissions"
All other indirect emissions that occur in a company's value chain.

"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.

Glossary of Terms continued

"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.

"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.

Directors,

"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.

Company Information

Company Registration Number: 08215888

Incorporated in the United Kingdom

Directors, Management and Advisers

Directors

Aubrey Adams OBE, FCA, FRICS
Non-Executive Chairman

Alastair Hughes FRICS
Senior Independent Director

Elizabeth Brown
Non-Executive Director

Wu Gang
Non-Executive Director

Richard Laing FCA
Non-Executive Director

Karen Whitworth ACA
Non-Executive Director

Registered office

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Manager

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Joint Financial Adviser and Joint Corporate Broker

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Joint Corporate Broker

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Auditor

BDO LLP
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Company Secretary

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Registrar

Computershare Investor Services PLC
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BS99 6ZZ

Administrator

Link Asset Services
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EX4 4EP

Depository

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Valuers

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Colliers International Valuation UK LLP
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W1U 7GA

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Canada Life Investments
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EC3V 9JU

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EC4V 4HN

HSBC Bank plc
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E14 5HQ

PGIM Real Estate Finance
8th Floor
One London Bridge London
SE1 9BG

Royal Bank of Scotland
250 Bishopsgate London
EC2M 4AA

Santander
2 Triton Square Regent's Place London
NW1 3AN

Sumitomo Mitsui Trust Bank
155 Bishopsgate London
EC2M 3XU

Wells Fargo Bank, N.A.
33 King William Street London
EC4R 9AT

Cautionary statement

This Annual Report and the Tritax Big Box REIT plc website may contain certain 'forward-looking statements' with respect to Tritax Big Box REIT plc's ("Company") financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Company operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'will', 'would', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Company operates; changes in the legal, regulatory and competition frameworks in which the Company operates; changes in the markets from which the Company raises finance; the impact of legal or other proceedings against or which affect the Company; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates. Any forward-looking statements made in this Annual Report or Tritax Big Box REIT plc website, or made subsequently, which are attributable to the Company, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made.

Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements. Nothing in this Annual Report or the Tritax Big Box REIT plc website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

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Tritax Big Box REIT plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Revive 100 Silk, an FSC® certified material.

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