

Specialists in UK logistics



Specialists in UK logistics real estate

We are the UK's largest listed investor in high-quality logistics warehouse assets. We also control the UK's largest logistics-focused land platform.

This makes us ideally placed to take advantage of the long-term structural growth in UK logistics, which is driven by continued growth in e-commerce and our customers' focus on supply chain optimisation and sustainability.



Our Manager

Our Manager, Tritax Management LLP, specialises in investing in mission-critical supply chain real estate, which is aligned with the structural trends shaping the economy. It has deep expertise in the sector, built up over more than 25 years. The Manager has assembled a full-service UK logistics asset management capability for us, including on the-ground asset and property managers.

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Building success for the next 10 years

Tritax Big Box invests in and develops high-quality logistics assets in the UK. We aim to offer investors a sustainable blend of long-term growing income and capital growth.

A compelling investment case

- 1 Strategy aligned with market drivers – *see p26*
- 2 High-quality portfolio – *see p16*
- 3 Attractive development opportunities – *see p17*
- 4 Long-term structural drivers – *see p22*
- 5 An integrated approach to sustainability – *see p36*
- 6 Financial discipline – *see p52*
- 7 Extensive expertise – *see p78*



Read more about our 7 investment pillars and how they support the next 10 years of our growth



Celebrating 10 years...

...A clear strategy, high-quality portfolio and strong customer relationships...

1

Strategy aligned with market drivers

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

▶ [Read more about our strategy on pages 26 and 27](#)

2

High-quality portfolio

We have constructed a portfolio of high-quality assets, in key locations, let to customers operating in strong business segments. The portfolio has proven its ability to generate highly visible and resilient income, even in uncertain times. We complement this strong foundation with assets in a range of sizes and locations that allow us to apply our asset management expertise to drive greater returns.

▶ [Read more about our portfolio on pages 16 and 17](#)



...with attractive development opportunities...

3

Attractive development opportunities

We control the UK's largest logistics-focused land platform, giving us an attractive pipeline of internally generated opportunities for long-term phased delivery of new assets with an attractive income return on capital deployed targeting a 6-8% yield on cost.

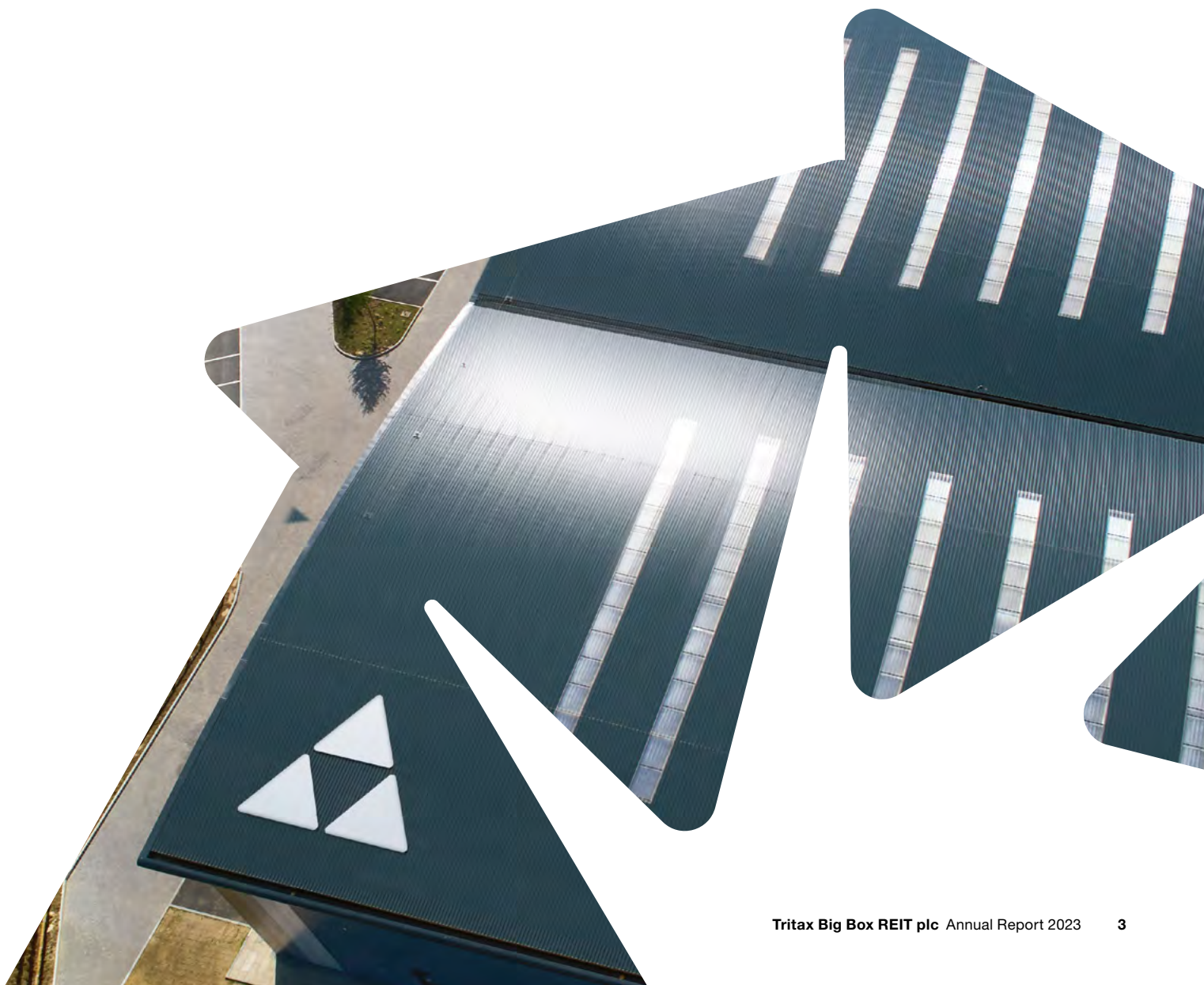
► Read more about development opportunities on pages 49 to 51

1.7m sq ft

Development starts

£208m

Capital expenditure into development





Celebrating 10 years...

...in a market supported by long-term structural drivers...



Long-term structural drivers

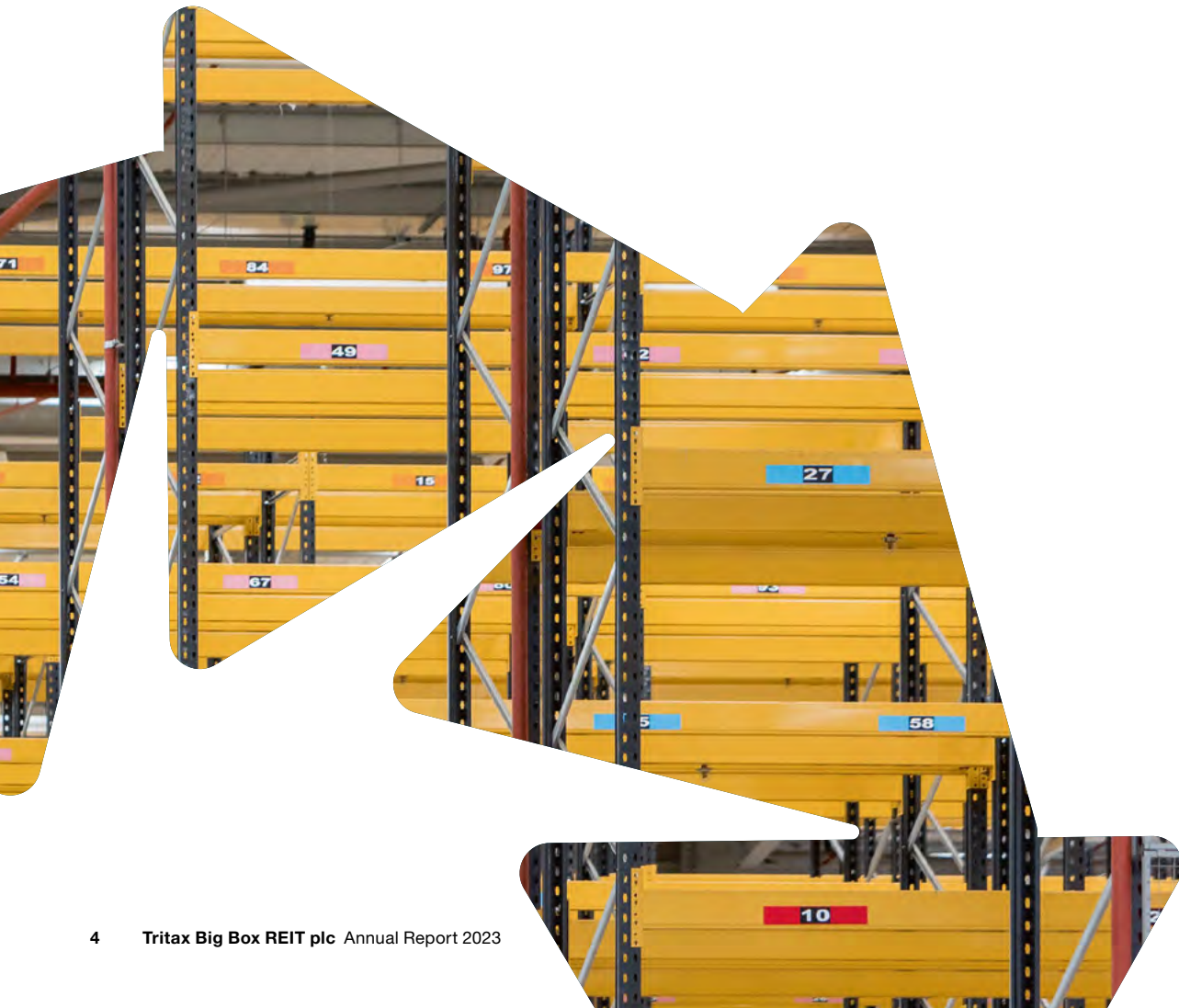
We believe this remains the most attractive and dynamic sector in commercial property. There are major long-term structural trends continuing to drive occupational and investor demand for UK logistics assets. We believe these trends have many years to run.

► Read more about our structural drivers on pages 22 and 23

61 c.35.6m

customers

sq ft of logistics space





...an integrated approach to sustainability...

5

An integrated approach to sustainability

ESG considerations are central to all our investment decisions and increasingly form a key competitive advantage. From integrating ESG initiatives into our asset management plans, to developing net zero carbon buildings, or funding through Green Finance, ESG factors are fully considered to ensure we mitigate risks and capture opportunities.

► [Read more about our ESG strategy on pages 36 to 41](#)

97%
of portfolio rated EPC A-C



Celebrating 10 years...

...and a strong balance sheet...

6

Financial discipline

With a loan-to-value ratio of 31.6%, the Group is well financed and well hedged against higher interest rates with a strong balance sheet, significant headroom and a range of funding sources to support our growth ambitions and drive Shareholder returns.

► Read more about our financial discipline on pages 52 to 55

2.9% **5.2**
average cost of debt years average debt maturity



...delivered by a team with extensive expertise.



Extensive expertise

The Manager's combination of deep sector understanding, strong customer relationships combined with the calibre of its team and network of contacts, gives us the capabilities we need to identify opportunities and successfully deliver our strategy.

► Read more about our expertise on pages 78 to 82



How we create value for our stakeholders

Our purpose

Our purpose is to deliver long-term, sustainable 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 a range of customers.

► [Read more about our business model on pages 24 and 25](#)



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.

► [Read more about our strategy on pages 26 and 27](#)





Our ESG strategy

ESG is intrinsic to our business, helping to ensure our assets remain sustainable and fit for purpose for the long term, while protecting and creating value for our wider stakeholders.

► Read more about our ESG strategy on pages 36 to 41



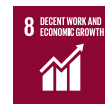
Sustainable buildings



Climate and carbon



Nature and wellbeing



Social value

How the Manager delivers performance

The Manager's dedicated team, skills, experience and culture are key to our ability to perform consistently.

High conviction

With its specialist focus and long track record in supply chain real assets, the Manager generates unique insights to make high-conviction decisions on our behalf.

Dynamic and disciplined

The Manager's entrepreneurial culture and institutional rigour mean it can spot opportunities first and capitalise on them quickly, within a robust governance framework.

Relationship driven

The Manager takes a personal, hands-on approach, reflecting its belief that long-term partnerships are key to long-term outperformance.

Responsible

The Manager shares our belief that collaborating with our stakeholders to deliver a cleaner, healthier and more equitable society drives superior returns over the long term.

The value we create

By applying our business model and successfully implementing our strategy, we create value for our multiple stakeholders which include:



Customers

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



Society and communities

Job creation, tax revenues, local and green infrastructure, community support, and enabling skills' development



Environment

Reduced impact through sustainably built assets and more efficient supply chains



Shareholders

An aim to deliver attractive long-term income and capital growth



Lenders

Interest and principal payments backed by secure cash flows



Continuing to drive operational performance

3.2%

growth in Adjusted EPS (excluding additional DMA income), driven by rental income from completed developments, like-for-like rental growth and lower management fees, offset in part by the impact of disposals. Excluding all DMA income Adjusted EPS growth is 6.2%.

6.9%

like-for-like estimated rental value ("ERV") growth, supporting valuation and resulting in record 23.0% portfolio reversion.

Potential to capture

78%

of the £51.7 million portfolio rental reversion and vacancy in three years.

£13.6 million

million added to passing rent from 2.2 million sq ft of development lease completions in the year.

1.7 million sq ft

of starts in 2023 with the potential to add £15.6 million per annum to contracted rent at a yield on cost of c.7.0%.



“We are confident in delivering our strategy and are well positioned to take advantage of the opportunities both inherent within our business, and from an increasing number of opportunities in the market. The Group has very good potential for long-term income and capital growth, supported by enduring structural drivers in the logistics real estate market.”



Financial Highlights

Robust balance sheet and resilient income growth

Operating profit¹

£193.2m +5.5%
(2022: £183.1m)

Adjusted earnings per share² A

7.75p -0.5%
(2022: 7.79p)

Adjusted earnings per share (excl. additional development management income)³ A

7.75p +3.2%
(2022: 7.51p)

IFRS earnings per share

3.72p +111.6%
(2022: -32.08p)

Dividend per share

7.30p +4.3%
(2022: 7.00p)

Dividend pay-out ratio (excl. additional development management income)³ A

94% +1.0%
(2022: 93%)

Total Accounting Return A

2.2% +18.1pts
(2022: -15.9%)

EPRA cost ratio⁴ A

13.1% -2.6pts
(2022: 15.7%)

Contracted annual rent roll A

£225.3m +0.6%
(2022: £224.0m)

EPRA Net Tangible Assets per share A

177.15p -1.8%
(2022: 180.37p)

IFRS net asset value per share

175.13p -2.3%
(2022: 179.25p)

Portfolio value⁵

£5.03bn -0.6%
(2022: £5.06bn)

Loan to value ("LTV") A

31.6% +0.4pts
(2022: 31.2%)

A - Alternative Performance Measure

1. Operating profit before changes in fair value and other adjustments.
2. See Note 13 to the financial statements for reconciliation.
3. The anticipated run rate for development management income is £3.0-5.0 million per annum over the medium term. We classify income above this as 'additional' development management income, which can be highly variable over time. We therefore present a calculation of Adjusted EPS that excludes additional development management income. £0.0 million of development management income is included in the 7.75p Adjusted earnings per share in 2023. In 2022, £9.3 million of development management income was included in the 7.79p Adjusted earnings per share and Adjusted EPS becomes 7.51p when excluding additional development management income.

4. This measure has been added in for the first time as it is believed to be a key measure to enable meaningful measurement of the changes in a company's operating costs.
5. The Portfolio Value includes the Group's investment assets and development assets, land assets held at cost, the Group's share of joint venture assets and other property assets.

This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards. We believe these APMs provide readers with important additional information on our business. Further explanation of APMs and why we use them is set out in notes to EPRA and other key performance indicators.



A high-quality, resilient and growing business



Aubrey Adams
Independent Chairman

“This year marked the Company’s 10th anniversary. Over that time, we have built what we believe is the UK’s best logistics real estate portfolio, with high-quality, modern and sustainable buildings, let on long leases to strong customers.”

This year marked the Company’s 10th anniversary. Over that time, we have built what we believe is one of Europe’s best logistics real estate portfolios, with high-quality, modern and sustainable buildings, let on long leases to strong customers, including many global leaders in their respective fields. This quality underpins our attractive, resilient and growing income, as evidenced by ten years of 100% rent collection.

Our portfolio, and the extensive property experience within the Manager, is the strong platform from which we can continue to strengthen and grow our business. Building upon this platform, we have added components that enhance overall returns. The Group owns the UK’s largest land platform for logistics development, which is generating best-in-class new assets that are increasingly contributing to our income growth and capital returns. More recently, we have taken advantage of market repricing to acquire smaller urban or last-mile buildings, which present regular opportunities to add value through active management. Our development pipeline also creates some smaller assets and together they complement the big boxes that make up most of the portfolio, allowing us to meet a broader range of customer needs.

Structural trends continue to underpin market fundamentals

Our sector is a key part of the UK’s economic infrastructure and the long-term drivers of e-commerce, supply chain resilience and ESG continue to sustain strong demand for modern buildings. Occupiers continue to consolidate older logistics facilities into larger modern ones that can provide economies of scale, accommodate automation for e-commerce sales, add resilience to their supply chains and meet ESG objectives as well as improved working environments for staff.

Following a period of exceptional demand, 2023 has seen market fundamentals normalise, with UK-wide market vacancy rates increasing from the very low levels reported in 2022. In response to this, and heightened levels of economic uncertainty, construction starts of speculatively developed buildings have fallen back sharply through the year.

Overall, while the occupational market has softened compared to its all-time highs in 2021/22, it remains at levels which would historically be considered strong. Macro-economic improvement is likely to increase occupier demand, which could outstrip decreased levels of supply, causing reduced vacancy levels and maintaining rental growth at attractive rates.



A strong and prudently financed business delivering progressive dividends

Carefully managing the balance sheet remained a major focus for us during the year. We have demonstrated our ability to successfully recycle capital into higher-returning opportunities: our disposals in 2023 were conducted at or above their prevailing book value, underpinning the overall portfolio valuation and reflecting the attractiveness and liquidity of our assets.

Our business model gives us significant flexibility. We can adapt our development programme to market conditions and, given our balance sheet positioning, we are not compelled to raise funds by selling assets into a weak market. With low leverage and considerable headroom in our debt facilities, we can also be opportunistic in the market, as shown by our acquisitions during the year. We have a well-diversified and long-term debt book and, with the successful refinancing of our revolving credit facility, we now have no debt maturing before mid-2026.

The quality of our investment portfolio, the benefits of our development programme and our prudent approach to risk, result in a well-covered and progressive dividend. The Board has declared dividends totalling 7.30 pence per share for 2023, up 4.3% on 2022 and 94% covered by Adjusted earnings (excluding additional DMA income).

A Manager investing for the future

The Company's Manager, Tritax Management LLP, has been integral to our success over the last 10 years and is a key component of our strong platform. With a team dedicated to Tritax Big Box, led by Colin Godfrey, it has managed the evolution of our strategy as the business has matured, and shown its ability to execute and deliver for Shareholders, customers and our wider stakeholders, across the market cycle.

The structure of the Investment Management Agreement supports alignment between the Manager's interests and Shareholders. The Manager's fee has reduced significantly this year, in line with the reduction in asset values. Despite this, the Manager has continued to invest in its team, adding strength and depth that will benefit the Group going forward.

Positive outlook supported by strength of our platform and attractive long-term market fundamentals

The Group has excellent long-term growth potential, as we capture significant reversion in the investment portfolio, drive returns through development and continue to optimise our portfolio by redeploying capital into higher returning opportunities. These inherent attributes for growth are further supported by the strong fundamentals of the UK logistics market.

Ongoing rental growth and either stable, or in some cases declining, construction costs, are having a positive impact on our development yield on cost which is expected to be at or marginally above the mid-point of our 6-8% guidance range. Improving yield on costs, combined with high levels of customer enquiries, supports our confidence in our long-term development starts guidance of 2-3 million sq ft.

Overall rental income growth will be supported by the significant reversion within the investment portfolio and the practical completion of let development assets throughout the year. Given the structural support within the market, we continue to expect to see overall positive movement in rental levels in the core markets in which we operate.

We remain focused on maintaining our balance sheet strength, while looking for further opportunities that will create value for shareholders. In this regard, on 12 February 2024 we announced that we had reached agreement on the key terms of a possible all-share offer for the entire issued and to be issued share capital of UK Commercial Property REIT Limited. A further announcement will be made in due course.

Aubrey Adams
Independent Chairman
29 February 2024

“Carefully managing the balance sheet remained a major focus for us during the year. We have demonstrated our ability to successfully recycle capital into higher-returning opportunities.”



Capturing opportunities in the investment market and enhancing our customer offer

In the period we acquired two attractive urban logistics schemes in Birmingham and Enfield, North East London for a combined £108 million.

In addition to complementing our portfolio with a range of building sizes, these assets provide a blended reversionary yield of 6.3% and offer near-term opportunities to add significant value through asset management.

The Manager's asset management team have already made significant progress since acquisition in securing new leases at levels either in line with or higher than our original expectations at the time of purchase.

These investments offer longer-term opportunities for further capital and income growth through asset management and broadening our customer offer.

► For further details please see pages 46 and 54





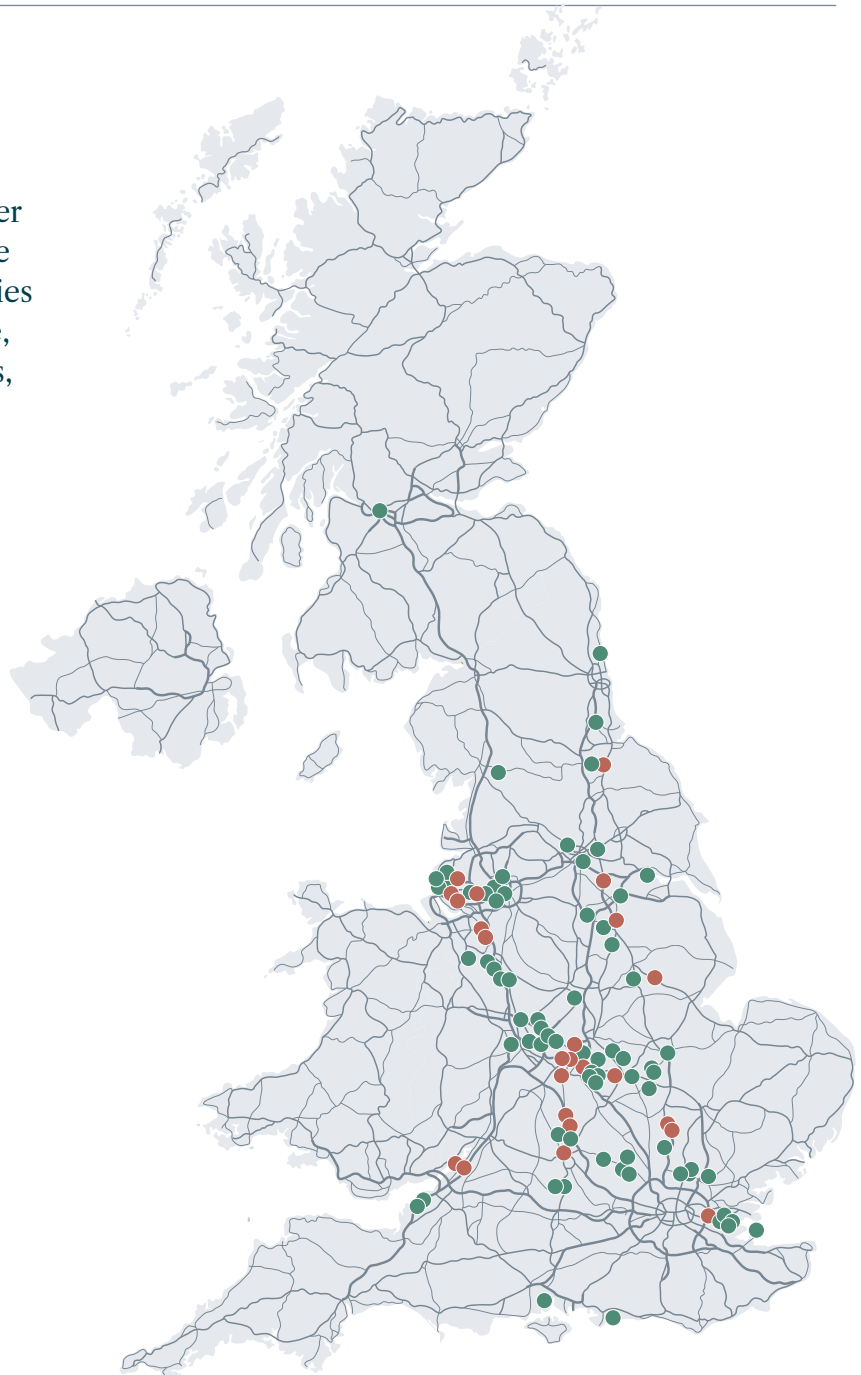
Our portfolio

Our portfolio comprises our standing investments and development land (primarily held under long dated options). These assets are in strategically important logistics locations across the UK, with easy access to transport infrastructure, a skilled workforce, and suitable power and data connectivity. This makes them highly attractive to current and potential customers.

Diversified by customer and sector

Our portfolio is let to 61 customers across 78 assets, providing a high degree of diversification by customer and 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.

-  Investment portfolio
-  Strategic land and development portfolio





Customer base





The UK's largest logistics real estate investment portfolio

We own the UK's largest portfolio of logistics investment assets, 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 ESG goals, as set out on page 36.

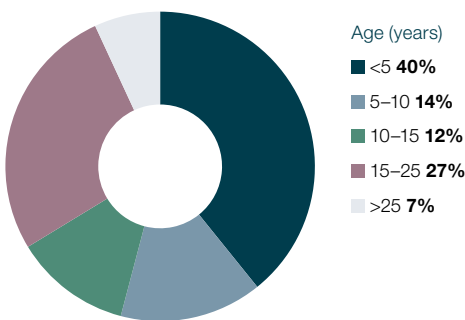
A portfolio that reflects our strategy

The investment portfolio is weighted towards assets that deliver resilient and growing income.

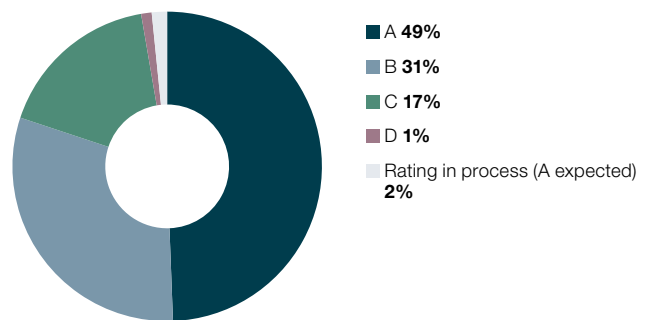
The majority of these are Foundation assets, which provide long-term and secure income from high-quality occupiers, combined with a smaller proportion of Value Add assets which offer further upside potential through our active approach to management, such as renewing leases, adding extensions and enhancing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

Our assets are primarily 'big boxes' but we are increasingly adding smaller assets to the portfolio, including through our development programme. This broadens our customer offer and gives us scope for more regular asset management.

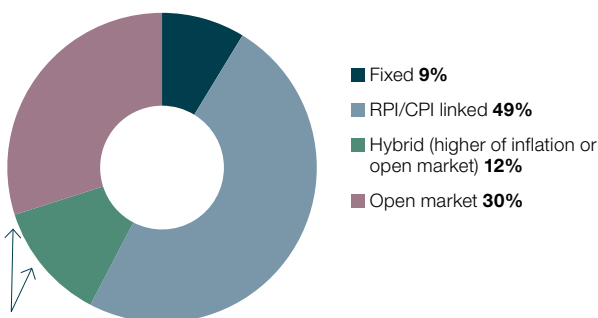
Modern buildings...



...with high EPC ratings...



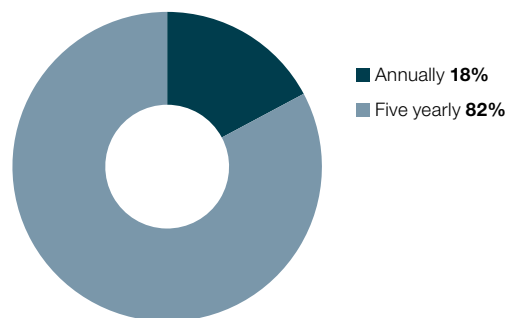
...attractive blend of review types...



42% open market exposure

Note: Based on contracted rent.

...and frequency





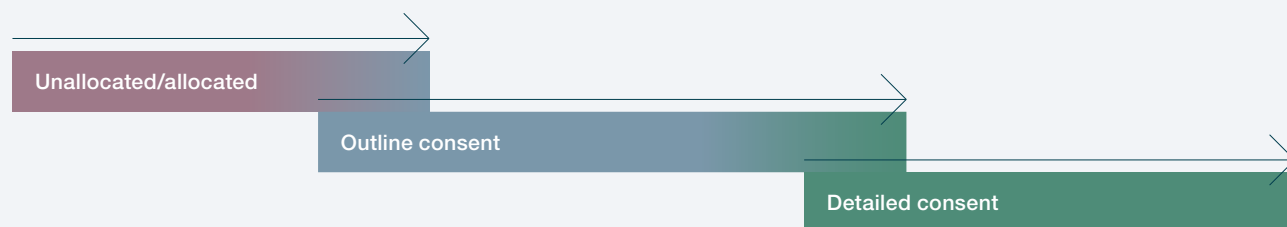
Development portfolio

Through long-dated, capital efficient options, we control the UK's largest land portfolio for logistics development. The development portfolio comprises sites across the UK which between them have the potential over the long term to deliver c.42.5 million sq ft of high-quality new logistics space, enabling us to more than double our existing investment portfolio.

The capital efficient options we use to control land means we can reduce risk and increase flexibility, by aligning our development activity to prevailing market conditions.

Development pipeline of growth opportunities

Planning process stage



	Future consent pipeline	Near-term development pipeline		Current development pipeline
Timing	Longer-term land held under option	Potential starts in following 12–24 months	Potential starts within the next 12 months	Development under construction
Size	31.3m sq ft	7.1m sq ft	2.4m sq ft	2.1m sq ft
Rent potential	£278m	£64m	£22m	£19m sq ft

Potential to deliver 2–3m sq ft per annum of development starts over the next 10 years



Our Customer Proposition

High-quality space...

In line with our purpose, we work closely with our customers to deliver the space they need to succeed.

► Read more about the future of supply chains on pages 22 to 23



Our customer focus

In line with our purpose, the Manager's team works in partnership with our customers, to deliver the space they need to succeed and ensure our buildings maximise their operational effectiveness. We undertake extensive research to understand and help develop our customers' supply chain networks. This direct and relationship based approach helps to futureproof our buildings for our customers and to grow income and capital values for Shareholders.



How our assets meet customer needs

The right size

With the UK's largest investment and land portfolios, we can provide customers with a range of building sizes from urban/last mile to large "mega" boxes optimised to suit their requirements. This range of sizes enables us to increasingly offer an end-to-end solution across our customers' supply chain networks.

Sustainable

Our customers are increasingly looking to occupy sustainable assets. 97% of our investment portfolio has an EPC grade of A-C and we continue to invest in ESG initiatives, such as on-site renewable energy generation. Our development activity includes our commitment to net zero carbon in construction. Increasingly, sustainability is a point of competitive differentiation which we are well placed to take advantage of.

Modern

Our investment portfolio has an average building age of 10 years and our development activity creates a long-term pipeline of state-of-the-art buildings, to meet the requirements of market-leading occupiers and provide a continual process of portfolio renewal.

Well located

Our investment and land assets are in strategically important logistics locations where our customers want to be. These assets benefit from strong transport infrastructure and suitable power and labour supplies.

Innovative

The scale and flexibility of our buildings make 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.



...in high-quality buildings

Modern and prime logistics buildings occupy a critical position within our customers' supply chain and must meet a broader range of requirements.



Workplace

Providing a safe workspace with an increasing component of office and collaborative working spaces and higher levels of amenities such as cafes, restaurants and gyms.



Technology and maintenance

Greater requirements for high levels of automation, supported by power and digital infrastructure, sensors and smart building technology, increasing overall central network visibility of inventory.



Labour

Customers frequently note access to a high-quality local labour market as one of their greatest requirements. Choice of location and ways to enhance the overall employee proposition are now being factored into new logistics buildings.



Zero carbon

Customers are now focused on achieving their Paris-aligned performance pathways, increasing focus on whole life carbon emissions from supply chains and logistics buildings.



Biodiversity and wellbeing

Focus on increasing local biodiversity and measures that improve general employee wellbeing, such as green and active spaces and wildlife habitats.



Operations

Customers are seeking highly efficient buildings with high-quality floors and greater loading requirements combined with increased roof height, appropriate access, yard space and parking to help support efficient operations.



Social impact and partnerships

Customers must increasingly consider their social impact, and how they can utilise local supply chains and support employee and community engagement.



Energy generation and use

Access to significant amounts of affordable, reliable and increasingly decarbonised power is a central requirement for customers to support greater automation and electrification of vehicle fleets.



Stakeholder questions



Petrina Austin
Head of Asset Management, Tritax Big Box REIT plc

What was the rationale for acquiring smaller urban logistics assets?

Big boxes make up most of our portfolio and will continue do so. We also want to offer our customers assets that meet their full range of needs, from the largest logistics units to last-mile urban delivery. With this in mind, we have increased the number of strategically located urban and last-mile assets in the portfolio through both the development programme and acquisitions.

In addition to broadening our offer, the assets we acquired in the year are attractive for several reasons. They are in excellent locations and have great potential to grow income by filling vacancy, investing to enhance their quality and capturing their strong reversionary potential. Smaller assets also typically have shorter leases than big boxes, so they provide attractive opportunities for asset management and capturing market rental growth more frequently. Whatever the size of the asset, we continue to prefer modern, single-let buildings with strong sustainability credentials underpinning the foundations and overall quality of our portfolio.

How are you progressing your net zero pathway?

We have continued to refine the Group's net zero pathway, which will be an ongoing process. We are integrating our development programme and asset management plans for each building into the pathway, and engaging with customers to understand their plans for decarbonising their operations, which are key for reducing Scope 3 emissions. We are building our knowledge of how our emissions compare across building and customer types, along with our options for interventions such as renewable energy generation and removal of fossil fuels. We will be publishing further details later this year when our portfolio energy consumption data updates. Solar PV remains a key initiative for us across the portfolio, with untapped potential to unlock considerable savings for our customers whilst improving asset credentials and generating an attractive financial return.



Frankie Whitehead
Chief Financial Officer, Tritax Big Box REIT plc

How are you thinking about using your balance sheet in 2024?

Our approach will be similar to 2023. Given the attractive returns we can deliver, the development programme remains our priority with regards to capital allocation and our current expectation is that our capital expenditure into development will be £200–£250 million in 2024. Within this, we are focused on securing pre-lets and will remain discerning about where we start new speculative developments.

We control the majority of the land through options, which are capital efficient and means we have the flexibility to adapt our development programme to market demand if needed.

At the year end we have significant headroom within our borrowing facilities of over £550 million and a modest loan to value of 31.6% which provides us with financial flexibility. We will also continue to recycle capital effectively, as we have done in 2023, by targeting disposals of £100–£200 million in 2024 and seek to deploy this into higher returning development opportunities. Our disposal activity, to some degree, will also be influenced by the opportunities we see to add big boxes or urban logistics via the investment market, with our balance sheet positioning allowing us to capture such opportunities, with overall leverage targeted to remain around the lower end of our 30-35% loan to value range.



Colin Godfrey
Chief Executive Officer, Tritax Big Box REIT plc

What's your outlook for asset values in 2024?

While it is hard to predict, given the extent of the write down in asset values we experienced in 2022 and the relatively stable performance in 2023, we believe we are at or close to the bottom for values. Clearly, any significant change in views around the future trajectory of UK inflation and interest rates could impact on this. We remain confident in the attractive nature of logistics real estate to investors and believe that the structurally supported rental growth and the medium term value recovery through a normalising of cost of capital, underpins strong investor demand over the medium to long-term.



Bjorn Hobart
Investment Director, Tritax Big Box REIT plc

What's happening to occupational demand?

The structural drivers of occupational demand – e-commerce growth, supply chain resilience, the drive for efficiency gains and the increased focus on sustainability – remain firmly in place, so the medium to long-term outlook continues to be positive.

In the near term, enquiry levels remain high, but the uncertain economic outlook has slowed occupiers' leasing decisions, in part because they often have to commit substantial funds to fitting out the building, in addition to the lease commitment.

While market vacancy rates have ticked up from very low levels, higher interest rates and reduced debt availability have also sharply slowed new speculative developments. That means we may well see rising occupier demand exceeding increasingly constrained supply as the economic outlook becomes more positive, which in turn is supportive of the sustainability of future rental growth.

“We remain confident in the attractive nature of the logistics real estate to investors and believe these characteristics will continue to underpin values in the longer-term.”



Long-term structural drivers continue to support the sector



E-commerce

Consumers want faster, more flexible, and convenient ways to make purchases, which has driven strong growth in e-commerce over the last decade and beyond.

Logistics real estate plays a fundamental role in delivering online orders to consumers and managing returns rapidly and efficiently.

27%

2023 online sales as a % of retail sales (2019: 19%)¹



Amazon at Littlebrook

Leading South East fulfilment centre.



Supply chain resilience and optimisation

Companies continue to review how they operate and adjust their supply chain accordingly. Additional resilience is now a priority alongside optimising for efficiency, productivity, and cost. Occupiers continue to pursue a variety of solutions including:

- consolidating into larger, often purpose-built distribution centres;
- deploying automation and technology at scale;
- holding more inventory on shore or closer to end users; and
- outsourcing supply chain functions to specialists.

Percentage of occupiers planning to diversify their supply chain²:

29%

by sourcing from multiple locations

22%

through near-shoring



Iron Mountain, Rugby

Consolidation of existing operations into 4 new buildings.



ESG

Organisations continue to work towards being more sustainable, reducing their environmental impact, cutting energy use, and increasing employee and community engagement.

Modern logistics buildings have enhanced sustainability features, better staff facilities and are often designed with green space, biodiversity, and outdoor amenities in mind.

90%

of logistics occupiers have a net zero carbon target³



DPD, Bicester

First net zero in operation blueprint for DPD.

1. Source: ONS.
 2. Source: TI.
 3. Source: CBRE.



Favourable market dynamics supplement long-term structural drivers

Long-term structural demand drivers continue to support our sector. The growth of ecommerce, the need to evolve supply chains, and an increased focus on ESG remain long-term tailwinds to logistics real estate demand. In addition, the sector benefits from the following characteristics:

- **Large logistics buildings are “mission critical”.** Logistics assets are a vital part of companies’ supply chains and companies make long-term strategic decisions around their occupational needs. This means “mission-critical” buildings tend to prove resilient through periods of weaker economic growth.
- **The occupational market is diverse.** Many types of companies need warehouse space for different purposes, which creates demand for different size bands and locations, at different points in the economic cycle. The market continued to benefit from this diversity in 2023 notwithstanding short-term macro-economic challenges.
- **There are notable barriers to new supply in prime markets.** There are significant constraints on delivering new space in the best markets. Suitable land is scarce and securing planning consent is a difficult and often multi-year process. Independent developers are also currently finding it challenging to raise finance and build costs remain elevated.

Further rental growth in 2023 as market fundamentals normalise post-Covid

The economic backdrop was challenging in 2023, with high inflation, rising interest rates, lower growth, and still elevated energy costs impacting consumer and business confidence. The covenant strength of our customer base was demonstrated through 100% rent collection in the year. Occupier decision making was impacted however, with take-up dropping back to pre-pandemic levels after three years of elevated demand.

UK take up totalled 22.1 million sq ft (2022: 38.0 million sq ft), broadly in line with the 2013-2019 average of 23.3 million sq ft. There was a notable pickup in demand in Q4 2023, with 8.8 million sq ft taken across 27 deals, including several large commitments. The East Midlands remained the top location, accounting for 43% of take up in 2023⁴.

Longer term however, demand remains healthy. Our annual occupier survey⁵ showed 38% of respondents expected to increase their warehouse requirements in the next two years, with just 7% looking to reduce their space. Savills reports a consistent level of enquiries across the year and our own enquiries hub is close to record levels. Many of these enquiries are for large units, where companies continue to see value in consolidating fragmented networks into more-efficient, technology enabled, and sustainable buildings. Network evolution remains a strategic priority for many organisations and will remain a catalyst for future demand.

Demand remains diverse with third-party logistics operators (“3PLs”), retailers (both traditional companies building out omni-channel networks and online-only operators) and manufacturers being prominent. Manufacturers accounted for just over 6 million sq ft of demand in 2023. This reflects the ongoing evolution of supply chains being seen across all industries, and in particular the need to increase resilience which includes a combination of re- or near-shoring, multi-sourcing, higher stock levels, and use of 3PLs to provide supply-chain expertise. We continue to see healthy interest from the sector and completed several lettings to manufacturing businesses in the year.

New space accounted for 67% of take-up⁴, highlighting the trend towards high-quality, technically capable buildings that can improve productivity and efficiency, for example through greater use of automation. The workplace environment and wider ESG goals are also factors, with 64% of respondents to our 2023 occupier survey⁵ highlighting staff wellbeing as important or critical in their warehouse choice. New buildings are being designed with this in mind.

4. Source: CBRE.

5. Source: Tritax and Savills 2023 Future Space Occupier Survey.

6. Source: MSCI.

7. Source: DTRE.

Supply and vacancy have similarly reset to keep market fundamentals in balance

This was a transitional year for new supply. Completions were relatively high at 30.2 million sq ft (2022: 33.0 million sq ft), as projects that started in the buoyant market of 2022 reached completion⁴. By the year end, space under construction had dropped back to pre-pandemic levels at 21.4 million sq ft (Q4 2019: 21.6 million sq ft)⁴. Both speculatively developed and built-to-suit projects have declined through 2023 which reflects the challenging macro backdrop, higher cost of capital and normalised levels of demand.

Vacancy increased from 2.0% at Q4 2022 to 5.1% at Q4 2023⁴. However, this underlying supply is unevenly spread across the UK and is significantly influenced by a handful of locations. As a result, many of the best logistics locations remain supply constrained, with resilient occupational interest.

Control of a strategically located land portfolio which is capable of near-term development is therefore particularly attractive in the current environment. It positions us to capture the demand for new units, at a time when many trader-developers will struggle to bring new sites forward. We control most of these sites through capital-efficient options, which also link our land purchase price to prevailing open-market value less a prescribed discount, so we benefit at present from the overall reduction in land values across our future development pipeline. This enables us to maintain our 6-8% yield on cost development guidance.

With well-located supply constrained by factors such as land availability, planning, and power, and average vacancy rates hiding local market disparities, market fundamentals remain healthy. This creates the potential for further rental growth. While the occupational market has reset from its all-time highs in 2021/22, there is scope for market dynamics to improve if a pick-up in demand combines with lower levels of supply going forward.

Strong rental growth in 2023

Headline prime rents reported by CBRE reflect the top tier of rent for buildings of the highest quality and specification, in the best location in the market. They are not therefore directly comparable to the performance of a portfolio of buildings but do provide a consistent barometer by which to measure market performance. Despite the increase in vacancy, the ongoing mismatch between supply and demand in core locations helped prime headline rents increase further in 2023. The North West and Outer South East markets performed particularly well, with prime headline rents increasing by at least 10%. Across the Midlands, rents increased by 8%. London rents remain significantly higher at £27.50 psf having increased by a cumulative 61% in 2021 and 2022. London rental growth slowed to 4% in 2023⁴.

While prime headline rents are a valuable metric to consistently track rental progress, MSCI data better reflects portfolio-wide performance and a broader mix of buildings. UK distribution warehouse ERVs grew by 7.2% in 2023 (2022: 10.6%)⁶, highlighting the wider market’s resilience through this cycle.

Logistics real estate transaction markets remain open but subdued

Transaction activity totalled £4.7 billion in 2023, down 40% on 2022⁷. The lower volume in 2023 reflected the trend across the real estate industry, which has been impacted by central banks raising rates, a higher cost of capital and increased return requirements. Nevertheless, we continue to see significant pools of global capital waiting to be deployed into the sector, attracted by the potential for further income growth, and relatively favourable returns that are now available following the rapid adjustment in pricing.

The steady flow of transactions continues to evidence market pricing, but many buildings have reversionary potential, given the healthy rental growth which leases often fail to capture fully. Pricing for individual assets may not therefore directly reflect market values, which are a best estimate for a prime, rack-rented building.

Q4 2023 saw a significant improvement in wider capital markets, however, this has not been reflected in real estate pricing. Having moved out rapidly in 2022, the prime yield remained stable across H2 2023 at 5.25%⁴. As a result, logistics pricing looks increasingly favourable against other asset classes, particularly when factoring in the potential for future rental growth. If current market expectations are sustained, we would expect to see an improvement in logistics real estate investment market sentiment and for activity to pick up in 2024. Capital flows to the sector are likely to be driven by the attractive absolute and relative returns, as well as resilient income streams which have the potential to capture future growth.



Our Business Model

Building on our advantage

We own, actively manage and develop logistics real estate in strategic locations across the UK, 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 competitive advantages

Focused approach

Our Manager is focused solely on the logistics market, giving it unrivalled knowledge and understanding of the sector and strong, long-standing relationships with market participants. This gives us privileged access to 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 opportunity available to us from customer demand for quality logistics warehouses.

Powerful insights and a combined platform

The scale of our portfolio and our closeness to our customers give us a competitive edge, by providing highly valuable insights into future demand and occupier requirements.

Combining an investment portfolio and development platform in the same Group gives us significant advantages when leveraging these insights, so we can reduce risk and enhance returns for shareholders. For example, we draw on customer insights from our proactive asset management work to inform our development programme, while our development operation meets new space requirements for existing customers.

Integrated approach to ESG

We believe our deep and applied understanding of current and future ESG requirements is increasingly a key competitive advantage. As our customers seek ways to reduce their own environmental impact, our ability to design and construct best in class buildings at the cutting edge of ESG performance both helps secure new leases and ensures asset longevity and relevance within our investment portfolio.

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

Close relationships mean we understand our customers' businesses and we use specialist supply chain research to enhance our knowledge of their logistics operations and property network. This ensures we can deliver solutions that address their individual needs and, in turn, produce value for us.

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. We also recycle capital, selling assets which we believe have delivered their full potential in our ownership and redeploying the proceeds into higher-returning opportunities either within our development portfolio, asset management such as refurbishment or acquiring investments in the market.

Attractive leases to market leaders

Our buildings are let on long leases with upward-only rent reviews, to a diversified base of occupiers who are typically market leaders in their respective fields. At 31 December 2023, our weighted average unexpired lease term was 11.4 years and our top 10 customers accounted for 49% 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 and high-quality and sustainable buildings to customers.





The value we create

High-quality buildings for our customers

We typically own and create high-quality buildings that are critically important to the supply chain operations of our customers, often playing a central role in supporting their business needs and growth ambitions. This means they are usually committed to the location and often renew the lease upon expiry.

Long-term income and capital growth for our Shareholders

We aim to generate attractive long-term income and capital growth for our Shareholders. In 2023, we paid dividends totalling 7.3 pence per share and delivered a 3.2% increase in Adjusted Earnings Per Share (excluding additional development management income).

Economic and social value for society and communities

Our buildings benefit local communities and society more generally. They have strong sustainability credentials (see page 38), helping to minimise their environmental impact, and they also support significant employment in their local areas during construction and in operation.

How we generate returns

We generate returns through the rent we receive from our customers and from profits associated with our portfolio. We have a low and transparent cost base, with an EPRA Cost Ratio in 2023 of 13.1%, efficiently converting the rent we receive into income for Shareholders.

We invoice rents quarterly in advance and have a 100% record of rent collection, ensuring the Group has strong and predictable cash flows. The Manager's fee, which is our largest single administrative cost, is calculated as a percentage of the Group's EPRA Net Tangible Assets (see page 28), providing direct and transparent alignment between Shareholders' interests and the Manager.





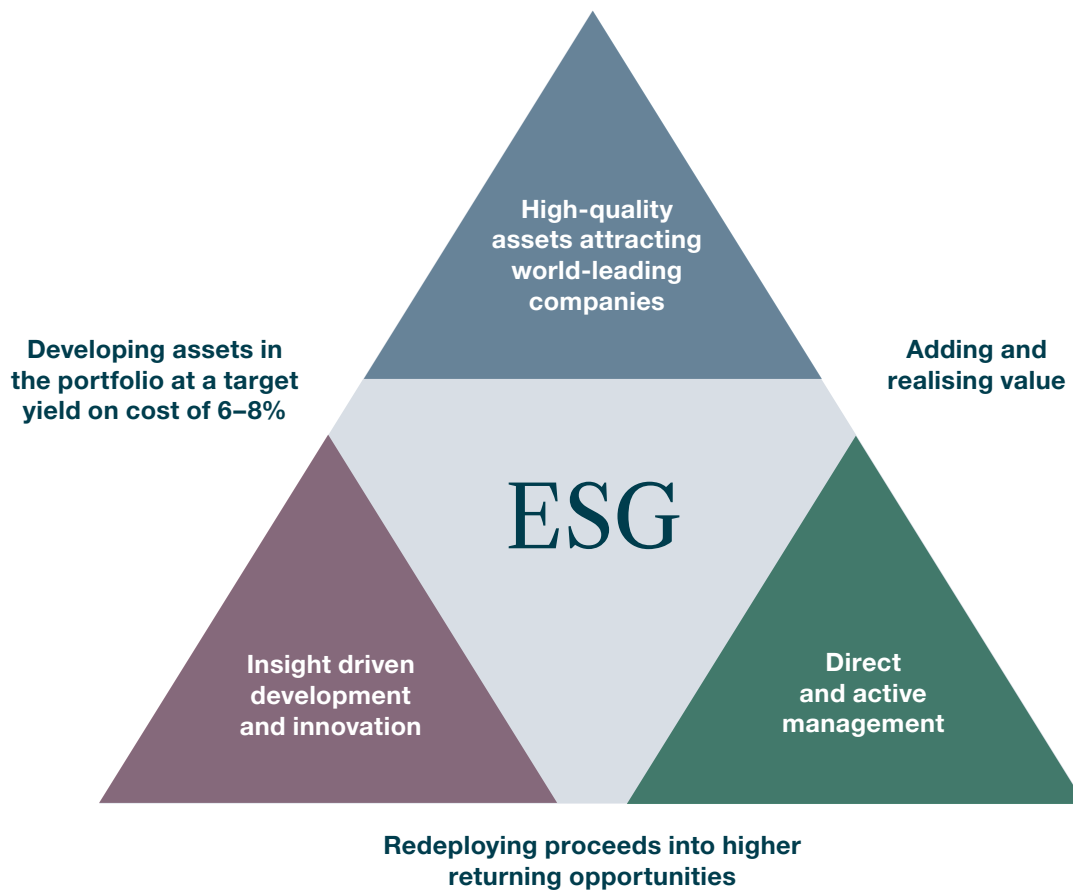
Aligned to long-term structural growth

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, which is intrinsic to each element of our strategy.

Our strategy

High-quality assets attracting world-leading companies	Direct and active management	Insight driven development and innovation
<p>Delivering high-quality, resilient and growing income</p> <p>We continue to build a portfolio that will perform well through the economic cycle, providing resilient long-term income even during challenging times. As part of this, we weight our customer exposure towards defensive and high-growth sectors.</p> <p>We monitor the market for opportunities to acquire assets and add value through active asset management.</p>	<p>Protecting, adding and realising value</p> <p>We actively and directly manage our existing property portfolio, developing long-term relationships with our customers and realising opportunities to add value and generate secure and increasing income.</p> <p>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.</p>	<p>Creating value and capturing occupier demand</p> <p>We tailor the development pipeline to meet demand, at an attractive 6-8% yield on cost target. In doing so, we utilise customer insights from our investment portfolio and implement innovations in areas such as sustainability and power.</p> <p>Where possible, we develop 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 the returns are appropriate.</p>
<p>▶ Read more on pages 43 to 45</p>	<p>▶ Read more on pages 46 to 48</p>	<p>▶ Read more on pages 49 to 51</p>
<p>Progress 2023</p> <ul style="list-style-type: none"> Conducted 130 site inspections during the year. Delivered 10th consecutive year of 100% rent collection. 	<p>Progress 2023</p> <ul style="list-style-type: none"> Acquired two urban last-mile estates with strong value-add potential, for £108 million. Disposed of six assets for £327 million, at or above book value. Added £4.9 million to contracted rent through rent reviews and lease extensions. 	<p>Progress 2023</p> <ul style="list-style-type: none"> Achieved 1.7 million sq ft of construction starts. Completed 2.2 million sq ft of developments adding £13.6 million to passing rent. Added £7.8 million to our contracted rent roll through 0.9 million sq ft of development lettings.
<p>Future focus</p> <ul style="list-style-type: none"> Evaluate the overall composition of the portfolio, identifying assets for potential disposals and to inform our asset management and investment activities. Evaluate the balance between larger and smaller assets with a view to selectively increasing our weighting to urban logistics and providing our customers with a greater range of choice. Continue to closely monitor customer financial performance. 	<p>Future focus</p> <ul style="list-style-type: none"> Proactive look to accelerate the capture of the portfolio's reversionary potential. Seek to dispose of £100-200 million of asset sales in line with our ongoing approach to capital rotation. Implement our asset management plans, with a particular focus on recently acquired urban logistics assets with significant reversionary potential. Enhance our ESG performance, including a programme to determine viable projects and costs for works to achieve net zero carbon. 	<p>Future focus</p> <ul style="list-style-type: none"> 2 to 3 million sq ft of new development starts while keeping a close eye on the macroeconomic backdrop. Secure a blend of pre-let and speculative lettings with a current average targeted yield on cost of 7.0%. Progress planning consents and ensure sufficient consented land is in a credible delivery state. Continue to develop our low-carbon baseline specification and work towards embodied and whole life carbon performance targets.

“The Group’s commitment to ESG forms an intrinsic and overarching part of our strategy...”



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

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 ESG forms an intrinsic and overarching part of our strategy that informs of all of our decision making.

► See pages 36 to 41



Key Performance Indicators

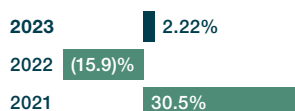
Measuring our performance

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

1. Total Accounting Return ("TAR")

2.22%

2022: -15.9%



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

7.30p

2022: 7.00p



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.

Our ambition is to deliver a fully covered and progressive dividend.

3. EPRA NTA per share¹

177.15p

2022: 180.37p



Relevance to strategy

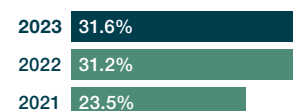
The EPRA NTA reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.

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.

4. Loan to value ratio ("LTV")

31.6%

2022: 31.2%



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.



5. Adjusted earnings per share

7.75p

2022: 7.79p



Relevance to strategy

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

6. Weighted average unexpired lease term (“WAULT”)

11.4 years

2022: 12.6 years



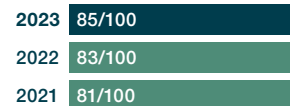
Relevance to strategy

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

7. Global Real Estate Sustainability Benchmark (“GRESB”) score

85/100 and 4 Green Star rating

2022: 83/100 and 4 Green Star rating



Relevance to strategy

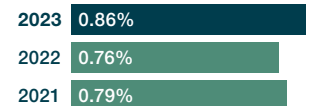
The GRESB score reflects the sustainability of our assets and how well we are managing ESG risks and opportunities. Sustainable assets protect us against climate change and help our customers to operate efficiently.

We were also awarded 99/100 and 5 Green Star rating for developments for 2023 and the GRESB 2023 Regional Listed Sector Leader and Regional Sector Leader for Europe, and Global Listed Sector Leader and Global Sector Leader, all for the Industrial sector.

8. Total Expense Ratio

0.86%

2022: 0.76%



Relevance to strategy

This is a key measure of our operational performance. Keeping costs low supports our ambition to maximise returns for Shareholders.



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

1. EPRA Earnings (diluted)

See note 13.

**£113.1m
6.01p per share**

2022: £144.8m/7.66p
per share

2023	£113.1m/6.01p
2022	£144.8m/7.66p
2021	£131.2m/7.47p

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 30.

**£3.4bn/
177.15p per share**

2022: £3.4bn/180.37p
per share

2023	£3.4bn/177.15p
2022	£3.4bn/180.37p
2021	£4.2bn/222.60p

Purpose

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

3. EPRA Net Reinstatement Value (“NRV”)

**£3.7bn/
195.19p per share**

2022: £3.8bn/201.17p
per share

2023	£3.7bn/195.19p
2022	£3.8bn/201.17p
2021	£4.5bn/242.84p

Purpose

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

4. EPRA Net Disposal Value (“NDV”)

**£3.5bn/
183.95p per share**

2022: 3.6bn/192.18p
per share

2023	£3.5bn/183.95p
2022	£3.6bn/192.18p
2021	£4.1bn/219.27p

Purpose

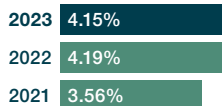
Represents the Shareholders’ value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.



5. EPRA Net Initial Yield (“NIY”)

4.15%

2022: 4.19%



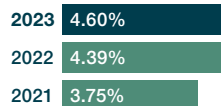
Purpose

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

6. EPRA “topped-up” NIY

4.60%

2022: 4.39%



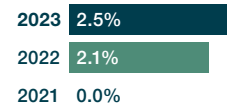
Purpose

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

7. EPRA Vacancy

2.5%

2022: 2.1%



Purpose

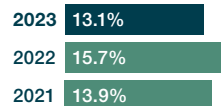
A “pure” (%) measure of investment property space that is vacant, based on ERV.

8. EPRA Cost Ratio

13.1%

2022: 15.7%

Including or excluding vacancy costs does not change the ratios in either year.



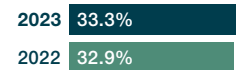
Purpose

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

9. EPRA LTV

33.3%

2022: 32.9%



Purpose

A shareholder-gearing metric to determine the percentage of debt comparing to the appraised value of the properties.



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 "Key decisions of the Board" on pages 90 and 91

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):

- (a) the likely consequences of any decision in the long term;
- (b) interest of the Manager and its employees, as the Company does not have any employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and environment;
- (e) the Company's reputation for high standards of business conduct; and
- (f) 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 Section 172.

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 33 and 34.

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 33 and 34 and 90 and 91

Section 172 matter	Further information incorporated into this statement by reference
Long term	<ul style="list-style-type: none"> ▶ Market Review pages 22 and 23 ▶ Our Business Model pages 24 and 25 ▶ Manager's Report pages 42 to 51 ▶ Key Board Decisions pages 90 and 91
Investors	<ul style="list-style-type: none"> ▶ Strategic Report pages 1 to 74 ▶ Key Board Decisions pages 90 and 91 ▶ Governance Report pages 76 to 114
Employees	<ul style="list-style-type: none"> ▶ For information on the Manager's employees please refer to pages 33, 41, 90 and 91
Community and environment	<ul style="list-style-type: none"> ▶ Strategic Report pages 1 to 74 ▶ Manager's Report pages 42 to 51 ▶ Key Board Decisions pages 90 and 91
Suppliers	<ul style="list-style-type: none"> ▶ Strategic Report pages 1 to 74 ▶ Manager's Report pages 42 to 51 ▶ Key Board Decisions pages 90 and 91
High business conduct	<ul style="list-style-type: none"> ▶ Our Business Model pages 24 and 25 ▶ Stakeholder Engagement pages 33 and 34 ▶ Strategic Report pages 1 to 74



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

- Reporting to the Board at least quarterly
- External Board evaluations
- Informal meetings
- Professional and executive development programmes
- Employee surveys, social events, and ESG initiatives within the charity and voluntary sectors

Topics

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

Outcomes

- Invested in new office space to enhance collaborative working, to further develop our modern ways of working, and to further build Company culture. The Company relocated to its new offices in February 2024
- Shortly post year end, hosted a “women in real estate” networking event with a private viewing of a collection at the Victoria and Albert Museum to bring together inspirational women working within real estate in the sector
- Facilitated a number of employee social and charitable events during the year such as the Schoolreaders charity auction and the Marathon Walk through London Royal Parks which supported employee wellbeing and raised money for our partner charities

Further information

- ▶ Pages 92 and 94 in Division of Responsibilities
- ▶ Management Engagement Committee Report on pages 106 to 108

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 ESG.

How we engage

- Regular market updates on strategy and performance, including full-year and half-year results presentations, which include the opportunity for Shareholders and analysts to submit questions to the Manager
- Virtual meetings with the Board and the Manager to aid understanding and decision making
- Investor site visits and investor seminars
- Quarterly update reports to the Board from Investor Relations
- Annual General Meeting
- Meetings held between Shareholders and key personnel from the Board such as the SID, and the Manager

Topics

- Strategic plans and long-term value and returns
- Governance
- Environmental and social performance

Outcomes

- Engagement with key representatives from the Board and the Manager to ensure our purpose and strategy remain in line with expectations
- Focus on recycling assets into higher returning development and investment opportunities

Further information

- ▶ Pages 24 and 25 in the Business Model
- ▶ Pages 86 to 89 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 KPIs in 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
- Change in Company's legal advisors following a retendering process
- Following a competitive retender process, it was decided to retain the incumbent insurance broker

Further information

- ▶ Pages 90 and 91 in Key Decisions of the Board
- ▶ Management Engagement Committee Report pages 106 to 108

Our customers

What they care about

Quality assets in key locations, including buildings with strong ESG ratings that enable their business to succeed, and a knowledgeable and committed property owner that supports their strategy, with many focused on fulfilling their rapidly growing e-commerce sales. Our customers want efficient supply chain logistics and attractively priced labour pools.

How we engage

- Regular face-to-face meetings both virtual and on-site
- Independent customer supply chain reviews, aimed at better understanding their business needs in order to provide suitable recommendations to drive efficiency
- Asset inspections
- Charitable engagement which in turn helps bring environmental and social benefits to the communities we operate in
- Continued membership of CILT, UKWA, UK GBC and Better Building Partnership Working Groups promoting market leadership in zero carbon, engagement and biodiversity
- Review of published data, such as annual accounts, trading updates and analysts' reports to identify mutually beneficial opportunities

Topics

- ESG initiatives
- Treasury management
- Supporting e-commerce initiatives
- Operational efficiencies and resilience

Outcomes

- Strengthening of business relationships
- Development of a dedicated Occupier Hub
- Asset management and ESG initiatives

Further information

- ▶ Manager's Report pages 42 to 51
- ▶ ESG section pages 36 to 41





Integrated and data-led delivery of ESG performance

ESG is a key part of our investment philosophy and is integrated across the investment lifecycle.

By working in partnership with customers on ESG initiatives, we can increase rental income and capital values, prolong an asset's life, improve its liquidity, reduce obsolescence risk, and contribute to local communities. At the same time, our customers can enhance their working environments, reduce their operating costs and make progress towards achieving their own ESG targets. To maximise the effectiveness of our approach, we have integrated ESG considerations throughout the investment lifecycle, from asset selection and development to asset management and disposal, including engagement with customers and management of our supply chain.

Our four pillar focus



Approach underpinned by:

- | | | |
|--|---|---|
| <p>1</p> <p>Global frameworks and benchmarks</p> | <p>2</p> <p>Evidence and data</p> | <p>3</p> <p>Partnerships</p> <ul style="list-style-type: none"> • Customers • Investors • Communities • Suppliers |
|--|---|---|



Focused on delivery

We made strong progress in 2023, updating our targets for each element of our ESG strategy, with associated key performance indicators. Our 2023 progress and our priorities for 2024 are set out on pages 38 and 39.

In addition, during 2023 we have continued to work to understand and influence market perceptions of the importance of ESG. For example, we have engaged with our valuers to learn how they integrate sustainability criteria into the valuation process. We commissioned a







customer survey in conjunction with Savills to track our customers' priorities, and how they change year on year, including ESG priorities. Along with Prologis, GLP and Segro, we have formed the Logistics Real Estate Sustainability Group, to represent the sector and keep the market informed, particularly around the ESG performance of logistics buildings.

In October 2023, we announced the signing of a new £500 million revolving credit facility, which gives us the ability to reduce the interest rate margin over time by meeting ESG-related targets. More information can be found in the Debt capital section of the Financial Review.

2023 in numbers		
EPC B or above (standing assets) 80% (2022: 78%)	Solar PV capacity installed 17.4 MWp (2022: 14.6 MWp)	Weighted average portfolio energy intensity 15.9 kWh/sq ft
BREEAM VG or above (standing assets) 51% (2022: 49%)	Solar PV pipeline 20 MWp	Weighted average portfolio carbon intensity 3.0 kg CO ₂ e/sq ft
EPC target for new developments A (2022: A)	Upfront embodied carbon target 400 kg CO ₂ e/m ²	Social value (number of children helped with literacy) 500
BREEAM target for new developments Excellent (2022: Very Good)	Buildings with Electric Vehicle charging facilities (by floor area) 54% (2022: 54%)	Assets inspected for biodiversity enhancements (by floor area) 100%

Market-leading benchmark performance

We continue to improve our scoring against the leading sustainability and ESG benchmarks, demonstrating our underlying performance.

 Sustainalytics 7.6 (Negligible risk) Awarded the Industry and Region Top Rated badges for our improved score.	 MSCI* AA rating As of 2023, Tritax Big Box REIT plc received an MSCI rating of AA.	 ISS Prime status (C) Retained our Prime status.	 GRESB 85/100 (standing) and 99/100 (developments) Recognised as Global Sector Leader for our new developments submission.	 EPRA sBPR Gold award Retained the award for the third straight year.	 CDP B rating Responded to the CDP Climate Change questionnaire for the second year in a row.
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ESG continued

Continued progress against our ESG targets

Last year, we disclosed our updated ESG targets, which reflect our ambition for the ESG performance of the Company. The tables below set out progress made against our updated targets and KPIs.



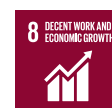
Sustainable buildings



Climate and carbon



Nature and wellbeing



Social value

Sustainable buildings

Targets	2023 progress	2024 priorities
100% of all asset due diligence uses Tritax ESG due diligence framework	<p>Utilisation of ESG due diligence framework: 100%</p> <p>Implemented a new ESG due diligence framework, covering key investment and asset management decisions such as acquisitions, occupier screening and approval processes.</p> <p>The due diligence framework has been integrated with the Tritax Data Management System, to ensure ESG data is part of our core data set and embed consideration of issues such as climate and carbon-related risks into our day-to-day operations.</p>	<p>Continue to refine integration of ESG criteria into investment process.</p> <p>Increase levels of data quality and integrate into the Tritax Data Management System.</p>
Produce and implement low-carbon baseline development specification on all new projects	<p>Production and utilisation of low-carbon specification: complete</p> <p>Progressed our low-carbon baseline specification for developments, which will continue to change as materials and construction methodologies evolve.</p> <p>Set new target for embodied carbon in our developments of 400kg CO₂e per m². Reviewed past developments to understand performance and identify actions to meet the new target.</p> <p>In 2023, we achieved a weighted average upfront embodied carbon outcome of 462kg CO₂e per m².</p>	<p>Refine our approach to delivering our embodied carbon target of 400kg CO₂e per m² by analysis of low carbon materials and construction methodologies.</p> <p>Integrate into our development management operations.</p>

Climate and carbon

Targets	2023 progress	2024 priorities
<p>Produce and disclose updated net zero carbon pathways:</p> <ul style="list-style-type: none"> • Scope 1 and Scope 2 – 2025 • Scope 3 (construction) – 2030 • Scope 3 (remainder of material emissions) – 2040 	<p>Annual review of pathway and emissions: complete</p> <p>Carbon risk incorporation into each asset management plan: 100%</p> <p>1.5°C Paris decarbonisation pathway alignment: analysis completed</p> <p>Science Based Targets initiative (“SBTi”) alignment (or equivalent): in progress</p> <p>Continued to refine the Group’s net zero pathway. This is an ongoing process, as we integrate our development programme and asset management plans for each building into the pathway, and engage with customers to understand their plans for decarbonising their operations, which are key for reducing Scope 3 emissions.</p>	<p>Work in collaboration with our customers and technical consultants to identify ways of reducing operational carbon in buildings by removing fossil fuels, increasing efficiency and developing on site renewables.</p> <p>Continue to refine and disclose our net zero carbon pathway progress and provide greater detail relating to different types of customers and operations (including automation and EV charging impacts).</p>
Integrate physical climate risk mitigation across asset lifecycle	<p>Climate risk incorporation into each asset management plan: 100%</p> <p>Portfolio Task Force on Climate-Related Financial Disclosures (“TCFD”) alignment: consistency achieved across 11 of 12 recommendations</p> <p>For further detail, see the TCFD section on pages 62 to 72.</p> <p>Engaged with our insurers during 2023 to report our ESG management processes, including climate risk management, so as to assist us achieving competitive renewal premia.</p>	<p>Further integration of climate risk management into our investment and asset management processes including the utilisation of climate modelling platforms.</p>



Nature and wellbeing

Targets	2023 progress	2024 priorities
Year-on-year increase in biodiversity for standing assets	<p>Increase in biodiversity against 2022 baseline: in progress</p> <p>Continued to establish the current baseline for biodiversity across the investment portfolio and inspected 100% of assets to determine the best approach for each.</p> <p>Biodiversity initiatives include: wildflower areas to support pollinators, insect hotels, bird boxes and beehives.</p> <p>Put in place the necessary processes to ensure our developments will deliver the 10% biodiversity net gain required to obtain planning consents from February 2024.</p>	Increase the levels of biodiversity in standing assets and deliver biodiversity net gain for developments in line with new mandatory requirements.
Year-on-year increase in provision of wellbeing enhancements to developments and standing assets	<p>Increase in provision against 2022 baseline: in progress</p> <p>Initiatives in 2023 included:</p> <ul style="list-style-type: none"> • continuing to increase provision of green space at our assets; • increasing daylight within buildings in our development pipeline; and • working with customers and consultants to understand what wellbeing looks like for customers and ensure welfare facilities are as good as they can be. 	Leverage our insight and relationships with customers to continue to provide effective wellbeing infrastructure.

Social value

Targets	2023 progress	2024 priorities
Publish community investment structure	<p>Set-up and operation of community investment structure: complete</p> <p>We have now established the TM LLP (“Tritax”) Social Impact Foundation which will be our centre of excellence and governance, to help us deliver and measure impact.</p>	Put in place a new 5-year social impact strategy.
Further integrate ESG criteria into supply chain procurement processes – upstream and downstream	<p>Utilisation of due diligence framework for suppliers: 100%</p> <p>Tendered for corporate and legal property services, with ESG criteria forming a key part of the selection process.</p>	Continue to utilise ESG criteria in our procurement process & engage with suppliers to promote collaboration.
Continue support for key fund charity	<p>Level of financial and non-financial contributions:</p> <p>£36,000 and 500 children helped with literacy (Schoolreaders)</p> <p>£23,987 donated to LandAid and XLP</p> <p>£105,000 donated through our Community Benefit Fund</p> <p>Partnership with Schoolreaders continues to deliver much-needed impact in child literacy and we committed to another three years of support during 2023.</p> <p>As part of our development programme, we invest in local communities through our Community Benefit Fund, which is committed to investing 10 pence per sq ft of new logistics space supporting local community causes.</p>	<p>Continue to develop the partnership with Schoolreaders in order to help tackle child illiteracy in the UK.</p> <p>Continue to contribute to local communities surrounding our new developments through the Community Benefit Fund.</p>



ESG continued

ESG in action

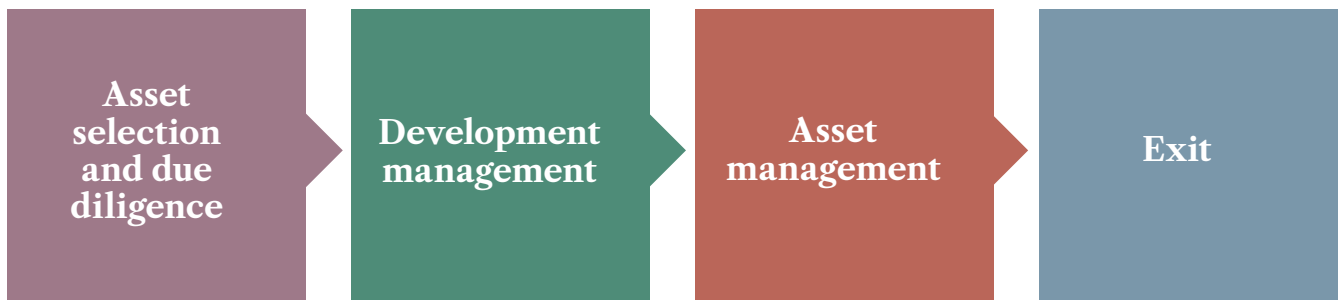
Our priority is the delivery of ESG performance through integration into our operational activities. We showcase here some good examples of ‘ESG in Action’.

Investment lifecycle integration

ESG performance is now impacting the liquidity and value of assets across the market. We are well placed to manage downside risk and potential upside opportunity given the integration of ESG across our investment lifecycle from the engagement of our Board to due diligence, development and asset management.

How we do it

We consider ESG factors during the due diligence and asset selection process using a template consisting of our key ESG criteria. For our development programme we have a low carbon baseline specification and an embodied carbon target to enable low carbon construction. Our asset management programme is key to delivering our NZC targets in collaboration with customers.



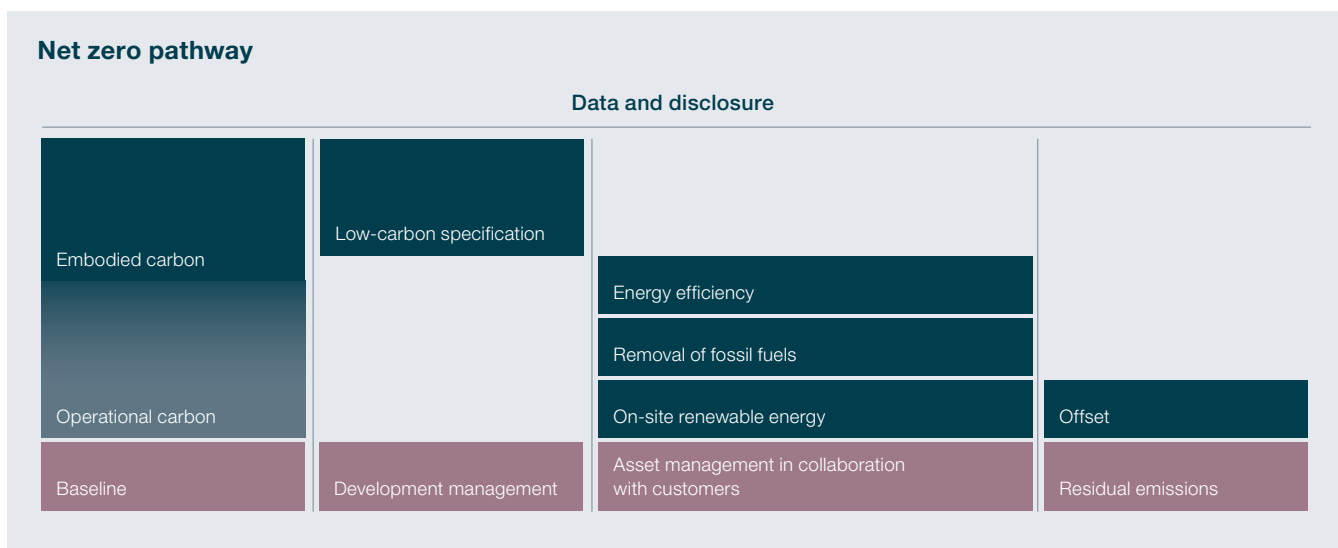
Net zero carbon

During 2022 we updated our NZC targets for both the embodied carbon in our developments and the operational carbon across our standing asset portfolio. The delivery strategy for our NZC pathway is summarised below.

How we are reducing emissions

Embodied carbon refers to carbon emissions associated with materials and construction processes. Our approach is to do everything we can to minimise carbon in developments by using low carbon materials and methods. As a last resort we offset residual carbon through certified carbon credits, making our developments net zero carbon at completion of their construction.

Operational carbon mainly refers to the carbon emissions associated with our customer operations. We are exploring and implementing initiatives in collaboration with customers to remove fossil fuels, increase efficiency and introduce renewable generation on site.



Natural Capital

Biodiversity is of key environmental significance and also important to the wellbeing of our customers and communities.

Biodiversity – the story of Steve’s bees

Property Manager, Steve Bell has been a busy bee over 2023. Our development site at Littlebrook, Dartford is already a top-class example of ESG in action. The latest phase was completed in 2023 and sits on what was a brownfield site. The largest building on the site, let to Amazon, has a 3.5MWp solar array on the roof. Externally, 30% of the site is set aside for open space and habitat creation.

We have brought to site over one million bees, which have now produced the first jars of honey. The hives are looked after by a group of local beekeepers who also involve local schools in the process.

Not only is the honey great on toast, it’s an example of our approach towards enhancing biodiversity, natural capital and social value.



Social Value

We want to ensure that the social value which our portfolio delivers makes a meaningful difference to people and communities wherever we invest.

Creation of TM LLP (“Tritax”) Social Impact Foundation

Our objective is to deliver meaningful impact across communities in our portfolio by helping young people to fulfil their potential. By working with our customers and local stakeholders we will provide platforms for education and opportunity, unlocking the potential of the next generation and offering a brighter future for our local communities.

In 2023, the Manager set up the TM LLP (“Tritax”) Social Impact Foundation to be our centre of excellence, enabling us to expedite greater measured social impact.



Schoolreaders

Tritax Big Box REIT plc and Schoolreaders have worked in a successful partnership for the past four years. The Company was Schoolreaders’ first corporate partner and this support has helped Schoolreaders expand and provide 1570 children with a year’s 1-to-1 reading support.



Manager's Report

Successfully delivering our strategy



Colin Godfrey
Chief Executive Officer, Tritax Big Box REIT plc

“Our sector is a key part of the UK’s economic infrastructure and the long-term drivers of demand for space remain strong.”

Strategy

Our strategy is aligned to the market drivers described in the Market Review section (page 22). It has three interlinked components that aim to deliver sustainable income and capital growth, robust performance through the economic cycle and an attractive and progressive dividend, while ensuring we meet our wider responsibilities and carefully manage risk.

The components of the strategy are:

1. High-quality assets attracting world-leading customers – delivering long-term, resilient and growing income.
2. Direct and active management – protecting, adding and realising value.
3. Insight driven development and innovation – creating value and capturing occupier demand.

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

- **Sustainable buildings** – integrating ESG across the investment lifecycle, from acquisition and development to asset management and exit;
- **Climate and carbon** – achieving net zero carbon and mitigating physical climate risks;
- **Nature and wellbeing** – enhancing biodiversity and wellbeing across the portfolio; and
- **Social value** – creating positive impact for people and communities.

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

Investing in our capabilities

Tritax Management continued to invest significantly in its own capabilities which in turn enhances the service provided to Tritax Big Box. In addition to the dedicated senior team working exclusively on Tritax Big Box, Tritax Management has grown its broader team, developing people capabilities and broadening its skillset. External new hires have added further expertise to asset management capabilities and the support functions have also been expanded to ensure specialist expertise is in place to further support Tritax Big Box (e.g. Marketing, ESG and People Development). Learning and Development is a strategic priority and is provided to all staff as part of Continuous Professional Development, including technical, regulatory and sector-specific content. Soft skills training has also been widely introduced together with well-being topics (e.g. mental health). Training content is tailored to the needs of staff and so is either provided online, face-to-face, on an individual basis or in group format. We are pleased to report another strong result in our employee satisfaction survey in which 88% of employees took part and we recognised a 80% score, in line with our 2022 performance.



1. High-quality assets attracting world-leading customers

Investment portfolio key figures

Total portfolio value

£5.03bn -0.6%
(2022: £5.06bn)

Number of investment assets

78 -1.3%
(2022: 79)

Gross lettable area

35.6m sq ft -5.0%
(2022: 37.5m sq ft)

Portfolio ERV

£277.0m +3.8%
(2022: £266.8m)

LFL ERV Growth

6.9% -2.3pts
(2022: 9.2%)

Number of customers

61 +19.6%
(2022: 51)

Portfolio Vacancy

2.5% +0.4pts
(2022: 2.1%)

WAULT

11.4yrs -1.2yrs
(2022: 12.6yrs)

Rent collection

100% 0pts
2022: 100%

Our priorities for 2023

We set the following priorities for 2023 in relation to the investment portfolio:

Priority	Progress
Closely monitor customers' credit quality in the face of a potential UK recession.	Continued to regularly analyse customers' financial strength, based on third-party data, financial results, regular meetings with customers' senior management and our observations from conducting approximately 130 site inspections during the year. Customer credit quality is ultimately reflected in continuing to collect 100% of rent due in 2023, our tenth consecutive year of doing so.
Evaluate: <ul style="list-style-type: none"> the weighting of the portfolio between Foundation and Value Add, to inform our approach to active management of the portfolio; and the geographic composition and range of building sizes within the portfolio, to maintain an appropriate balance between rental growth, covenant strength and risk. 	We continually evaluate individual assets and the overall shape of the portfolio, to identify opportunities for maximising future returns. During the year, we disposed of assets where business plans had been realised and acquired assets with the potential to add greater value. This was aligned with our objective of reinvesting into opportunities with higher risk-adjusted returns and broadening the range of building sizes, by adding smaller last-mile units through development and acquisitions.



Manager's Report continued

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

Resilient portfolio with embedded opportunities for value creation

Our total portfolio comprises:

- the investment portfolio of assets with a lease or agreement for lease in place, which we believe to be the strongest in Europe in terms of asset quality, customer financial covenant strength and lease length, and which provides lower risk but attractive and resilient income; and
- the development portfolio, which provides best-in-class new assets for the investment portfolio (see insight driven development and innovation below).

The investment portfolio is split between Foundation assets, which provide our core long-term income, and Value Add assets, which offer opportunities for capital or income growth through asset management. Assets can move between these categories over time, as our asset management activity turns Value Add assets into Foundation, or as Foundation assets become Value Add, for example as the lease nears expiry.

Investment portfolio		Development portfolio	
Foundation assets	61.4%	Land and buildings	
Value Add assets	30.9%	under construction	7.7%
Total Investment Portfolio	92.3%	Total Development Portfolio	7.7%

At the year end, the total portfolio value was £5.03 billion (31 December 2022: £5.06 billion), broadly in line with the previous year end. This reflects stabilising asset values across the year, development gains and our active asset management, including 6.9% like-for-like ERV growth and the net impact of asset acquisitions and disposals.

While "big boxes" make up most of our portfolio, we have continued to broaden our customer offer in terms of the range of building sizes we can provide, so we can meet customer needs for "first mile" mission critical logistics assets through to last-mile urban delivery units. Both our development programme and our investment

strategy are increasing the number of urban and last-mile units in the portfolio. At the year end, the portfolio contained the following mix of building sizes:

Urban/last mile	% of contracted rent
<100k sq ft	1.7%
100–250k sq ft	9.7%
Big box	
250–500k sq ft	31.5%
>500k sq ft	57.1%

As at 31 December 2023, 97.3% of the investment portfolio had an EPC rating of C or above, and all assets certified by BREEAM (50.7%) have a rating of Very Good or above. For new developments completed in 2023, 100% were built to EPC A and to BREEAM Very Good or Excellent standard. All new developments commenced in 2023 will be constructed to a minimum standard of EPC A and BREEAM Excellent standards.

Secure customer base underpins income generation

The Group's diversified customer base includes some of the world's most-important companies, with 73% being part of groups included in major stock market indices, such as the DAX 30, FTSE All Share, SBF 120, NYSE and S&P 500.

The quality of the Group's assets and customers enabled us to continue to collect 100% of rent during the year; the tenth year running.

Portfolio vacancy at the year end was 2.5% (2022: 2.1%).

The increase is relating to one building being taken back for refurbishment just prior to the year end.

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

Customer	% of contracted annual rent
Amazon	14.6%
Morrisons	5.4%
Iron Mountain	4.8%
B&Q	3.9%
Tesco	3.8%
The Co-Operative Group	3.7%
Argos	3.6%
Ocado	3.4%
Marks & Spencer	3.3%
DSG Retail	2.4%



Upward-only rent reviews provide attractive income growth

All our leases benefit from upward-only rent reviews. Of total contracted rents:

- 17.2% are reviewed annually; and
- 82.8% are reviewed in five-yearly cycles, with the timings staggered so there are reviews taking place each year.

The table below shows the rent review types across the portfolio at the year end:

Rent review type	% of rent roll at
RPI/CPI linked	48.9%
Open market	29.9%
Fixed	8.7%
Hybrid (higher of inflation or open market)	12.4%

Leases with inflation-linked reviews typically specify minimum and maximum rental growth, which average 1.5% and 3.5% respectively. This gives certainty on the minimum rental increase within the portfolio, which we supplement through open market and hybrid rent reviews (totalling 42.3%, which combined provide opportunity to capture uncapped market rental growth) and other forms of active management.

Due to the balance of open market and inflation-linked rent reviews, and the growing rental reversion in the portfolio (see below), we remain positive about continuing to deliver attractive, long-term income growth from our investment portfolio.

Information on rent reviews in 2023 can be found in the direct and active management section below.

Increasing ERVs provide significant opportunity to grow rental income

At each valuation date, the valuer independently assesses the estimated rental value (“ERV”) of each asset in the investment portfolio. This is the rent the property would be expected to secure through an open-market letting at that date.

At 31 December 2023, the portfolio ERV was £277.0 million (2022: £266.8 million), which is £51.7 million or 23.0% (2022: 19.1%) above the contracted rent. The portfolio like-for-like ERV increased by 6.9% during the year. We have opportunities to capture this reversionary potential through open market rent reviews, lease renewals at expiry, new leases or lease regears.

Long duration, full repairing and insuring (“triple net”) leases minimise capex and enhance income security

At the year end, the investment portfolio’s WAULT was 11.4 years (2022: 12.6 years), with the Foundation assets having a WAULT of 15.0 years (2022: 15.9 years).

Of total rents:

- 33.7% is generated by leases with 15 or more years to run; and
- 26.1% comes from leases expiring in the next five years, providing near-term opportunities to capture the growing reversion within the portfolio (see below).

The vast majority of our leases are full repairing and insuring, equivalent to “triple net” leases in the United States. This means our customers are responsible for property maintenance during the lease and for dilapidations at the end of the lease term. This minimises our irrecoverable property costs, which resulted in 100% conversion of gross to net rental income for the year.

Our priorities for 2024

In 2024, our priorities in relation to the investment portfolio are:

- Evaluate the overall composition of the portfolio, identifying assets for potential disposals and to inform our asset management and investment activities.
- Evaluate the balance between larger and smaller assets with a view to selectively increasing our weighting to urban logistics.
- Continue to closely monitor customer financial performance.



**Manager's Report** continued**2. Direct and active management**

Asset management key figures for 2023		
Disposals £327.0m n/m (2022: £0.0m)	Disposals 2.97m sq ft n/m (2022: 0.0 sq ft)	Disposals (Contracted rent) £14.1m n/m (2022: £0.0m)
Acquisitions £108m n/m (2022: £0.0m)	Acquisitions 0.52m sq ft n/m (2022: 0.0 sq ft)	
Proportion of portfolio subject to rent review 19.0% -15.9pts (2022: 34.9%)	Proportion of portfolio reviewed (including reviews carried over from 2022) 22.5% -10.5pts (2022: 33.0%)	Uplift in rents £4.9m -3.9% (2022: £5.1m)
Passing rent uplift following rent review 9.6% +2.0pts (2022: 7.6%)	EPRA like-for-like rental growth 3.6% +0.0pts (2022: 3.6%)	

Our priorities for 2023

We set the following priorities for 2023 in relation to active management:

Priority	Progress
Settle outstanding open market rent reviews.	Concluded five open market rent reviews in the year, including four of the six outstanding at the start of the year. A further three open market reviews were in negotiation at the end of 2023.
Continue to progress lease extension and renewal discussions with customers.	Signed two lease extensions of eight and ten years and had 12 negotiations on lease extensions ongoing at the year end.
In addition to the three assets disposed of at the start of the year for £125 million, make further selective asset disposals, in line with our annual target of £100 million to £200 million.	Completed a further £176 million of disposals in H2 2023, resulting in a total of £327 million of disposal proceeds in the year, at or ahead of book valuations and delivering an attractive blended Net Initial Yield of 4.3%.
Continue to evaluate opportunities for acquisitions.	Acquired two urban last-mile logistics estates for a total of £108.0 million and exchanged contracts on a 480,000 sq ft asset let to Co-Op, for £47.7 million, which completed shortly after the year end.
Work with customers on further initiatives to enhance the assets, including their ESG credentials.	Collaborated with customers on a wide range of ESG initiatives including our solar programme. Currently in discussions on a further 20MW of projects. Delivered good progress against all ESG targets.



Realising value and recycling capital through disposals

Capital recycling is a key part of our business model. As such, we have deliberately constructed the portfolio over the years to ensure it contains highly attractive assets with good liquidity, enabling us to dispose when we choose, reinvesting the proceeds into higher-returning opportunities – such as our development pipeline – and thereby improve and re-fine the overall quality of the portfolio.

We constantly review the Group's 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 our desired portfolio profile; or
- 3) the asset's future performance may be below others in the portfolio or have more risk attached to it.

We identify assets for disposal by analysing the associated risk and return profile. Risk criteria we consider include age, location, covenant strength, geographic and customer concentration, rental income profile, ESG performance and the opportunity for future rental growth. We analyse the potential future return expectations based on our asset management plans, view of rental growth, capex requirements and any marketing void and tenant incentive, in addition to considering further ESG performance enhancements.

We look closely at the capital market conditions to establish whether we are optimising our engagement and/or execution at the correct point during the prevailing market cycle. We continually profile the most active buyers to establish their desired income profile coupled with their transactional experience and credibility to ensure we engage with purchasers with high execution abilities.

We maintain regular contact with other investors to track forthcoming sales and establish the drivers behind the disposals and whether we can use our track record to our advantage. We have developed a strong reputation in the market for being both well capitalised and knowledgeable, enabling us to act quickly (subject to acquisition due diligence). In line with this, we regularly engage with landlords, developers and brokers to ensure we are informed on near/medium-term opportunities to reinvest in land, developments or income-producing acquisitions.

During the year we disposed of the following assets, which in aggregate achieved prices at or above their book values, thereby demonstrating the quality of our properties in what has been a difficult market to transact in over the last 12 months:

Asset	Sq Ft ('000s)	WAULT (years)	Occupier
Corby	848	15.3	Eddie Stobart
Raunds	659	22.9	Howdens
Knowsley	578	13.5	Matalan
Skelmersdale	470	1.4	DHL
Worksop	331	12.5	Cerealto
Littlebrook 4A/B (vacant)	84	n/a	n/a
	2,970		

Acquiring investments with asset management potential and that broaden our customer offer

While development remains the primary focus of our capital deployment given the attractive returns it delivers, we continue to look for investments that can generate accretive total returns, support our income growth and broaden our customer offer. This forms part of our ongoing portfolio optimisation and complements our development activity by typically offering lower risk and more immediate income.

In line with our objective of broadening our customer offer, and following the market repricing in 2022/23, we saw an opportunity to deliver an appropriate level of risk-adjusted return by acquiring smaller assets in strong urban locations, to complement our predominately big box portfolio. These smaller assets increase our scope for capturing market rental growth more frequently, as they typically have shorter leases than big boxes and therefore create more regular asset management opportunities. Consistent with our strategy and focus on portfolio quality, we continue to focus on assets which have strong fundamentals, are well-configured and have strong ESG credentials or the ability to reposition, thereby enhancing their overall quality.

We appraised many opportunities during the year and were highly selective in those we chose to take forward ensuring they meet our property quality, investment strategy and total return targets. As a result, we acquired:

- Junction 6 Logistics Park, a core urban logistics estate within 3 miles of the centre of the UK's second largest city, for £58.0 million. The asset is in a prime location near Birmingham and comprises 12 units totalling 384,000 sq ft. The WAULT of 1.6 years on acquisition provides opportunities to enhance the property specification, deliver improved ESG performance and capture rental reversion. The average passing rent at acquisition is c£7.30 psf compared with the ERV of c£10.90 psf, which is reflected in the reversionary yield of 6.7%.
- A three-unit scheme in Enfield totalling 130,000 sq ft plus an open storage site of c.1.2 acres for £49.9 million. The scheme, located in a well-established urban last-mile location, with immediate access from Junction 25 of the M25, had a WAULT of 0.9 years on acquisition. It offers significant value-add potential, with one unit vacant that has recently been refurbished to meet an A+ EPC rating. The average passing rent of c.£11.00 psf compares with an average ERV of c.£21.00 psf, resulting in a reversionary yield of 5.9%.

We are already making progress with our value-creation plans for these schemes and have expanded our asset management team to add further resource and expertise. This is enabling us to engage directly with current and potential occupiers, to discuss our plans with them and understand their requirements. Early successes include agreeing a five-year lease on the vacant unit at Enfield, at a rent more than 20% ahead of the ERV, with other leasing discussions under way.

We also look to acquire prime big box investments that we consider mispriced. In November 2023, we exchanged contracts to acquire a c.480,000 sq ft asset on Castlewood Business Park, close to Derby, Sheffield and Nottingham. The asset is let to Co-Op, and is a mission critical temperature-controlled facility on a lease with nine years remaining. The Co-Op is an existing Group customer at two other buildings. The investment acquisition offers strong rental growth potential, with a passing rent of £5.86 psf compared to an ERV of c.£7.50 psf. The purchase price of £46.0 million equates to a NIY of 5.75% and a reversionary yield of 7.3%. The acquisition completed in January 2024.

Growing and lengthening income

The mix of rent review frequencies meant 19.0% of the portfolio was subject to review in 2023, compared to 34.9% in 2022 and 26.7% in 2024. During the year, we agreed 13 rent reviews, including four of the six open market rent reviews that were outstanding from 2022. The table below summarises the outcome of these reviews, showing the strong rental uplifts from the open market reviews concluded in the year. The relatively small proportion of the portfolio subject to review in the year was reflected in our EPRA like-for-like rental growth figure, which was 3.6%. A further three open-market or hybrid rent reviews were in negotiation at the year end.



Manager's Report continued

2. Direct and active management continued

Growing and lengthening income continued

Rent reviews completed in 2023 by type:

	Number	% of contracted rent	Growth in passing rent
Index linked	5	13.7%	3.0%
Open market/hybrid	5	5.6%	27.2%
Fixed	3	3.2%	3.7%
Total	13	22.5%	9.1%

During the year, we completed a reversionary lease extension with a customer, agreeing a ten-year lease from August 2023 that provides security of income and increases the value of the asset. We also extended a lease by eight years, to align with the term on a new lease with the same customer on a second unit, which came through our development programme. At the year end, lease negotiations were under way across 12 assets or units, including proposals for lease extensions and solar schemes with the potential to generate nearly 20 MW of renewable energy.

Enhancing ESG through integration, engagement and active management

By working in partnership with customers on ESG initiatives, we can increase rental income, asset liquidity and capital values, prolong an asset's life, reduce obsolescence risk and contribute to local communities. At the same time, our customers can enhance their working environments, reduce their operating costs and make progress towards their own ESG targets. To maximise the effectiveness of our approach, we have integrated ESG considerations throughout the investment lifecycle, from asset selection and development to asset management and disposal, as well as our engagement with occupiers and our management of the Group's supply chain.

We made good progress against our ESG targets which relate to the four themes in our strategy. Specific achievements include:

- **Sustainable buildings:** We implemented a new ESG due diligence framework, which includes embedding consideration of climate and carbon related risks into our day-to-day operations. Our commitment to sustainable development encompasses our standards for construction, which includes achieving a minimum of BREEAM 'Excellent' and EPC A grade on all new buildings. In addition, we have done significant work on reviewing the resilience of the power supplies to our assets and the demands they will face, for example as customers increase automation or charge increasing numbers of electric vehicles. Potential solutions include solar scheme incorporating private wire networks, allowing occupiers to share renewable energy generated on-site.
- **Climate and carbon:** On operational carbon we continue to deliver and refine the Group's net zero pathway. This is an ongoing process, as we integrate our current development programme and our asset management plans for each building

into the pathway and engage with customers to understand their plans for decarbonising their operations, which are key for reducing Scope 3 emissions. We are aiming to publish an update to our NZC pathway during the forthcoming financial year.

- **Nature and wellbeing:** During 2023, we continued our work to establish the current baseline for biodiversity across the investment portfolio. Following baseline assessments, our biodiversity initiatives include wildflower areas to support pollinators, as well as insect hotels, bird boxes and beehives. We have also put the necessary processes in place to ensure our developments will deliver the 10% biodiversity net gain that will be required under imminent legislation.
- **Social value:** During 2023 we established the TM LLP ("Tritax") Social Impact Foundation to provide an internal centre of excellence for the delivery of social impact investment. The foundation will help demonstrate and expedite our delivery of social value, through veritable reporting.

In October 2023, we announced the signing of a new £500 million revolving credit facility, which gives us the ability to reduce the interest rate margin over time by meeting ESG-related targets. More information can be found in the Debt capital section of the Financial Review.

As a result, we ranked as the industrial sector's GRESB 2023 Listed Sector Leader and Sector Leader, both for Europe and globally. We also achieved a Sustainalytics score of 7.6 (Negligible Risk) and were awarded the Region and Industry Top Rated badges, whilst retaining our EPRA sBPR Gold Award. Finally, we submitted to CDP for the second year running. CDP (formerly carbon disclosure project) is the worlds most comprehensive environmental dataset and the gold standard of environmental reporting.

Our priorities for 2024

In 2024, our priorities in relation to active management are:

- Seek to dispose of £100-200 million of assets, subject to market conditions and opportunities within the investment market, in line with our ongoing approach to capital rotation.
- Implement our asset management plans, with a particular focus on recently acquired urban logistics assets with significant reversionary potential.
- Enhance our ESG performance, including a programme to determine viable projects and costs for works to achieve net zero carbon.



3. Insight driven development and innovation

Development key figures for 2023		
Development completions 2.2m sq ft +83.3% (2022: 1.2m sq ft)	Development completions let 1.9m sq ft +216.7% (2022: 0.6m sq ft)	Development completions (to passing rent) £13.6m +156.6% (2022: £5.3m)
Development starts 1.7m sq ft -41.4% (2022: 2.9m sq ft)	Development starts (ERV) £15.6m -33.3% (2022: £23.4m)	
Development lettings 0.9m sq ft -71.0% (2022: 3.1m sq ft)	Development lettings £7.8m -66.5% (2022: £23.3m)	Average development yield on cost 6.70% +0.5pts (2022: 6.20%)
Planning consents secured 0.9m sq ft -43.8% (2022: 1.60m sq ft)	Total planning consented land 6.3m sq ft -10.0% (2022: 7.0m sq ft)	

Our priorities for 2023

We set the following priorities for 2023 in relation to our development programme:

Priority	Progress
Commence construction of between 2 to 3 million sq ft of new developments while keeping a close eye on the macroeconomic backdrop, within our yield on cost guidance of 6-8%.	Construction starts totalled 1.7 million sq ft, just below our target range as we prudently scaled back our activity early on in the year into the face of heightened occupational and investment market uncertainty. We delivered an attractive yield on cost of 6.7% for our 2023 development lettings as rising rents coincided with a stabilisation, and in some cases declines, in construction costs.
Secure a blend of pre-let and speculative lettings.	Achieved lettings on 0.9 million sq ft of developments, adding £7.8 million or 3.5% to Dec 2022 Contracted annual rent, whilst noting that a further 0.9 million sq ft remains in solicitors' hands.
Progress planning consents and ensure sufficient consented land is in a credible delivery state to support our long-term development activity, and aim to replenish land once developed.	Obtained new planning consents on 0.9 million sq ft, continued to transition land to a credible delivery state, and secured options on new sites.
Continue to develop our low-carbon baseline specification and work towards embodied and whole life carbon performance targets.	Completed projects in line with low carbon baseline specification including detailed monitoring of embodied carbon performance – see Enhancing ESG through integration, engagement and active management above.

A carefully considered and low-risk approach to development

Development is a key driver of our returns, as we target a yield on cost of 6-8% while carefully managing risk.

We control the UK's largest land portfolio for logistics development, capable of delivering approximately 42.5 million sq ft of new logistics space. Our development programme therefore has the potential to more than double the size of our business, by providing a pipeline of high-quality new assets for the investment portfolio through a blend of pre-let and speculative developments. The pipeline is diversified geographically and is highly flexible in terms of building size and location, enabling us to match our customers' requirements all the way from urban or last mile assets to "mega boxes". This means

the balance of the investment portfolio will gradually evolve, to reflect this broader mix of building sizes and the attractive blend of lease profiles.

We hold most of the land portfolio through long-term option agreements. These are capital efficient and reduce risk, as we typically only buy the land once we have received planning consent and have flexibility over the quantum and timing of our purchases. The options include both a pre-defined discount to prevailing land prices and enable us to offset much of the planning and infrastructure costs associated with a site from the purchase price. This combination means we typically secure an attractive profit on the land on drawdown, in addition to minimising the impact to the business of changing land values.



Manager's Report continued

3. Insight driven development and innovation continued

A carefully considered and low-risk approach to development continued

While the primary intention of our development programme is to create income-producing assets for the investment portfolio, we will occasionally work with a customer to develop an asset for freehold sale to them, where this will help us to gain planning, open up a site and accelerate our profit capture.

Our Investment Policy limits land and development exposure to 15% of GAV, including a maximum exposure to speculative development of 5% of GAV. At the year end we remained well within these limits:

- land and development exposure was 7.7% of GAV; and
- speculative exposure (based on aggregated costs) was 2.3%.

Managing build costs

Following the rapid increase in build costs in 2022 we have seen a more stable environment in 2023, with the upward pressure on material pricing having eased. The reduction in speculative development programmes across the industry has also led to greater contractor capacity, leading to increased competition within tenders for new projects. We have excellent relationships with key suppliers and the scale of our development programme means we benefit from both contractor loyalty and considerable buying power. We closely monitor the financial strength of our contractors and place our main building contracts with contractors that are experienced in logistics warehousing and exhibit financial stability.

We maintain our guidance of delivering a 6-8% yield on cost on our overall development programme, with our current development starts expected to be delivered at an estimated 7.0% yield on cost.

1) Current development pipeline – assets under construction to be delivered in next 12 months

At 31 December 2023, the Group had the following assets in the Current Development Pipeline. The total estimated cost to complete is £128.1 million and the assets have the potential to add £18.9 million to annual passing rents.

	Estimated costs to completion				Total sq ft m	Contractual rent/ERV £m
	Total £m	Period				
		H1 2024 £m	H2 2024 £m	H1 2025 £m		
Current speculative development	124.7	49.7	64.1	10.9	1.7	15.7
Current let/pre-let development	3.4	2.5	0.8	0.1	0.4	3.2
Total	128.1	52.2	64.9	11.0	2.1	18.9

Note: In addition to the Current development pipeline the Group had one asset which had reached practical completion and has a lease commencing on 3 January 2024. Therefore, in addition to the contractual rent / ERV of £18.9 million within the above table, an additional £3.7 million of passing rent has already commenced in early 2024.

Moderating development starts in 2023

In 2023, we made excellent operational progress, reaching practical completion on 2.2 million sq ft of leased buildings, which added £13.6 million to passing rents. We started 1.7 million sq ft of new developments, marginally below our long-term guidance of 2-3 million sq ft, having taken a more cautious approach to development activity in early 2023 given the challenging macro-economic backdrop. These developments have the potential to add £15.6 million to contracted annual rent.

In addition, we:

- achieved 0.9 million sq ft of development lettings, increasing contracted annual rent by £7.8 million; and
- obtained outline planning consent for a further 0.9 million sq ft.

The UK's largest land portfolio for logistics development

We categorise our development portfolio as follows, based on the timing of opportunities:

- 1) Current Development Pipeline** – assets under construction, which are either pre-let, let during construction or speculative developments. The Group owns these sites.
- 2) Near-term Development Pipeline** – sites with planning consent received or submitted, and where we aim to begin construction in the next three years. The Group will own some of these sites, with others held under option pending planning consent or where we have achieved outline planning but have yet to acquire the land.
- 3) Future Development Pipeline** – longer-term land opportunities, which are principally held under option, and which are typically progressing through the planning process.



2) Near-term development pipeline – construction expected to commence in next 12–36 months

At the year end, the Near-term Development Pipeline consisted of land capable of accommodating 9.5 million sq ft of logistics space and delivering £86.0 million of annual rent. Of this:

- 5.4 million sq ft relates to land with planning consent; and
- 2.0 million sq ft relates to sites where we have submitted a planning application.

As at 31 December 2023, the Group was awaiting decisions on planning applications totalling 10.9 million sq ft.

The table below presents the near-term development pipeline at the year end. Movements in the figures are driven by construction starting (which will move space to the current development pipeline), or changes in our view on the likely timing of starts, resulting in movements between the two categories below.

The ERVs shown below are based on current market rents and therefore assume no further rental growth before the schemes become income producing.

	Total sq ft	Current book value £m	Estimated cost to completion (Uncommitted) £m	ERV £m
Potential near-term starts in the next 12 months	2.4m	22.3	285.0	22.1
Potential near-term starts in the following 24 months	7.1m	103.5	812.0	63.8
	9.5m	125.8	1,097.0	85.9

3) Future development pipeline

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

The Future Development Pipeline has sites at various stages of the planning process, with multiple sites being currently promoted through local plans. We have continued to replenish the pipeline by securing options over new sites.

At 31 December 2023, the Future Development Pipeline comprised 1,476 net acres with the potential to support up to 31.3 million sq ft of development and generate around £277.5 million of contracted rent, again assuming no market rental growth.

Development Management Agreements (“DMAs”)

Under a DMA, the Group typically manages the development of an asset for a third-party funder, in return for a fee and/or profit share. The Group will not own the site during construction or the completed investment. DMAs are therefore excluded from the Group’s asset portfolio. DMAs can provide the Group with an attractive but variable source of additional income for Shareholders, with no capital funding requirements.

- ▶ [The treatment and impact of DMA income is discussed in the Financial Review on pages 52 to 55](#)

Our priorities for 2024

In 2024, our priorities in relation to our development programme are:

- Commence construction on approximately 2-3 million sq ft of new developments in a range of building sizes, subject to changes in the macroeconomic backdrop.
- Secure a blend of pre-let and speculative lettings with an average targeted yield on cost of 7.0%.
- Progress planning consents and ensure sufficient consented land is in a credible delivery state to support our long-term development activity, and aim to replenish land once developed.
- Continue to develop our low-carbon baseline specification and work towards embodied and whole life carbon performance targets.

Financial Review

Delivering attractive and sustainable performance



Frankie Whitehead
Chief Financial Officer Tritax Big Box REIT plc

Our priorities for 2023

We set the following priorities for 2023 in relation to our financial performance and balance sheet:

Priority	Progress
Maintain the Group's strong balance sheet and liquidity, and keep the LTV within guidance of 30 to 35%.	Balance sheet management has been a key focus throughout 2023. The LTV at the year end was 31.6% (31 December 2022: 31.2%). The Group had liquidity of £567 million at 31 December 2023, comprising cash balances and undrawn debt facilities.
Target further growth in income and earnings and therefore enhance the dividend on a sustainable basis.	See <i>Overview</i> .
Refinance the £450 million RCF maturing in December 2024.	We refinanced the Group's £450 million revolving credit facility and increased it to £500 million. The Group now has no debt facilities maturing before mid-2026.

Overview

The Group's financial performance has continued to reflect its strong operational performance. Net rental income grew on the back of development completions, rent reviews and asset acquisitions, partially offset by the impact of asset disposals. Adjusted earnings also benefited from a reduction in administrative costs, primarily reflecting the reduction in the investment management fee. However, the timing of DMA projects meant the Group earned no DMA income in the year (2022: £9.3 million).

The key constituents of Adjusted EPS growth in the year are shown in the table below:

	Pence
Adjusted EPS in 2022	7.79
Investment asset rental growth	0.19
Development completions	0.96
Asset acquisitions	0.08
Asset disposals	(0.40)
Administrative expenses	0.16
Net finance costs	(0.38)
Other	(0.16)
DMA income	(0.49)
Adjusted EPS in 2023	7.75

The total dividend for the year was 7.30 pence per share (2022: 7.00 pence), an increase of 4.3% and in line with the Group's dividend policy.

A key focus for the year was around the preservation of balance sheet strength across key financial indicators. The Group managed its sources and uses of capital in a disciplined way with net debt and its loan to value remaining broadly stable across the year.

Presentation of financial information

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

The Board continues to see Adjusted EPS¹ as the most relevant measure when assessing dividend distributions. Adjusted EPS is based on EPRA's Best Practices Recommendations excluding items considered to be exceptional, not in the ordinary course of business or not supported by cash flows.

Tritax Symmetry succession planning and extinguishment of B&C share liabilities

In August 2023, the Group completed the acquisition of the 13% of Symmetry Management Shareholders' equity interest in Tritax Symmetry Holdings Limited ("TSHL"), which formed part of the contingent consideration following the Symmetry acquisition in February 2019.



The B and C Non-Hurdle shares in TSHL, were acquired for a total consideration of £65.0 million, and were settled through a combination of cash and the issue of new ordinary shares in the Company. At this time the founding directors (excluding Andrew Dickman) fully stepped away from the business.

In conjunction, the Group also purchased the remaining C Hurdle shares in TSHL, awarded under the previous arrangements, valued at £1.6 million as at 30 June 2023 for a combination of cash and the issue of new Ordinary Shares.

The total consideration paid was £66.6 million. Subsequently £49.6 million was invested into 34.9 million new Ordinary Shares issued at a price of 142 pence per share.

Under the previous arrangement, the Company had an ability to buyback the remaining B and C shares post December 2026. This was, in part, an acceleration of the charge to EPRA NTA that would have been expected to be charged during the period June 2023 to December 2026, should the B shares have remained in place.

Following the acquisition, the full quota of B and C shares (equivalent to the 13% equity interest) were extinguished and the Company now owns 100% of TSHL and benefits from the full economic rights to all future value created from the Symmetry development portfolio. The B and C share liability recognised within the Statement of Financial Position, as at 30 June 2023, was £45.1 million and therefore a resultant early extinguishment charge has been recognised in the Statement of Comprehensive Income equalling £21.1 million during the year.

The charge to EPRA NTA resulting from the early settlement, including the issue of the new ordinary shares amounted to approximately 1.8 pence, or 1.0% of EPRA NTA.

We saw this as an excellent opportunity to further align the incentivisation of the remaining TSHL team, led by Andrew Dickman, with the Group and Shareholders. Alongside the above purchase, we have therefore put in place a long-term scheme that rewards value created within the Symmetry development portfolio.

We believe that the new arrangement is likely to result in a better financial outcome for Shareholders over the period to December 2026, assuming a certain level of development is undertaken, based on existing business plans.

Financial results

Net rental income

Net rental income grew by 7.8% to £222.1 million (2022: £206.0 million). EPRA like-for-like rental growth was 3.6%, reflecting the comparatively small number of rent reviews arising in the year.

Contracted annual rent at the year end was £225.3 million (31 December 2022: £224.0 million), with the movement reconciled below:

	£m
As at 31 December 2022	224.0
Developments	7.8
Rental reviews and asset management	4.9
Acquisitions	4.6
Disposals	(14.1)
Lease expiry	(1.9)
As at 31 December 2023	225.3

The annual passing rent at the year end was £217.0 million (31 December 2022: £205.1 million), with the increase of 5.8% driven by development completions, rent reviews and acquisitions, offset by disposals.

Administrative and other expenses

Administrative and other expenses, which include all the operational costs of running the Group, were £28.9 million (2022: £32.2 million). The Investment Management fee for the year fell by 15.4% to £22.0 million (2022: £26.0 million), reflecting the reduction in net asset value during the second half of 2022, as well as the lower fee scale with effect from 1 July 2022, following changes to the Investment Management Agreement announced in the prior year.

This contributed to the expected reduction in the EPRA Cost Ratio (including and excluding vacancy cost), which was 13.1% (2022: 15.7%).

Operating profit

Operating profit before changes in fair value and other adjustments was £193.2 million (2022: £183.1 million).

The Group earns DMA income from managing developments for third parties. DMA income is more variable than property rental income, and we include it within Adjusted earnings as it is supported by cash flows. We expect DMA income in a typical year to be £3.0-5.0 million, over the medium term. However in 2023, the Group recognised no DMA income due to a timing delay on a certain project (2022: £9.3 million). Due to this deferment, we therefore expect the DMA income in 2024 to be in excess of £8 million.

Share-based payment charge and contingent consideration

Senior members of the Tritax Symmetry team were B and C Shareholders in TSHL prior to the extinguishment of these shares (as noted below). Under IFRS, the B and C Shareholders' value was split between:

- contingent consideration, determined by certain provisions under the shareholder agreement between Tritax Symmetry HoldCo and the Tritax Symmetry Management Shareholders and
- a share-based payment charge, which is the compensation the B and C Shareholders received as a result of their economic right to a share of the future performance of Tritax Symmetry Development Assets.

Between 1 January and 17 August 2023, the date on which the Company completed the acquisition of the B and C shares, £2.9 million (2022: £1.9 million) was charged to the Group Statement of Comprehensive Income in respect of share-based payment charges and £0.4 million was charged in respect of contingent consideration (2022: £1.1 million gain).

Financing costs

Net financing costs for the year were £44.9 million (2022: £37.8 million), excluding the loss in the fair value of interest rate derivatives of £11.2 million (2022: £14.9 million gain). The average cost of debt at the year-end had increased to 2.93% (31 December 2022: 2.57%), with 96% (2022: 100%) of the Group's drawn debt being either fixed rate or covered by interest rate caps (see hedging policy below). The movement in net financing costs therefore reflects the higher average cost of debt alongside the increase in average drawn debt throughout the period which stood at £1,629.2 million (2022: £1,488.0 million). £4.6 million of interest expense was capitalised (2022: £4.7 million), reflecting the level of capital deployed into active development projects in the period.

The interest cover ratio, calculated as operating profit before changes in fair value divided by net finance expenses, was 4.3x (FY 2022: 4.8x). The net debt to EBITDA ratio was 8.2x (FY 2022: 8.6x).

Tax

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

A tax charge of £0.6 million arose in the year (2022: £1.6 million credit), on profits not in relation to property rental business.



Financial Review continued

Financial results continued

Profit and earnings

Profit before tax was £70.6 million (2022: £601.0 million loss), with the movement between the two years primarily reflecting the reduction in property valuations in 2022. Basic EPS was 3.72 pence (2022: 32.08 pence loss per share). Basic EPRA EPS, which excludes the impact of property valuation movements but for FY23 includes the one-off early extinguishment charge, was 6.01 pence (2022: 7.92 pence).

Adjusted EPS¹ for the year was 7.75 pence (2022: 7.79 pence) with the supporting calculation being found in note 13 to the accounts. The metric we see as closest to recurring earnings is Adjusted EPS¹ excluding DMA income above the anticipated run-rate. As there was no DMA income in 2023, this measure is the same as Adjusted EPS for the year. For 2022, Adjusted EPS¹ excluding additional DMA income was 7.51 pence.

Dividends

We aim to deliver an attractive and progressive dividend. The Board's policy is for the first three quarterly dividends to each represent 25% of the previous full-year dividend, with the fourth-quarter dividend determining any progression. The aim is to achieve an overall pay-out ratio in excess of 90% of Adjusted earnings.

The Board has declared the following interim dividends in respect of 2023:

Declared	Amount per share	In respect of three months to	Paid/to be paid
4 May 2023	1.75p	31 March 2023	1 June 2023
2 August 2023	1.75p	30 June 2023	31 August 2023
20 October 2023	1.75p	30 September 2023	17 November 2023
1 March 2024	2.05p	31 December 2023	2 April 2024
Total dividend for 2023	7.30p		

The total dividend was 4.3% up on the 7.00 pence paid in respect of 2022. The pay-out ratio was 94% of Adjusted EPS.

Portfolio valuation

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

The share of joint ventures comprises 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 2023 was £5.03 billion, including the Group's share of joint ventures:

	31 December 2023 £m	31 December 2022 £m
Investment properties	4,843.7	4,847.3
Other property assets	2.3	2.3
Land options (at cost)	157.4	157.4
Share of joint ventures	24.7	27.2
Asset held for sale	—	25.1
Portfolio value	5,028.1	5,059.30

The loss recognised on revaluation of the Group's Investment properties was £38.1 million (2022: £759.5 million loss). The portfolio equivalent yield at the year end was 5.6% (31 December 2022:

5.3%), with minor outward yield movement mitigated through income growth across the portfolio. This was supplemented by continued progress with the development programme and further growth in ERVs, which were 6.9% higher over the year.

Capital expenditure

Capital expenditure into developments was £208 million in 2023 (2022: £339 million), enabling construction starts across 1.7 million sq ft. This was within our guidance for 2023 of £200-250 million of development expenditure for the year. In addition, the Group acquired two urban assets totalling £108 million and made disposals realising proceeds of £327 million.

Embedded value within land options

Under IFRS, land options are recognised at cost and subject to impairment review. As at 31 December 2023, the Group's investment in land options totalled £157.4 million (31 December 2022: £157.4 million). We continue to progress strategic land through the planning process. During the year we transferred £16.8 million of land held under option to assets under construction.

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 EPRA NTA, the Group therefore makes a fair value mark-to-market adjustment for land options. At the year end, the fair value of land options was £26.5 million greater (31 December 2022: £20.4 million greater) than costs expended to date.

Net assets

The EPRA NTA per share at 31 December 2023 was 177.15 pence (31 December 2022: 180.37 pence). The table below reconciles the movement during the year:

	Pence
As at 31 December 2022	180.37
Investment assets	(2.30)
Development assets	0.22
Land options	0.32
Operating profit	7.81
Charge for early settlement of B and C shares	(1.81)
Dividends paid	(7.12)
Other	(0.34)
As at 31 December 2023	177.15

The Total Accounting Return for 2023, which is the change in EPRA NTA plus dividends paid, was 2.2% (2022: -15.9%).

Debt capital

At 31 December 2023, the Group had the following borrowings:

Lender	Maturity	Loan commitment £m	Amount drawn at 31 December 2023 £m
Loan notes			
2.625% Bonds 2026	Dec-26	250.0	249.7
2.86% Loan notes 2028	Feb-28	250.0	250.0
2.98% Loan notes 2030	Feb-30	150.0	150.0
3.125% Bonds 2031	Dec-31	250.0	248.0
1.5% Green Bonds 2033	Nov-33	250.0	247.1
Bank borrowings			
RCF (syndicate of seven banks)	Oct-28	500.0	194.0
RCF (syndicate of six banks)	Jun-26	300.0	75.0
Helaba	Jul-28	50.9	50.9
PGIM Real Estate Finance	Mar-27	90.0	90
Canada Life	Apr-29	72.0	72
Total		2,162.9	1,626.7

1 Excluding exceptional development management agreement income.



In October 2023, the Group signed a £500 million sustainability-linked unsecured revolving credit facility (“RCF”) with a syndicate of its existing relationship banks and new lenders. This replaced the previous £450 million RCF, which was due to mature in December 2024. The new RCF has an initial five-year term, which may be extended to a maximum of seven years at the Company’s request, subject to lender consent. It also contains an uncommitted £200 million accordion option.

The pricing is unchanged, with an opening margin of 120 bps. The Group has the opportunity to improve the margin, subject to its performance against four sustainability-linked KPIs, which align with our ESG targets and sustainability strategy. The KPIs specify any new developments should have a minimum BREEAM certification, a reduction in embodied carbon and a minimum biodiversity net gain within the development footprint, and that EPC ratings should be improved across the investment portfolio.

Interest rates and hedging

Of the Group’s drawn debt as at 31 December 2023, 80% was at fixed interest rates. For its variable rate debt, the Group uses interest rate caps which run coterminous with the respective loan and protect the Group from significant increases in interest rates. At the start of the year, the Group had interest rate caps in place across £299.3 million of debt, with an average cap rate of 1.19%. £150 million of legacy notional interest rate caps were due to expire in H2 2023, which were replaced with £100 million of new interest rate caps, leading to an average cap rate across £249.3 million of interest rate caps of 2.43% as at 31 December 2023. As a result, the Group had either fixed or capped rates on 96% of its drawn debt at the year end and the average cost of borrowing at 31 December 2023 increased to 2.93% (31 December 2022: 2.57%).

Debt maturity

At the year end, the Group’s debt had an average maturity of 5.2 years (31 December 2022: 5.4 years). With the new RCF in place, the Group now has no debt maturing before mid-2026.

Loan to value (“LTV”)

The Group has a conservative leverage policy. At the year end, the LTV was 31.6% (31 December 2022: 31.2%), reflecting a stable net debt position and the modest decline in portfolio valuation.

Net debt and operating cash flow

Net debt at the year end was £1,590.3 million, comprising £1,626.7 million of gross debt less £36.4 million of cash (31 December 2022: £1,624.0 million gross debt, £71.1 million cash).

Net operating cash flow was £185.4 million for the year (2022: £177.4 million).

Priorities for 2024

Our financial priorities for 2024 are to:

- Maintain the Group’s strong balance sheet and liquidity, and keep the LTV within guidance of 30 to 35%.
- Target further growth in income and Adjusted earnings and therefore enhance the dividend on a sustainable basis.
- Continue to monitor the inherent shorter-term risks brought by the macro-economic environment with a view to providing the business with financial flexibility around the financing of its strategy.

Going concern

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

The Directors have reviewed our current and projected financial position over a five-year period, making reasonable assumptions

about our future trading performance. Various forms of sensitivity analysis have been performed, in particular regarding the financial performance of our customers and expectations over lease renewals. As at 31 December 2023, our property values would have to fall by approximately 45% before our loan covenants are breached at the corporate level.

At the year end, we had an aggregate of £531 million of undrawn commitments under our senior debt facilities and £36.2 million of cash, of which £175.8 million (see note 34) was committed under various development and purchase contracts. Our loan to value ratio stood at 31.6%, with the debt portfolio having an average maturity term of approximately 5.2 years.

As at the date of approval of this report, we had substantial headroom within our financial loan covenants. Our financial covenants have been complied with for all loans throughout the period and up to the date of approval of these financial statements. As a result, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, which is considered to be to 31 March 2025.

Credit rating

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

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.

Post balance sheet activity

On 12 February 2024 we announced that we had reached agreement on the key terms of a possible all-share offer for the entire issued and to be issued share capital of UK Commercial Property REIT Limited. In accordance with Rule 2.6(a) of the Code, the Company has until 5.00 pm on 8 March 2024, to either announce a firm intention to make an offer for UKCM in accordance with Rule 2.7 of the Code or announce that it does not intend to make such an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies.

Frankie Whitehead

Chief Financial Officer Tritax Big Box REIT plc
29 February 2024



Principal Risks and Uncertainties

Managing risk

The Board has overall responsibility for risk management and internal controls, with the Audit and 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 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 and 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.

Risk appetite

The Group's risk appetite is reviewed annually and approved by the Board in order to guide the business. The risk appetite defines tolerances and targets for our approach to risk, with our risk appetite likely to vary over time due to broader economic or property cycles. In addition, we have a specific Investment Policy, which we adhere to and for which the Board has overall responsibility. For example, 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.

Risk matrix – December 2023 net risk positioning



Property risk

1. Tenant default
2. Portfolio strategy and industry competition
3. Performance of the UK retail sector and the continued growth of online retail
4. Execution of development business plan

Financial risk

5. Debt financing – LTV, availability and cost of debt

Corporate risk

6. We rely on the continuance of the Manager

Taxation risk

7. UK REIT status

Other risk

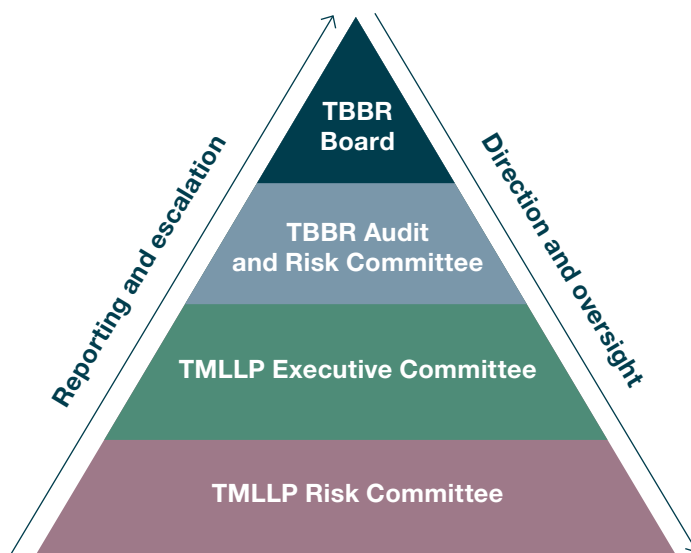
8. Severe economic downturn
9. Physical and transition risks from climate change

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 been included here, may turn out to be material in the future. The principal risks are the same as detailed in the 2022 Annual Report.

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. On a biannual basis the Directors, along with the Manager, undertake a horizon scanning exercise to identify possible emerging risks. 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 risks are not considered to pose a material threat to the Company in the short term, although this should, 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, technological advancement, inflation and supply chain disruption. The Board is conscious that current geopolitical events such as events in the Middle East as well as Russia and the Ukraine are ongoing events that still have the potential to cause great uncertainty in a short space of time, particularly around the global supply and cost of energy, which in turn could lead to further supply chain and inflationary pressure.



“We have a well positioned balance sheet with healthy levels of liquidity and significant covenant headroom.”



Principal Risks and Uncertainties continued

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 covenants 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 15% as at 31 December 2023.	Moderate	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.

2. Portfolio strategy and industry competition

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 property portfolio is 98% let, with long unexpired weighted average lease terms and an institutional-grade tenant base. The occupier demand is structurally supported by e-commerce and UK infrastructure. 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.	Slight	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. In a high inflationary environment, certain caps within rent review clauses may prevent us from capturing the full benefit of higher inflation. 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. The impact of inflation and increasing interest rates on transactions and investment pricing has reduced transactional activity in 2023.



3. Performance of the sectors tenants operate in

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-moderate. 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 1.4%. The risk around traditional retail is mitigated by the increase in online retail sales and supply chain concerns which has driven occupational demand through 2022 into 2023. Our portfolio is modern and of a high-quality nature and therefore is attractive to those with an online presence.	Moderate	Medium – Our focus on the UK logistics sector means we directly rely on the distribution requirements of UK retailers and manufacturers in particular. Insolvencies and CVAs among the larger retailers and online retailers could affect our revenues and property valuations. Poor performance and low profitability could affect our ability to collect rental income and the overall level of demand for space. This could in turn impact future rental growth. A greater proportion of sales being made online to some degree compensates for this, as orders are fulfilled from the strategically important assets that we invest in.

4. 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 7.9% of our gross assets as of 31 December 2023. Our development strategy is low risk, and we target only investing significant capital into a development project once planning has been obtained or 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.	Slight	Medium – 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. 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 and therefore rental income. The occupational market is strong and the UK is experiencing the lowest level of vacancy rates ever, this should be positive from a development perspective for TBRR.

Financial risk

5. Debt financing – LTV, availability and cost of debt

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 £800 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 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 £531 million within our current debt commitments, at 31 December 2023. The Group aims, where reasonable to minimise the level of unhedged debt with Sonia exposure, by using hedging instruments with a view to keeping variable rate debt approximately 90%+ hedged.	Moderate	Medium – Without sufficient debt funding, we may be unable to pursue suitable investment/development 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. Noting the current environment with interest rates on the rise (UK Base rate at December 2023 – 5.25%), this is likely to mean that any new debt entered into is more expensive than our average cost of borrowing.



Principal Risks and Uncertainties continued

Corporate risk

6. 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. In May 2022, Shareholder approved the extension of the agreement with a new 5 year term. A 24 month written notice cannot be served by either party, unless there is a default, prior to May 2025.	Negligible	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

7. 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: <ul style="list-style-type: none"> 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.	Slight	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.

Other risk

8. Severe economic downturn

Gross risk	Mitigation	Net probability	Net impact
Severe – High	A severe economic downturn could be caused by civil unrest, terrorism or a pandemic. The Group mitigates the impact of macro economic issues 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. The Manager continues to monitor the impact that the current economic uncertainty and higher inflationary pressures are having on the Groups customers 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, coupled with supply chain concerns has resulted in high levels of occupational demand. This is highly supportive of our business model.	Moderate	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 rental income and disruption to operations. Following Covid-19, there has been severe pressure on supply chains which has led to high levels of inflation. The main effects of this are leading to higher prices, particularly around energy, transport and labour, which is putting pressure on profitability of corporates which in turn more recently has led to slower occupier decision making.



9. Physical and transitional risks from climate change

Gross risk	Mitigation	Net probability	Net impact
<p>Moderate – Medium</p>	<p>The Manager operates with a dedicated ESG 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 ESG targets and providing updates on future initiatives. ESG is embedded within our investment and development processes such that climate and carbon related risks are assessed when purchasing assets and minimum standards of BREEAM Excellent and net zero carbon in construction are targeted for development. We also actively participate and engage in several Real Estate and Sustainability organisations (such asGRESB, the Better Buildings Partnership, and the UK 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.</p> <p>TBBR conducted physical and transition climate risk assessments in 2021 (which were updated in 2022) to understand the impacts of climate change on standing assets, using scenario analysis. We are continuing to integrate the outcomes of the assessments into our investment processes, including pre-acquisition due diligence, design specifications, and asset management plans.</p> <p>We are rated by ESG Rating Agencies that demonstrate our ability to manage ESG risks, for example:</p> <ul style="list-style-type: none"> • Sustainability – awarded industry and region top rating • MSCI – AA ESG Rating • We were awarded 4 Green Stars byGRESB and the Global Sector Leader for Development • SBPR EPRA Gold. • CDP – B rating. 	<p>Slight</p>	<p>Medium – Environmental sustainability is a challenge that everyone is facing in the present day. Changes in social attitudes, laws, regulations, taxation, and particularly customer and investor preferences associated with this has the potential to cause significant reputational damage and financial impact on our business, should the Company not comply with laws and regulations, meet its ESG targets, or not meet stakeholder expectations in addressing these challenges. ESG requirements are likely to increase over time, including in relation to a transition to a low-carbon economy, and therefore the impact of a failure to comply has the potential to be even greater in the future, including through impacts on the value and liquidity of real estate assets.</p> <p>TCFD risk management response is included in the Annual Report. See pages 69 to 71 of the 2023 report for reference.</p>



Task Force on Climate-related Financial Disclosures (“TCFD”) Report

Statement of the extent of consistency with the TCFD framework

We have prepared our annual climate-related financial disclosure consistent with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and recommended disclosures.

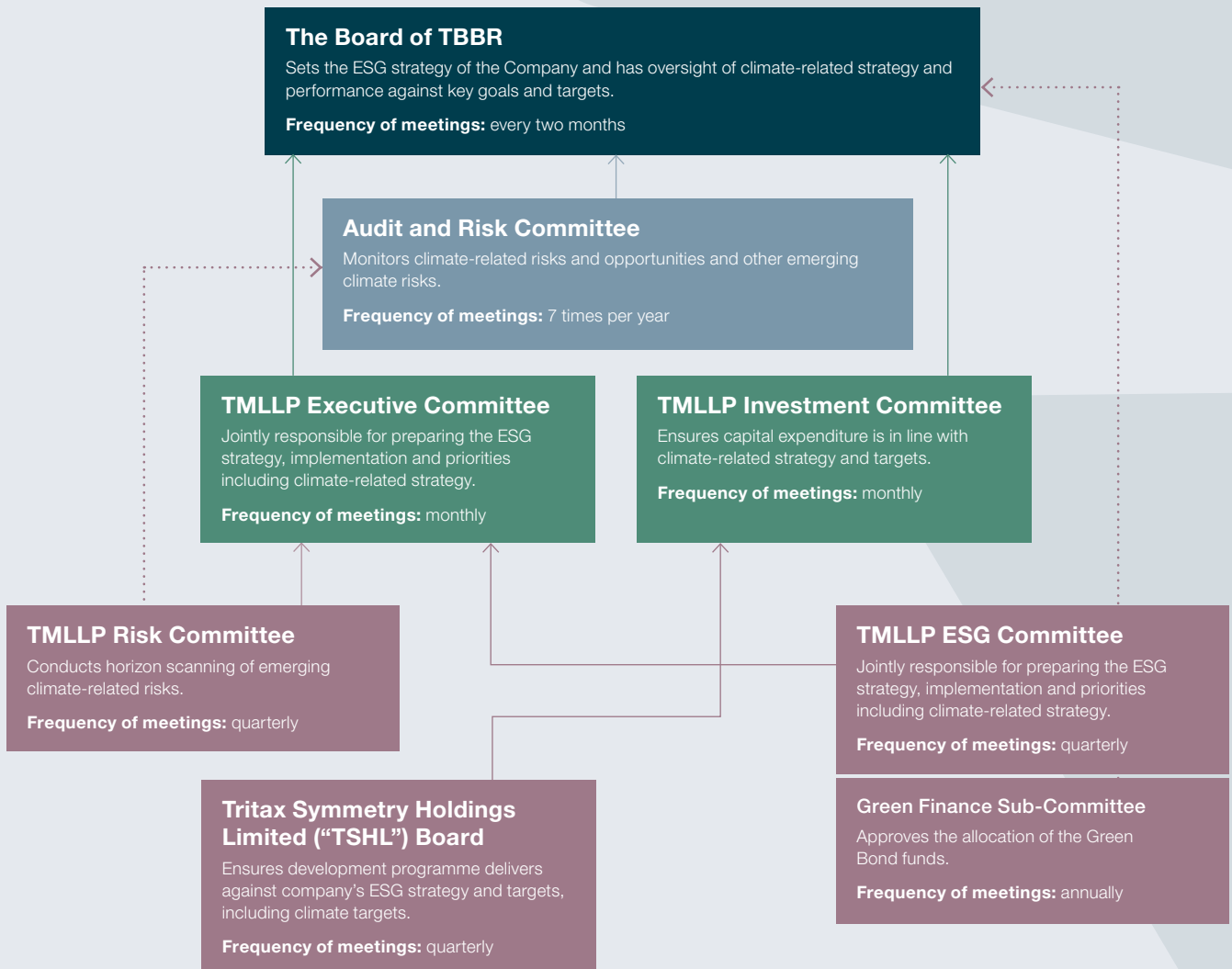
The disclosure reflects the 2021 Annex to the Recommendations of the TCFD “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures” section C (Guidance for All Sectors) and part 3, section D (Supplemental Guidance for the Financial Sector – Asset Managers). Plans to enhance specific aspects of the disclosure in future reporting periods are noted where relevant, particularly in Strategy – Recommended Disclosures b) and c) regarding the quantification of the impact of climate-related issues on financial performance and financial position and plans for transitioning to a low-carbon economy.

All climate-related financial disclosures can be found below, following the TCFD’s four pillars – governance, strategy, risk management, and metrics and targets. Where disclosures do not currently fully align with the TCFD recommendations, we provide a rationale for why and outline the steps being taken to make consistent disclosures in the future in the relevant sections below.

TCFD consistency table

Thematic area	Recommended disclosure	Consistency note	Signposting beyond TCFD report
Governance	Describe the Board’s oversight of climate-related risks and opportunities.	Consistent	Corporate Governance Report on pages 76 to 114
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Consistent	Corporate Governance Report on pages 76 to 114
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Consistent	
	Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning.	Partially consistent Developing quantitative approach to impact of risks and opportunities	
	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Consistent	
Risk management	Describe the organisation’s processes for identifying and assessing climate-related risks.	Consistent	
	Describe the organisation’s processes for managing climate-related risks.	Consistent	Risk Management section
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	Consistent	Physical and transition risks are included as part of the Company’s Principal Risks and Uncertainties section on pages 56 to 61
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Consistent	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions and the related risks.	Consistent	Scope 1, Scope 2 and material Scope 3 emissions are disclosed in the SECR disclosure on page 73 in addition to the Metrics and Targets table
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Consistent	The broader ESG targets, including net zero carbon targets, are disclosed in the ESG section on page 36

Governance of climate-related risks and opportunities





Task Force on Climate-related Financial Disclosures (“TCFD”) Report continued

Governance

Board oversight of climate-related risks and opportunities

The Board of TBBR is responsible for setting the strategy of the Company and in May 2020 agreed a three-year ESG strategy and framework, which encompassed ESG goals and metrics. The targets were refreshed and brought forward in 2023 in order to more greatly align with the Company’s peers and customer base. Climate change is ranked as the most material ESG issue for the Company and is a principal risk to the business. This was determined through a materiality exercise undertaken by a third party that included engagement with the Board and Tritax Management LLP (the “Manager”).

The Manager’s ESG Committee is responsible for monitoring trends, developments, risks and opportunities in relation to climate-related issues and any material changes are ultimately reported up to the Board through the Manager’s ESG Director. The Board receives updates from the Manager’s ESG Director at every Board meeting, which occurs at least quarterly, where climate change and the progress against the Company’s ESG targets and goals are discussed and monitored. The Board receives other relevant briefings, such as market updates, regulatory updates, and investor and analyst feedback. Initiative progress reports are also provided and include updates on the ESG programme, including ESG rating submissions, green building certifications, green finance and climate transition planning, as well as renewable energy opportunities and carbon risk analysis. The Manager’s ESG Director, Legal Counsel, secretariat and Risk and Compliance Officer monitor climate-related transition risks relating to legislation and regulation and update the Manager’s Executive Committee and Audit and Risk Committee of the Board at least bi-annually on climate-related risks and opportunities facing the Company, which forms part of the Audit and Risk Committee’s ongoing work on risk.

The Board undertakes a detailed analysis of its ESG strategy once a year and completes regular ESG reviews with Karen Whitworth, Senior Independent Director of the Company determined as the Board’s “ESG Champion”. The ESG Champion regularly meets with the Manager’s ESG Director to discuss ESG issues including climate-related risks and opportunities facing the Company and reports back to the wider Board as necessary.

Through the process of regular reporting by the ESG Director and ESG Champion to the Board, in addition to ad hoc training, the Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans. In addition, climate-related issues are considered when setting performance objectives within the Manager.

The Manager engages specialist consultants on an ad hoc basis to provide executive briefings on sustainability and climate change. This year, the Board and the Manager received third-party training on the impacts of ESG performance on real estate asset liquidity.

Management’s role in assessing and managing climate-related risks and opportunities

The Manager has an established an ESG Committee which is jointly responsible with the Manager’s Executive Committee for the delivery of the ESG strategy, including climate change and its associated risks and opportunities. The ESG Committee is chaired by the Head of Asset Management, Petrina Austin, who is ultimately responsible for climate change reporting and monitoring amongst the management team. The ESG Director is an integral member of the Committee with onward reporting to the Company’s Board and to the Manager’s Executive Committee. The ESG Committee also oversees the activities of several subcommittees which focus on different topics related to ESG – Property, Green Finance and Wellbeing and charity.

The ESG Director is responsible for the assessment and management of climate-related risks and opportunities on a day-to-day basis, where appropriate engaging internal stakeholders (e.g. asset and property managers) or external parties (e.g. customers and investors) to support this effort. Monitoring of climate change issues is supplemented by executive briefings from specialist consultants and through the Company’s membership of the UK Green Building Council (“UKGBC”) and participation in ESG-related investor working groups.

Climate-related risks and opportunities are embedded into the Manager’s investment processes through technical due diligence assessments undertaken on each asset by specialised property consultants, which inform the investment decisions of the business. Any specific risks and opportunities relating to climate change, such as flooding or solar capabilities, are raised with the relevant asset manager and reported to the Investment Committee, through Investment Committee and Acquisitions Reports. As part of the TCFD workstream, an expert third party has also analysed the greenhouse gas emissions performance and stranding risk of individual assets using the Carbon Risk Real Estate Monitor (“CRREM”) tool, and this will be undertaken for any acquisitions going forward.

Tritax Symmetry Management Limited undertakes project specific and ongoing risk assessments which incorporate climate-related risks and opportunities into the planning for new developments and sites. The risks feed into the development risk register which is reported and reviewed by the Tritax Symmetry Holdings Limited (“TSHL”) board which is a major subsidiary of the Company.





Strategy

This updated TCFD disclosure deepens our analysis of climate-related factors and their potential impact on our operations and financial performance across short, medium, and long-term horizons. Our analysis has confirmed that climate risks are not expected to materially impact the business in the future; however, we continue to monitor our exposure to policy and market transition risks given the rapidly evolving landscape. To date, the Company has not been exposed to any financially material climate-related risks, such as extreme weather events or regulatory changes related

to carbon emissions. The scenarios considered within our climate assessments are outlined in Table 2.

Our analysis considers climate risks and opportunities across three time horizons; short term (up to 1 year), medium term (2-5 years) and long term (6-15 years). Descriptions of how we have aligned the time horizons to our business strategy and which data has supported our assessment of these climate-related risks and opportunities is set out below.

Table 1 Business ‘time’ horizons

Time horizons	Explanation for the choice of time frame	Climate data used to inform assessment of risk on our strategy and financial planning
Short term – up to 1 year	Aligned with going concern	Baseline climate datasets are used to assess level of risk exposure to our business
Medium term – from 2 to 5 years	Aligned with viability period used for the Company’s medium term business plans and individual asset performance analysis	Climate projections for physical and transition risks for the 2030s are used to understand the impact of acute (extreme weather events) physical risks and transition risks which may need to be addressed as part of our strategy
Long-term – from 6 to 15 years	Aligned with the usual hold period, WAULT and average lease term on new buildings	Climate projections for the 2050s are used to inform the potential impact of longer term risks and opportunities to our business, enabling us to consider where actions may be required to mitigate and adapt to a changing climate

The transition risks were identified and tested against scenarios from the Network for Greening the Financial System (“NGFS”), whilst physical climate risks were assessed against the Intergovernmental Panel on Climate Change (“IPCC”) Representative Concentration Pathway (“RCP”) scenarios for atmospheric greenhouse gas (“GHG”) emissions from the IPCC 5th round of assessment reporting (IPCC, AR5, 2014). These scenarios were selected because transition risks

are generally most severe under a lower level of temperature rise, whereby the world transitions to a low carbon economy whereas physical risks are projected to be most severe under a high carbon world where temperature increase in higher and more extreme weather events occur.

Details of the scenarios used are set out below.

Table 2 Climate scenarios considered

Physical risk scenarios		Transition risk scenarios	
Three scenarios were selected to assess the Company’s resilience to a range of possible futures.			
RCP8.5	a high emissions scenario with no policy changes, increasing GHG concentrations, and a temperature increase of around 4°C	NGFS ‘Current Policies’ Scenario	assumes a >3°C temperature rise. Current climate policies will remain in place. Technological progress occurs, but slower than in more ambitious scenarios
RCP4.5	an intermediate emissions scenario with relatively ambitious emissions reduction, likely overshooting the Paris Agreement temperature target	NGFS ‘NDCs’ Scenario	assumes a 2°C-3°C temperature rise, in line with countries nationally determined contributions (“NDCs”). Moderate policy intervention and slow technological change
RCP2.6	a moderate scenario with emissions peaking early in the 21st Century and declining after, assuming a warming of less than 2°C	NGFS ‘Below 2C’ Scenario	limits global warming to < 2°C through aggressive action against climate change, assuming early introduction of climate policies and moderate technological change

Physical risks

The physical climate risk assessment undertaken for the entire portfolio shows that all assets are likely to experience an increased likelihood of climate hazard occurring in the future. This increased likelihood will be greater for higher levels of warming. In addition to climate hazard likelihood changing with climate scenario, the assessment also highlighted a notable regional trend for most climate hazards. Assets located in the south-east of the UK are likely to experience greater exposure to heat stress, drought stress and fire weather stress in the future, whereas exposure to precipitation

stress is likely to be greatest for assets located in the north-west. Exposure to flood risk is entirely dependent on distance from rivers and the sea and site topography and characteristics.

Regardless of regional differences in the hazard exposure, the overall impacts from physical climate risks are considered to be the same owing to the high level of adaptive capacity built into the design and ongoing maintenance of assets within the portfolio.

The table below describes the impact physical climate related risks on the business.

1 NGFS (2021) Technical documentation to the NGFS Scenario V2. Network for Greening the Financial System, Paris, France.



Task Force on Climate-related Financial Disclosures (“TCFD”) Report continued

Strategy continued

Table 3 Climate-related physical risks

Type of risk	Impact level across climate time horizons			Potential financial impact	Planning, management and strategy
	Short term	Medium term	Long term		
Acute physical risk					
Flooding events (river, surface water and coastal)	RCP 4.5 and RCP 8.5			Cost of repairing assets, increased maintenance and building costs	Incorporation of flood mitigation measures into design of planned developments including flood risk assessments for all new acquisitions and new developments
	RCP 2.6			Increased insurance costs from extreme weather events such as flooding and damage from high winds	
Heavy rainfall events	RCP 8.5			Loss of value of buildings	Asset management have proactive plans in place to deal with events if they arise
	RCP 2.6 and RCP 4.5			Our current portfolio is considered to be resilient to flood risk in the short- to medium- term	Asset managers carry out annual monitoring processes at all assets to check for signs of damage from extreme weather events
Drought stress, fire weather stress and cold weather events	RCP 2.6, RCP 4.5 and RCP 8.5			Our assets are not water intense or impacted by fire weather events	Sustainable construction commitments also include reducing potable water consumption in alignment with BREEAM New Construction requirements Installing water efficient fittings and leak detection and monitoring systems to check and proactively manage water consumption
				Assets that are exposed to possible drought stress have appropriate measures in place to minimise water consumption	
				Our assets are not considered to be exposed to fire weather	
				Cold events are not projected to become more severe in future and we consider all assets to be resilient against the effects of cold weather	
			Financial impact to our business from these hazards is considered to be minimal		
Heat stress	RCP 8.5			Our assets are considered to have a low sensitivity to heat stress, with mechanical ventilation included in all office areas and natural ventilation in warehouse areas	The Manager’s New Construction Sustainability Brief sets out design measures to maximise adaptation to extreme heat, including optimising the buildings for thermal regulation, investing in natural cooling and passive ventilation systems and prioritising the use of low-energy LED lighting
	RCP 4.5			There is likely to be limited need to upgrade cooling equipment across the portfolio and energy efficiency measures are assessed as part of the transition risk assessment	
	RCP 2.6			The financial impacts on the business from heat risk is low	
Chronic physical risk					
Sea level rise	RCP 2.6, RCP 4.5 and RCP 8.5			Sea level projections do not increase significantly in the first half of the 21st Century	Financial appraisals of acquisitions, refurbishments and development include mitigations to physical climate risks, including flood risk assessments for all new investments Where risks are identified, we take a proactive approach to mitigation them
				The entire portfolio is projected to have a low exposure to sea level rise in the short-, medium- and long-term horizons The associated financial impact to the business from rising sea levels is considered to be small	
				The Company considers existing and future flood defences to assess protection of assets and the surrounding area	

● Low ● Moderate ● High



Transition risks

Last year, the Company conducted a transition risk assessment of the portfolio utilising the Carbon Risk Real Estate Monitor (“CRREM”). The assessment considered the current net zero target date for Scope 1 and 2 emissions as well as the analysis timeframe extending to the year 2050. This assessment identified assets that were at risk of stranding, allowing the Company to proactively manage this risk.

This year we have further expanded the analysis of our transition risks and opportunities by conducting a qualitative assessment to understand how transition risks could manifest over three potential

climate scenarios. This assessment evaluated the likelihood and impact of transition risks to identify the relative materiality of each climate risk and opportunity to the Company. As all our assets are located within the UK, we assumed that the climate scenarios underlying the transition risk assessment would be applicable across our portfolio and operations. In future disclosures, we will aim to enhance our transition risk assessment by incorporating a quantitative approach to assess the material financial impact of transition risks and opportunities.

All identified climate-related risks and opportunities are covered by appropriate management and/or mitigation strategies.

Table 4 Climate-related transition risks

Type of risk	Risk rating			Potential financial impact	Planning, management and strategy
	Short term	Medium term	Long term		
Policy and Legal transition risk					
Carbon pricing	Below 2°C Scenario ²			Direct cost associated with emissions pricing Increased capex costs during construction	Embodied carbon target of 400 kg CO ₂ e per m ² for all new developments Deployment of on-site renewable energy
	NDCs Scenario				
	Current Policies Scenario				
Reporting compliance	Below 2°C Scenario			Increased costs resulting from fines and judgements	Continued integration of accurate ESG data points into our operational business Working with our advisers and industry bodies, we keep closely informed of all changes in reporting requirements and the disclosure obligations which result
	NDCs Scenario				
	Current Policies Scenario				
Asset performance compliance	Below 2°C Scenario			Write-offs and early retirement of existing assets Increased capital costs for development and refurbishment Increased costs resulting from fines and judgements	The large majority of the Company’s assets have an EPC rating of A to B (see ESG section) The ESG due diligence framework of the Company sets out the targeted environmental performance of assets being acquired, and asset management plans incorporate measures to improve environmental performance New developments incorporate measures to mitigate the physical and transition risks of assets
	NDCs Scenario				
	Current Policies Scenario				
Market transition risk					
Occupier behaviour	Below 2°C Scenario			Increased capital costs Write-offs and early retirement of existing assets	Regular engagements with occupiers to identify low-carbon solutions which may help alleviate costs and improve their own ESG performance
	NDCs Scenario				
	Current Policies Scenario				
Sustainable investment and finance	Below 2°C Scenario			Increased capital costs Increased reporting and data gathering costs	The ESG due diligence framework of the Company sets out the targeted environmental performance of assets being acquired, and asset management plans incorporate measures to improve environmental performance
	NDCs Scenario				
	Current Policies Scenario				

2 NGFS (2021) Technical documentation to the NGFS Scenario V2. Network for Greening the Financial System, Paris, France.



Task Force on Climate-related Financial Disclosures (“TCFD”) Report continued

Strategy continued

Opportunities

We have also identified several climate-related opportunities that may be material to the Company’s business, which are outlined

in Table 5. The Company has identified potential opportunities to its business and associated financial impacts and enhanced our assessment of opportunities by reviewing these under different emissions scenarios.

Table 5 Climate-related opportunities

Climate transition opportunity	Opportunity rating			Potential financial impact	Planning, management and strategy
	Short term	Medium term	Long term		
Growth of clean energy and infrastructure	Below 2°C Scenario ²			Upfront costs (including legal and engineering consultancy) associated with installing low carbon infrastructure	Deployment of on-site renewable energy in partnership with customers
	NDCs Scenario				
	Current Policies Scenario			Additional revenue through the sale of renewable energy to customers and the grid	Engagement with customers to understand their low carbon infrastructure requirements (e.g. in relation to the deployment of low-carbon transport solutions)
			EV charging spaces are currently available at 54% of our assets (based on floor area)		
Sustainable investment and finance	Below 2°C Scenario			New source of investment and capital through green debt/green finance/green bonds	Issuance and full allocation of proceeds related to the Company’s green bond
	NDCs Scenario				
	Current Policies Scenario			Defensive play against negative impact on value/liquidity	In 2023, the Company signed a £500m sustainability-linked RCF, aligning financing with sustainability goals. Sustainability Performance Targets include an embodied carbon reduction target
			Positive play – green buildings vs brown buildings – capital and rental growth		
			In the longer term, this opportunity may reduce to a low level as sustainable investments and financing options become more mainstream		

● Low ● Moderate ● High

During this reporting period, we have undertaken various initiatives to enhance our resilience, including:

- installation of renewable energy at more of our assets; and
- developing our net zero carbon pathway.

Due to the nature of our business, our own operational emissions are immaterial compared to those generated by our customers. This is primarily due to the fact that our customers are responsible for the majority of the operational consumption associated with the assets they lease and operate. However, we actively engage with our customers to support their sustainability efforts and encourage responsible energy use across our properties.

Physical risks are assessed as low in the short- and medium-terms across all scenarios and remain low for most hazards over the long-term. Transition risk is assessed as low to moderate with greater risk in the ‘Below 2°C’ NGFS scenario due to increased exposure to policy and market transition risks. However this scenario also presents the greatest opportunity for growth in clean energy and infrastructure. As a result, we consider ourselves moderately resilient to the range of climate scenarios assessed. Despite the expectation of minimal long-term impact from climate risks and our organisation’s ability to withstand hazards, we are committed to continuously monitoring and assessing the significance of these risks to inform our ongoing climate strategy.



Risk management

Identifying and assessing climate-related risk

The physical and transition risks brought about by climate change have been identified as a principal risk to the Company in the future, as set out in the Principal Risks and Uncertainties section (see page 56). The Company recognises that failure to adequately identify and mitigate for such risk poses a multitude of threats to our portfolio including risk of assets stranding, reduced rental attractiveness to customers and diminished portfolio value in the future. As a result, we have undertaken appropriate research to mitigate the worst effects.

To support the principal risk analysis process outlined in the Principal Risks and Uncertainties section (see pages 56 to 61), which describes the Company's approach to managing risk and the significant risks it faces, we have worked with a panel of independent experts (CBRE, Savills, DNV) to identify and assess the relative significance of climate-related physical and transition risks and opportunities in line with our existing risk management process. These processes are set out below.

Physical risk process

Approach

We assess the physical climate risks of assets, across three climate scenarios and three time horizons (see page 66), based on the likelihood of climate hazards materialising and the severity of the impacts in terms of our customers' ability to remain operational under adverse weather conditions. Potential climate-related risks to the business have been identified, including potential financial risks. Climate data from the DNV internal climate tool and Munich Re climate data platform were used to inform the hazard likelihood assessment. Data from the due diligence and design process along with professional judgement has been used to inform the vulnerability assessment. Assumptions have been made on categorising the level of impact to each hazard, where asset specific data is not available.

This report uses climate projections for three future scenarios based on the IPCC Representative Concentration Pathways ("RCPs") RCP2.6, RCP4.5, and RCP8.5 for the years 2030 and 2050, to identify potential hazard likelihood and exposure from climate change across the portfolio.

Progress

In 2021, a physical climate risk assessment for medium (RCP4.5) and high (RCP8.5) emissions scenarios was completed for all assets to assess the short- (2030s) and medium- (2050s) term risks of physical climate hazards to the Company's portfolio.

Last year the existing analysis was reviewed, and risks were downgraded where new information on asset resilience was made available. The process also involved assessing potential physical climate risks for new assets in the portfolio. A qualitative climate risk analysis for a Paris-aligned low emissions (RCP2.6) scenario was completed to understand what our physical climate risks might be under a lower level of warming.

This year, we extended the portfolio climate risk assessment to assess all newly constructed or acquired assets now in the portfolio.

Transition risk process

Approach

The Company conducted a transition risk assessment to evaluate how well the portfolio aligns with the decarbonisation pathways outlined by the Carbon Risk Real Estate Monitor ("CRREM") tool. This assessment helps identify assets that are at risk of becoming stranded or are not financially viable for future energy efficiency standards. The Company has qualitatively identified several key transition risks that could affect the business, including their potential impacts and possible mitigation strategies.

Progress

During this reporting period, we have improved our qualitative transition risk identification assessment by incorporating three different scenarios recommended by the Network for Greening the Financial System ("NGFS"). This allows us to evaluate the Company's ability to withstand transition risks across various scenarios. We have collaborated with external consultants to evaluate the likelihood and impact of these transition risks, enabling us to determine the significance of each climate risk and opportunity to the Company. This helps us prioritise these risks and set out mitigatory actions accordingly.



Task Force on Climate-related Financial Disclosures (“TCFD”) Report continued

Risk management continued

New developments

Approach

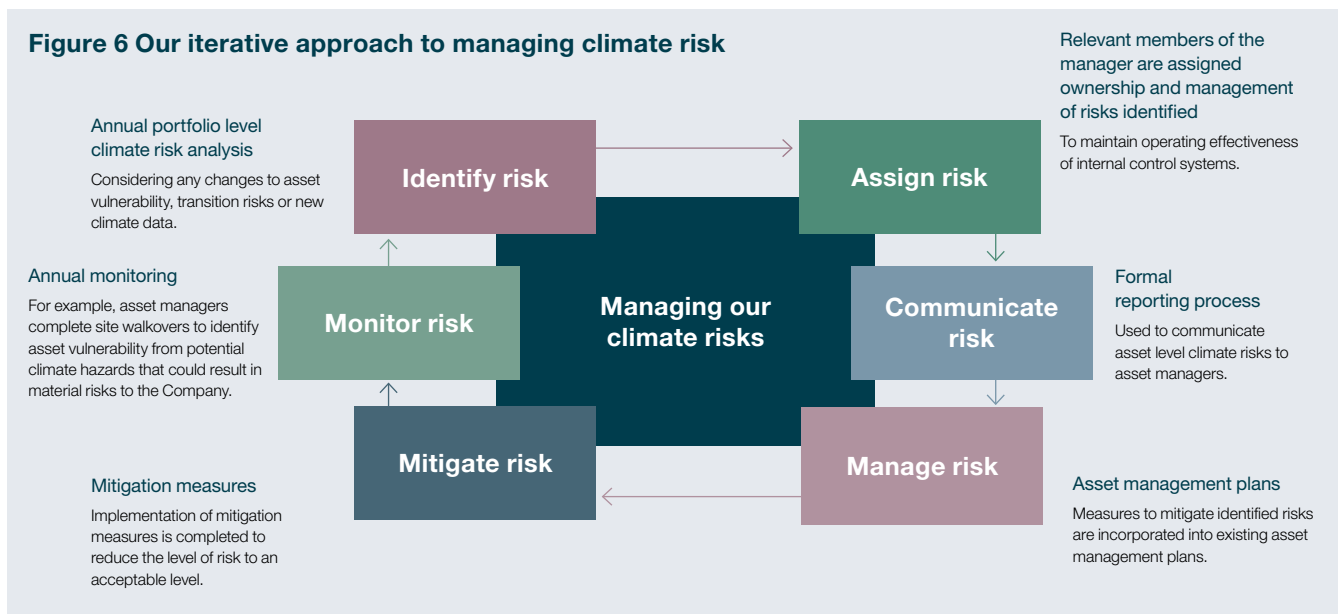
Our risk management approach for new developments represents a single process for identifying, assessing and managing risk across all new construction. The outcomes of the climate-related assessments undertaken for new developments enable Tritax Symmetry to manage any potential physical or transition risks which are identified.

Process	Identifying and assessing risk	Managing risk
Transition risk		
Lifecycle assessments to evaluate upfront carbon, in alignment with the RICS Whole Life Carbon Guidance.	The One Click LCA assessment software is used to undertake these assessments, which considers factors such as upfront carbon, material use, and future operational energy demand.	Reduce upfront carbon by sourcing lower carbon options during construction and install equipment which will lower operational energy requirements.
Physical risk		
Flood Risk Assessment and Drainage Strategy Adaption to climate change study.	Assesses site risk against all sources of flooding and includes calculations to account to climate change uplift. Assesses all climate change risks which have the potential to impact the asset.	The outcomes of the study are intended to either indicate that the site chosen is at low risk from all foreseeable sources of flooding, or to identify measures to incorporate into the scheme to reduce the risk. The drainage strategy is also informed by the climate change enhanced run-off calculations, to ensure the design allows for additional, more intense storm events. Concludes with a series of risk management measures, which are subsequently incorporated into the design of the scheme.
Adaption to Climate Change Study.	Assesses all climate change risks which have the potential to impact the asset.	Concludes with a series of risk management measures, which are subsequently incorporated into the design of the scheme.
Thermal comfort analysis.	Evaluates against a future climate weather file, to determine whether an asset will maintain thermal comfort in climate change conditions.	Confirms whether the design will maintain thermal comfort in the future, and if there are failures the study is also required to identify how passive measures could be incorporated in the future to ensure that thermal comfort is maintained.

Managing our climate-related risks

Our process for managing climate-related risks is set out below. Climate-related risks are reviewed and re-evaluated annually. This proactive approach allows us to focus mitigation efforts on our

highest risk assets and ensure transitioning to a net zero business and asset resilience is prioritised in business planning for the coming year.



Our due diligence assessments, internal procedures and insurance cover, therefore, mitigate ESG risks to a high standard. Going forward, the Company will undertake asset-level transition and physical risk audits to prioritise climate-related risks identified at the portfolio level, covering asset vulnerability, net zero potential and associated capital costs.

Integrating climate risks into the organisation’s overall risk management

The Board recognises the importance of managing climate-related risks, which are included in our risk register (see page 61).

The Audit and Risk Committee evaluates these risks bi-annually using reports from the Manager’s Executive Committee. The Manager’s Risk Committee performs quarterly horizon scanning to identify emerging risks. The Investment Committee evaluates climate-related risks and conducts thorough ESG due diligence for acquisitions. Assets are assessed for physical climate change risks, as part of the annual insurance renewal process. Significant risks are considered for the Company by the Partner responsible for asset and property management.

For further details on the ownership of the climate risk identification and management process, please refer to page 64.

Figure 7: Integration of climate risk into our risk management process



Board oversight

- The Board recognises the importance of identifying and monitoring climate-related risks.
- These risks are reported to the Board through the Quarterly Asset Management Report.

Entity risk management

- The Audit and Risk Committee has embedded climate reporting into its risk management by determining ESG risk as a key risk of the Company.
- Climate-related risks are embedded into the Company’s wider risk management framework which contributes towards investment decisions made by the Investment Committee.

Climate risk identification

- The Manager reviews and updates the Company’s risk matrix on a bi-annual basis and reports up to the Audit and Risk Committee which includes principal and emerging risks.
- 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.
- In addition, all acquisitions undergo a due diligence assessment to inform members of the Investment Committee about climate-related risks.

**Task Force on Climate-related Financial Disclosures (“TCFD”) Report** continued

Metrics and targets

The Company employs a holistic set of metrics to assess climate-related risks and opportunities, in line with the recommendations of the TCFD. To effectively address these risks and seize opportunities, we strive to incorporate metrics aligned with the key findings of our climate risk assessment. These metrics and associated annual targets are outlined in Table 8 below. Both current and past years' performance are reported where possible.

Table 8 Climate-related metrics and targets

Metric category	Metric	FY 2021	FY 2022	FY 2023	Year-on-year target
GHG emissions (tCO₂e)	Absolute Scope 1 GHG emissions	0.05	0.03	0	Net zero by 2025 (scope 1 and 2 emissions)
	Absolute Scope 2 GHG emissions (Location-based)	7.87	33.86	35.03	
	Scope 3, Category 2 – Capital Goods: Absolute construction-related GHG emissions	N/A	48,751	81,959	Net zero by 2030 (scope 3, construction-related emissions)
	Scope 3, Category 13 – Downstream leased assets: Absolute customer operational GHG emissions (customer Scope 1 & 2)	69,770.14	94,534.50	nr	Net zero by 2040 (scope 3, customer operational emissions)
Transition risks	% EPCs of existing portfolio A–B Grade (by floor area)	N/A	78%	80%	Increase the % of EPC B or above year-on-year
	Weighted average upfront carbon intensity (kg CO ₂ e/m ²)	N/A	453	462	400 kg CO ₂ e/m ² for upfront embodied carbon
Physical risks	% of assets in the portfolio screened for physical climate hazards	N/A	100%	100%	All priority assets to have climate resilience plans in place
	% of assets in the portfolio which are recorded as having a high exposure to climate hazard ¹ (by floor area)	N/A	10.9%	12.5%	
	% of assets in the portfolio that are resilient to future climate change (by floor area)	N/A	100%	100%	
Climate-related opportunities	On-site renewable energy generation projects – capacity installed (MWp)	N/A	14.6 MWp	17.4 MWp	Increase on-site solar PV capacity installed across the portfolio where technically and economically feasible
	% of new assets developed to net zero standards	100%	100%	100%	All new developments to be constructed to net zero carbon, as defined by the UK GBC

During the year, we have made progress on several key climate-related metrics. We have reduced our market-based scope 1 and 2 emissions to zero, bringing us closer to achieving our net zero target by 2025 for scope 1 and 2 emissions. See the SECR section on page 73 for more information.

In addition, the solar PV capacity of the portfolio has grown, and so has the proportion of assets with an EPC B or above. These two improvements should contribute to the reduction of portfolio operational emissions over time through increased energy efficiency and increased reliance on low-carbon energy.

Finally, we have continued to develop our new assets to net zero standards, in line with the UK GBC's framework, and are continuing to make progress on reducing embodied carbon emissions. While we have seen a slight increase in our year-on-year weighted average upfront carbon, which was due to one scheme deviating from our blueprint to meet customer requirements, our evolved blueprint brings us closer to meeting our 400 kg CO₂e/m² target.

¹ Note this value is based on the total number of assets that recorded with high exposure to physical climate hazards in the screening assessment.



Streamlined Energy Carbon Reporting (“SECR”)

Energy consumption and GHG emissions breakdown

GHG emissions source	Description	2023	2022 ¹
Energy consumption	Landlord energy consumption (kWh) ²	169,190	175,265
	Customer energy consumption (kWh)	nr ³	502,735,851 ⁴
	Investment manager and development manager energy consumption (kWh)	162,851	188,123

GHG emissions source	Description	2023	2022 ¹
Scope 1	Direct emissions – landlord consumed gas and fuel (tCO ₂ e)	0	0.03
Scope 2 (Location-based)	Indirect emissions – landlord consumed electricity (tCO ₂ e)	35.03	33.86
Scope 2 (Market-based)	Indirect emissions – landlord consumed electricity (tCO ₂ e)	0	0
	Total Scope 1 and 2 emissions⁵	35.03	33.89
	Scope 1 and 2 emissions intensity (kgCO₂/m²)	0.010	0.011
Scope 3 (purchased goods and services)	Indirect emissions associated with energy consumption of investment manager and construction manager (tCO ₂ e)	33.72	36.38
Scope 3 (capital goods)	Indirect emissions associated with upfront embodied carbon of development projects (tCO ₂ e)	81,959	48,751
Scope 3 (downstream leased asset)	Indirect emissions associated with energy consumption of customers (tCO ₂ e)	nr ³	94,534.50 ⁴

1 There is a restatement on the landlord energy consumption data and the corresponding Scope 2 GHG emissions for 2022 with the possession of actual data after the end of last reporting year. Previous total energy consumed was stated at 173,251 kWh, and the associated Scope 2 (Location-based) emissions were stated at 33.47 tCO₂e.

2 3% and 21% of the landlord energy consumption data were estimated in 2022 and 2023 respectively.

3 Data in the process of being obtained for disclosure in 2024.

4 Data covering 93% of customers' energy consumption and associated GHG emissions by total floor area in 2022.

5 Total Scope 1 and 2 emissions reported using location-based method.

Energy performance and energy efficiency measures

Landlord energy consumption remained stable in 2023 because most of the energy consumption within our operational control is consistent by nature, such as external lighting. All electricity we procured is from renewable sources backed by REGO certificates. Considering that LED lightings are used at all properties, there is limited opportunity for further improvement on landlord energy consumption.

We have also set a 2040 net zero target for our operational GHG emissions. Since over 99% of the energy consumption of our assets is controlled by our customers, we are working in collaboration with customers to reduce their energy consumption and the associated GHG emissions. We work with them to develop asset-specific sustainability action plans based on actual operational utility data to ensure compliance with Minimum Energy Efficiency Standards (“MEES”) regulations in the short term and align with our net zero goal in the long term. Examples of intervention measures include the installation of solar photovoltaic (“PV”) panels, the deployment electric vehicle (“EV”) charging infrastructure, and the electrification of heating and other processes, where possible. We also look to incorporate expectations on environmental performance through the introduction of green clauses into new leases.

Methodology

The Greenhouse Gas (“GHG”) emissions data was compiled in accordance with the Streamlined Energy and Carbon Reporting (“SECR”) guidance for the period covering January to December 2023. The Company calculates and reports its GHG emissions in line with the latest versions of guidelines published by the GHG Protocol, including the Corporate Accounting and Reporting Standard, the Scope 2 Guidance, and, where applicable, the Technical Guidance for Calculating Scope 3 Emissions.

The Company's reporting boundary for GHG emissions data is defined using the principle of operational control. This means that only assets where the Company has the authority, via its managing agents,

to introduce and implement its operating policies and procedures fall within the reporting scope. These include landlord-consumed energy and Scope 1 and 2 GHG emissions associated with the common parts areas, external areas, and voids at our Aston Clinton, Bicester, Harlow, Kettering, Littlebrook, and Stoke assets. The Company has no transport-related emissions arising from activities for which it is responsible for fuel purchasing.

With most energy being procured and consumed by its customers, the Company has limited operational control over the GHG emissions from the operations of its buildings. Scope 1 (direct emissions) and Scope 2 (indirect emissions from direct energy consumption) GHG emissions of the Company account for less than 1% of its total GHG emissions. Selected material Scope 3 (indirect value chain emissions) GHG emissions data is provided in this report on a voluntary basis. This includes operational emissions of the investment manager and development manager of the Company, upfront embodied carbon of development projects completed in the reporting year, and indirect GHG emissions from the energy consumption of downstream leased assets.

All reported energy use and associated GHG emissions data relates to the Company's operations in the UK. Scope 1, Scope 2 (location-based), and Scope 3 GHG emissions for managed assets were calculated using the UK Government GHG Conversion Factors for Company Reporting for the respective reporting periods. Scope 2 (market-based) GHG emissions were calculated using the European Residual Mixes factors and the zero emissions factor for the Renewable Energy Guarantees of Origin (“REGO”) backed electricity supplies. Upfront embodied carbon of development projects was calculated with One Click LCA[®] in alignment with the BS EN 15978 standard.

Savills (UK) Limited has been appointed to prepare this SECR report and perform Scope 1 and 2 GHG emissions data quality checks. External verification or assurance by a third-party auditor is not currently undertaken.



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 2023 was £36.4 million, of which £36.2 million was readily available. It also had a further £531 million of undrawn commitments under its senior debt facilities, of which £175.8 million (see note 34) was committed under various construction contracts and a committed asset purchase at the year end.

The Group currently has substantial headroom against its borrowing covenants, with a Group LTV of 31.6% as at 31 December 2023. 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 October 2023, the Group agreed an increase of £50 million to its level of RCF commitments, providing it with greater available liquidity. This assisted the Group in positioning its weighted average maturity across its borrowings of 5.2 years as at 31 December 2023 (2022: 5.4 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 11.4 years, containing upward-only rent reviews, which are not overly reliant on any one tenant and present a well-diversified risk. The portfolio was 97.5% let (2022: 98%) at the year end.

The Directors have performed an assessment of the going concern in relation to the Company and Group for a period of at least 12 months from the date of approval of the Company and Group's financial statement. 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 1 March 2029. 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 25% reduction or to vacant possession value upon lease expiry, occupation of buildings where assumptions were made over certain lease events and tenant defaults with sensitivities, rental uplifts assumed to be between 0% and 6% per annum upon reviews, cost inflation was assumed to be up to 7% per annum and debt cost assumptions varied upon refinancing taking into account current and market interest rates.

The principal risks on pages 58 to 61 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. Given the flexibility within the land portfolio, in a downturn scenario the Group could effectively pause all uncommitted development. 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 1 March 2029.

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 plausible levels associated with an economic downturn. The assumptions were considered in light of the current inflationary environment and associated impact on interest rates in particular. 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: The Group does not have a significant refinancing event occurring until December 2026. 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. Some assurance can be taken from the increase in the RCF agreement in December 2023 from a supportive set of lenders to the Group. 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 1 March 2029.

The Strategic Report was approved by the Board and signed on its behalf by:

Aubrey Adams OBE, FCA, FRICS
Independent Chairman
29 February 2024





Good governance is key to successfully delivering our business strategy



Aubrey Adams OBE, FCA, FRICS
Independent Chairman

Governance highlights for 2023

- Conducted a strategic review of the business in May 2023.
- Signed a new £500 million Sustainability-Linked Unsecured Revolving Credit Facility ("RCF").
- Oversaw the successful disposal of six assets.
- Appointed new corporate and property legal advisors following a rigorous tender process.
- As approved by Shareholders at the 2023 AGM, effected the share premium cancellation in order to increase the distributable reserves available to facilitate the payment of future dividends.
- Enhanced the Company's oversight of the risk management process.
- Received an 'AA' rating in the MSCI ESG Ratings and classified as an industry leader in managing significant ESG risks and opportunities.
- Completed the Tritax Symmetry succession plan.
- Reviewed the Manager's succession planning.
- Undertook a benchmarking exercise of NED fees.
- Conducted a comprehensive internal Board and Committee performance evaluation exercise. Please see page 98.
- Complied with all of the principles and provisions of the 2019 AIC Code applicable to the Company. Please see pages 84 and 85.
- 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 103.

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, including exploring possible opportunities in the urban logistics market, and ensures ongoing compliance with the Company's Investment Policy and Objectives. The Board held an off-site strategy day in May 2023 which provided an opportunity to focus on the strategic opportunities as well as the prevailing macroeconomic climate outside the routine consideration of the Board. We were also pleased to be able to visit some of our development sites in Kettering and Rugby as part of our strategy day.

During the year, the Company acquired the remaining 13% interest in the Tritax Symmetry portfolio, held by Tritax Symmetry Shareholders. The Company now owns the rights to 100% of the future performance of the development portfolio. Included in this transaction was the implementation of the succession plan within the Tritax Symmetry management team. As a Board we are grateful for the initial management team's contribution to the performance to date and in facilitating a smooth transition to the new management team.

We have used this opportunity to review the overall incentive arrangements in place for the team to ensure they are appropriately motivated to continue to deliver the value inherent in our development land portfolio.



Delivering on our objectives

The Company successfully sold six assets in the period and received a total consideration of £327 million. These disposals were conducted at or above most recent valuations, and delivered a blended Net Initial Yield of 4.3%. These disposals are consistent with the Company's strategy, the proceeds from which are being recycled into higher returning opportunities, primarily within the development pipeline.

I am pleased to report that the Company was awarded an 'AA' rating in the MSCI ESG Ratings and classified as an industry leader in managing significant ESG risks and opportunities. During this year, we continued to enhance our ESG strategy, including improved collection of ESG data and ESG integration across the asset lifecycle. The Company continues to work with CBRE to improve our overall TCFD disclosure. We also continue to embed climate reporting into our governance framework and align the carbon performance of the portfolio to the Paris Agreement decarbonisation pathways. Karen Whitworth, Senior Independent Director ("SID"), remains our "ESG Champion" and engages directly with the Manager's ESG Director on various ESG topics. For further information please see pages 36 to 41.

Post year end, the Company announced that it had reached agreement with the Board of UK Commercial Property REIT Limited ("UKCM") on the key terms of a possible all-share offer for the entire issued and subsequently issued share capital of UKCM.

Board and Committee composition

The Company has a strong and fully independent Board with a diverse range of skills and extensive real estate and logistics experience. During the period, the Nomination Committee reviewed the Board and Committee composition and based on the size and complexity of the business recommended the recruitment of an additional Independent Director with the requisite real estate experience. Further details can be found in the Nomination Committee report on pages 96 to 99.

In line with the Board's Diversity and Inclusion Policy, I am pleased to report that 33% of Board Directors are female with one of the senior positions being held by a female. In this case, the SID role is held by Karen Whitworth. The Board is also compliant with the requirement to have one individual from an ethnic minority background. Further detail on the Board's approach to diversity can be found on page 99.

The skills and diversity of the board will continue to be monitored by the Nomination Committee and the Company endeavours to meet the Listing Rule 9.8.6R(9) Board diversity targets in its wider Board succession planning. For further details, please see page 99.

Board development

We continue to receive regular updates and briefings on corporate governance as well as wider regulatory changes within the market, such as the impact of the Audit and Corporate Governance reform, to ensure we comply with all applicable laws and regulations.

During the year, the Board completed several training sessions, specifically on ESG performance from a liquidity impact perspective; cyber security awareness training; and a valuation teach in session with CBRE. The training sessions help to inform and upskill the Board and ensure we have sufficient knowledge to discharge our duties effectively, further details of which can be found on page 97.

Board Evaluation

The Board completed an internal Board and Committee performance evaluation exercise in compliance with Principle L of the AIC code, which focused on the review of the performance of the Board, its Committees and my Chairmanship. We are pleased



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 (the "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 84 and 85

to report that the review was positive, demonstrated a high level of challenge and critical thinking in the boardroom, and highlighted a few priorities and potential efficiency enhancement for the Board to focus on over the next period. Further details can be found on page 98.

For 2024 this exercise will be externally facilitated in line with best corporate governance practice.

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.

We regularly engage with the Company's advisers, 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"). These updates are also uploaded to the Company's website (<https://www.tritaxbigbox.co.uk/investors/regulatory-news>).

Priorities for 2024

Looking ahead to 2024, the Board will continue to seek alignment with best governance practice and will monitor its compliance with the Listing Rules in relation to Diversity Targets, as appropriate.

Aubrey Adams OBE, FCA, FRICS
Independent Chairman

29 February 2024



The right leadership



Aubrey Adams OBE, FCA, FRICS

Independent Chairman

Appointed 11 September 2017 **Tenure** 6 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

Key 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) Ltd since 2015



Karen Whitworth FCA

Senior Independent Director

Appointed 21 October 2019 **Tenure** 4 years 5 months

Relevant skills and experience

- Over 20 years of board level experience in public and private organisations
- Managing director of Whitworth Holdings Limited from 2012 to 2022, when the business was sold
- 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 "Tunetribе") 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
- Fellow of the Institute of Chartered Accountants in England and Wales

Key external appointments

- Non-executive director and member of the audit committee and corporate responsibility committee of Tesco plc since December 2020
- Non-executive director and audit committee chair of The Rank Group Plc since November 2019 and senior independent director since January 2022
- Non-Executive Director of Nuffield Health since September 2023
- Independent adviser to Growup Farms Limited since 2019



Richard Laing FCA

Independent Non-Executive Director

Appointed 16 May 2018 **Tenure** 5 years 10 months

Relevant skills and experience

- Experienced non-executive director and non-executive chairman of quoted and unquoted businesses
- In-depth knowledge of financial matters through his previous roles 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
- Non-executive director and chairman of the audit and risk committee of JP Morgan Emerging Markets Investment Trust plc from January 2015 to February 2024
- Fellow of the Institute of Chartered Accountants in England and Wales

Key external appointments

- Chairman of 3i Infrastructure plc since January 2016
- Trustee of the Leeds Castle Retirement Benefit Scheme since September 2012



- A Audit and Risk Committee
- M Management Engagement Committee
- N Nomination Committee
- Chair



Alastair Hughes FRICS

Independent Non-Executive Director

Appointed	Tenure
1 February 2019	5 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 Lang LaSalle Inc ("JLL"), previously serving as managing director of JLL in the UK, before becoming CEO for Europe, Middle East and Africa and then CEO for Asia Pacific
- Fellow of the Royal Institution of Chartered Surveyors

Key external appointments

- Chair of Schroder Real Estate Investment Trust Limited since October 2021, non-executive director since April 2017
- Non-executive director of The British Land Company plc since January 2018
- Non-executive director of QuadReal, a Canadian Property Group, since October 2019



Wu Gang

Independent Non-Executive Director

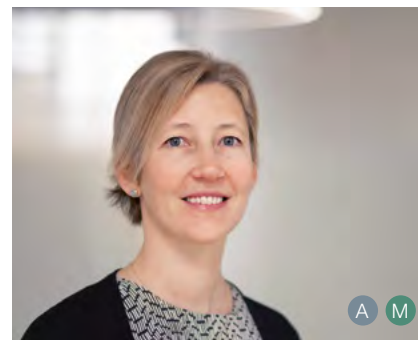
Appointed	Tenure
1 October 2021	2 year 5 months

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, 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
- Previously Senior Advisor at Rothschild & Co Hong Kong Limited from January 2019 to January 2023

Key external appointments

- Non-executive director of Ashurst LLP and IG Group Holdings Plc since April 2019 and October 2020 respectively



Elizabeth Brown

Independent Non-Executive Director

Appointed	Tenure
15 December 2021	2 year 3 months

Relevant skills and experience

- Brings a clear focus on consumer trends and market insights, identifying growth opportunities and translating these into value-creating strategies
- 22 years' experience in strategy and M&A, as a former strategy consultant with L.E.K. Consulting from 2002-2005; an investment director at the RBS Special Opportunities Fund from 2005-2012; Head of Corporate Development from 2013-2017 and Strategy Director of Services from 2016 to 2017 at Curry's
- Previously Group Strategy Director at Diageo from 2019 to 2023

Key external appointments

- Chief Strategy Officer at Inchcape plc since February 2023



Our corporate governance structure

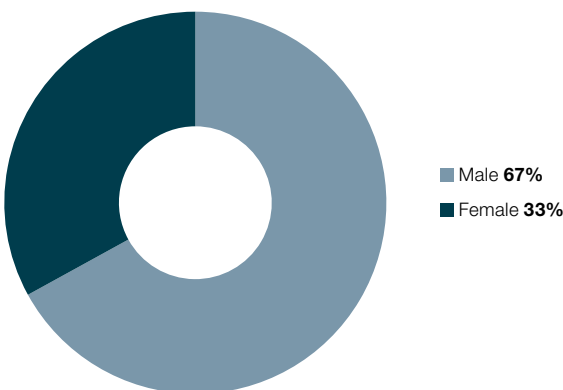


Board relevant sector experience

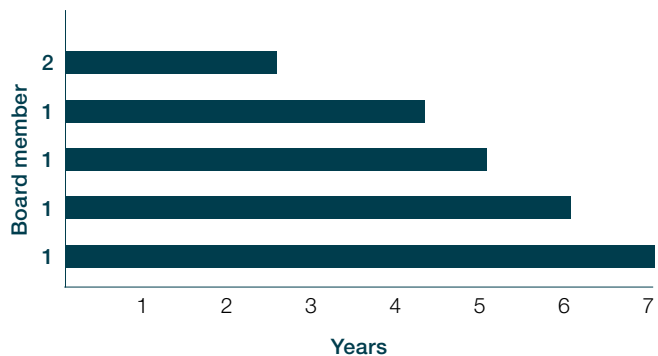
The Board has a complementary range of skills which are relevant to the Group's medium and longer-term objectives. The Board considers Richard Laing to have recent and relevant financial expertise to Chair the Audit and Risk Committee. Karen Whitworth and Wu Gang are also considered to be financial industry experts by the Board.

Financial	ESG	E-Commerce
Property	Logistics	Risk Management
Retail	Governance/PLC	Strategy

Board gender split



Non-Executive Director tenure





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 The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018, which replaces 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.

- Executive Committee
- Investment Committee
- Operations Committee
- Risk Committee
- ESG Committee
- Green Finance Sub-Committee
- Chair



Colin Godfrey BSc (Hons) MRICS

CEO, Tritax Big Box REIT plc

Relevant skills and experience

Colin is responsible for leading the Group’s fund management function and has 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 the Tritax Group in 2004.



Frankie Whitehead FCA

CFO, Tritax Big Box REIT plc

Relevant skills and experience

Frankie is responsible for all aspects of the Group’s finance and corporate reporting. Frankie is a Fellow of the Institute of Chartered Accountants in England and Wales. He 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 BSc (Hons) MRICS

Head of Asset Management

Relevant skills and experience

Petrina leads the Group’s asset and property management service, incorporating ESG and insurance functions. She has developed the capabilities of the team to extend the skills in logistics and industrial operations, integrating ESG and power considerations into analysis. Petrina qualified as a chartered surveyor in 1998. Petrina has over 27 years’ property and finance related asset management experience having held roles at Knight Frank and King Sturge (now JLL) before joining the Tritax Group in 2007, and becoming a partner in 2017.



Bjorn Hobart BSc (Hons) MA, MRICS

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 The Tritax Group in 2011, becoming a partner in 2017.



James Dunlop BSc (Hons) MRICS

CEO, Investment, Tritax Group

Relevant skills and experience

James is responsible for identifying, sourcing and structuring suitable investment assets for the Company. James started his career at Weatherall Green and Smith (now BNP Paribas Real Estate) where he qualified as a chartered surveyor in its Investment Development and Agency division in 1991. In 2000, James formed SG Commercial, then became a partner of the Tritax Group in 2005.



Henry Franklin Qualified Solicitor, CTA

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 as a partner in 2008.



The Tritax Big Box Team

Key Representatives of the Manager continued

- EX Executive Committee
- I Investment Committee
- O Operations Committee
- R Risk Committee
- E ESG Committee
- G Green Finance Sub-Committee



Hana Beard
Group Company Secretary

O E



Charlie Withers
Partner, Development Director

EX I



Mark Fergusson
Head of Occupational Leasing



Chase French
Head of Financial Modelling
and Portfolio Analytics

O



Henry Stratton
Head of Research

R



Catherine Fry
Head of Risk and Compliance

R



Ian Brown
Head of Corporate Strategy
and Investor Relations

EX



Alan Somerville
ESG Director

R E G



Andrew Dickman
MD, Development



Will Oliver
FD, Development



Jonathan Wallis
Development Director



Tom Leeming
Development Director

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

Key activities of the Company in 2023



January to March 2023

- Declared an interim dividend of 1.975 pence per share, in respect of the three months to 31 December 2022.
- Awarded an 'AA' rating by MSCI ESG Ratings and classified as an industry leader in managing significant ESG risks and opportunities.
- Disposal of three investment assets with a combined WAULT of 9.2 years and a total area of 1.4 million square feet.
- Approved the Annual Report and Accounts for the year ended 31 December 2022.



April to June 2023

- Declared an interim dividend of 1.75 pence per share, in respect of the three months to 31 March 2023.
- Cancelled the Company's share premium account.
- Held the Company's Annual General Meeting.
- Strategy Meeting held off-site and Board asset tour to the development sites in Kettering and Rugby.



July to September 2023

- Declared an interim dividend of 1.75 pence per share, in respect of the three months to 30 June 2023.
- Approved the interim results 2023.
- Approved and completed the Share buyback with respect to B and C shares and further integration of Tritax Symmetry.
- Completed an asset disposal for a net consideration of £84.3 million.
- Conducted the performance review of the Manager.
- Appointed new corporate and property legal advisors.
- Conducted the performance review of the Company's key suppliers.



October to December 2023

- Declared an interim dividend of 1.75 pence per share, in respect of the three months to 30 September 2023.
- Conducted the Board and Committee performance evaluation.
- Signed a new sustainability-linked unsecured revolving credit facility with a syndicate of existing relationship banks and new lenders.
- Celebrated the 10-year anniversary of the Company's listing to the London Stock Exchange.
- Reviewed the Managers succession plans.

Post year end

- Agreed action plan following Board and Committee performance evaluation to focus on in 2024.
- Declared an interim dividend of 2.05 pence per share, in respect of the three months to 31 December 2023.
- Approved the Annual Report and Accounts 2023.
- Held seven Governance Roadshows.
- Reached agreement on the key terms of a possible all-share offer for the entire issued and subsequently issued share capital of UKCM.



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 74 Board Leadership and Company Purpose pages 86 to 89
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 74 Board Leadership and Company Purpose pages 86 to 89 Division of Responsibilities pages 92 to 94
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 56 to 61 Section 172 Statement page 32 Audit, Risk and Internal Control pages 100 and 101 Audit and Risk Committee Report pages 102 to 105
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 32 to 34 Section 172 Statement page 32
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 86 to 89 Division of Responsibilities pages 92 to 94
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 92 to 94 Composition, Succession and Evaluation pages 78 and 79, 96 and 98
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 86 to 89 Division of Responsibilities pages 92 to 94 Audit and Risk Committee Report pages 102 to 105 Management Engagement Committee Report pages 106 to 108
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 92 to 94 Nomination Committee Report pages 96 to 99
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 96 to 99
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 78 and 79, 96 and 98



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 96 to 99
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 100 and 101 Audit and Risk Committee Report pages 102 to 105
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 102 to 105 Directors' Responsibilities Statements page 114
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 56 to 61 Viability Statement page 74 Audit, Risk and Internal control pages 100 and 101 Audit and Risk Committee Report pages 102 to 105 Notes to the Consolidated Accounts pages 126 to 149
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	Management Engagement Committee Report pages 106 to 108 Directors' Remuneration Report pages 109 to 111
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 109 to 111
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 109 to 111

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 74 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 74 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 100 and 101 of this Corporate 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 and principal risks and uncertainties facing the Company and the Group are considered.	Further details can be found in Principal Risks and Uncertainties on pages 56 to 61 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 102 to 105.
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, as amended on 4 May 2022, to be in the best interests of the Company.	Further details are set out in the Management Engagement Committee Report on pages 106 to 108.
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 32 of the Strategic Report.
TCFD	The Directors have voluntarily reported on the TCFD requirements.	Further details are set out on pages 62 to 72 of the Strategic Report.



Board Leadership and Company Purpose

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 are 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 and divestment 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, medium and long-term strategy is discussed, and holds ad hoc meetings to consider specific issues, transactions, 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 and the Board is kept abreast of any notable updates to ensure appropriate oversight and governance. During the year, Tritax Symmetry was successfully integrated into the business, including brand integration, thus futureproofing the succession of the business. Regular meetings are being held to provide a forum for reporting on detailed project matters by Tritax Symmetry to the Manager and for discussion of the wider business strategy.

The Manager retains approval rights in relation to transactional documentation proposed to be entered into by Tritax Symmetry and subsidiaries within the Group.

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 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 ESG targets and KPIs;
- 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 and share price performance;
- 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 policy 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.
- Approving the issuance of new Ordinary Share capital.



Strategy

The 2023 strategy meeting took place off-site in May 2023 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, key members of the Manager and some of the Company's key advisers. The meeting discussed the risks and opportunities faced by the Company in the medium to long term whilst at the same time developing a strategy to seek to ensure that the Company remained relevant, resilient and competitive. The Board agreed to continue to monitor the performance of the investment portfolio and where appropriate, recycle capital into opportunities that would aid in improving performance. The Board also agreed to continue to fund the development portfolio, based on the Company's risk return analysis. In addition, the Board agreed to review opportunities with a view to diversifying its portfolio further with regards to asset size.

The Board requested that the Manager continue to explore additional income streams for the Company through asset management initiatives and further nurturing occupier relationships.

- ▶ Please see pages 8 and 9 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, the Board believes that the Company is well positioned to capture further value through the Group's development pipeline.

As part of the strategy meeting the Board also visited development sites in Kettering and Rugby.

Our focus in 2024 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, deliver enhanced returns to Shareholders and maintain the Company's balance sheet strength. The Company will also evaluate the balance between larger and smaller assets with a view to selectively increasing its weighting in urban logistics.

- ▶ For further details of the Company's strategy see pages 8 to 9 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 Independent 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.





Board Leadership and Company Purpose continued

ESG

Delivering ESG performance is core to our business. The ESG Committee of the Manager regularly reports to and engages with the Board on its ESG activities. The ESG Committee has ultimate responsibility for all ESG-related policies of the Manager and recommends them to the Operations Committee, for final review. For full details of all policies please refer to the Manager's website. The Board's ESG Champion meets regularly with the Manager's ESG Director to discuss progress on the ESG Strategy and have deep dives into key ESG issues relevant to the Board and the Company. This year, key matters discussed included:

- Impact on capital values from ESG performance
- Impact on asset liquidity from ESG performance
- Evolving customer requirements for sustainable buildings
- ▶ Please see page 62 to 72 for the TCFD disclosures, including further information on the board's oversight of climate change

During the year, the Board continued to embed ESG within the Company's strategy and enhance ESG focus at Board meetings. The Company improved its performance against several key ESG benchmarks and indices and maintained its performance against others (see performance on pages 36 to 41). In addition, the Company signed a new £500 million sustainability-linked unsecured revolving credit facility. Further details on this key decision of the Board can be found on page 90.

The Company has made a commitment to achieve net zero carbon for its direct activities (Scope 1 and 2 emissions) by 2025, for Scope 3 emissions related to construction by 2030, and for its total Scope 3 emissions by 2040. This year, the Company announced an embodied carbon target of 400 kgCO₂/sqm for new developments and updated its minimum green building certification levels for new developments from BREEAM 'Very Good' to 'Excellent'.

- ▶ For further information on our ESG strategy, targets and performance please refer to pages 62 to 73

To demonstrate its own commitment to sustainability, the Manager procures renewable energy and sends zero waste to landfill. It also retained its achieved ISO 14001 accreditation in December 2023.

Relations with Shareholders and other stakeholders

Maintaining strong relationships with the Company's Shareholders and other stakeholders with 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, CFO for Tritax Big Box REIT plc 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.

Throughout the year the Manager attended Shareholder conferences and devoted time to meeting with existing Shareholders and prospective new investors. Shortly after year end, the Board wrote to the largest Shareholders to extend invitations to attend the Company's governance roadshows hosted by the Chairman and SID. Seven governance meetings were held in January 2024 and c.20% of Shareholders were formally consulted. Key areas of discussion included the Company's strategy, ESG and succession planning.

- ▶ Further details of the Company's engagement with our other key stakeholders can be found on pages 32 to 34 and 90 and 91



Site visits

There is continued demand from Shareholders and prospective investors to visit our assets and development sites. In April 2023, the Manager undertook a site visit with analysts to our asset in Castle Donington occupied by Marks and Spencer and our development site in Rugby.

The Board also visited the Company's development sites in Kettering and Rugby in May 2023 as part of the annual strategy day. The site visit provided the opportunity for the Board to visit both sites and meet some of the key members of the Tritax Symmetry team and two of the Company's occupiers. In September 2023, Shareholders were invited to visit our asset in Littlebrook with our SID. We balance the desire for Shareholders to visit sites with the need to avoid disruption to our customers.

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 Shareholder 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. Independent Non-Executive Directors also regularly attend Shareholder events.

We encourage Shareholders to attend and vote at the AGM and take the opportunity to engage with the Board and the Manager. The Board considers it important that Shareholders continue to have opportunities to engage with them and Shareholders are encouraged to ask questions or raise matters of concern by emailing the Company Secretary.

The Chairman and the SID as well as other Independent Non-Executive 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 to 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 made available on the Company's website. The website holds share price and dividend information, investor presentations, the Key Information Document required by PRIIPS regulations and the Annual Report; all are available for download. The Company's Annual Report will be dispatched to Shareholders upon request.





Key decisions of the Board



New Sustainability Linked Unsecured Revolving Credit Facility (“RCF”)

In light of the Company’s current RCF expiring in December 2024, the Board upon the recommendation from the Manager explored the possibility of renewing the existing facility to support the long term strategic objectives of the Company whilst taking advantage of strong appetite from lenders.

In October 2023, the Company announced its new sustainability-linked revolving credit facility. This transaction represented a significant milestone, following the Company’s inaugural Green Bond issue in 2021, and reinforced the Company’s intent to continue to align the Company’s financing with its sustainability objectives. The new facility enhanced the Company’s balance sheet and provided additional flexibility to finance the strategy, secured on competitive terms.

Upon the Board’s agreement to renew the RCF, the Manager produced a term-sheet and sought interest from a long list of potential new lenders. In addition, the Company was keen to add some sustainability KPIs into the RCF.

Throughout the process the Board was kept fully informed of negotiations with the potential lenders and once the terms of the RCF had been finalised, the Manager was fully empowered to approve and execute the RCF on behalf of the Company.

How were stakeholders’ views taken into account?

- ✓ Several meetings were held between the Board and the Manager
- ✓ Meetings were held between the Manager and various lenders

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

- ✓ Agreement was reached with an array of lenders on competitive terms
- ✓ Following Board support the RCF was approved

Long-term effects of the decision?

- ✓ The terms of the new RCF remain aligned to the Company’s sustainability objectives

Stakeholders considered



Our stakeholders

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



Appointment of Company's legal advisors

In May 2023 the Manager recommended to the Management Engagement Committee that it would be appropriate to place the positions of corporate and property legal advisers for tender, which was fully supported.

The Manager met with a number of firms and subsequently carried out a formal tender in July and August 2023.

In terms of the approach to tendering a property legal adviser, the Manager placed an emphasis on considering proposals from regional firms. The rationale being that this would achieve a high degree of service level at a competitive price whilst also seeking to position the business as an important client relationship. The Manager was keen to avoid potential conflicts in the market arising from an adviser being the lead adviser for both seller and buyer.

This would result in the business having to retain a panel of property advisers to deal with anticipated conflicts, affecting the speed of a transaction whilst also increasing the complexity of centralising all property information and the corresponding asset management of the assets over their life-cycle.

For corporate advisers, the Manager considered that the retention of a silver circle London-based law firm for corporate advisory work would provide the expertise required by the Company whilst ensuring that the Company remained a priority to the appointed firm at an appropriate fee scale.

Following a competitive and transparent tender process, Ashurst LLP were appointed as corporate legal advisors to the Company and Burges Salmon LLP were appointed as property legal advisors to the Company.

How were stakeholders' views taken into account?

- ✓ Ongoing engagement with suppliers, the Manager and its employees

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

- ✓ The Manager was confident in its selection process
- ✓ The Manager was keen to avoid conflicts whilst securing a value for money service

Long-term effects of the decision?

- ✓ An effective and sustainable working relationship between the Company and its legal advisors

Stakeholders considered



► For further information on the Company's stakeholders, please see pages 32 to 34



Division of Responsibilities

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 78 and 89

Chairman

Key roles 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 for Tritax Big Box REIT plc, James Dunlop as CEO of Investments, Henry Franklin as COO of the Manager, and Frankie Whitehead as CFO for Tritax Big Box REIT plc, oversee the Manager's relationship with the Company.

- ▶ To read more see pages 81 to 82

The Manager

Key roles and responsibilities

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

- ▶ To read more see pages 42 to 51, 81 and 82

Board Committees

The Board has delegated some of its responsibilities to its three formal Committees: the Nomination, Audit and 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 Independent 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 96 to 108

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.
- 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.
- Reviewing the annual and interim property valuations.

- ▶ To read more see pages 102 to 105

Manager Committees

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

Investment Committee

- Chaired by Bjorn Hobart 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 Frankie Whitehead, comprising various members of the Manager.
- Oversight of the Group as a whole and is responsible for reviewing the corporate and capital strategy and activities of the Company and making recommendations to the Board as necessary.

Operations Committee

- Chaired by Henry Franklin and comprising various members of the Manager.
- Oversight of the internal controls of Tritax Management LLP and the statutory audit process.
- Approval of all Tritax Management LLP policies and procedures.
- Review of Tritax Management LLP's staff related matters.



Senior Independent Director

Key roles 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

Key roles and responsibilities

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

Tritax Symmetry Holdings Board Meeting

- Chaired by Frankie Whitehead, comprising other members of the Manager and representatives of Tritax Symmetry.
- Responsible for the wider business strategy of Tritax Symmetry Holdings Limited including determining, implementing and reviewing the investment and management strategy to deliver the Group's objectives.
- The Board is also responsible for corporate matters such as detailed financial reviews, risk and ESG reviews, tracking and monitoring against the investment mandate and DMA compliance.

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 topics.
- Board and Committee evaluations.

► To read more see pages 96 to 99

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 and Brokers, 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 supplier appointments.
- Reviewing the performance of the Manager.
- Overseeing the Manager's succession planning.

► To read more see pages 106 to 109

ESG Committee

- Chaired by Petrina Austin, comprising various members of the Manager, including the ESG Director.
- Responsible for oversight of ESG and sustainability matters.
- Reviewing and making recommendations to the Manager's Executive Committee and the Company's Board, regarding progress on integrating ESG factors into business strategy and decision making.
- Providing oversight of the Manager's policies in terms of performance, communication and engagement on ESG 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 Alasdair Evans, the Chief Financial Officer of the Manager, comprising various members of the Manager, and the Chief Operating Officer.
- Responsible for identifying, recording and measuring risks to the Manager's Executive Committee 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 Sub-Committee (Sub-Committee of ESG Committee)

- Chaired by the Manager's CFO and comprised of members of the Manager's asset management and finance teams.
- 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 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

The Board and its Committees

The Board currently consists of six Independent Non-Executive Directors, all independent of the Manager. All Directors are also considered to be independent by the Board when considering the matters set out in Provision 13 of the AIC Code. 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.

► Further details can be found on page 80

Directors' biographies are set out on pages 78 and 79. In accordance with the requirements of the AIC Code, all of the Directors will stand for re-election at the Company's AGM on 1 May 2024.

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 2023 are included in the Directors' Remuneration Report on pages 109 to 111.

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 2023, seven scheduled Board meetings were held, plus two further ad hoc meetings which dealt with transactional and other specific events such as the share premium cancellation and dividend declaration.

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 Independent Non-Executive 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 the Directors' duties.

The Board is kept fully informed of potential investment or divestment 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, disposal, asset management and development opportunity. Representatives of the Manager are invited to attend the Board meetings as are representatives of the Company's other advisers as required.

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. The Company Secretarial team continue to build on the recommendations made by Board Intelligence on improving Board papers. The Company Secretary sought feedback from the Board on the impact of changes made to Board papers and on meeting effectiveness and whilst an improvement in paper quality was noted, the Board requested that the Manager focused on creating more succinct summaries and papers overall.

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 78 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 96.

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

Karen Whitworth is fully embedded into her role as SID and further information on her transition into this essential role on the Board can be found in the Q&A with Karen on page 95. Karen continues to act as the ESG Champion of the Board.

The SID and the other Directors met during the year, without the Chairman, to appraise his performance. The outcome of this meeting is detailed on page 98.

Attendance at Board and Committee meetings during the year ended 31 December 2023

All Independent Non-Executive 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 Independent Non-Executive 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 Independent Non-Executive 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.

	Aubrey Adams	Alastair Hughes	Karen Whitworth	Richard Laing	Wu Gang	Elizabeth Brown
Board	7/7	7/7	7/7	7/7	7/7	7/7
Audit and Risk Committee	N/A	N/A	7/7	7/7	7/7	7/7
Management Engagement Committee	2/2	2/2	2/2	2/2	2/2	2/2
Nomination Committee	2/2	2/2	2/2	N/A	N/A	N/A
Strategy meeting	1/1	1/1	1/1	1/1	1/1	1/1

Q&A with Karen Whitworth Senior Independent Director

Q: What has been a key aspect of your role as SID that has been different to your role as an Independent Non-Executive Director?

I am now taking on a more active role with shareholder engagement and work more closely with the investor relations team. As a Company we are keen to maintain a good level of investor engagement throughout the year and it has been a privilege to meet many Shareholders and listen to their views on our performance and governance. 2023 was a very active year for shareholder engagement as in addition to the normal meeting timetable we celebrated 10 years of listing on the London Stock Exchange.

As SID, I support Aubrey, our Independent Chairman with regularly reviewing the composition of the Board. Our reviews include consideration of the current skills and experience on the Board to ensure our collective demographic remains relevant and fit to meet the needs of the business and strategy. In addition we consider succession planning and one of the top priorities for 2023 has been planning the recruitment of an additional Independent Non-Executive Director with the aim of enhancing our diversity.

Post year end we commenced the recruitment process and I will be working closely with the Nomination Committee to identify and on board a suitable candidate. We are mindful of the Listing Rules as they pertain to female representation on the Board and will consider this, amongst other factors, as part of the recruitment process. I am looking forward to welcoming a new Independent Non-Executive Director to our Board in due course.

Q: What has been a key requirement in being an effective SID?

The role and importance of the Senior Independent Director has grown significantly. My duties are not restricted to supporting the Board in a period of crisis, but in being a sounding board to Aubrey. I also lead on the effective appraisal of the Chairman to support the annual evaluation of the Board. I believe that promoting and creating an environment for effective relationships and open communication between my fellow Board members and the Manager in and outside of the boardroom is a key requirement to being an effective SID. I am keen to work with Aubrey to leverage our collective skills to continue to enhance the effectiveness of the Board, whilst ensuring that all decisions create long term value for our shareholders.



To build strong relationships the Board meets informally in addition to the formal meetings and strategy days. Effective relationships are essential not just in normal times but vital in a period of stress. As a group we are keen to understand each other as individuals to enable us to leverage the diversity on our Board. I make it my priority to support and maintain strong relationships with existing and newly appointed Independent Non-Executive Directors, particularly in their initial years on the Board, to ensure we maintain our desired Board dynamic.

I also have additional duties to our Shareholders, who I am readily available to, if they have comments or concerns that they are unable to raise through the normal channels. It is imperative that I maintain a strong relationship with our Shareholders and continue our Company's approach of proactive engagement, particularly during corporate events.

Q: What are some of your priorities for 2024?

A key priority for me in 2024 will be to continue to support the Board and the Manager to drive the Company's ESG initiatives and the associated offering thus meeting the Company's ESG objectives.

The Company's ESG strategy and its importance in how we create long term value has been a prominent topic of discussion during my meetings with Shareholders. In 2024 I will seek to ensure that, as a Board, we continue to work with the Manager to enhance our ESG performance and leverage our ESG position in order to continue creating long term value for our Shareholders and stakeholders and to create a competitive advantage.

I will also prioritise supporting the Nomination Committee with the recruitment of an additional Independent Non-Executive Director in order to enhance diversity on the Board.



Nomination Committee Report



Aubrey Adams OBE, FCA, FRICS
Chair of the Nomination Committee

“Enhancing the skills and diversity on the Board will remain the key focus in 2024.”

Membership

Aubrey Adams, Chair

Alastair Hughes

Karen Whitworth

► For full details on Committee attendance please refer to page 95

Key areas of focus in 2023:

- reviewed composition of the Board, with decision taken to recruit an additional Director with real estate expertise;
- commenced work to address the recommendations and actions following the Board and Committee performance evaluation;
- worked towards meeting the Listing Rule requirement relating to female representation on the Board; and
- proposed the re-election of the Directors at the AGM which we plan to hold on 1 May 2024.

Dear Shareholders,

I am pleased to present the Nomination Committee Report for the year ended 31 December 2023.

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, knowledge and diversity 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 Nomination Committee operates within defined Terms of Reference which are available on the Company's website or from the Company Secretary. We met for two scheduled and two ad hoc meetings during 2023.

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 during the year. Following the advice of the Committee and in line with the AIC Code, the Board will recommend the re-election of each Director at the forthcoming AGM.

Directors are appointed for an initial period of three years and their performance is evaluated at least annually during the Board and Committee performance 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.



As indicated in the 2022 Annual Report and Accounts, the Nomination Committee dedicated time during the year to consider succession planning. Following a review of the composition, skills, and experience of the Board, together with the wider succession plan of the Board, the Committee recommended the recruitment of an additional Independent Non-Executive Director. During 2024 the Committee will lead on the recruitment process and will work with an executive recruitment agency to support the search. The Committee is mindful of the Listing Rule obligations as they pertain to female representation on the Board and will take these into account, in addition to diversity as a whole and ensuring appointments are made on merit, against objective selection criteria during the recruitment process.

Board diversity and inclusion

The Company reports against the Listing Rule targets and has included a statement of compliance on page 99. As at the date of this report, the Board consisted of two female and four male Directors meaning we have 33% female Board representation and we intend to use all reasonable endeavours to comply with the Listing Rule diversity targets.

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 Independent Non-Executive 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, where we consider Richard Laing, Karen Whitworth and Wu Gang to have significant financial experience. We regularly review the Company's Diversity and Inclusion Policy.

Director training programme

We recognise that it is essential to keep abreast of regulatory and compliance changes, including ESG-related issues. Accordingly, a bespoke training programme is agreed and arranged for Independent Non-Executive Directors. Annually, the Board receives regular training and updates from the Company's external service providers as well as the Manager's Head of Research, the ESG Director, the Head of Risk and Compliance and many others, on corporate governance developments, financial regulatory changes, and on relevant issues including ESG topics, industrial logistics market updates and so on.

During the year the Board received formal training sessions and updates, including a training session on ESG performance from a liquidity impact perspective, Cyber security awareness training and a Valuation teach in session from CBRE. In all cases, training was delivered by external advisers and was well received by the Board.

The 2023 Board evaluation confirmed that the training programme is well structured and the Company Secretary would work on preparing the formal training plan for 2024.

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. The Independent Non-Executive Directors have access to the advice and services of the Company Secretary.

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

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 Independent Non-Executive Directors are also invited on a site visit of the Company's assets.

Committee evaluation

The overall performance of the Nomination Committee was rated highly, particularly its review of Board composition and its handling of succession and appointment decisions.

Priorities for 2024

2024 will see the Nomination Committee focus on the recruitment of an Independent Non Executive Director and on making progress towards satisfying the Listing Rule diversity targets.

Aubrey Adams OBE, FCA, FRICS
Chair of the Nomination Committee
29 February 2024



Board performance and evaluation

The Board's policy is to carry out a performance evaluation of the Board, its Committees and individual Directors every year. For the period to 2021 an external evaluator was engaged by the Board to undertake an external review. This year, we undertook an internal evaluation.

The main areas considered during the evaluation remained the same as in the prior period: individual skill sets and performance; Board structure and membership; strategy; operations; and Board and Committee meetings and questions around the specific strategic priorities of the Board and Company. Please see below for the Board and Committee performance evaluation process.



Secretariat and Chairman discussed the key focus and purpose of the evaluation



Secretariat and Chairman agreed the questions



Questions were uploaded into an online platform by the Secretariat



Submissions were coordinated by the Secretariat into a draft report



Secretariat finalised report which was presented at a Board meeting



Secretariat formulated some key actions for the Board to monitor

Outcome of the evaluation

The outcome of the 2023 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 size and composition of the Board was deemed effective.

- To increase diversity on the Board
- More succinct meeting papers to enhance the effectiveness and the flow of information to the Board
- To develop an enhanced knowledge of the Company's customers

Led by Karen Whitworth, the SID, and the Directors met without me present to appraise my performance as Chairman. The review was very positive. The Directors are of the opinion that the Board benefits from my effective stewardship of the Board, in particular, my communication skills, which seek to involve all Independent Non-Executive Directors in discussions and to ensure that the Board and the Manager work collaboratively.

Actions from the evaluation

The Board met in February 2024 to discuss the Board and Committee performance evaluation report and the following priorities were identified:

Roadmap to diversity

Recognising what we have

The Nomination Committee continually reviews the Directors' skills matrix ensuring that the Board and its Committees maintain the necessary skills to deliver the Company's strategic priorities.

The Board recognises the need to increase female representation on the Board and will take steps towards achieving further female diversity in future appointments. As at the date of this report, 33% of the Board is female.

The Board has met the recommendations of the Parker Review. The Company continues to review its Diversity and Inclusion Policy, as well as its training and development programme to ensure an inclusive and well-balanced Board.

Identifying what we need

The Board places great emphasis on ensuring that its own membership reflects diversity in its broadest sense. The Board intends to use all reasonable endeavours to comply with the Listing Rule diversity targets. The Company has included a statement in its Annual Report (below), confirming whether such diversity targets are achieved, and provided an explanation as to why one of the diversity targets has not been achieved.



Actions to help us get there

The Committee will continue to monitor the skills and diversity of the Board and endeavour to meet the Listing Rule 9.8.6R(9) diversity targets and in its wider Board succession planning. The Committee will lead on the recruitment process for an Independent Non-Executive Director with the requisite real estate experience. The Committee is mindful of the Listing Rule obligations as they pertain to female representation on the Board and will take these into account, whilst ensuring appointments are made on merit, and against objective selection criteria during the recruitment process. Post year end, after a robust selection process, the Committee engaged executive recruitment firm, Russell Reynolds Associates Limited, to support the NED recruitment search.

Statement of compliance

The Company complied with two of three Listing Rule diversity targets, namely one female in a senior Board role and one Director of an ethnic minority background. The Board will take steps towards achieving the 40% female diversity target in future appointments.

Table for reporting on gender identity or sex

	Number of Board members	Percentage of Board	Number of senior positions
Men	4	67%	1
Women	2	33%	1
Other categories	—	0%	—
Not specified/prefer not to say	—	0%	—

Table for reporting on ethnic background

	Number of Board members	Percentage of Board	Number of senior positions
White British or other white (including minority white groups)	5	83%	2
Mixed/multiple ethnic groups	—	0%	—
Asian/Asian British	1	17%	—
Black/African/Caribbean/Black British	—	0%	—
Other ethnic group, including Arab	—	0%	—
Not specified/prefer not to say	—	0%	—

* In accordance with the Listing Rules, as an externally managed investment Company we consider these rules inapplicable as we do not have any executive management, including the roles of CEO or CFO, who are Directors of the Company. The Company considers the SID and Chairman to be the applicable senior roles within the business and have reported against these in the table above.

How we collected data

On appointment to the Board, the Directors are asked to complete a New Directors' Questionnaire.

Board Diversity Targets

Objective	Progress as at 31 December 2023
At least 40% of individuals on the Board to be female	Objective not met: The Board will seek to address this in 2024
At least one of the Senior Positions on the Board to be held by a female	Objective met: The Company considers the SID and the Chairman to be the applicable senior roles. The SID is a female.
At least one individual on the Board to be from a minority ethnic background (as defined by the Office for National Statistics ("ONS") excluding those listed by the ONS as coming from a white ethnic background)	Objective met: One Independent Non Executive Director meets this requirement.



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 towards 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 56 to 61 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 the performance of the UK economy and its impact on the potential of tenant default, the cost of refinancing and the execution of the Development business plan, as described on pages 102 to 105.

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 customers 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, asset management and development 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, including Tritax Symmetry. Langham Hall UK Depositary LLP reports quarterly to the Board and the Manager.

The Manager also employs a Head of Risk and Compliance to discharge 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 regulatory 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 Alternative Fund Administrators Limited (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 56 to 61.

The Board has contractually delegated responsibility for administrative and accounting services to the Administrator and for Company secretarial services to the Manager. These suppliers 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 2023.

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 LLP, from which the Company reviews any findings. The 2022 audit did not raise any significant findings and whilst the 2023 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 reviews 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 56 to 61 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 who reports to the Committee biannually on any compliance matters.

All employees of the Manager are required to undertake training to prevent all types of financial crime, including bribery and corruption.

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 from the Group's supply chain. We seek to mitigate the Group's exposure by engaging with reputable professional service firms, which 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 continue to request details of suppliers' modern slavery policies in our contract procurement process. Our property and asset managers undertake on-site inspections, which enable us to check supplier practices, which are recorded in the inspection proforma. 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.

Depository statement

Established in 2013, Langham Hall UK Depository LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depository. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity represents net assets of US\$130 billion and we deploy our services to over 275 alternative investment funds across various jurisdictions worldwide. Our role as depository primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive (the "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 2023, our work included the review of two management share issues, four property income distributions, six investment property disposals, two investment property acquisitions and one new RCF facility. 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 Depository LLP,
London, UK
29 February 2024

Langham Hall UK Depository LLP is a limited liability partnership registered in England and Wales (with registered number OC388007).



Audit and Risk Committee Report



Richard Laing FCA
Chair of the Audit and Risk Committee

“Enhancing the Committee’s oversight of the Risks faced by the business remains a priority.”

Membership

Richard Laing, Chair

Karen Whitworth

Wu Gang

Elizabeth Brown

► For full details on Committee attendance please refer to page 95

Key areas of focus in 2023:

- recommended to the Board that the Annual Report and Accounts for 2022, 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 2023 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;
- enhanced 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 valuations;
- 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;
- maintained ESEF reporting; and
- monitored development of the BEIS audit reform.

Dear Shareholders,

I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2023. 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 and key suppliers, 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 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. I am a Fellow of the Institute of Chartered Accountants in England and Wales, and have extensive, recent and relevant experience gained as Finance Director of CDC Group plc and De La Rue plc as well as my other Non-Executive positions. The Committee considers Karen Whitworth and I to be financial 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 Directors’ experience can be found in the biographies on pages 78 and 79. We met for seven scheduled meetings during 2023, 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 2023 and January 2024 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 its 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 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 and general compliance.

The Company's risk appetite and risk tolerance for each of the principal risks facing the business have been integrated into the risk management framework and policies. I am pleased to report that the Manager's approach to the Company's risk management has been afforded enhanced focus at the Manager's Risk Committee. This has led to more robust discussions at the Committee in terms of the assessment of the risks faced by the business and the mitigants implemented by the Manager to seek to ensure the likelihood and impact of the risks faced by the Company are mitigated where possible. During the year, the Committee formally reviewed the

Company's risk profile whilst developing a risk appetite statement that is appropriate for the size and complexity of the business.

The Committee challenged and reviewed the processes and controls surrounding the Going Concern and Viability Statements and were able to take comfort in the level of scrutiny involved within the process from both the Manager and Akur.

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.

We have expanded on the following matters in further detail as they are determined as some of the most significant risks of material misstatement in the financial statements.

Valuation of property portfolio

We have separated the valuation appointments, such that CBRE values our investment assets and Colliers values our development assets, both on a biannual basis. The Group's portfolio value was £5.03 billion on 31 December 2023 (compared to £5.06 billion on 31 December 2022).

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.



Audit and Risk Committee Report continued

Valuation of property portfolio continued

In line with best practice and to ensure the continued independence of the valuers, CBRE rotated valuers. Ben Thomas and John Barham conducted the valuation for June 2023 and Nick Knight and John Barham for the December 2023 valuation.

As explained in note 15 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.

The Board approved both the CBRE and the Colliers valuations in August 2023 and February 2024 in respect of the interim and annual valuations.

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 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 2022, 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 2022 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 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

Task Force on Climate-related Financial Disclosures ("TCFD")

Building on our TCFD disclosures in the 2022 Annual Report, I am pleased to note that working alongside the Manager, the Committee reviewed the Company's climate risks facing the business and advised the Board accordingly. ESG Consulting Group at CBRE Limited assisted the Company with the TCFD reporting. Please refer to pages 62 to 72 for our 2023 TCFD disclosures.

ESEF

I can confirm that the Company's consolidated financial statements have been prepared in a digital form under the European Single Format regulatory standard ("ESEF RTS").

Internal audit

The Company does not have an internal audit function and, following an internal risk review, we do not consider it necessary for the Company to have one. No separate internal audit work was engaged by the Committee in 2023. The Committee will continue to review this position in 2024 to determine if certain internal audit services and reviews are required.

External audit

The Audit and Risk Committee recommended that BDO LLP be reappointed following a re-tender in 2017. The period of total uninterrupted engagement is ten years, covering the years ending 31 December 2014 to 31 December 2023. Geraint Jones has been the Lead Audit Partner since 2019. The Lead Audit Partner is subject to mandatory rotation every five years and, following the conclusion of the audit for the year ended 31 December 2023, Geraint Jones will be rotated. The Committee led by the Chair has commenced the process to appoint a new Audit Partner.

This year is the seventh year that BDO LLP has conducted the audit post its re-tender 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 LLP as current Auditor and remains overall satisfied with the level of service received.

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 reappointment of BDO LLP, 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 reappointment of BDO LLP.

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

We consider that the audit team assigned to the Company by BDO LLP 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 LLP's internal quality control procedures and transparency report and found them to be sufficient.

The feedback to BDO LLP as part of the FRC's Audit Quality Review of the seven largest accountancy firms was received by the Committee and discussed with BDO LLP. None of the matters raised by the FRC were considered by the Committee to be directly relevant to the Company. 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.

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 LLP as reporting accountants on the Company's issues of equity and debt capital in the normal course of the Company's business. PricewaterhouseCoopers LLP is appointed to assist with financial and tax due diligence on corporate acquisitions and to provide general tax compliance advice.

To help safeguard BDO LLP's objectivity and independence, we operate a Non-Audit Services Policy which requires approval by the Committee above a certain threshold before the external Auditor is engaged to provide any permitted non-audit services and outlines certain prohibited services.

The Company paid £55,000 in fees to the Auditor for non-audit services during 2023. 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	55,000
Agreed upon procedures over the Adjusted NAV	Extension of audit procedures	0
Total		55,000

The ratio of audit to non-audit services received in the year was 9% (2022: 12%). 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.

Committee evaluation

The overall performance of the Audit and Risk Committee was rated highly, in particular addressing the issues within its remit, led by its experienced Chair.

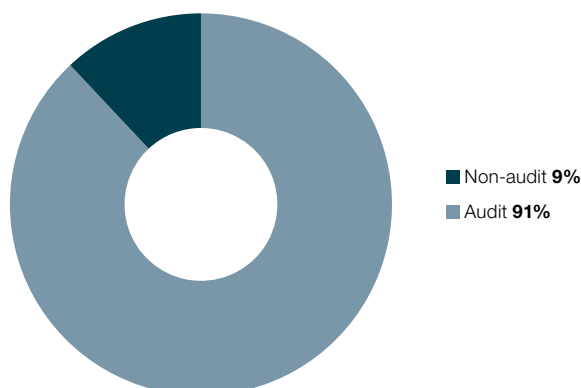
Priorities for 2024

The Committee will continue to focus on developing its approach to risk appetite, and consider all relevant matters outlined in the FRC's Minimum Standard on Audit Committees and the External Audit. The Committee will work with the Manager to enhance the Boards accountability for monitoring and reporting on internal controls and will continue to support the business in its commitment to its sustainability objectives with a particular focus on climate reporting.

Richard Laing FCA

Chair of the Audit and Risk Committee
29 February 2024

Ratio of audit to non-audit services





Management Engagement Committee Report



Elizabeth Brown
Chair of the Management Engagement Committee

“Securing exceptional service levels from the Manager and its suppliers is a continuous objective of the Committee.”

Membership

Elizabeth Brown, Chair
Karen Whitworth
Aubrey Adams
Alastair Hughes
Richard Laing
Wu Gang

► For full details on Committee attendance please refer to page 95

Key areas of focus in 2023:

- reviewed the Manager’s succession planning proposals;
- reviewed the performance of the Manager;
- reviewed the Manager’s key suppliers and their performance; and
- recommended that Ashurst LLP and Burges Salmon LLP be appointed as the Company’s corporate and property legal advisers.

Dear Shareholders,

I am pleased to present the Management Engagement Committee Report for the year ended 31 December 2023. 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 two scheduled and one additional meeting. Over the year, the Committee focused on succession planning for key senior roles within the Manager both in the long and short term; the performance of the Manager itself; assessing the performance of the Manager’s key suppliers and implementing any such recommendation from this assessment.

To ensure open and regular communication between the Manager and the Board, 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 2023 have been set out in the Strategic Report. During the year, the Committee conducted a thorough review of the Manager’s performance to ensure that it remained in line with the IMA and KPIs as outlined in the service level agreement between the Company and the Manager. The Committee concluded that the Manager continued to perform well and no concerns were raised.

Suppliers

The Manager prepared a Key Supplier Review report. Following a thorough review, we agreed 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. The Committee along with the Manager will continue to review the performance of these key suppliers in 2024.

Legal Adviser re-tender

In May 2023, the Manager recommended to the Committee that it would be appropriate to place the positions of corporate and property legal advisers for tender, which was fully supported by the Committee. The Manager met with a number of firms and subsequently carried out a formal tender in July and August 2023.



Following a competitive and transparent tender process, Ashurst LLP were appointed as corporate legal advisors to the Company and Burges Salmon LLP were appointed as property legal advisors to the Company.

► For more information please see page 91

The Manager

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

The Committee also reviews the Manager's culture and organisational structure. The Manager increased the number of employees during 2023 to ensure that the Company is well served and has invested in key support functions.

The Manager's COO regularly updates the Board on the internal operations of the Manager and the Committee continues to monitor this on an ongoing basis.

As such we consider that all the policies of the Manager relate to all their employees, suppliers and operating partners. The Company is a REIT with no employees, hence all data and metrics covering the employees of our Manager are deemed relevant.

Investment Management Agreement

The revised IMA was approved by the Shareholders on 4 May 2022. The IMA continues on a rolling basis, with either party having the right to terminate the IMA, by giving at least 24 months' notice, no earlier than 4 May 2025. The 2022 IMA reduced costs and ensures that the Company has the right skills and resources in place to deliver returns to Shareholders over the long term.

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.

The Manager has an Investment Allocation Policy. This policy exists to ensure fair allocation of assets between funds managed by the Manager and describes the mechanism to be applied by the Manager to identify actual or potential conflicts. This policy is reviewed annually by the Manager and was last reviewed in April 2023.

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 EPRA Net Tangible Assets ("EPRA NTA") 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 EPRA NTA is calculated, the EPRA NTA is adjusted pro rata for the net purchase or sale price, less any third-party debt drawn or repaid whilst remaining capped at EPRA NTA.

The revised management fee, applicable from 1 July 2022, is as set out below:

EPRA NTA value	Relevant percentage
Up to and including £2 billion	0.7%
Above £2 billion and up to and including £3 billion	0.6%
Above £3 billion and up to and including £3.5 billion	0.5%
Above £3.5 billion	0.4%

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 acquire Management Shares through the subscription of Ordinary Shares in the Company. This is done at a price equivalent to the prevailing EPRA NTA per share, adjusted for any dividend declared after the EPRA NTA per share is announced, if the new shares do not qualify for receipt of this dividend. Where the EPRA NTA is below the prevailing share price, new Ordinary Shares will be issued at the prevailing EPRA NTA. In the circumstances where the EPRA NTA 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.

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 2 March 2023, the Manager purchased 1,772,824 Ordinary Shares in the market which were allocated to the Manager's Partners, its staff and abrdn Holdings Limited in respect of the net cash amount, relating to the six-month period to 31 December 2022. The purchase price was 147.75 pence per Ordinary Share.

On 3 August 2023, the Manager purchased 1,509,214 Ordinary Shares in the market which were allocated to the Manager's Partners, its staff and abrdn Holdings Limited in respect of the net cash amount, relating to the six-month period to 30 June 2023. The purchase price was 140.08 pence per Ordinary Share.



Management Engagement Committee Report continued

Management fee continued

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 29 February 2024
Colin Godfrey	2,800,053	0.1471%
James Dunlop	2,737,692	0.1438%
Henry Franklin	2,031,369	0.1067%
Bjorn Hobart	419,418	0.0220%
Petrina Austin	364,820	0.0192%
Frankie Whitehead	200,178	0.0105%
Tritax Management LLP	95,275	0.0050%
Staff of Tritax Management LLP ¹	982,616	0.0516%
abdrn Holdings Limited ²	4,284,282	0.2250%
Total	13,915,703	0.7309%

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.

2. The figure comprises Ordinary Shares issued to abdrn Holdings Limited under the terms of the IMA and it does not include other shares that may have been acquired by abdrn Holdings Limited.

AIFM Directive

The AIFMD became part of UK law in 2013. It regulated AIFMs and imposed 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 European Union (Withdrawal) Act 2018 (“EUWA”) repealed the European Communities Act 1972 on the day the UK left the EU and converted into UK domestic law the existing body of directly applicable EU law. In the UK, AIFMs must now comply with The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018. The Manager is authorised by the Financial Conduct Authority 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 The Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018 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 EPRA NTA, as set out on page 107. 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 and its Partners with the strategy and interests of the Company and its Shareholders. The Manager and its Partners allocate a proportion of the Management Shares to members of staff in adherence with the general guidance on the AIFM Remuneration Code.

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. Where relevant, the proportion of variable remuneration adheres to the requirements set out in the AIFM Remuneration Code.

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 review of the Manager’s and the Company’s service providers’ performance.

Priorities for 2024

The Committee will focus on the review and performance of the Manager and its key suppliers. The Committee will continue to work closely with the Manager to oversee its succession planning.

Elizabeth Brown

Chair of the Management Engagement Committee
29 February 2024



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 1 May 2024 for Shareholder consideration and approval.

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.

Approval of Directors' Remuneration Policy

The Directors' Remuneration Policy was last approved at the Company's AGM on 5 May 2021 and will be presented for Shareholder approval at the Company's AGM on 1 May 2024. The Remuneration Policy, if approved, shall take effect from the end of that meeting.

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. All Directors are appointed for a three-year term, subject to annual re-election at the Company's AGM. 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.

Directors' Fees Benchmarking

In line with best governance practice, the Board requested the Manager conduct a fee benchmarking exercise.

The exercise was facilitated by the Secretariat and compared the Company with its peer group and additional FTSE 250 companies. Additional input was sought from Odgers Berndtson to ascertain an independent view on the remuneration market for Non-Executive Directors.

As a result and following a number of meetings, the following changes were recommended by the Nomination Committee and subsequently approved by the Board and took effect from 1 July 2023.

The base NED fee, the Chairman's fee, the SID fee and the fees for the Audit & Risk and MEC Chairmanships would increase by 5%.

Director	Letter of appointment dated	Expected and actual date of expiry	Unexpired term as at 31 December 2023	Notice period
Aubrey Adams	11 September 2017	11 September 2024	9 months	3 months
	11 September 2019			
	11 September 2021			
Richard Laing	16 May 2018	16 May 2025	17 months	3 months
	16 May 2020			
	4 May 2022			
Alastair Hughes	1 February 2019	1 February 2026	25 months	3 months
	1 February 2021			
	1 February 2023			
Karen Whitworth	21 October 2019	21 October 2024	10 months	3 months
	21 October 2021			
Wu Gang	1 October 2021	1 October 2024	9 months	3 months
Elizabeth Brown	15 December 2021	15 December 2024	12 months	3 months



Directors' Remuneration Report continued

Annual Report on Remuneration (audited)

The fees paid to the past and current Directors in the year to 31 December 2023, 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 2023 totalled £607 (2022: £628). No other remuneration was paid or payable during the year to any Director. There have been no payments to past Directors or for loss of office.

Director	Annual fee		Expenses		Total fixed remuneration	
	For year ended 31.12.2023 ¹ £	For year ended 31.12.2022 £	For year ended 31.12.2023 £	For year ended 31.12.2022 £	For year ended 31.12.2023 £	For year ended 31.12.2022 £
Aubrey Adams	123,000	120,000	—	—	123,000	120,000
Richard Laing	65,600	64,000	477	563	66,077	64,563
Alastair Hughes ²	55,558	58,086	—	—	55,558	58,095
Karen Whitworth ³	60,475	59,000	—	—	60,475	59,000
Wu Gang	55,350	54,000	130	65	55,480	54,065
Elizabeth Brown ⁴	60,702	54,624	—	—	60,702	54,624

1. The Non-Executive Director base fee level was increased by 5% with effect from 1 July 2023.
2. Alastair Hughes resigned as Senior Independent Director effective 4 November 2022.
3. Karen Whitworth was appointed Senior Independent Director effective 4 November 2022.
4. Elizabeth Brown was appointed Chair of the Management Engagement Committee effective 4 November 2022.

Annual change in remuneration

The table below illustrates the year-on-year percentage change in remuneration for the Independent Non-Executive Directors.

	2019	2020	2021	2022*	2023*
Aubrey Adams	5.8%	3.9%	118% ¹	0%	3%
Richard Laing	11%	7%	0%	7%	3%
Alastair Hughes	—	0%	10% ²	-2% ²	-4%
Karen Whitworth	—	0%	10% ³	7% ⁴	3%
Wu Gang	—	—	—	8%	3%
Elizabeth Brown	—	—	—	18% ⁵	11%

* The Independent Non-Executive Director base fee level was increased with effect from 1 January 2022 from £50,000 to £54,000 per annum.

+ The Independent Non-Executive Director base fee, the Chairman's fee, the SID fee and the fees for the Audit & Risk and MEC Chairmanships increased by 5% with effect from 1 July 2023.

1. Aubrey Adams was appointed Chair effective 5 May 2021.
2. Alastair Hughes was appointed SID effective 5 May 2021 and resigned as SID effective 4 November 2022.
3. Karen Whitworth was appointed Chair of the Management Engagement Committee effective 1 October 2021.
4. Karen Whitworth was appointed SID effective 4 November 2022.
5. Elizabeth Brown was appointed Chair of the Management Engagement Committee effective 4 November 2022.

External advisers

The Board and its Committees have access to sufficient resources to discharge their duties. As part of the Directors' Fee benchmarking exercise, Odgers Berndtson provided their view on the NED fee market.

Statement of consideration of Shareholder views

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. Ordinary resolutions require a simple majority of 50% and special resolutions require 75% to be passed.

The Directors' Remuneration Policy and the Directors' Remuneration Report were approved by Shareholders at the Company's AGMs held on 5 May 2021 and 3 May 2023, respectively. The voting on the respective resolutions was as shown below:

Resolution	For % ¹	Against %	Votes withheld
Directors' Remuneration Policy	99.65%	0.35%	33,272,869
Directors' Remuneration Report	99.83%	0.17%	7,395,708

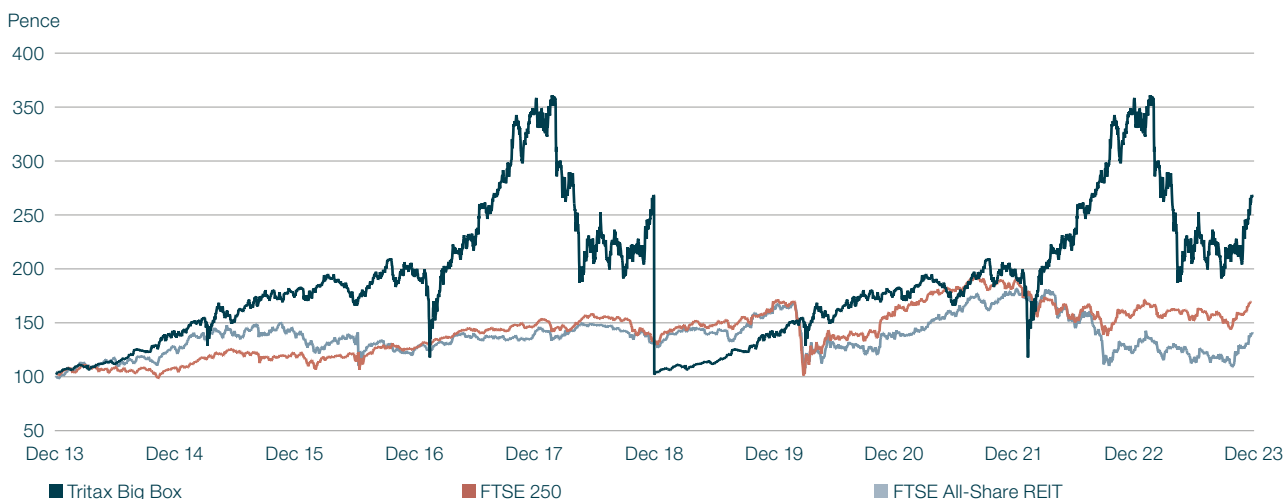
1. Including votes in favour and discretion.



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' shareholdings (audited)

There is no requirement for the Directors of the Company to own shares in the Company. As at 29 February 2024, the Directors and their persons closely associated held the shareholdings listed below.

Director ¹	Number of shares held	Percentage of issued share capital	Dividends received 31 December 2023 £
Aubrey Adams	240,000	0.013%	17,340
Richard Laing	50,000	0.003%	3,613
Alastair Hughes	46,483	0.002%	3,358
Karen Whitworth	30,705	0.002%	2,218
Elizabeth Brown	20,382	0.001%	1,255
Wu Gang	2,600	0.001%	188

1. Includes shareholdings of Directors and persons closely associated (as defined by the UK Market Abuse Regulation).

The shareholdings of these Directors are not significant and, therefore, do not compromise their independence.

Relative importance on spend on pay (audited)

Director	2023 £m	2022 £m	Change %
Directors' remuneration	0.5	0.5	0%
Investment management fees	22.0	26.0	-15%
Dividends paid to Shareholders	135.6	129.4	5%

Other items

The Company maintains Directors' and Officers' liability insurance cover, at its expense, on the Directors' behalf.

As the Company does not have any employees, the Company is not required to produce pay ratio tables.

Aubrey Adams OBE, FCA, FRICS

Independent Chairman

29 February 2024



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 2023.

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 78 and 79
S172	Page 32
Business relationships	Pages 1 to 74
Directors' interest in shares	Page 111
Future developments of the Company	Pages 24 to 27
Financial instruments	Note 4.3 on page 129
Corporate Governance Statement	Pages 76 to 85
Going Concern and Viability	Page 74
Disclosure of information to Auditor	Page 113
Share capital	Page 112
TCFD	Pages 62 to 72
SECR reporting	Page 73

Incorporation by reference

The Corporate Governance Report (pages 76 to 114 of this Annual Report and Accounts for the year ended 31 December 2023) 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 122.

The following interim dividends amounting to, in aggregate, 7.30 pence per share were declared in respect of the year ended 31 December 2023:

On 4 May 2023, we declared an interim dividend in respect of the period from 1 January 2023 to 31 March 2023 of 1.75 pence per Ordinary Share, paid on 1 June 2023 to Shareholders on the register on 12 May 2023.

On 3 August 2023, we declared an interim dividend in respect of the period from 1 April 2023 to 30 June 2023 of 1.75 pence per Ordinary Share, paid on 31 August 2023 to Shareholders on the register on 11 August 2023.

On 20 October 2023, we declared an interim dividend in respect of the period from 1 July 2023 to 30 September 2023 of 1.75 pence per Ordinary Share, paid on 17 November 2023 to Shareholders on the register on 3 November 2023.

A fourth interim dividend in respect of the three months ended 31 December 2023 of 2.05 pence per share, was approved for declaration on 1 March 2024, payable on 2 April 2024.

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 14 August 2023, the Company issued 34,911,333 new Ordinary Shares in the Company at an issue price of £1.4200 per share.

The 34,911,333 new Ordinary Shares were issued to certain members of the original Tritax Symmetry Holdings Limited management team as part of the settlement of their incentive arrangements agreed at the time of the acquisition of Tritax Symmetry Holdings Limited. Following the issue of the new Ordinary Shares on 14 August 2023, the share capital of Company consisted of 1,903,738,325.

As at the date of the report no further issues of new shares were undertaken during the year. As at 31 December 2023, there were 1,903,738,325 Ordinary Shares in issue.

Ordinary Shares	Number	Gross proceeds £
Balance at the start of the year	1,868,826,992	N/A
Shares issued on 14 August 2023	34,911,333	N/A
Balance at end of the year	1,903,738,325	

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 7 February 2024, 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 7 February 2024, the issued share capital remained the same as at 31 December 2023 with 1,903,738,325 Ordinary Shares in issue.

Shareholder name	Holding as at 7 February 2024	%
BlackRock	169,406,269	8.90
Aviva Investors	114,314,764	6.00
Vanguard Group	99,013,010	5.20
Legal & General Investment Management	77,133,438	4.05
SSGA	59,594,825	3.13
RBC Brewin Dolphin, stockbrokers	58,654,355	3.08
Cohen & Steers	59,133,605	3.11

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 3 May 2023, 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 £12,458,846. Of those Ordinary Shares, the Directors were granted authority to issue up to an aggregate nominal amount of £934,413 (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 £934,413 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 4 May 2022.

These authorities expire at the next AGM in Q2 2024 to be held on 1 May 2024.

Authority to Purchase Own Shares

At the 2023 AGM Shareholders authorised the Company to make market purchases of its own shares. The Company has not yet exercised this authority to date.

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 96 to 99.

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 35 on page 149 to the consolidated financial statements.

Independent Auditor

BDO LLP has expressed its willingness to continue as Auditor for the financial year ending 31 December 2024.

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 106 to 108.

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 11 on page 133.

Annual General Meeting

It is planned for the Company's AGM to be held at the offices of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW, on 1 May 2024.

This report was approved by the Board on 29 February 2024.

Tritax Management LLP

Company Secretary
29 February 2024



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; and
- 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, is 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

Independent Chairman

29 February 2024



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 2023 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 United Kingdom Generally Accepted Accounting Practice; 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 2023, which comprise the Group Statement of Comprehensive income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Cash Flow Statement, the Company Statement of Financial Position, the Company Statement of Changes in Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the 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 applicable law and United Kingdom Accounting standards, including 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

Following the recommendation of the Audit Committee, we were appointed by the Directors in November 2013 to audit the financial statements for the year ended 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 10 years, covering the years ended 31 December 2014 to 31 December 2023. 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 the Parent 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 the Directors' identification of the inherent risks to the Group's business and how these might impact the Group and the Parent Company's ability to remain a going concern for the going concern period, being the period to 31 March 2025, which is at least 12 months from when the financial statements are authorised for issue;
- obtaining an understanding of the Directors' process for assessing going concern including an understanding of the key assumptions used;
- obtaining the Directors' going concern assessment and:
 - assessing the Group's forecasts cash flows with reference to historical 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 historical performance and corroboration to contractual agreements where available; and
 - 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 challenging the Directors on the identification of any contradictory information in the forecast cash flows and the resulting impact on the going concern assessment;
- analysing the Directors' 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 Directors' going concern assessment.

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 and the Parent Company's ability to continue as a going concern for a period of at least 12 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	100% (2022: 100%) of Group profit before tax		
	100% (2022: 100%) of Group revenue		
	100% (2022: 100%) of Group total assets		
Key audit matters	Valuation of investment property portfolio, including properties under construction	2023 ✓	2022 ✓
Materiality	Group financial statements as a whole		
	£50m (2022: £51m) based on 1% (2022: 1%) of total assets		

Our 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 were performed by the Group audit team. We identified two significant components, in addition to the Parent Company, for which full scope audits were performed being:

- the investment property component of the Group; and
- the Tritax Symmetry Holdings component of the Group.

There were no non-significant components.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and to adequately disclose climate-related risks within the annual report;
- our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- review of the minutes of Board and Audit Committee meeting and other papers related to climate change to determine if there were any climate related matters affecting the financial statements which we are not already aware of, evaluating the impact of these, if any.
- we challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and in management's judgements and estimates in relation to the investment property valuation.

We also assessed the consistency of management's disclosures included as statutory other information on page 62 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

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
<p>Valuation of investment property portfolio, including properties under construction</p> <p><i>Refer to note 3 on significant accounting judgements, estimates and assumptions, and note 4 on material accounting policy information.</i></p> <p><i>Refer to note 15 in relation to investment property.</i></p> <p>The Group's investment property portfolio comprises:</p> <ul style="list-style-type: none"> • Standing assets: these are existing properties that are currently let or available to let. They are valued using the yield methodology approach in accordance with RICS methodology and IFRS 13 Fair Value Measurement. • Properties under construction: these are properties being built and which have agreed pre-lets with tenants. <p>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 yield methodology approach less estimated costs to completion.</p> <p>The valuation of investment property requires significant judgement and estimates by the Directors, with the assistance of their appointed valuer ("the Valuer") and is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation.</p> <p>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 in the valuation of investment property, therefore impacting the Group's financial statements.</p> <p>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 or financial targets or to meet market expectations.</p> <p>For these reasons we consider the valuation of the investment property portfolio, including properties under construction to be a key audit matter.</p>	<p>We responded to this matter by performing the following procedures:</p> <p>We read the external valuation reports prepared by the Group's Valuer and checked that the approaches used were consistent with the requirements of relevant accounting standards.</p> <p>We assessed the Valuer's competence and capabilities and read their terms of engagement with the Group, to determine if any matter could have affected their independence and objectivity, and if the Directors could have influenced their decisions over the significant judgements and estimates, or imposed scope limitations upon their work.</p> <p>We checked the data provided to the Valuer by the Group to determine whether it was consistent with the information that 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.</p> <p>We engaged our internal valuations experts when discussing with the Valuer to gain an understanding of the valuation methods and assumptions used. With the assistance from our internal valuations experts, we analysed the valuation movements for the properties, and the reasonability of their yields to check if they are in line with the market.</p> <p>We challenged the assumptions utilised by the Valuer within the valuation by benchmarking the valuation to the expectations that we developed using independent data around the year end.</p> <p>We assessed the estimated costs to complete and progress of development for properties under construction by agreeing the total estimated costs of the property to the underlying agreements and relevant supporting documentation. We then verified costs already incurred in the current year to our additions testing (tested on a sample basis), while the total cost incurred in prior years was agreed to the audited numbers in the prior year, with the remainder being costs to complete. The forecasted costs to complete were also agreed to the cost to complete reports produced by the audited entity. We agreed the cost to complete reports to latest invoices where available.</p> <p>We assessed the reasonableness of these forecasts by assessing management's ability to forecast, and we also performed a retrospective review of the accuracy of management's forecast by assessing completed properties, and comparing the estimated total costs for these properties to the actual costs incurred.</p> <p>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.</p> <p>Key observation: Based on our work we consider assumptions adopted by the Directors in the valuation were reasonable and the methodology applied was appropriate.</p>



Independent Auditor's Report continued

To the members of Tritax Big Box REIT plc

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.

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	
	2023 £m	2022 £m	2023 £m	2022 £m
Materiality	50	51	38	36
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 Company.	
Performance materiality	37.50	38.25	28.50	27.00
Basis for determining performance materiality	75% of materiality			
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set based on the low number of components, low value of brought forward adjustments impacting the current year and the expected total value of known and likely misstatements based on past experience.		The level of performance materiality applied was set based on the low value of brought forward adjustments impacting the current year and the expected total value of known and likely misstatements based on past experience.	

Specific materiality

For the Group, we determined that for other account balances and classes of transactions that impact the calculation of European Public Real Estate Association ("EPRA") earnings, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. EPRA earnings excludes the impact of the net surplus on revaluation of investment properties, profit on disposals 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. As a result, we determined materiality for these items to be 5% of ERPA Earnings, being £5.6m (2022: £7.2m based on 5% of ERPA earnings).

For the Parent Company, we determined that for trade and other receivables, trade and other payables, borrowings, expenses, interest income and expenses, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items to be £4.7m, (2022: £6.6m) based on 5% of the Parent Company's profit before tax (2022: 5% of the Parent Company's profit before tax).

We further applied a performance materiality level of 75% for both the Group and Parent Company (2022: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a combination of 1% of the component's total assets and our assessment of the risk of material misstatement of that component. We considered the aggregation risk in setting the component materialities. Component materiality for the components were £19.5m and £49m (2022: £20.1m and £49.7m). In the audit of each component, we further applied performance materiality levels of 75% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences impacting the Group in excess of £1.5m (2022: £1.53m), and for those items impacting the calculation of EPRA earnings, all individual audit differences in excess of £0.28m (2022: £0.36m). Regarding the Parent Company, we agreed that we would report all individual audit differences in excess of £1.14m (2022: £1.08m) and for trade and other receivables, trade and other payables, borrowings, expenses, interest income and expenses, all individual audit differences in excess of £0.27m (2022: £0.34m). We also agreed to report differences below these thresholds 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 to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 74.
- The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate, set out on page 74.

Other Code provisions

- Directors' statement on fair, balanced and understandable, set out on page 114.
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 85.
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 100.
- The section describing the work of the Audit Committee, set out on page 102 to 105.

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 the 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 Directors' responsibilities statement, 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:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be, 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 extent to which non-compliance might have a material effect on the Group financial statements. We also considered the Group's own control environment for monitoring its compliance with laws and regulation, and obtained and reviewed their papers on compliance, in addition to performing our own procedures.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;
- involvement of tax experts in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Irregularities including fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud;
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- involvement of forensic specialists in the audit to review our fraud risk assessment in relation to the environment at the entity and the fraud risk to specific financial statement areas;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, valuation of investment property portfolio, and management override of controls.



Auditor's responsibilities for the audit of the financial statements continued

Our procedures in response to the above included:

Addressing the risk of management override of controls by:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation and evaluating whether there was evidence of bias by management or the Directors that represented a risk of material misstatement due to fraud; and
- assessing significant estimates made by management for bias on key audit matters.

Addressing the risk of intentional misstatement of revenue by:

- setting expectations for the annual revenue to be recognised for the year for each property, comparing it to the actual amounts recognised and investigating variances. We confirmed lease details back to the underlying signed agreements and a sample to receipt of cash (where amounts had been received prior to the year end). We also tested the rent smoothing adjustments to supporting documentation.

Our responses to the valuation of investment property portfolio are set out in the key audit matters section above.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

29 February 2024

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 2023

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Gross rental income	6	222.2	206.2
Service charge income	6	6.2	6.3
Service charge expense	7	(6.3)	(6.5)
Net rental income		222.1	206.0
Gross operating income		—	18.3
Other operating costs		—	(9.0)
Other operating income	6	—	9.3
Administrative and other expenses	8	(28.9)	(32.2)
Operating profit before changes in fair value and other adjustments¹		193.2	183.1
Changes in fair value of investment properties	15	(38.1)	(759.5)
Loss on disposal of investment properties	15	(1.6)	—
Share of profit from joint ventures	17	0.4	0.5
Fair value movements in financial asset	26	(0.1)	—
Impairment of intangible and other property assets		(2.7)	(1.4)
Share-based payment charge	24	(2.9)	(1.9)
Extinguishment of B and C share liabilities	24	(21.1)	—
Changes in fair value of contingent consideration payable	24	(0.4)	1.1
Operating profit/(loss)		126.7	(578.1)
Finance income	10	10.4	1.6
Finance expense	11	(55.3)	(39.4)
Changes in fair value of interest rate derivatives	26	(11.2)	14.9
Profit/(loss) before taxation		70.6	(601.0)
Taxation	12	(0.6)	1.6
Profit/(loss) and total comprehensive income/(expense)		70.0	(599.4)
Earnings per share – basic and diluted	13	3.72p	(32.08)p

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



Group Statement of Financial Position

As at 31 December 2023

	Note	At 31 December 2023 £m	At 31 December 2022 £m
Non-current assets			
Intangible assets		1.1	1.4
Investment property	15	4,843.6	4,847.3
Investment in land options	16	157.4	157.4
Investment in joint ventures	17	24.8	27.2
Financial asset	26	2.3	—
Other property assets		2.3	2.3
Trade and other receivables	20	1.0	2.0
Interest rate derivatives	26	11.1	19.9
Total non-current assets		5,043.6	5,057.5
Current assets			
Trade and other receivables	20	22.0	24.9
Assets held for sale	18	—	25.1
Cash at bank	21	36.4	47.6
Total current assets		58.4	97.6
Total assets		5,102.0	5,155.1
Current liabilities			
Deferred rental income		(38.6)	(34.7)
Trade and other payables	22	(106.9)	(111.2)
Tax liabilities	12	(2.2)	(1.1)
Total current liabilities		(147.7)	(147.0)
Non-current liabilities			
Trade and other payables	22	(1.0)	(2.0)
Bank borrowings	25	(474.7)	(474.8)
Loan notes	25	(1,140.5)	(1,139.1)
Deferred consideration		(4.1)	—
Amounts due to B and C Shareholders	24	—	(42.2)
Total non-current liabilities		(1,620.3)	(1,658.1)
Total liabilities		(1,768.0)	(1,805.1)
Total net assets		3,334.0	3,350.0
Equity			
Share capital	29	19.0	18.7
Share premium reserve	29	49.2	764.3
Capital reduction reserve	29	1,463.9	835.1
Retained earnings	29	1,801.9	1,731.9
Total equity		3,334.0	3,350.0
Net asset value per share – basic and diluted	30	175.13p	179.25p
EPRA Net Tangible Asset per share – basic and diluted	30	177.15p	180.37p

These financial statements were approved by the Board of Directors on 29 February 2024 and signed on its behalf by:

Aubrey Adams OBE, FCA, FRICS
Independent Chairman



Group Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2023		18.7	764.3	835.1	1,731.9	3,350.0
Profit for the year and total comprehensive income		—	—	—	70.0	70.0
		18.7	764.3	835.1	1,801.9	3,420.0
Contributions and distributions:						
Shares issued in relation to extinguishment of share-based payment	29	0.3	49.3	—	—	49.6
Transfer between reserves		—	(764.4)	764.4	—	—
Share-based payments		—	—	—	4.5	4.5
Transfer of share-based payments to liabilities to reflect settlement		—	—	—	(4.5)	(4.5)
Dividends paid	14	—	—	(135.6)	—	(135.6)
31 December 2023		19.0	49.2	1,463.9	1,801.9	3,334.0

	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2022		18.7	762.0	964.5	2,331.3	4,076.5
Profit for the year and total comprehensive income		—	—	—	(599.4)	(599.4)
		18.7	762.0	964.5	1,731.9	3,477.1
Contributions and distributions:						
Shares issued in relation to management contract	29	—	2.3	—	—	2.3
Share-based payments		—	—	—	5.3	5.3
Transfer of share-based payments to liabilities to reflect settlement		—	—	—	(5.3)	(5.3)
Dividends paid	14	—	—	(129.4)	—	(129.4)
31 December 2022		18.7	764.3	835.1	1,731.9	3,350.0



Group Cash Flow Statement

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Cash flows from operating activities			
Profits for the period (attributable to the Shareholders)		70.0	(599.4)
Tax charge/(credit)		0.6	(1.6)
Changes in fair value of contingent consideration payable		0.4	(1.1)
Finance expense		55.3	39.4
Changes in fair value of interest rate derivatives		11.2	(14.9)
Share-based payment charges		2.9	1.9
Extinguishment of B and C share liabilities		21.1	—
Impairment of intangible and other property assets		2.7	1.4
Amortisation of other property assets		—	1.7
Share of profit from joint ventures		(0.4)	(0.5)
Loss on disposal of investment properties		1.6	—
Changes in fair value of investment properties		38.1	759.5
Finance income		(10.4)	(1.6)
Accretion of tenant lease incentive	6	(16.2)	(11.1)
Decrease in trade and other receivables		3.5	12.1
Increase/(decrease) in deferred income		3.9	(3.9)
Decrease/(increase) in trade and other payables		0.6	(2.9)
Cash generated from operations		184.9	179.0
Taxation credit/(charge)	12	0.4	(1.6)
Net cash flow generated from operating activities		185.3	177.4
Investing activities			
Additions to investment properties		(308.9)	(286.8)
Additions to land options		(16.8)	(13.1)
Purchase of equity investment		(66.6)	—
Purchase of financial asset		(2.4)	—
Additions to joint ventures		(0.3)	(2.8)
Net proceeds from disposal of investment properties		326.8	—
Interest received		0.2	0.1
Dividends received from joint ventures		0.8	0.5
Net cash flow used in investing activities		(67.2)	(302.1)
Financing activities			
Proceeds from issue of Ordinary Share capital		49.6	2.3
Bank borrowings drawn	25	409.0	319.0
Bank and other borrowings repaid	25	(407.0)	(52.0)
Interest derivatives received	10	9.9	1.5
Loan arrangement fees paid		(5.1)	(1.4)
Bank interest paid		(47.9)	(35.8)
Interest cap premium paid		(2.4)	(3.2)
Dividends paid to equity holders		(135.3)	(129.2)
Net cash flow generated from financing activities		(129.2)	101.2
Net increase in cash and cash equivalents for the year		(11.2)	(23.5)
Cash and cash equivalents at start of year	21	47.4	70.9
Cash and cash equivalents at end of year	21	36.2	47.4



Notes to the Consolidated Accounts

1. Corporate information

The consolidated financial statements of the Group for the year ended 31 December 2023 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 1 March 2024. 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 2022.

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, 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 uncertain macroeconomic backdrop present throughout the course of the year, 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 the future performance of the Group, taking into account any relevant information, 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, and assumptions made around upcoming lease expiries. 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 across the business and future interest rate movements.

The Group has a strong track record with regards to rent collection and has continued to receive 100% of all rent falling due in respect of 2023. The Directors have also considered the arrears position in light of IFRS 9, expected credit loss model; see note 20 for further details.

As at 31 December 2023, the Group had an aggregate £531 million of undrawn commitments under its senior debt facilities, as well as £36.2 million of cash held at bank, of which £128.1 million was committed under various development contracts as well as exchanging on an asset purchase for £47.7million. The Group’s loan to value ratio stood at 31.6%, with the debt portfolio having an average maturity term of approximately 5.2 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% and interest cover covenants at 1.5 times 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 2023, property values would have to fall by more than 45% 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 2025.

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, drawing down of land, managing the building of an asset and arranging for lease completion. Certain performance obligations, such as achieving a pre-let or letting and the drawing down of land, 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 corresponding 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 were 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 50% of Adjusted NAV. The Directors have therefore concluded that the unconditional amount payable to the B and C Shareholders, being 50% 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 was, until the point of extinguishment, 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 had put options in place at various points in time over an eight-year period to February 2027, along with a put and call option at February 2027. The B and C Shares were 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 were to be settled 25% was assumed 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 were based on the Adjusted NAV of the underlying business of Tritax Symmetry Limited. The Directors endeavoured 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 was 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.

During the year, early settlement of the B and C Shares was agreed. The B and C Non-Hurdle Shares were acquired for total consideration of £65 million. In addition, the C Hurdle Shares were acquired for £1.6 million. The consideration of cash and newly issued shares.

Following the settlement, the full quota of B and C Shares (equivalent to the 13% equity interest) will be fully extinguished, and the Group will own 100% of TSHL. As a result of the settlement, an accelerated charge is chargeable to the Group Statement of Comprehensive income.



Notes to the Consolidated Accounts continued

3. Significant accounting judgements, estimates and assumptions continued

3.2. Estimates

Fair valuation of investment property

The market value of investment property is determined by an independent property valuation expert (see note 15) 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 15.

4. Material accounting policies

4.1. Segmental information

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in UK logistics 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.

4.2. 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 4.11.1.

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 and 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. Material accounting policies continued

4.3. 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.

4.3.1. 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-the-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. It also comprises of non-controlling minority interest equity investments; the Group has voluntarily classified these assets to be held at fair value through profit and 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.

4.3.2. 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.

Debt modification

Debt modifications are subject to a qualitative and quantitative test to determine if a substantial modification has occurred. The outcome of the tests will determine if the modification should be treated as a substantial modification under extinguishment accounting or an adjustment to the existing liability under modification accounting.



Notes to the Consolidated Accounts continued

4. Material accounting policies continued

4.4. 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.

4.5. 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.

4.6. Intangible assets

As a result of the acquisition of Tritax Symmetry, 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.

4.7. 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.

4.8. 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. Material accounting policies continued

4.9. 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.

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.

4.10. Share-based payments

The Company 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 had a present obligation to settle the amounts in cash, either through its stated intention or past practice, the Company accounted for the amounts as cash settled share-based payments. The fair value of the cash settled obligation was recognised over the vesting period and presented as a liability in the Group Statement of Financial Position. The liability was remeasured at each reporting date with the charge to the profit or loss updated over the vesting period.

4.11. Property income

4.11.1. 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.

4.11.2. 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.

4.12. 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. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.



Notes to the Consolidated Accounts continued

5. New standards issued

5.1. New standard issued and effective from 1 January 2023

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

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 2024 and are to be applied retrospectively. The amendments are not expected to 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 2023 £m	Year ended 31 December 2022 £m
Rental income – freehold property	175.3	162.3
Rental income – long leasehold property	30.5	32.6
Spreading of tenant incentives and guaranteed rental uplifts	16.2	11.1
Other income	0.2	0.2
Gross rental income	222.2	206.2
Property insurance recoverable	4.5	4.2
Service charges recoverable	1.7	2.1
Total property insurance and service charge income	6.2	6.3
Total property income	228.4	212.5

There was one individual tenant representing more than 10% of gross rental income, constituting £32.6 million of rental income in 2023 (2022: £32.2 million).

There was £nil of other operating income recognised during the year. Included in the prior year other operating income of £9.3 million, was a charge of £1.7 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 2023 £m	Year ended 31 December 2022 £m
Property insurance expense	4.6	4.3
Service charge expense	1.7	2.2
Total property expenses	6.3	6.5



8. Administrative and other expenses

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Investment management fees	22.0	26.0
Directors' remuneration (note 9)	0.5	0.5
Auditor's fees:		
Fees payable for the audit of the Company's annual accounts	0.4	0.4
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	0.6
Development management fees	1.0	1.0
Corporate administration fees	0.6	0.5
Regulatory fees	0.2	0.1
Legal and professional fees	1.6	1.9
Marketing and promotional fees	0.6	0.5
Other costs	1.8	1.1
Total administrative and other expenses	28.9	32.2

9. Directors' remuneration

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Directors' fees	0.4	0.4
Employer's National Insurance	0.1	0.1
	0.5	0.5

10. Finance income

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Interest received on bank deposits	0.2	0.1
Interest received on swaps and other derivatives	10.2	1.5
	10.4	1.6

11. Finance expense

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Interest payable on bank borrowings	23.7	9.3
Interest payable on loan notes	29.7	29.8
Commitment fees payable on bank borrowings	2.0	1.7
Swap interest payable	—	0.1
Unwinding of deferred consideration	0.1	—
Amortisation of loan arrangement fees	4.4	3.2
	59.9	44.1
Borrowing costs capitalised against development properties	(4.6)	(4.7)
	55.3	39.4

The rate at which interest is capitalised rate is the Group's weighted average cost of debt as detailed in note 25.



Notes to the Consolidated Accounts continued

12. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Tax (charge)/credit	(0.6)	1.6

The UK corporation tax rate for the financial year is 19% to 5 April 2023 and 25% from 6 April 2023. Accordingly, a blended rate of 23.5% has been applied in the measurement of the Group's tax liability at 31 December 2023.

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 2023 £m	Year ended 31 December 2022 £m
Profit/(loss) on ordinary activities before taxation	70.6	(601.0)
Theoretical tax at UK corporation tax rate of 23.5% (31 December 2022: 19.0%)	16.6	(114.2)
REIT exempt income	(37.3)	(25.0)
Non-taxable items	15.6	141.5
Residual losses	5.7	(3.9)
Total tax charge/(credit)	0.6	(1.6)

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 £2.2 million (2022: £1.1 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.

A deferred tax asset is not recognised for UK revenue losses or capital losses where their future utilisation is uncertain. At 31 December 2023, the total of such losses was £41.0 million (2022: £34.1 million) and the potential tax effect of these was £10.3 million (2022: £8.5 million).



13. 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. . In the prior year there was a dilutive instruments outstanding and therefore basic and diluted earnings per share are shown below.

The dilutive shares to be issued in respect of the B and C Shares is only applicable to 2022 following their settlement in 2023. The Directors had indicated an intention to settle these 100% in cash. The calculation of basic and diluted earnings per share is based on the following:

	Net profit/(loss) attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares ¹ '000	Earnings per share pence
For the year ended 31 December 2023			
Basic EPS	70.0	1,881,931	3.72p
Diluted EPS	70.0	1,881,931	3.72p
Adjustments to remove:			
Changes in fair value of investment property	38.1		
Changes in fair value of interest rate derivatives	11.2		
Finance income received on interest rate derivatives ³	(10.2)		
Share of profit from joint ventures	(0.4)		
Loss on disposal of investment properties	1.6		
Share of profit from joint ventures	2.3		
Changes in fair value of financial asset	0.1		
Impairment of intangible contract and other property assets	0.4		
EPRA EPS and EPRA diluted EPS²	113.1	1,881,931	6.01p
Adjustments to include:			
Share-based payment charge	2.9		
Fair value movement in contingent consideration	0.4		
Extinguishment of B & C share liabilities ⁴	21.1		
Fixed rental uplift adjustments	(6.2)		
Amortisation of loan arrangement fees and intangibles (see note 11)	4.4		
Finance income received on interest rate derivatives ³	10.2		
Adjusted EPS and adjusted diluted EPS²	145.9	1,881,931	7.75p

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.

3. Prior to 2023 there was minimal impact on earnings from Group’s interest rate hedges. However, due to the change of interest rates in the current year this resulted in a large receipt from these hedging instruments. In accordance with the EPRA guidance it has been taken out of EPRA earnings however it has been added back into adjusted earnings as this gives a better reflection of the Group’s net interest expense which is supported by cashflows.

4. This is a once-off charge in the current year relating to the B&C settlement (please refer to note 24 for further details).



Notes to the Consolidated Accounts continued

13. Earnings per share continued

For the year ended 31 December 2022	Net (loss)/profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares ¹ '000	Earnings per share pence
Basic EPS	(599.4)	1,868,638	(32.08)
Diluted EPS	(599.4)	1,868,638	(32.08)
Adjustments to remove:			
Changes in fair value of investment property	759.5		
Changes in fair value of interest rate derivatives	(14.9)		
Amortisation of other property assets	1.7		
Share of profit from joint ventures	(0.5)		
Impairment of intangible contract and other property assets	1.5		
EPRA EPS	147.9	1,868,638	7.92
Dilutive shared based payment charge	(2.0)		
Fair value movement in contingent consideration	(1.1)	14,040	
Dilutive shares in respect of B and C Shareholders	—	8,775	
EPRA diluted EPS²	144.8	1,891,453	7.66
Adjustments to include:			
Share based-payment charge	2.0		
Fair value movement in contingent consideration	1.1		
Fixed rental uplift adjustments	(6.1)		
Share-based payments charge	1.9		
Changes in fair value of contingent consideration payable	(1.1)		
Amortisation of loan arrangement fees and intangibles (see note 11)	3.0		
Adjusted EPS	145.6	1,868,638	7.79
Dilutive shared-based payment charge	(2.0)		
Fair value movement in contingent consideration	(1.1)	14,040	
Dilutive shares in respect of B and C Shareholders	—	8,775	
Adjusted diluted EPS²	142.5	1,891,453	7.54

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.

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 EPRA and Adjusted EPS only at 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, amortisation of loan arrangement fees and also for one-off items such as the early extinguishment of the liability to the B&C shareholders. EPRA guidance requires the removal of cash received from interest rate hedges, but it has been added back into adjusted earnings as this gives a better reflection of the Group's net interest expense which is supported by cashflows.

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 fully 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 a B and C Share equity holding in Tritax Symmetry Limited. It is therefore removed from Adjusted earnings.



14. Dividends paid

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Fourth interim dividend in respect of period ended 31 December 2022 at 1.975 pence per Ordinary Share (fourth interim for 31 December 2021 at 1.900 pence per Ordinary Share)	36.9	35.5
First interim dividend in respect of year ended 31 December 2023 at 1.750 pence per Ordinary Share (31 December 2022: 1.675 pence)	32.7	31.3
Second interim dividend in respect of year ended 31 December 2023 at 1.750 pence per Ordinary Share (31 December 2022: 1.675 pence)	32.7	31.3
Third interim dividend in respect of year ended 31 December 2023 at 1.750 pence per Ordinary Share (31 December 2022: 1.675 pence)	33.3	31.3
Total dividends paid	135.6	129.4
Total dividends paid for the year (per share)	5.250p	5.025p
Total dividends unpaid but declared for the year (per share)	2.050p	1.975p
Total dividends declared for the year (per share)	7.300p	7.000p

On 29 February 2024, the Company approved the fourth interim dividend for declaration in respect of the year ended 31 December 2023 of 2.05 pence per share payable on 2 April 2024. The total dividends declared for the year of 7.30 pence are all property income distribution ("PID").

15. Investment property

In accordance with IAS 40, investment property is stated at fair value as at 31 December 2023. 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 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 a range of factors including the macro-economic environment, availability of debt finance and physical and transition risks relating to climate change.

The valuers of the Group's property portfolio have a working knowledge of the various ways that sustainability and Environmental, Social and Governance factors can impact value and have considered these, and how market participants are reflecting these in their pricing, in arriving at their Opinion of Value and resulting valuations as at the balance sheet date. Currently assets with the highest standards of ESG are commanding higher rental levels, have lower future capital expenditure requirements, and are transacting at lower yields.

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

All corporate acquisitions during the year and prior 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 2023	3,811.2	637.2	398.9	4,847.3
Property additions	109.1	0.1	195.8	305.0
Fixed rental uplift and tenant lease incentives ¹	20.3	0.7	—	21.0
Disposals	(256.2)	(52.2)	—	(308.4)
Transfer of completed property to investment property	357.2	—	(357.2)	—
Transfer from land options	—	—	16.8	16.8
Change in fair value during the year	(37.3)	(4.9)	4.1	(38.1)
As at 31 December 2023	4,004.3	580.9	258.4	4,843.6



Notes to the Consolidated Accounts continued

15. Investment property continued

	Investment property freehold £m	Investment property long leasehold £m	Investment property under construction £m	Total £m
As at 1 January 2022	4,208.7	812.5	227.9	5,249.1
Property additions	4.9	0.1	366.7	371.7
Fixed rental uplift and tenant lease incentives ¹	10.4	0.7	—	11.1
Assets transferred to held for sale	—	—	(25.1)	(25.1)
Transfer of completed property to investment property	200.4	—	(200.4)	—
Change in fair value during the year	(613.2)	(176.1)	29.8	(759.5)
As at 31 December 2022	3,811.2	637.2	398.9	4,847.3

1. Included within the carrying value of investment property is £86.8 million (2022: £70.6 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 changes the carrying value of the property against which revaluations are measured. Also see note 6.

	31 December 2023 £m	31 December 2022 £m
Investment property at fair value per Group Statement of Financial Position	4,843.6	4,847.3
Assets held for sale at fair value	—	25.1
Total investment property valuation	4,843.6	4,872.4

The Group has other capital commitments which represent commitments made in respect of direct construction, asset management initiatives and development land. The Group had also exchange to purchase an investment asset at year end (refer to note 34).

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.

Fees payable under the DMA totalling £nil million (2022: £2.3 million) 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, 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.



15. Investment property continued

Valuation techniques continued

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.

31 December 2023	Unobservable Inputs			
	ERV range £ psf	ERV average £ psf	Net Initial Yield range %	Net Initial Yield average %
South East	5.46 – 16.81	10.2	3.86 – 5.82	4.77
South West	6.50 – 6.50	6.5	4.75 – 4.75	4.75
East Midlands	6.39 – 11.25	7.9	3.75 – 5.82	4.72
West Midlands	6.82 – 9.96	8.1	3.27 – 6.00	4.54
Yorkshire and the Humber	6.20 – 8.00	7.0	4.32 – 6.00	4.96
North East	3.91 – 4.25	4.1	4.75 – 4.83	4.79
North West	5.00 – 11.25	7.9	4.23 – 5.75	4.90

31 December 2022	Unobservable Inputs			
	ERV range £ psf	ERV average £ psf	Net Initial Yield range %	Net Initial Yield average %
South East	5.46 – 15.12	10.2	3.65 – 5.66	4.55
South West	6.50 – 7.00	6.8	4.00 – 4.85	4.43
East Midlands	5.75 – 11.25	7.3	3.60 – 5.82	4.52
West Midlands	6.33 – 8.54	7.1	4.10 – 6.00	4.78
Yorkshire and the Humber	5.96 – 7.25	6.6	4.30 – 5.25	4.68
North East	3.91 – 4.25	4.1	4.63 – 4.80	4.72
North West	4.95 – 11.25	7.0	4.05 – 6.31	4.84

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% Net Initial Yield £m	-0.25% Net Initial Yield £m
(Decrease)/increase in the fair value of investment properties as at 31 December 2023	(229.3)	229.3	(238.2)	265.9
(Decrease)/increase in the fair value of investment properties as at 31 December 2022	(226.7)	226.7	(243.6)	273.0

The above includes data from the standing portfolio and does not include data from investment properties under construction. No reasonable change in unobservable input in relation to Investment properties under construction would have a material impact on the carrying value of investment properties.

16. Investment in land options

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Opening balance	157.4	201.5
Costs capitalised in the year	16.8	13.0
Transferred to investment property	(16.8)	(57.1)
Closing balance	157.4	157.4

The average maturity date across land options held is approximately eight years (2022: eight years) term remaining. Fees payable under the DMA totalling £5.9 million (2022: £3.4 million) have been capitalised in the year, being directly attributable to the ongoing development projects.



Notes to the Consolidated Accounts continued

17. Investment in joint ventures

As at 31 December 2023 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 2023:

	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.

	31 December 2023		31 December 2022	
	Total 100% £m	Group's share £m	Total 100% £m	Group's share £m
Net investment				
As at 1 January 2023	54.4	27.2	51.2	25.6
Total comprehensive income	0.8	0.4	1.0	0.5
Impairment of JV asset	(4.6)	(2.3)	(2.4)	(1.2)
Capital repaid	(1.6)	(0.8)	(1.0)	(0.5)
Cash contributed	0.6	0.3	5.6	2.8
As at 31 December 2023	49.6	24.8	54.4	27.2

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

	31 December 2023		31 December 2022	
	Total 100% £m	Group's share £m	Total 100% £m	Group's share £m
Year ended 31 December 2023				
Net income	0.8	0.4	1.0	0.5
Administrative expenses	—	—	—	—
Profit before taxation	0.8	0.4	1.0	0.5
Taxation	—	—	—	—
Total comprehensive profit	0.8	0.4	1.0	0.5

Statement of Financial Position

	31 December 2023		31 December 2022	
	Total 100% £m	Group's share £m	Total 100% £m	Group's share £m
As at 31 December 2023				
Investment property	4.8	2.4	4.8	2.4
Options to acquire land	43.2	21.6	52.8	26.4
Non-current assets	48.0	24.0	57.6	28.8
Other receivables	—	—	0.4	0.2
Cash	1.9	1.0	0.2	0.1
Current assets	1.9	1.0	0.6	0.3
Trade and other payables	(0.3)	(0.2)	(3.8)	(1.9)
Current liabilities	(0.3)	(0.2)	(3.8)	(1.9)
Net Assets	49.6	24.8	54.4	27.2

18. Assets held for sale

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Assets held for sale	—	25.1

Assets held for sale in the prior year related to investment property for which there was Board approval to dispose of at the year-end date and the intention is to dispose of these assets within 12 months. These assets were disposed of on 18 January 2023. There are no assets currently held for sale at 31 December 2023.



19. 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 statements in note 5.

20. Trade and other receivables

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Non-current trade and other receivables		
Cash in public institutions	1.0	2.0

The cash in public institutions is a deposit of £1.0 million paid by certain tenants to the Company, as part of their lease agreements.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Trade receivables	9.4	16.4
Prepayments, accrued income and other receivables	7.4	2.9
VAT	5.2	5.6
	22.0	24.9

The carrying value of trade and other receivables classified at amortised cost approximates fair value. The decrease in trade receivables in the period was due to a decrease in receivables relating to DMA projects.

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 2023 was £0.3 million (31 December 2022: £0.3 million). No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

21. Cash held at bank

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Cash and cash equivalents to agree with cash flow	36.2	47.4
Restricted cash	0.2	0.2
	36.4	47.6

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 £36.2 million (2022: £47.4 million) as at the year end, which excludes long-term restricted and ring-fenced cash deposits totalling £0.2 million (2022: £0.2 million). Total cash held at bank as reported in the Group Statement of Financial Position is £36.4 million (2022: £47.6 million).

22. Trade and other payables

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Non-current trade and other payables		
Other payables	1.0	2.0
	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Trade and other payables	57.4	75.0
Bank loan interest payable	9.3	6.5
Deferred consideration	4.8	—
Accruals	35.4	29.7
	106.9	111.2

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.



Notes to the Consolidated Accounts continued

23. 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 were 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 was as a result of certain vesting conditions attached to the B and C Shares over the first five years of the contract (see note 24 below).

A non-controlling interest was not 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.

In August 2023, the Group completed the early buy-back of the 13% non-controlling interest in Tritax Symmetry. The Group paid £66.6 million for this interest, via a combination of cash and shares, thus settling the B and C liability which was carried on the Statement of Financial Position at £45.5 million, therefore incurring an accelerated early extinguishment charge of £21.1 million (see note 24 below).

The early buyback of the 13% non-controlling interest means that the full future value created within the Symmetry portfolio will now accrue to the Group.

24. 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:

	Contingent consideration £m	Share-based payment £m	Extinguishment £m	Fair value £m
31 December 2023				
Opening balance	25.6	16.6	—	42.2
Fair value movement recognised	0.4	—	—	0.4
Share-based payment charge	—	2.9	—	2.9
Extinguishment of B and C share liabilities	—	—	21.1	21.1
Settlement of liabilities	(26.0)	(19.5)	(21.1)	(66.6)
Closing balance	—	—	—	—
31 December 2022				
Opening balance	26.7	14.7	—	41.4
Fair value movement recognised	(1.1)	—	—	(1.1)
Share-based payment charge	—	1.9	—	1.9
Closing balance	25.6	16.6	—	42.2

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 vested 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 was 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 and 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.



24. Amounts due to B and C Shareholders continued

2. Share-based payment continued

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 2023, £2.9 million (2022: £1.9 million) was charged in the Group profit or loss for the share-based payment.

3. Extinguishment of B and C Shares

In August 2023, the Group completed the acquisition of the 13% Symmetry Management Shareholders' equity interest in Tritax Symmetry Holdings Limited "TSHL", which formed part of the contingent consideration following its acquisition in February 2019.

The B and C Non-Hurdle Shares in TSHL, were acquired for a total consideration of £65.0 million, and were settled through a combination of cash and the issue of new Ordinary Shares in the Company, upon which meant the founding Directors (excluding Andrew Dickman) fully stepped away from the business.

In conjunction, the Group also purchased the remaining C Hurdle Shares in TSHL, awarded under the previous arrangements, valued at £1.6 million as at 30 June 2023, also for a combination of cash and the issue of new Ordinary Shares.

The total consideration paid was £66.6 million. Subsequently £49.6 million was invested into 34.9 million new Ordinary Shares issued at a price of 142 pence per share.

Under the previous arrangement, the Company had an ability to buyback the remaining B and C Shares post December 2026, therefore this, was in part, an acceleration of the charge to EPRA NTA that would have been expected to be charged during the period June 2023 to December 2026.

Following the acquisition, the full quota of B and C Shares (equivalent to the 13% equity interest) were extinguished and the Company now owns 100% of TSHL and the full economic rights to all future value created from the Symmetry development portfolio. The B and C Share liability recognised within the Statement of Financial Position, as at 30 June 2023, was £45.1 million and therefore a resultant early extinguishment charge has been recognised in the Statement of Comprehensive Income of £21.1 million during the year.

The charge expected to EPRA NTA resulting from the early settlement, including the issue of the new Ordinary Shares amounts to approximately 1.8 pence, or 1.0% of EPRA NTA.

25. Borrowings

The Group has a £300 million unsecured revolving credit facility ("RCF") with a syndicate of relationship lenders formed of large multi-national banks which terminates on 14 June 2026.

In October 2023, the Group agreed a new £500 million revolving credit facility ("New RCF") which terminates on 12 October 2028. The new RCF is available for general corporate purposes and was used to refinance the Group's previous £450 million revolving credit facility.

The new RCF may be extended to a maximum seven-year term, subject to the lender's consent. The new RCF also contains an uncommitted £200 million accordion option. The new RCF incorporates four sustainability linked performance KPIs which align with our updated ESG targets and sustainability strategy.

As the £450 million RCF facility was discharged and new RCF was opened with new lenders and different terms the change was not deemed to be a modification under IFRS 9, but rather an extinguishment of the old facility and the recognition of a new facility at fair value.

The Group, as per the Group's Green Finance Framework, 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 in 2021 that detailed the allocation of net proceeds of Green Finance Transactions and associated impact metrics during the year.

As at 31 December 2023, 61% (2022: 62%) of the Group's debt facility commitments are fixed term, with 39% floating term (2022: 38%). When including interest rate hedging the Group has fixed term or hedged facilities totalling 96% of drawn debt (see note 26).

As at 31 December 2023, the weighted average cost of debt was 2.93% (2022: 2.57%). As at the same date the Group had undrawn debt commitments of £531.0 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) was phased out from the end of 2021 and has been 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 prior year, the Company transitioned all of its borrowings subject to a variable rate of interest from LIBOR to SONIA. 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.



Notes to the Consolidated Accounts continued

25. Borrowings continued

From 1 January 2022, all borrowings under these agreements attract an interest rate of the borrowing margin, plus SONIA, plus a credit adjustment spread equal to 11.93 bps. The only exception is the interest on the new £500 million RCF is calculated at a rate of the borrowing margin plus SONIA. 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 2023	479.9	483.0	962.9
Bank borrowings drawn in the year under existing facilities	215.0	(215.0)	—
Bank borrowings repaid in the year under existing facilities	(260.0)	260.0	—
Cancellation of bank borrowing facility	(147.0)	(303.0)	(450.0)
New bank borrowing facility	194.0	306.0	500.0
As at 31 December 2023	481.9	531.0	1,012.9

	Bank borrowings drawn £m	Bank borrowings undrawn £m	Total £m
As at 1 January 2022	212.9	550.0	762.9
Bank borrowings drawn in the year under existing facilities	319.0	(319.0)	—
Bank borrowings repaid in the year under existing facilities	(52.0)	52.0	—
Extension of existing facilities	—	200.0	200.0
As at 31 December 2022	479.9	483.0	962.9

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 2023 £m	31 December 2022 £m
Bank borrowings drawn: due in more than one year	481.9	479.9
Less: unamortised costs on bank borrowings	(7.2)	(5.1)
	474.7	474.8

Loan notes

	31 December 2023 £m	31 December 2022 £m
Bonds		
2.625% Bonds 2026	249.7	249.6
3.125% Bonds 2031	248.0	247.8
2.860% USPP 2028	250.0	250.0
2.980% USPP 2030	150.0	150.0
1.500% Green Bonds 2033	247.1	246.7
Less: unamortised costs on loan notes	(4.3)	(5.0)
	1,140.5	1,139.1

The weighted average term to maturity of the Group's debt as at the year end is 5.2 years (31 December 2022: 5.4 years).

Maturity of borrowings

	31 December 2023 £m	31 December 2022 £m
Repayable between one and two years	—	164.0
Repayable between two and five years	909.9	443.0
Repayable in over five years	722.0	1,022.9
	1,631.9	1,629.9

26. Financial instruments and fair values

26.1. Financial assets

	31 December 2023 £m	31 December 2022 £m
Non-current assets: financial asset	2.3	—

26. Financial instruments and fair values continued

26.1. Financial assets continued

On 31 March 2023, the Group purchased a 4% interest after the disposal of certain investment properties. The asset is valued using Level 2 observable inputs.

	31 December 2023 £m	31 December 2022 £m
Financial asset valuation brought forward	—	—
Additions	2.4	—
Changes in fair value of financial asset	(0.1)	—
	2.3	—

26.2 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 compounded SONIA can rise. These run 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 2.43% (2022: 1.19%), which effectively caps the level to which SONIA can rise to £249.3 million (2022: £299.3 million) of notional hedged debt, therefore limiting any effect on the Group of an interest rate rise across this notional amount. The interest rate derivatives mean that 96% of the Group's drawn borrowings at the year end have an all-inclusive interest rate payable of 2.93% (2022: 2.57%). The total premium payable in the year towards securing the interest rate caps was £2.4 million (2022: £3.2 million).

It is the Group's target to hedge at least 90% of the total drawn 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 95.7%, as shown below:

	31 December 2023 £m	31 December 2022 £m
Non-current assets: financial asset	11.1	19.9

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 2023 £m	31 December 2022 £m
Interest rate derivative valuation brought forward	19.9	1.8
Premium paid	2.4	3.2
Changes in fair value of interest rate derivatives	(11.2)	14.9
	11.1	19.9

	31 December 2023 Drawn £m	31 December 2022 Drawn £m
Total borrowings drawn (note 25)	1,631.9	1,629.9
Notional value of effective interest rate derivatives and fixed-rates loans	1,561.4	1,612.9
Proportion of hedged debt	95.7%	99.0%

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.

27. 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:



Notes to the Consolidated Accounts continued

27. Financial risk management continued

Financial instruments continued

	Book value 31 December 2023 £m	Fair value 31 December 2023 £m	Book value 31 December 2022 £m	Fair value 31 December 2022 £m
Financial assets				
Interest rate derivatives	11.1	11.1	19.9	19.9
Trade and other receivables ¹	9.4	9.4	17.2	17.2
Cash held at bank	36.4	36.4	47.6	47.6
Financial liabilities				
Trade and other payables ²	90.1	90.1	87.3	87.3
Amounts due to B and C Shareholders	—	—	42.2	42.2
Borrowings	1,626.7	1,485.3	1,624.0	1,402.8

1. Excludes certain VAT, prepayments and other debtors.

2. Excludes tax and VAT liabilities.

Financial assets, 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 £m	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m
Borrowings	31 December 2023	1,165.4	1,012.1	153.3	—
Borrowings	31 December 2022	1,084.9	941.1	143.8	—

The Group has two fixed-rate loans totalling £162.0 million, provided by PGIM (£90.0 million) and Canada Life (£72.0 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 £1,012.1 million (2022: £941.1 million) and the financial liabilities at Level 2 fair value measure were £153.3 million (2022: £143.8 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.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Group that are affected by market risk are principally the Group's cash balances and bank borrowings along with 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 100 basis point shift in interest rates would result in an increase of £3.2 million (2022: £3.2 million) or a decrease of £3.2 million (2022: £3.2 million).

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.

27. Financial risk management continued

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, which are committed lenders to the Group, with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital, 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 2023						
Borrowings	13.7	41.0	54.6	1,033.8	832.1	1,975.2
Amounts due to B and C Shareholders	—	—	—	—	—	—
Trade and other payables	106.9	—	—	—	1.0	107.9
	120.6	41.0	54.6	1,033.8	833.1	2,083.1
31 December 2022						
Borrowings	12.3	36.7	212.6	469.7	1,178.8	1,910.1
Amounts due to B and C Shareholders	—	—	—	42.2	—	42.2
Trade and other payables	111.2	—	—	—	2.0	113.2
	123.5	36.7	212.6	511.9	1,180.8	2,065.5

Included within the contracted payments is £343.2 million (2022: £280.2 million) of loan interest payable up to the point of maturity across the facilities.

28. 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 31.6% (2022: 31.2%) 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.

29. Equity reserves

Share capital

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

	31 December 2023 Number	31 December 2023 £m	31 December 2022 Number	31 December 2022 £m
Issued and fully paid at 1 pence each				
Balance at beginning of year – £0.01 Ordinary Shares	1,868,826,992	18.7	1,867,781,310	18.7
Shares issued in relation to extinguishment of share based payments	34,911,333	0.3	—	—
Shares issued in relation to management contract	—	—	1,045,682	—
Balance at end of year	1,903,738,325	19.0	1,868,826,992	18.7

Share premium

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



Notes to the Consolidated Accounts continued

29. Equity reserves continued

Capital reduction reserve

In 2015, 2018 and 2023, 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 these cancellations, £422.6 million, £932.4 million and £764.4 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.

30. 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.

	31 December 2023 £m	31 December 2022 £m
Net assets per Group Statement of Financial Position	3,334.0	3,350.0
EPRA NTA	3,372.5	3,370.8
Ordinary Shares:		
Issued share capital (number)	1,903,738,325	1,868,826,992
Basic and dilutive net asset value per share	175.13p	179.25p

	31 December 2023			31 December 2022		
	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to Shareholders	3,334.0	3,334.0	3,334.0	3,350.0	3,350.0	3,350.0
Revaluation of land options	26.5	26.5	26.5	20.4	20.4	20.4
Mark-to-market adjustments of derivatives	13.1	13.1	—	1.8	1.8	—
Intangibles	(1.1)	—	—	(1.4)	—	—
Fair value of debt	—	—	141.4	—	—	221.1
Real estate transfer tax ¹	—	342.3	—	—	387.4	—
NAV	3,372.5	3,715.9	3,501.9	3,370.8	3,759.6	3,591.5
NAV and Dilutive NAV per share	177.15p	195.19p	183.95p	180.37p	201.17p	192.17p

1. EPRA NTA and EPRA NDV reflect IFRS values which are net of real estate transfer tax “RETT”. RETT are added back when calculating EPRA NRV.

See Notes to EPRA NAV calculations for further details.

31. Operating leases

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

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 3 years £m	Between 3 and 4 years £m	Between 4 and 5 years £m	More than 5 years £m	Total £m
31 December 2023	201.9	204.5	199.3	195.1	179.6	1,808.5	2,788.9
31 December 2022	197.3	195.3	191.0	183.3	179.7	1,836.1	2,782.7

The majority of the Group’s investment properties are leased to single 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 11.4 years (2022: 12.6 years).

32. Transactions with related parties

For the year ended 31 December 2023, 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 £5.6 million (2022: £6.7 million).

The total expense recognised in the Group profit or loss relating to share-based payments under the Investment Management Agreement was £4.5 million (2022: £5.3 million), of which £2.3 million (2022: £2.7 million) was outstanding at the year end.

Details of amounts paid to Directors for their services can be found within the Directors’ Remuneration Report.



32. Transactions with related parties continued

During the year the six Members of the Manager included Colin Godfrey, James Dunlop, Henry Franklin, Petrina Austin, Bjorn Hobart and Frankie Whitehead.

During the year the Directors who served during the year received the following dividends; Aubrey Adams: £17,340 (2022: £16,240), Alastair Hughes: £3,358 (2022: £3,001), Richard Laing: £3,613 (2022: £3,463), Karen Whitworth: £2,218 (2022: £2,126), Wu Gang: £188 (2022: £87) and Elizabeth Brown: £1,255 (2022: £469). See note 9 and Directors' Remuneration Report for further details.

During the year the Members of the Manager received the following dividends: Colin Godfrey: £196,830 (2022: £174,834), James Dunlop: £194,074 (2022: £170,516), Henry Franklin: £144,283 (2022: £127,643), Petrina Austin: £25,334 (2022: £21,777), Bjorn Hobart: £29,198 (2022: £24,623) and Frankie Whitehead: £13,766 (2022: £10,470).

33. Reconciliation of liabilities to cash flows from financing activities

	Borrowings £m	Derivative financial instruments £m	Loan notes £m	Total £m
Balance on 1 January 2023	474.8	(19.9)	1,139.1	1,594.0
Cash flows from financing activities:				
Bank borrowings advanced	409.0	—	—	409.0
Bank borrowings repaid	(407.0)	—	—	(407.0)
Interest rate cap premium paid	—	(2.4)	—	—
Loan arrangement fees paid	(5.1)	—	—	(5.1)
Non-cash movements:				
Change in creditors for loan arrangement fees payable	0.1	—	—	0.1
Amortisation of loan arrangement fees	2.9	—	1.4	4.3
Fair value movement	—	11.2	—	11.2
Balance on 31 December 2023	474.7	(11.1)	1,140.5	1,604.1

In addition to the above cash flow movements in borrowings, interest was also paid of £47.9 million (2022: £35.8 million); this is included in the movement in accruals.

	Borrowings £m	Derivative financial instruments £m	Loan notes £m	Total £m
Balance on 1 January 2022	207.6	(1.8)	1,137.6	1,343.4
Cash flows from financing activities:				
Bank borrowings advanced	319.0	—	—	319.0
Bank borrowings repaid	(52.0)	—	—	(52.0)
Interest rate cap premium paid	—	(3.2)	—	(3.2)
Loan arrangement fees paid	(1.5)	—	0.1	(1.4)
Non-cash movements:				
Change in creditors for loan arrangement fees payable	—	—	0.1	0.1
Amortisation of loan arrangement fees	1.7	—	1.3	3.0
Fair value movement	—	(14.9)	—	(14.9)
Balance on 31 December 2022	474.8	(19.9)	1,139.1	1,594.0

34. Capital commitments

The Group had capital commitments of £128.1 million in relation to its development activity, asset management initiatives and commitments under development land, outstanding as at 31 December 2023 (31 December 2022: £99.9 million). All commitments fall due within one year from the date of this report.

As at 31 December 2023 the Group had exchanged on the purchase of an asset for the value of £47.7 million.

35. Subsequent events

The Group has completed the purchase of an asset to the value of £47.7 million on 9 January 2024.

On 12 February 2024 the Group announced that it had reached agreement on the key terms of a possible all-share offer for the entire issued and to be issued share capital of UK Commercial Property REIT Limited (UKCM). In accordance with Rule 2.6(a) of the Code, the Group will have until 5.00 pm on 8 March 2024, to either announce a firm intention to make an offer for UKCM in accordance with Rule 2.7 of the Code or announce that it does not intend to make such an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies.

There were no other 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 2023

Company Registration Number: 08215888

	Note	At 31 December 2023 £m	At 31 December 2022 £m
Fixed assets			
Investment in subsidiaries	5	2,166.9	2,243.3
Interest rate derivatives	10	1.0	—
Total fixed assets		2,167.9	2,243.3
Current assets			
Trade and other receivables	6	1,710.9	1,394.7
Cash held at bank	7	1.1	2.2
Total current assets		1,712.0	1,396.9
Total assets		3,879.9	3,640.2
Current liabilities			
Trade and other payables	8	(19.4)	(17.0)
Loans from Group companies		(87.4)	(88.2)
Total current liabilities		(106.8)	(105.2)
Non-current liabilities			
Bank borrowings	9	(263.1)	(101.1)
Loan notes	9	(1,140.5)	(1,139.1)
Total non-current liabilities		(1,403.6)	(1,240.2)
Total liabilities		(1,510.4)	(1,345.4)
Total net assets		2,369.5	2,294.8
Equity			
Share capital	11	19.0	18.7
Share premium reserve		49.1	764.4
Capital reduction reserve		1,463.9	835.1
Retained earnings		837.5	676.6
Total equity		2,369.5	2,294.8

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 2023 amounted to £160.8 million (31 December 2022: £132.1 million).

These financial statements were approved by the Board of Directors on 29 February 2024 and signed on its behalf by:

Aubrey Adams OBE, FCA, FRICS
Independent Chairman



Company Statement of Changes in Equity

For the year ended 31 December 2023

Note	Undistributable reserves		Distributable reserves		Total £m
	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	
1 January 2023	18.7	764.3	835.1	676.7	2,294.8
Profit for the year and total comprehensive income	—	—	—	160.8	160.8
	18.7	764.3	835.1	837.5	2,455.6
Contributions and distributions					
Shares issued in relation to extinguishment of B and C liabilities	0.3	49.2	—	—	49.5
Transfer between reserves	—	(764.4)	764.4	—	—
Share-based payments	—	—	—	4.5	4.5
Transfer of share-based payments to liabilities to reflect settlement	—	—	—	(4.5)	(4.5)
Dividends paid	—	—	(135.6)	—	(135.6)
31 December 2023	19.0	49.1	1,463.9	837.5	2,369.5

Note	Undistributable reserves		Distributable reserves		Total £m
	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	
1 January 2022	18.7	762.0	964.5	544.6	2,289.8
Profit for the year and total comprehensive income	—	—	—	132.1	132.1
	18.7	762.0	964.5	676.7	2,421.9
Contributions and distributions					
Shares issued in relation to management contract	—	2.3	—	—	2.3
Share-based payments	—	—	—	5.3	5.3
Transfer of share-based payments to liabilities to reflect settlement	—	—	—	(5.3)	(5.3)
Dividends paid	—	—	(129.4)	—	(129.4)
31 December 2022	18.7	764.3	835.1	676.7	2,294.8



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-the-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.

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.



1. Accounting policies continued

1.1. Financial assets continued

Amortised cost continued

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 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 years. There were no significant accounting judgements, estimates or assumptions in preparing these financial statements.

2. Standards issued and effective from 1 January 2023

There was no material effect from the adoption of other amendments to IFRS effective in the year. They have no impact on 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 2023 £m	Year ended 31 December 2022 £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 2023.

4. Dividends paid

For detail of dividends paid by the Company during the year, refer to note 14 of the Group's financial statements.

5. Investment in subsidiaries

	Shares £m	Loan £m	Total £m
As at 1 January 2023	2,243.3	—	2,243.3
Increase in investments via share purchase	66.6	—	66.6
Disposals	(143.0)	—	(143.0)
As at 31 December 2023	2,166.9	—	2,166.9
As at 1 January 2022 (restated)	2,243.3	—	2,243.3
Increase in investments via share purchase	—	—	—
As at 31 December 2022	2,243.3	—	2,243.3

The increase in investments was 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 2023:

	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%
G Avonmouth Unit Trust [#]	Property Investment	Jersey	100%
Tritax Acquisition 4 Limited	Property investment	Jersey	100%



Notes to the Company Accounts continued

5. Investment in subsidiaries continued

	Principal activity	Country of incorporation	Ownership %
Tritax Acquisition 5 Limited	Property investment	Jersey	100%
Sonoma Ventures Limited	Property investment	BVI	100%
Tritax REIT Acquisition 9 Limited	Investment holding company	UK ¹	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 Worksoop 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	Jersey	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 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 Stoke Management Limited	Management company	UK ¹	100%
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 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%*



5. Investment in subsidiaries continued

	Principal activity	Country of incorporation	Ownership %
TBBR Holdings 4 Limited [#]	Investment holding company	Jersey	100%*
Tritax Acquisition 50 Limited [#]	Property investment	Jersey	100%*
Tritax Acquisition Electric Avenue Limited [#]	Property investment	Jersey	100%*
Tritax Acquisition 51 Limited [#]	Property investment	Jersey	100%*
TBBR Finance (Jersey) Limited [#]	Financing company	Jersey	100%*
Tritax Symmetry Holdings 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	Property investment	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%
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%
Symmetry Park Merseyside Management Company Limited	Management company	UK	100%
Symmetry Park Kettering Management Company Limited	Management company	UK	100%



Notes to the Company Accounts continued

5. Investment in subsidiaries continued

	Principal activity	Country of incorporation	Ownership %
Symmetry Park Wigan Management Company Limited	Management company	UK	100%
Symmetry Park Rugby Management Company Limited	Management company	UK	100%
Tritax Symmetry Merseyside Land Limited	Property investment	UK	100%
Tritax Symmetry West Limited	Property investment	Jersey	100%
Tritax Symmetry Darlington 2 Ltd#	Property investment	Jersey	100%
Tritax Symmetry SRFI North Ltd#	Property investment	Jersey	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

UK¹ entities: 3rd Floor, 6 Duke Street St James's, London SW1Y 6BN

UK² 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 2023:

	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 2023 £m	31 December 2022 £m
Amounts receivable from Group companies	1,709.7	1,393.8
Prepayments	0.1	0.1
Other receivables	1.1	0.8
	1,710.9	1,394.7

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% (2022: 0%–10%).

7. Cash held at bank

	31 December 2023 £m	31 December 2022 £m
Cash held at bank	1.1	2.2

8. Trade and other payables

	31 December 2023 £m	31 December 2022 £m
Trade and other payables	12.9	9.3
Accruals	6.5	7.7
	19.4	17.0



9. Borrowings

Bank borrowings drawn

	31 December 2023 £m	31 December 2022 £m
Bank borrowings drawn: due in more than one year	269.0	103.0
Less: unamortised costs on bank borrowings	(5.9)	(1.9)
	263.1	101.1

Loan notes

	31 December 2023 £m	31 December 2022 £m
Bonds		
2.625% Bonds 2026	249.7	249.6
3.125% Bonds 2031	248.0	247.8
2.860% USPP 2028	250.0	250.0
2.980% USPP 2030	150.0	150.0
1.500% Green Bonds 2033	247.1	246.7
Less: unamortised costs on loan notes	(4.3)	(5.0)
Non-current liabilities: net borrowings	1,140.5	1,139.1

	31 December 2023 £m	31 December 2022 £m
Maturity of loan notes		
Repayable between one and two years	—	—
Repayable between two and five years	249.7	249.6
Repayable in over five years	895.1	894.6
	1,144.8	1,144.2

10. Interest rate derivatives

	31 December 2023 £m	31 December 2022 £m
Non-current assets: interest rate derivatives	1.0	—
Non-current liabilities: interest rate derivatives	—	—

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 2023 £m	31 December 2022 £m
Interest rate derivative valuation brought forward	—	—
Premium paid	1.2	—
Changes in fair value of interest rate derivatives	(0.2)	—
	1.0	—

An interest rate cap is used to mitigate the interest rate risk that arises as a result of entering into a variable rate linked loan to cap the rate to which SONIA can rise and is coterminous with the initial term of the loan.

The interest rate derivative is marked to market by the relevant counterparty banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark-to-market values of the derivatives are taken to the Statement of Comprehensive Income.

11. Equity reserves

Refer to note 29 of the Group's financial statements.

12. 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 32 of the Group's financial statements.

13. Directors' remuneration

Refer to note 9 of the Group's financial statements.

14. Subsequent events

Refer to note 35 of the Group's financial statements.



Notes to the EPRA and Other Key Performance Indicators (Unaudited)

Please note that the below measures may not be comparable with similarly titled measures presented by other companies and should not be viewed in isolation, but as supplementary information.

1. Adjusted earnings income statement

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

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Gross rental income	222.2	206.2
Service charge income	6.2	6.3
Service charge expense	(6.3)	(6.5)
Fixed rental uplift adjustments	(6.2)	(6.1)
Net rental income	215.9	199.9
Other operating income	—	9.3
Administrative expenses	(28.9)	(32.2)
Amortisation of other property assets	—	1.7
Adjusted operating profit before interest and tax	187.0	178.7
Net finance costs	(44.9)	(37.8)
Amortisation of loan arrangement fees	4.4	3.1
Adjusted earnings before tax	146.5	144.0
Tax on adjusted profit	(0.6)	1.6
Adjusted earnings after tax	145.9	145.6
Adjustment to remove additional DMA income	—	(5.3)
Adjusted earnings (excl. additional DMA income)	145.9	140.3
Weighted average number of Ordinary Shares	1,881,930,698	1,868,637,910
Adjusted earnings per share	7.75p	7.79p
Adjusted earnings per share (excl. additional DMA income)	7.75p	7.51p

2. EPRA Earnings per share

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.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Total comprehensive income (attributable to Shareholders)	70.0	(599.4)
Adjustments to remove:		
Changes in fair value of investment properties	38.1	759.5
Changes in fair value of interest rate derivatives	11.2	(14.9)
Change in fair value of financial asset	0.1	—
Share of loss/(profits) from joint ventures	(0.4)	(0.5)
Loss on disposal of investment properties	1.6	—
Finance income received on interest rate derivatives	(10.2)	—
Amortisation of other property assets	—	1.7
Impairment of intangible and other property assets	2.7	1.5
Profits to calculate EPRA Earnings per share	113.1	147.9
Add back: dilutive share-based payment charge	—	(2.0)
Fair value movement in contingent consideration	—	(1.1)
Profits to calculate EPRA diluted earnings per share	113.1	144.8
Weighted average number of Ordinary Shares	1,881,930,698	1,868,637,910
EPRA Earnings per share – basic	6.01p	7.91p
Dilutive shares to be issued	—	22,814,350
EPRA Earnings per share – diluted	6.01p	7.66p



3. EPRA NAV per share

A net asset value per share calculated in accordance with EPRA's methodology.

31 December 2023	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to Shareholders		3,334.0	3,334.0	3,334.0
Revaluation of land options		26.5	26.5	26.5
Mark-to-market adjustments of derivatives		13.1	13.1	—
Intangibles		(1.1)	—	—
Fair value of debt		—	—	141.4
Real estate transfer tax ¹		—	342.3	—
At 31 December 2023	28	3,372.5	3,715.9	3,501.9
NAV and Dilutive NAV per share		177.15p	195.19p	183.95p

31 December 2022	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to Shareholders		3,350.0	3,350.0	3,350.0
Revaluation of land options		20.4	20.4	20.4
Mark-to-market adjustments of derivatives		1.8	1.8	—
Intangibles		(1.4)	—	—
Fair value of debt		—	—	221.1
Real estate transfer tax ¹		—	387.4	—
At 31 December 2022	28	3,370.8	3,759.6	3,591.5
NAV and Dilutive NAV per share		180.37	201.17	192.18

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

4. EPRA Net Initial Yield (“NIY”) and EPRA “Topped Up” NIY

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

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Investment property – wholly owned	4,843.7	4,872.4
Investment property – share of joint ventures	4.2	4.2
Less: development properties	(262.7)	(403.2)
Completed property portfolio	4,585.2	4,473.4
Allowance for estimated purchasers' costs	309.5	303.3
Gross up completed property portfolio valuation (B)	4,894.7	4,776.7
Annualised passing rental income	225.3	224.0
Less: contracted rental income in respect of development properties	(4.6)	(18.8)
Property outgoings	(0.2)	(0.2)
Less: contracted rent under rent-free period	(17.5)	(4.9)
Annualised net rents (A)	203.0	200.1
Contractual increases for fixed uplifts	22.1	9.7
Topped up annualised net rents (C)	225.1	209.8
EPRA Net Initial Yield (A/B)	4.15%	4.19%
EPRA Topped Up Net Initial Yield (C/B)	4.60%	4.39%

5. EPRA Vacancy rate

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

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Annualised estimated rental value of vacant premises	6.7	5.3
Portfolio estimated rental value ¹	268.2	247.2
EPRA Vacancy rate	2.5%	2.1%

1. Excludes land held for development.



Notes to the EPRA and Other Key Performance Indicators (unaudited) continued

6. EPRA Cost Ratio

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

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Property operating costs	0.2	0.2
Administration expenses	6.9	6.2
Management fees	22.0	26.0
Exclude: service charge costs recovered through rents but not separately invoiced	—	—
Total costs including and excluding vacant property costs (A)	29.1	32.4
Vacant property cost	(0.1)	—
Total costs excluding vacant property costs (B)	29.0	32.4
Gross rental income – per IFRS	222.2	206.2
Less: service charge cost components of gross rental income	—	—
Gross rental income (C)	222.2	206.2
Total EPRA Cost Ratio (including vacant property costs)	13.10%	15.7%
Total EPRA Cost Ratio (excluding vacant property costs)	13.05%	15.7%

7. EPRA like-for-like rental income

Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m	Change £m	Change %
Like-for-like rental income	183.0	176.6		
Other rental income	0.2	0.2		
Like-for-like gross rental income	183.2	176.8	6.4	3.62
Irrecoverable property expenditure	(0.2)	(0.2)		
Like-for-like net rental income	183.0	176.6	6.4	3.62
Reconciliation to net rental income per Statement of Comprehensive Income:				
Development properties	7.2	0.2		
Properties acquired	1.6	—		
Properties disposed	7.2	14.6		
Properties under rent-free periods	6.8	3.5		
Spreading of tenant incentives and guaranteed rental uplifts	16.2	11.1		
Total per Statement of Comprehensive Income	222.0	206.0	16.0	7.77%

8. EPRA property-related capital expenditure

	Year end 31 December 2023 £m	Year ended 31 December 2022 £m
Acquisition ¹	109.2	4.9
Development ²	208.1	375.1
Transfers to investment property ²	(16.8)	(57.1)
Investment properties:		
Tenant incentives ³	21.0	11.1
Capitalised interest	4.6	4.7
Total	326.1	338.7
Conversion from accrual to cash basis	(17.2)	(51.9)
Total Capex on a cash basis	308.9	286.8

1. See note 15.

2. See note 15 and note 16.

3. Fixed rental uplift and tenant lease incentives after adjusting for amortisation on rental uplift and tenant lease incentives.



9. Total Accounting Return (“TAR”)

Net total return, being the percentage change in EPRA NTA over the relevant period plus dividends paid.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Opening EPRA NTA	180.37p	222.60p
Closing EPRA NTA	177.15p	180.37p
Change in EPRA NTA	(3.22p)	(42.23p)
Dividends paid	7.23p	6.93p
Total growth in EPRA NTA plus dividends paid	4.01p	(35.30p)
Total return	2.22%	(15.9%)
One-off transactional costs	—	—
Total return excluding one-off transactional costs	2.22%	(15.9%)

10. Total Expense Ratio

The ratio of total administration and property operating costs expressed as a percentage of average net asset value throughout the period.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Total operating costs	28.9	32.2
Average net assets over the period	3,371.5	4,219.2
Total Expense Ratio	0.86%	0.76%

11. Loan to value ratio

The proportion of our gross asset value that is funded by net borrowings.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Gross debt drawn	1,626.7	1,624.0
Less: cash	(36.4)	(47.6)
Net debt	1,590.3	1,576.4
Gross property value	5,030.4	5,059.3
Loan to value ratio	31.6%	31.2%

12. EPRA loan to value ratio

The proportion of our gross asset value that is funded by net borrowings.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Gross debt drawn	1,626.7	1,624.0
Working capital	87.1	87.4
Less: cash	(36.4)	(47.6)
Net debt	1,677.4	1,663.8
Gross property value	5,030.4	5,059.3
Loan to value ratio	33.3%	32.9%



Five Year Summary

Group Statement of Comprehensive Income

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Gross rental income	222.2	206.2	184.7	161.6	144.4
Service charge income	6.2	6.3	5.1	4.6	4.1
Service charge expense	(6.3)	(6.5)	(5.2)	(4.7)	(4.2)
Net rental income	222.1	206.0	184.6	161.5	144.3
Other operating income	—	9.3	18.9	8.6	4.1
Administrative and other expenses	(28.9)	(32.2)	(25.5)	(22.6)	(21.7)
Acquisition related costs	—	—	—	—	(4.2)
Operating profit before changes in fair value of investment properties, share of profit from joint ventures and share-based payment charges	193.2	183.1	178.0	147.5	122.5
Changes in fair value of investment properties	(38.1)	(759.5)	840.9	351.1	54.5
Gain/(loss) on disposal of investment properties	(1.6)	—	2.0	0.1	—
Administrative expenses	0.4	0.5	0.1	(0.1)	—
Fair value movements in financial asset	(0.1)	—	—	—	—
Impairment of intangible and other property assets	(2.7)	(1.4)	(2.9)	(0.4)	(0.6)
Share-based payment charge	(2.9)	(1.9)	(5.5)	(5.9)	(3.3)
Changes in fair value of contingent consideration payable	(0.4)	1.1	(4.2)	(2.9)	(0.5)
Extinguishment of B and C share liabilities	(21.1)	—	—	—	—
Gain on bargain purchase	—	—	—	—	7.8
Operating profit	126.7	(578.1)	1,008.4	489.4	180.4
Finance income	10.4	1.6	—	—	0.4
Finance expense	(55.3)	(39.4)	(40.1)	(37.6)	(34.4)
Changes in fair value of interest rate derivatives	(11.2)	14.9	2.8	(2.3)	(5.2)
Profit before taxation	70.6	(601.0)	971.1	449.5	141.2
Tax on profit for the period	(0.6)	1.6	1.5	(0.1)	—
Profit and total comprehensive income	70.0	(599.4)	972.6	449.4	141.2
Earnings per share – basic	3.72p	(32.08)p	55.4p	26.3p	8.40p
Earnings per share – diluted	3.72p	(32.08)p	55.3p	26.3p	8.38p



Group Statement of Financial Position

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Non-current assets					
Intangible assets	1.1	1.4	1.7	2.0	2.3
Investment property	4,843.6	4,847.3	5,249.1	4,053.5	3,541.2
Investment in land options	157.4	157.4	201.5	228.1	226.0
Investment in joint ventures	24.8	27.2	25.6	28.5	30.1
Financial asset	2.3	—	—	—	—
Other property assets	2.3	2.3	4.0	9.4	13.9
Trade and other receivables	1.0	2.0	2.0	2.0	—
Interest rate derivatives	11.1	19.9	1.8	0.1	1.3
Total non-current assets	5,043.6	5,057.5	5,485.7	4,323.6	3,814.8
Current assets					
Rent and other receivables	22.0	24.9	37.1	25.1	25.7
Assets held for sale	—	25.1	—	—	—
Cash at bank	36.4	47.6	71.1	57.8	21.4
Total current assets	58.4	97.6	108.2	82.9	47.1
Total assets	5,102.0	5,155.1	5,593.9	4,406.5	3,861.9
Current liabilities					
Deferred rental income	(38.6)	(34.7)	(38.6)	(36.1)	(35.3)
Trade and other payables	(106.9)	(111.2)	(85.9)	(69.3)	(76.1)
Tax liabilities	(2.2)	(1.1)	(4.3)	(1.9)	(18.7)
Total current liabilities	(147.7)	(147.0)	(128.8)	(107.3)	(130.1)
Non-current liabilities					
Trade and other payables	(1.0)	(2.0)	(2.0)	(2.0)	—
Interest rate derivatives	—	—	—	(1.1)	—
Bank borrowings	(474.7)	(474.8)	(207.6)	(206.7)	(256.2)
Loan notes	(1,140.5)	(1,139.1)	(1,137.6)	(1,136.4)	(891.5)
Deferred consideration	(4.1)	—	—	—	—
Amounts due to third parties	—	(42.2)	(41.4)	(31.7)	(22.9)
Total non-current liabilities	(1,620.3)	(1,658.1)	(1,388.6)	(1,377.9)	(1,170.6)
Total liabilities	(1,768.0)	(1,805.1)	(1,517.4)	(1,485.2)	(1,300.7)
Total net assets	3,334.0	3,350.0	4,076.5	2,921.3	2,561.2
Equity					
Share capital	19.0	18.7	18.7	17.2	17.1
Share premium reserve	49.2	764.3	762.0	466.5	446.7
Capital reduction reserve	1,463.9	835.1	964.5	1,078.9	1,188.1
Retained earnings	1,801.9	1,731.9	2,331.3	1,358.7	909.3
Total equity	3,334.0	3,350.0	4,076.5	2,921.3	2,561.2
Net asset value per share – basic	175.13p	179.25p	218.26p	169.92p	150.04p
Net asset value per share – diluted	175.13p	179.25p	218.18p	169.92p	150.04p
EPRA net asset value per share – basic and diluted	177.15p	180.37p	222.52p	175.61p	151.79p



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. Annualised rent, adjusting for the inclusion of rent free periods.

“Contracted annual rent”

Annualised rent, adjusting for the inclusion of rent free period

“Company”

Tritax Big Box REIT plc (Company number 08215888).

“CPI”

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

“Current development pipeline”

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

“CVA”

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

“db Symmetry”

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

“Directors”

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

“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.

“Dividend payout ratio”

Dividend per share divided by Adjusted Earnings per share.

“EPC rating”

A review of a property’s energy efficiency.

“EPRA”

European Public Real Estate Association.

“EPRA Earnings”

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

“EPRA NAV” or “EPRA Net Asset Value”

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

“EPRA Triple Net Asset Value (“NNNAV”)

EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.

“EPRA Net Tangible Asset (“NTA”)

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

“EPRA Net Reinstatement Value (“NRV”)

IFRS NAV adjusted to exclude the impact of any fair value adjustments to related derivatives. This includes the revaluation of land options and the Real estate transfer tax (“RETT”).

“EPRA Net Disposal Value (“NDV”)

IFRS NAV adjusted to include the fair values of debt and the revaluation of land options.

“EPRA Net Initial Yield (“NIY”)

Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser’s costs.



“EPRA ‘Topped-Up’ NIY”

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives, such as discounted rent periods and step rents).

“EPRA Vacancy”

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

“EPRA Cost Ratio”

Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.

“Estimated cost to completion”

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

“Estimated rental value” or “ERV”

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

“FCA”

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

“Forward Funded Development”

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

“Foundation asset”

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

“FRI Lease”

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

“Future development pipeline”

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

“Gearing”

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

“GIA”

Under the RICS Code of Measuring Practice (6th Edition) the Gross Internal Area (“GIA”) is the basis of measurement for valuation of industrial buildings (including ancillary offices) and warehouses. The area of a building measured to the internal face of the perimeter

walls at each floor level (including the thickness of any internal walls). All references to building sizes in this document are to the GIA.

“GAV”

The Group’s gross asset value.

“Global Real Estate Sustainability Benchmark (“GRESB”) Assessment”

GRESB assesses the ESG performance of real estate and infrastructure portfolios and assets worldwide, providing standardised and validated data to the capital markets.

“Gross rental income”

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

“Group” or “REIT Group”

The Company and all of its subsidiary undertakings.

“Growth Covenant asset”

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

“IMA”

The Investment Management Agreement between the Manager and the Company.

“Investment portfolio” or “Investment assets”

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

“Investment property”

Completed land and buildings held for rental income return and/or capital appreciation.

“Land asset”

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

“LIBOR”

London Interbank Offered Rate.

“Link” or “Link Services”

A trading name of Link Alternative Fund Administrators Limited (company number 02056193).

“Listing Rules”

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



Glossary of Terms continued

“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 OC326500).

“Minimum Energy Efficiency Standards (“MEES”)”

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

“Near-term Development Pipeline”

Sites which have either received planning consent or sites where planning applications have been submitted prior to the year end.

“Net Initial Yield (“NIY”)”

The annual rent from a property divided by the combined total of its acquisition price and expenses.

“Net rental income”

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

“Net zero carbon”

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

“Non-PID Dividend”

A dividend received by a shareholder of the principal company that is not a PID.

“Ordinary Shares”

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

“Passing rent”

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

“PID” or “Property income distribution”

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

“Portfolio”

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

“Portfolio Value”

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

“Pre-let”

A lease signed with a customer prior to commencement of a development.

“REIT”

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

“Rent roll”

See “Passing rent”.

“RPI”

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

“SDLT”

Stamp Duty Land Tax – the tax imposed by the UK Government on the purchase of land and properties with values over a certain threshold.

“Shareholders”

The holders of Ordinary Shares.

“SONIA”

Sterling Overnight Index Average.

“Speculative development”

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

“sq ft”

Square foot or square feet, as the context may require.

“Symmetry Management Shareholders”

The holders of B and C Shares in Tritax Symmetry.

“Symmetry ManCo”

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

“Topped up net initial yield”

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



“Total Expense Ratio” or “TER”

The ratio of total administration and property operating costs expressed as a percentage of average net asset value throughout the period.

“Total Accounting Return”

Net total return, being the percentage change in EPRA NTA over the relevant period plus dividends paid.

“Total Shareholder Return”

A measure of the return based upon share price movement over the period and assuming reinvestment of dividends.

“Tritax Symmetry”

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

“Tritax Symmetry Portfolio”

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

“True Equivalent Yield (“TEY”)

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

“UK AIFMD Rules”

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

“Value Add asset”

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

“WAULT” or “Weighted Average Unexpired Lease Term”

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

“Yield on cost”

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



Company Information

Company Registration Number: 08215888

Incorporated in the United Kingdom

Directors, Management and Advisers

Directors

Aubrey Adams OBE, FCA, FRICS
Independent Non-Executive Chairman

Karen Whitworth FCA
Senior Independent Director

Alastair Hughes FRICS
Independent Non-Executive Director

Elizabeth Brown
Independent Non-Executive Director

Wu Gang
Independent Non-Executive Director

Richard Laing FCA
Independent Non-Executive Director

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Joint Financial Adviser and Joint Corporate Broker

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Company Secretary

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Registrar

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HSBC Bank plc
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J. P. Morgan Chase Bank N.A.
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PGIM Real Estate Finance
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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.



Tritax Big Box REIT plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Revive 100 Silk, which is 100% post-consumer recycled, FSC® certified and totally chlorine free (TCF) paper. This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. Both the printer and the paper mill are registered to ISO 14001.

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